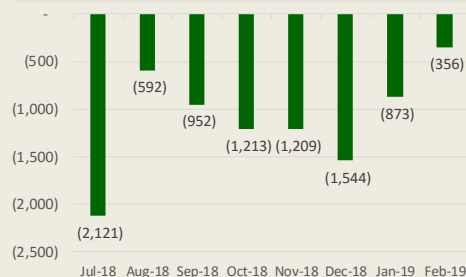


# Economy

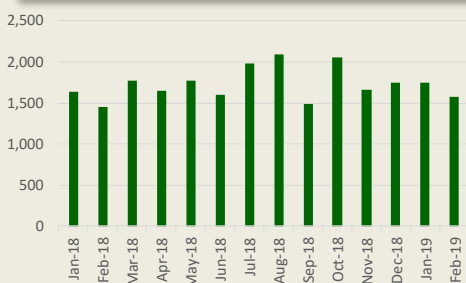


## CAD (USD in Mn)



Source: SBP

## Remittances (USD in Mn)



Source: SBP

## CAD Down to 28 Months Low to USD356Mn in Feb-19

- Pakistan Current Account Deficit (CAD) declined by 59% on MoM basis in Feb-19 to stand at USD356mn which is 28 months low.
- In Feb-19 imports declined by 20% on MoM basis as a result of Govt. step to curb import which was the major reason of lower monthly deficit.
- In 8MFY19 CAD declined by 22% as compared to same period of last year accredited to increase in remittances and declined in service import.

### CAD Down to 28 Months Low in Feb-19

According to data released by State Bank of Pakistan (SBP), CAD during the month of Feb-19 declined by 59% on MoM basis to USD356mn which is 28 months low. In Feb-19 trade deficit down by 22.5% to USD1.6bn as compared to USD2.13bn in Jan-19 accredited to decline in import of goods. In Feb-19 import declined by 20% to USD3.5bn as compared to USD4.4bn in Jan-19.

On cumulative basis in 8MFY19 CAD declined by 22.6% as compared to SPLY. Growth in remittances by 12% and declined in services import by 20% were the major savior of CAD. Goods export during 8MFY19 remained flat while imports declined by 1.6%, result in overall trade deficit of USD19.2bn as compared to USD19.83bn in SPLY (down by 2.8% YoY). Service Balance posted the decline of 37% mainly due to declined in imports of travel and transport services. On the other hand remittances post the growth of 12% in 8MFY19 due to Govt. policy of enforcing people to use legal channel to send remittance. Overall CAD in 8MFY18 reached 4.5% of GDP as compared to 5.3% in same period of last year.

(Million USD)	Feb-19	Jan-19	MoM	8MFY19	8MFY18	YoY
Export Goods	1,862	2,272	-18.0%	15,975	15,987	-0.1%
Import Goods	3,513	4,403	-20.2%	35,257	35,826	-1.6%
<b>Trade Balance</b>	<b>(1,651)</b>	<b>(2,131)</b>	<b>-22.5%</b>	<b>(19,282)</b>	<b>(19,839)</b>	<b>-2.8%</b>
Export Services	410	455	-9.9%	3,472	3,548	-2.1%
Import Services	608	667	-8.8%	5,776	7,178	-19.5%
<b>Service Balance</b>	<b>(198)</b>	<b>(212)</b>	<b>-6.6%</b>	<b>(2,304)</b>	<b>(3,630)</b>	<b>-36.5%</b>
Balance on primary Income	(307)	(511)	-39.9%	(3,460)	(3,269)	5.8%
Balance on Secondary Income	1,800	1,981	-9.1%	16,202	15,317	5.8%
Remittances	1,577	1,743	-9.5%	14,350	12,834	11.8%
<b>Current Account Balance</b>	<b>(356)</b>	<b>(873)</b>	<b>-59.2%</b>	<b>(8,844)</b>	<b>(11,421)</b>	<b>-22.6%</b>
<b>Capital Account Balance</b>	<b>4</b>	<b>10</b>	<b>-60.0%</b>	<b>156</b>	<b>240</b>	<b>-35.0%</b>
<b>Financial Account Balance</b>	<b>231</b>	<b>1,854</b>	<b>-87.5%</b>	<b>7,608</b>	<b>8,012</b>	<b>-5.0%</b>
<b>Overall Balance</b>	<b>(93)</b>	<b>965</b>	<b>N/A</b>	<b>(1,150)</b>	<b>(3,775)</b>	<b>-69.5%</b>
<b>SBP Gross Reserves</b>	<b>9,989</b>	<b>10,078</b>		<b>9,989</b>	<b>13,919</b>	
<b>CAD % of GDP</b>	<b>1.5%</b>	<b>3.8%</b>		<b>4.5%</b>	<b>5.3%</b>	

Source: SBP

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- Justified price to book (JPB)
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