



External Communications Department

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Governor SBP updates foreign investors on Pakistan's economic resilience and macroeconomic outlook

Governor SBP, Mr. Jameel Ahmad, highlighted Pakistan's improving macroeconomic conditions and outlook during high-level meetings with foreign investors from leading global institutions along the sidelines of the IMF-World Bank Annual Meetings in Bangkok, Thailand, from October 12 to 17. The meetings were organized and attended by senior executives from JP Morgan, Citibank, Jefferies, Deutsche Bank, Barclays, Bank of America, MSCI, Standard Chartered, and Mitsubishi UFJ Financial Group. The Governor also held meetings with bilateral and multilateral partners, other central banks, and global credit rating agencies.

The Governor informed participants that as a result of the sustained and prudent macroeconomic policies and structural reforms, Pakistan's economy has become more resilient in the face of domestic and external shocks. Inflation has declined sharply from elevated levels in FY23 to almost within the target range in FY26, despite the significant oil price shock. Real GDP growth, after contracting in FY23, has been rising gradually, reaching 3.7 percent in FY26 and is projected to range between 3.5 to 4.5 percent in FY27. SBP's FX buffers have also strengthened considerably, with official reserves recovering from less than \$3 billion in February 2023 to \$21.5 billion by October 9, 2026. Moreover, SBP's forward liabilities have reduced from over \$5.7 billion to less than \$1.0 billion. These improvements have been largely driven by SBP's FX purchases, whereas the external debt stock has risen only marginally over the last three years. The FX purchases were facilitated by an almost balanced current account in FY26. Regulatory reforms undertaken by SBP – especially for exchange companies and to encourage channelization of remittances via formal channels – have improved interbank FX liquidity. FX purchases are expected to continue, with the current account deficit projected to remain contained – within 0 to 1 percent of GDP – in FY27. Pakistan's fiscal position has also strengthened, with the primary fiscal balance posting a third consecutive annual surplus in FY26. As a result, the public debt-to-GDP ratio has been on a downward trajectory.

Governor SBP also informed that the Staff Level Agreement has been reached with the IMF for the EFF and RSF reviews. He noted that continued implementation of the reform agenda has improved investor confidence, led to upgrades in the country's sovereign credit ratings, and facilitated Pakistan's access to global capital markets despite a challenging global environment.

Mr. Ahmad emphasized that Pakistan's economic fundamentals remain strong, supported by a prudent policy mix. This has cushioned the impact of multiple shocks on the economy over the last three years. While the ongoing geopolitical developments pose challenges, Governor SBP reiterated that Pakistan's economy is in a significantly better position to withstand this shock than it was during previous periods of external stress. He also reaffirmed SBP's commitment to safeguarding hard-earned macroeconomic stability, strengthening external buffers, and advancing structural reforms for achieving sustainable economic growth.
