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Strengthening Economic Resilience, Export Competitiveness Key to Pakistan's Sustainable Growth: Governor SBP

Governor State Bank of Pakistan (SBP) Mr. Jameel Ahmad highlighted Pakistan's progress in restoring macroeconomic stability and emphasized the need to build on these gains by strengthening economic resilience, undertaking structural reforms and promoting sustainable, export-led growth. He was speaking at the Standard Chartered Bank's Annual Global Research Briefing in Karachi. The ceremony was attended by CEO Standard Chartered Pakistan, Mr. Adil Salahuddin, Global Geopolitical Strategist and Senior Economist Standard Chartered Bank, Mr. Philippe Dauba-Pantanacce, as well as representatives of the corporate and financial sector.

Highlighting the increasing frequency of global economic shocks, the Governor observed that emerging economies are particularly vulnerable to external developments, including commodity price volatility, geopolitical tensions and climate-related disruptions. He noted that countries with stronger fiscal and external buffers, credible policy frameworks and resilient institutions are better positioned to absorb such shocks and protect their economies.

Reflecting on Pakistan's recent economic challenges and adjustments made during FY22 and FY23, the Governor said that the government and the SBP undertook difficult but necessary policy measures, including monetary tightening, fiscal consolidation and temporary administrative measures to manage foreign exchange outflows. These measures, supported by prudent macroeconomic management and assistance from multilateral and bilateral development partners, helped restore stability and rebuild confidence in the economy.

The Governor emphasized that economic resilience extends beyond the accumulation of fiscal and external buffers. It also requires consistent and credible policies, flexible markets and strong institutions capable of responding effectively to emerging challenges. He noted that Pakistan's improved macroeconomic fundamentals have enhanced its ability to manage recent external shocks, including developments arising from the ongoing Middle East conflict, compared with the pressures experienced during the Russia-Ukraine crisis.

Discussing recent economic developments, the Governor highlighted improvements across key macroeconomic indicators. Inflation averaged close to the target range during FY26 and, despite a recent increase, is projected to gradually ease towards the medium-term target range. The current account deficit is expected to remain within 0–1 percent of GDP, while foreign exchange and fiscal buffers continue to strengthen. Economic activity is also recovering, with real GDP growth reaching 3.7 percent in FY26 and expected to improve further in the current fiscal year. He observed that these developments are increasingly being recognized by international credit rating agencies, multilateral partners and foreign investors.

Concluding his remarks, the Governor reaffirmed the commitment of the government and the SBP to strengthening the economy's resilience against increasingly frequent supply shocks while creating an enabling environment for sustainable economic growth. He emphasized the critical role of the private sector in achieving sustainable economic growth, the Governor called upon businesses and financial institutions to contribute towards strengthening the country's economic structure. He noted that breaking Pakistan's recurring boom-and-bust cycles requires higher exports, greater domestic savings and investment, and deeper financial markets.

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