Governor's Speech for ICMA Pakistan Convocation
Lahore: October 28, 2026

Mr. Muhammad Yasin, President ICMA Pakistan,
My fellow ICMA members,
Corporate and business executives,
Graduating students and their families,
Distinguished guests, ladies and gentlemen,

Assalam-o-Alaikum and a very good afternoon.

I am grateful to the organizers for inviting me to join you all today. It is always a great pleasure for me to attend such events organized by ICMA Pakistan. I am delighted to see the next generation of accounting professionals entering the industry to make a mark for themselves. I am also confident that you will utilize the skills and knowledge that you gained during your rigorous studies, and that your dedication, hard work, and commitment to excellence will help shape the future economic landscape of Pakistan.

At the outset, let me highlight some key economic developments particularly focusing on where our economy is currently and where it is heading, and how we can ensure that we do not repeat the mistakes of the past. For those of you who have been regularly attending ICMA Pakistan's convocation ceremonies for the past few years –you may recall that I had referenced the worst economic challenge we had faced in 2022, and shared with you our approach to gradually return towards stability.

Today, I want to say that though challenges still abound, we have come a long way since 2022. Despite the significant supply shocks, we have managed to contain the impact on the domestic economy. Inflation remained close to our target range in FY26. While it has gone up since then, it is projected to gradually ease towards the target range, supported

by prudent monetary tightening. The external account remains stable, with the current account deficit expected to remain within 0 to 1 percent of GDP. Real GDP growth is also recovering gradually, from a contraction in FY23 to 3.7 percent in FY26; and we expect it to rise further in the ongoing fiscal year. These improvements in economic fundamentals and the growing resilience in the economy are being recognized by international credit rating agencies, our multilateral partners, as well as foreign investors.

Ladies and gentlemen,

At this point, I want to take a moment to reflect on some of the key factors that have helped build this resilience in our economy and lessons that we can draw.

The first lesson is the importance of taking timely and forceful decisions – even if they are difficult or unpopular. When faced with a macroeconomic crisis during FY22 and FY23, we raised the policy rate to a high of 22 percent, and kept it there for almost a year, until we were confident that inflation was on a sustained downward trajectory. We also had to introduce temporary administrative measures to control non-debt FX outflows, so that we could continue to make our debt repayments on time.

These decisions attracted considerable criticism from different quarters. Yet, we remained focused on the underlying economic realities and the longer-term consequences of inaction. We recognized that these tough yet necessary measures were essential to restore macroeconomic stability and avert a deeper external financing and debt crisis. Similarly, the government has been steadfast in its fiscal consolidation, despite persistent calls from various quarters for short-term stimulus without adequately addressing structural weaknesses in the economy. The lesson is clear: lasting economic progress cannot be built on short-term fixes at the expense of long-term stability.

A second, equally important lesson is that good policymaking must be forward-looking, evidence-based, and supported by strong institutions. By keeping the real policy rate positive on a forward-looking basis, we did manage to bring inflation down from over 30 percent to within our medium-term target range. On the regulatory side, after the adoption of Risk-Based Supervision framework, our supervisory role has also shifted towards proactive identification of macro risks that could have implications for financial stability if not addressed well in time. Therefore, you did not see any worsening in our financial sector's adequacy and performance metrics over the past few years; rather they have actually strengthened.

Why do I share these experiences with you at your graduation ceremony?
Because the principles that guide sound economic policymaking are equally relevant to leadership in business and professional life. Whether you are managing a company, advising an institution, overseeing public resources, or making investment decisions, there will be times when the right decision is not necessarily the easiest or the most popular one.

You may be encouraged to note that many of your fellow ICMA professionals are working at senior positions at the SBP as well as in the financial industry. Many of them have contributed extensively to banking supervision. Moreover, they have played crucial roles in designing and strengthening regulatory frameworks over time. Your ICMA qualification has equipped you with precisely the kind of skills that responsible leadership demands: the ability to interpret data, critically evaluate information from multiple sources, assess risks, allocate resources efficiently, and make informed decisions, while upholding the highest standards of integrity and professional conduct.

My message to you is simple: when faced with such decision, let evidence guide your judgment, let professional ethics define your conduct, and let a long-term commitment to Pakistan's sustainable and inclusive development inform your action.

Ladies and gentlemen,

We need to build institutions that produce reliable information, enforce accountability, and reward productivity. That is, in its essence, what a well-functioning accounting profession contributes to an economy. We need businesses that make decisions on the basis of sound financial information, governments that use public resources responsibly, and financial systems that channel savings towards productive investment.

This is where the accounting and finance profession becomes indispensable. At its best, the profession does much more than record transactions or prepare financial statements. It helps establish trust, strengthens governance, improves resource allocation, and ensures that decisions are grounded in credible information and accountability. These are essential foundations of a well-functioning economy.

With that, I would like to again congratulate all the graduates and wish you all the very best in your future endeavors!

Thank you.