



Governor SBP updates foreign investors on Pakistan's improving macroeconomic outlook

Governor of the State Bank of Pakistan, Mr. Jameel Ahmad, reaffirmed Pakistan's improving macroeconomic stability and outlook during high-level meetings with senior executives from global financial and investment institutions, including JP Morgan, Standard Chartered, Deutsche, Jefferies, and major credit rating agencies. These engagements took place on the sidelines of the IMF–World Bank Spring Meetings in Washington, D.C.

Governor Ahmad briefed participants on the tangible progress Pakistan has made in stabilizing its economy. He highlighted that a prudent monetary policy, combined with sustained fiscal consolidation efforts, has led to macroeconomic stability in the country.

Mr. Ahmad highlighted that headline inflation has declined sharply over the past two years, reaching a multi-decade low of 0.7 percent in March 2025. Moreover, core inflation has also come down significantly from above 22 percent to a single-digit and is expected to moderate further in the coming months. Going forward, headline inflation is expected to stabilize within its target range of 5 to 7 percent, he viewed.

Regarding the external account, the Governor informed that Pakistan's FX buffers have registered a substantial qualitative as well as quantitative improvement. SBP's FX reserves have more than tripled since bottoming out in February 2023, whereas its forward liabilities have also reduced significantly. Mr. Ahmad highlighted that unlike previous episodes of reserve build-up, the ongoing rise in external buffers is not due to any further accumulation of external debt. In fact, Pakistan's public sector external debt, both in absolute terms and as a percent of GDP, has declined since June 2022. The Governor emphasized that this improvement reflects SBP's policy focus on building the economy's resilience against external shocks, including the ongoing trade-related global uncertainty. He explained that SBP has been able to build these FX buffers through FX purchases amidst a surplus in the external current account. He also shared that SBP is targeting to increase FX reserves to \$14 billion by June 2025.

Governor SBP highlighted that as the economic conditions have stabilized, Pakistan's GDP growth is gradually recovering and expected to be around 3 percent during FY25. He pointed out that the improvements in the country's economy have also been recognized by international credit ratings agencies.

Governor SBP shared that the focus of policymakers has remained to preserve the macroeconomic stability and undertaking structural reforms across different sectors of the economy. Mr. Ahmad expressed his confidence that with continued progress on the reform agenda, Pakistan will be able to achieve sustainable economic growth and socioeconomic uplift for its people.
