



Pakistan Economy September Trade Deficit Shrinks

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September Trade Deficit Shrinks

- September Trade numbers were released earlier today where the country's exports were recorded at US\$1.7bn, up 3.6% over last year but were significantly down by 14% over previous month. The decline over August is likely due to lower exports of agriculture commodities that may pick up pace going forward as Govt. has recently allowed sugar export of 1mn tons.
- The country's imports were recorded at US\$4.4bn, remained flat over last year and down significantly by 11% over previous month. The decline in imports on monthly basis is likely due to lower import of Furnace Oil (FO) as few power plants are closed amid liquidity constraints due to energy sector circular debt.
- Resultantly, the country's trade deficit for Sep 2018 hovered at US\$2.7bn, down 2.4% from last year and down 9% from August. It should be noted that August Current Account Deficit (CAD) was significantly lower than expected at US\$0.6bn. A lower trade deficit for September could result in a similar low CAD provided other statistics for September remain in line with previous month.
- For the quarter Jul-Sep 2018, the country posted slight improvement with exports up by 4.6% to US\$5.4bn while imports increased by only 0.6% to US\$14.3bn resulting in decline in trade deficit by 1.6% to US\$8.9bn.

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Sep 2018 Trade Numbers

US\$m	Sep'18	Sep'17	YoY	Aug'18	MoM
Exports	1,728	1,668	4%	2,017	-14%
Imports	4,430	4,438	-	4,992	-11%
Trade Balance	-2,703	-2,770	-2%	-2,975	-9%

Source: Pakistan Bureau of Statistics

Quarterly Trade Numbers

US\$m	1QFY19	1QFY18	YoY
Exports	5,390	5,156	4.6%
Imports	14,260	14,170	0.6%
Trade Balance	(8,869)	(9,014)	-1.6%

Source: Pakistan Bureau of Statistics

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