Economy News

Pakistan Unveils EV Policy 2025–30 to Promote Clean Transport

Pakistan has launched its National Electric Vehicle (NEV) Policy 2025–30, targeting 30% of new vehicle sales to be electric by 2030. The policy aims to cut carbon emissions, save $1 billion in fuel costs annually, and support local manufacturing. A Rs. 9 billion subsidy has been allocated for FY2025–26 to support over 116,000 e-bikes and 3,000 e-rickshaws, with 25% reserved for women. Key features include 40 motorway charging stations, battery swapping, V2G integration, and mandatory EV chargers in new buildings. The policy is expected to yield Rs. 800 billion in long-term savings and generate Rs. 15 billion from carbon credits.

Govt Unveils Draft Tariff Policy to Boost Industry, Exports

The government launched the draft National Tariff Policy 2025–30 at the National Regulatory Reforms Conference, aiming to simplify the tariff regime and promote export-led growth. The policy proposes duty-free access to raw materials, phased elimination of Additional and Regulatory Duties, and a four-slab tariff structure (0%, 5%, 10%, 15%). It is expected to benefit sectors like textiles, engineering, pharma, and IT, and yield Rs. 200 billion in trade and industry savings.

Current Account Posts $1.8 Billion Surplus in July–May FY2025

Pakistan recorded a current account surplus of $1.81 billion during July–May FY2024–25, compared to a deficit of $1.57 billion in the same period last year, according to the State Bank of Pakistan. However, a monthly deficit of $103 million was posted in May 2025. The overall trade deficit in goods and services widened to $27.06 billion, up from $22.61 billion last year. Workers' remittances rose sharply to $34.89 billion, while secondary income reached $36.77 billion, helping offset the higher trade and primary income deficits.

Government to Impose Rs. 77/litre Petroleum Levy on Furnace Oil from July 2025

To meet IMF commitments, Pakistan will impose a Petroleum Levy of Rs. 77 per litre and a Carbon Levy of Rs. 2.5 per litre on furnace oil starting July 1, 2025, as per amendments in the Petroleum Levy Ordinance 1961 under the Finance Act 2025–26. The Carbon Levy will also apply to petrol and diesel, initially set at Rs. 2.5/litre for FY2025–26 and increasing to Rs. 5/litre in FY2026–27. These measures, agreed with the IMF under the Resilience and Sustainability Facility (RSF), aim to expand the levy base and support fiscal sustainability.

Exports Rise 17.4% in May; Trade Deficit Narrows on Monthly Basis

Pakistan's exports rose by 17.4% to $2.55 billion in May 2025, while imports declined by 7.6% to $5.17 billion compared to April, reducing the trade deficit by 23.5% to $2.62 billion, according to PBS. However, year-on-year, exports fell by 10.1% and imports rose by 5.2%, widening the annual trade gap. During July–May FY2024–25, exports grew by 4.7% to $29.45 billion, while imports increased by 7.3% to $53.45 billion.

Pakistan Pays $6.1 Billion in External Debt Servicing in Jul–Dec FY2025

Pakistan paid $6.1 billion in external public debt servicing during the first half of FY2024–25, including $4.23 billion in principal and $1.88 billion in interest, according to the Ministry of Economic Affairs. Major repayments included $1.17 billion to the IMF, $792 million to Saudi Arabia, and $774 million to ADB. As of December 2024, total external public debt stood at $86.6 billion, with 63% from concessional multilateral and bilateral sources. New loan commitments totaled $2.5 billion, while disbursements reached $3.76 billion, primarily from the World Bank, ADB, and China. Net transfers showed a negative $1.73 billion, reflecting a reduction in debt stock.

Services Exports Rise 8.6% in 11 Months

Pakistan's services exports rose by 8.6% to $7.65 billion during July–May FY2024–25, compared to $7.04 billion in the same period last year, as per Pakistan Bureau of Statistics. Services imports increased by 6.6% to $10.32 billion, resulting in a slightly wider trade deficit of $2.67 billion. In May 2025, exports grew 1.6% year-on-year, while imports declined by 5.1%. Month-on-month, both exports and imports saw marginal declines.