

Pakistan Fiscal Summary - Fiscal Year 2025

Tuesday, August 5, 2025



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Fiscal Deficit Improves to 5.4% of GDP

The Ministry of Finance has released FY25's official Fiscal Summary figures.

Key Takeaways

- Pakistan's fiscal deficit improved to 5.4% of GDP in FY25 compared to 6.8% of GDP in FY24.
- Total revenue collection increased by **36% YoY to PkR 18.0tn**, supported by a **26% increase in tax collection to PkR 12.7tn** and a **66% surge in non-tax revenue collection to PkR 5.3tn**.
- Pakistan's total expenditures increased by **19% YoY to PkR 24.5tn during FY25**, up from PkR 20.6tn in FY24. The rise was driven by a 16% YoY increase in current expenditures to PkR 21.5tn. Notably, despite a 16% YoY increase in domestic debt, interest expenditures increased to PkR 8.9tn during FY25 because of lower interest rates.
- The development expenditure **increased by 43% YoY to PkR 3.0tn**.
- Pakistan's budget deficit registered at PkR 6,168bn (5.4% of GDP) in FY25 compared to PkR 7,207bn (6.8% of GDP) in FY24, falling by 14% YoY. The bulk of the uptick was seen in the 4th quarter of the fiscal year (in line with historical trend) as it surged by 123% QoQ to PkR 3,198bn.
- The primary balance **jumped by 185% YoY to PkR 2,719bn during FY25** because of the prevalent fiscal discipline and increased revenue collection.

| Pakistan Fiscal Summary | | | | | | | | |
|-------------------------|----------------|----------------|------------|----------------|-------------|----------------|----------------|-------------|
| PkR bn | Jun-25 | Jun-24 | YoY | Mar-25 | QoQ | 12MFY25 | 12MFY24 | YoY |
| Total Revenue | 4,630 | 3,489 | 33% | 3,603 | 29% | 17,997 | 13,269 | 36% |
| Tax Collection | 3,586 | 2,823 | 27% | 3,070 | 17% | 12,723 | 10,085 | 26% |
| Non-Tax Collection | 1,045 | 666 | 57% | 533 | 96% | 5,275 | 3,184 | 66% |
| Total Expenditure | 8,363 | 7,189 | 16% | 5,269 | 59% | 24,494 | 20,649 | 19% |
| Current Expenditure | 6,940 | 6,238 | 11% | 4,470 | 55% | 21,529 | 18,571 | 16% |
| Interest | 2,449 | 2,642 | -7% | 1,297 | 89% | 8,887 | 8,160 | 9% |
| Development Expenditure | 1,423 | 952 | 49% | 799 | 78% | 2,966 | 2,078 | 43% |
| Budget Balance | (3,198) | (3,321) | -4% | (1,432) | 123% | (6,168) | (7,207) | -14% |
| % of GDP | -11.2% | -12.5% | | -5.0% | | -5.4% | -6.8% | |
| Primary Balance | (749) | (679) | 10% | (135) | 455% | 2,719 | 953 | 185% |
| % of GDP | -2.6% | -2.6% | | -0.5% | | 2.4% | 0.9% | |

Source: MoF, BMA Research

Revenue collection increased by 36% YoY

As highlighted, Pakistan's revenue collection increased by **36% YoY** to **PkR 17,997bn** during FY25.

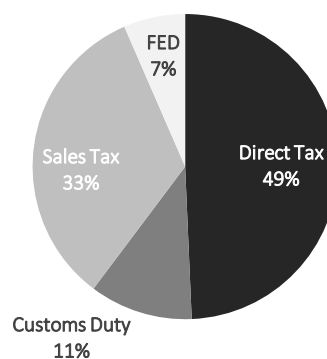
Revenue Highlights

- Pakistan's federal tax collection improved by 26% YoY to PkR 11,744mn, **undershooting the revised FBR target by PkR 154bn**. The improvement in collection found support from all major heads, including direct taxes, sales taxes, and FED.
- Direct taxes increased by **28% YoY to PkR 5,792bn during FY25**, supported by strong corporate profitability, effective taxation drive, and increased incentives for tax filing.
- Custom duties collection increased by **16% Yoy to PkR 1,285bn during FY25**, undershooting the target because of lower-than-anticipated trade activity.
- Sales tax collection increased by **26% YoY to PkR 3,901bn** and FED collection rose by **33% YoY to PKR 767bn** during FY25.
- Within non-tax revenues, the largest contributor was the government's share of SBP profits, which surged by **169% YoY to PkR 2,620bn during FY25**. This figure grew on account of a larger balance sheet and higher interest rates.
- Petroleum Levy collection grew by 20% YoY to PkR 1,220bn during FY25 because of higher PDL rates on petroleum products.
- After provincial transfers, the government's net revenue stood at **PkR 9,947bn during FY25**, an increase of 40% YoY. Notably, this figure accounted for nearly **90% of the interest servicing costs**.

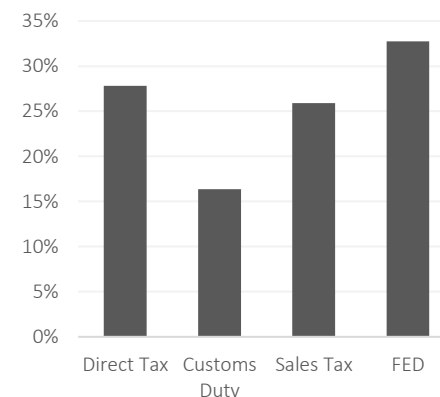
Fiscal Accounts Summary

| PkR bn | Jun-25 | Jun-24 | YoY | Mar-25 | QoQ | 12MFY25 | 12MFY24 | YoY |
|----------------------------|--------------|--------------|------------|--------------|------------|---------------|---------------|------------|
| Tax Revenue | 3,586 | 2,823 | 27% | 3,070 | 17% | 12,723 | 10,085 | 26% |
| Federal Tax | 3,291 | 2,599 | 27% | 2,828 | 16% | 11,744 | 9,311 | 26% |
| Direct Tax | 1,664 | 1,266 | 31% | 1,346 | 24% | 5,792 | 4,531 | 28% |
| Customs Duty | 357 | 296 | 21% | 329 | 9% | 1,285 | 1,104 | 16% |
| Sales Tax | 1,041 | 862 | 21% | 963 | 8% | 3,901 | 3,099 | 26% |
| FED | 230 | 176 | 31% | 190 | 21% | 767 | 577 | 33% |
| Provincial Tax | 294 | 223 | 32% | 242 | 22% | 979 | 774 | 26% |
| Non-Tax Revenue | 1,045 | 666 | 57% | 533 | 96% | 5,275 | 3,184 | 66% |
| Federal Non-Tax | 934 | 602 | 55% | 473 | 97% | 4,961 | 2,961 | 68% |
| Provincial (Mark-up) | 23 | 32 | -29% | 24 | -7% | 95 | 90 | 6% |
| Dividends | 48 | 24 | 97% | 41 | 16% | 187 | 89 | 111% |
| SBP Profits | 120 | 0 | n.m | 0 | n.m | 2,620 | 972 | 169% |
| Petroleum Levy | 386 | 300 | 29% | 284 | 36% | 1,220 | 1,019 | 20% |
| Others | 358 | 246 | 46% | 123 | 191% | 863 | 791 | 9% |
| Provincial Non-tax | 111 | 64 | 72% | 60 | 84% | 314 | 223 | 41% |
| Total Revenues | 4,630 | 3,489 | 33% | 3,603 | 29% | 17,997 | 13,269 | 36% |
| Provincial Transfers | 1,770 | 1,448 | 22% | 1,745 | 1% | 6,854 | 5,264 | 30% |
| Net Federal Revenue | 2,479 | 1,785 | 39% | 1,580 | 57% | 9,947 | 7,098 | 40% |

Share of Taxes (FY25)



Growth by Segment (FY25)



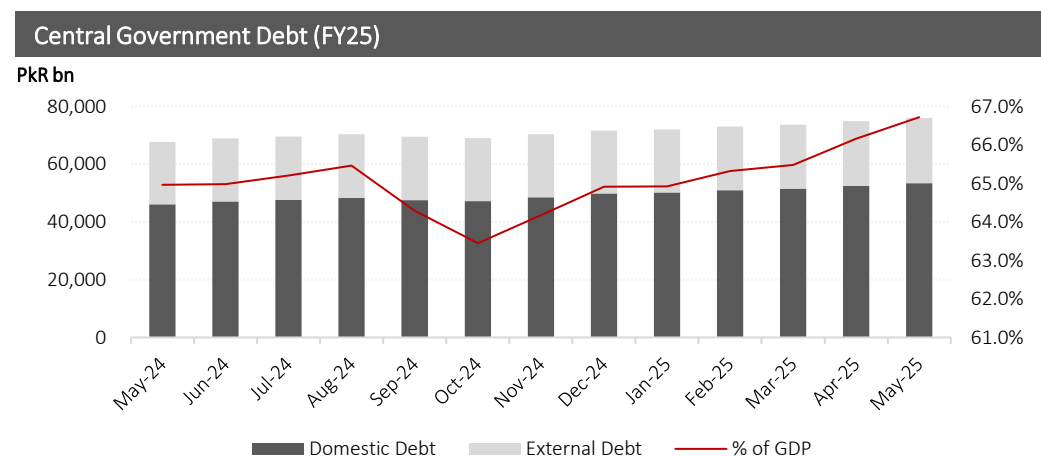
Expenditures grew by 19% YoY

As highlighted, Pakistan's expenditures increased by **16% YoY** to PkR 21,529bn during FY25.

Expenditure Highlights

- Pakistan's federal expenditures increased by **12% YoY** to PkR **15,696bn** during FY25, led by an increase in mark-up, defense and subsidies-related expenditures.
- Domestic mark-up expenditures increased by **12% YoY** to PkR **7,997bn** during FY25, led by higher central government debt and high interest rates. Foreign mark-up expenditures fell by **11% YoY** to PkR **890bn** because of lower interest rates.
- During the year, domestic debt increased by 16% YoY to PkR 53,461bn and external debt rose by 5% YoY to PkR 22,585bn.
- Moreover, defence expenditures increased by 18% YoY to PkR 2,194bn during the fiscal year.
- Total PSDP spending increased by **47% YoY** to PkR **2,983bn**, of which the bulk of the expenditure was witnessed in 4QFY25. A similar trend was witnessed in **Federal PSDP spending**, which grew by 24% YoY to PkR 786bn. Notably, 61% of the funding was utilized in 4QFY25.
- For FY26, the government is budgeting a **federal PSDP spending target of PkR 1.0tn** in a bid to support economic activity. The expenditure, however, will remain contingent on the country's fiscal balance.

| Fiscal Expenditures (FY25) | Jun-25 | Jun-24 | YoY (%) | Mar-25 | QoQ | 12MFY25 | 12MFY24 | YoY (%) |
|--------------------------------|--------------|--------------|------------|--------------|------------|---------------|---------------|------------|
| Current Expenditures | 6,940 | 6,238 | 11% | 4,470 | 55% | 21,529 | 18,571 | 16% |
| Federal Expenditures | 5,114 | 4,846 | 6% | 2,939 | 74% | 15,696 | 13,970 | 12% |
| Mark-up | 2,449 | 2,642 | -7% | 1,297 | 89% | 8,887 | 8,160 | 9% |
| Domestic Mark-up | 2,215 | 2,356 | -6% | 1,108 | 100% | 7,997 | 7,164 | 12% |
| Foreign Mark-up | 234 | 286 | -18% | 190 | 23% | 890 | 996 | -11% |
| Defence | 770 | 636 | 21% | 534 | 44% | 2,194 | 1,859 | 18% |
| Pension | 238 | 196 | 22% | 223 | 7% | 911 | 808 | 13% |
| Government Running | 333 | 265 | 25% | 220 | 51% | 892 | 784 | 14% |
| Subsidies | 832 | 594 | 40% | 229 | 263% | 1,298 | 1,067 | 22% |
| Grants | 492 | 512 | -4% | 436 | 13% | 1,514 | 1,292 | 17% |
| Provincial | 1,827 | 1,391 | 31% | 1,531 | 19% | 5,833 | 4,601 | 27% |
| Development Expenditure | 1,423 | 952 | 49% | 799 | 78% | 2,966 | 2,078 | 43% |
| Total PSDP | 1,448 | 869 | 67% | 764 | 90% | 2,983 | 2,027 | 47% |
| Federal PSDP | 476 | 365 | 31% | 177 | 170% | 786 | 635 | 24% |
| Provincial PSDP | 971 | 504 | 93% | 587 | 65% | 2,198 | 1,392 | 58% |
| Net Lending | (25) | 83 | -130% | 36 | -170% | (18) | 52 | -134% |
| Total Expenditure | 8,363 | 7,189 | 16% | 5,269 | 59% | 24,494 | 20,649 | 19% |



Annexure

| Fiscal Accounts Summary | | | | | | | | |
|--------------------------------|----------------|----------------|------------|----------------|-------------|----------------|----------------|-------------|
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| Dividends | 48 | 24 | 97% | 41 | 16% | 187 | 89 | 111% |
| SBP Profits | 120 | 0 | n.m | 0 | n.m | 2,620 | 972 | 169% |
| Petroleum Levy | 386 | 300 | 29% | 284 | 36% | 1,220 | 1,019 | 20% |
| Others | 358 | 246 | 46% | 123 | 191% | 863 | 791 | 9% |
| Provincial Non-tax | 111 | 64 | 72% | 60 | 84% | 314 | 223 | 41% |
| Total Revenues | 4,630 | 3,489 | 33% | 3,603 | 29% | 17,997 | 13,269 | 36% |
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| Net Federal Revenue | 2,479 | 1,785 | 39% | 1,580 | 57% | 9,947 | 7,098 | 40% |
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| Total PSDP | 1,448 | 869 | 67% | 764 | 90% | 2,983 | 2,027 | 47% |
| Federal PSDP | 476 | 365 | 31% | 177 | 170% | 786 | 635 | 24% |
| Provincial PSDP | 971 | 504 | 93% | 587 | 65% | 2,198 | 1,392 | 58% |
| Other Expenditure | 0 | 0 | n.m | 0 | n.m | 0 | 0 | n.m |
| Net Lending | (25) | 83 | -130% | 36 | -170% | (18) | 52 | -134% |
| Total Expenditure | 8,363 | 7,189 | 16% | 5,269 | 59% | 24,494 | 20,649 | 19% |
| Statistical Discrepancy | (535) | (380) | 41% | (234) | 128% | (329) | (173) | 90% |
| Fiscal Balance | (3,198) | (3,321) | -4% | (1,432) | 123% | (6,168) | (7,207) | -14% |
| Primary Balance | (749) | (679) | 10% | (135) | 455% | 2,719 | 953 | 185% |
| GDP | 114,692 | 106,045 | 8% | 114,692 | 0% | 114,692 | 106,045 | 8% |

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Old rating system

Valuation Methodology

To arrive at our period end target prices, BMA Capital uses different valuation methodologies including

- Discounted cash flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

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Tel: (021) 34825023

North Nazimabad Branch:

D-14 Office No 02, 2nd Floor Block H,
MCB Building, Near 5 Star Round About,
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Tel: (021) 36672301-00.

Awami Markaz Branch:

G13, Ground floor, Awami Markaz,
Shahrah-e-Faisal Karachi.
Tel: (021) 34300578

Lahore Cavalry Branch:

Office No. 74, 2nd Floor, Commercial Area,
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Tel: (042) 3667 6614-20
Fax: (042) 3661 9912

Lahore Gulberg Branch:

Commercial Office No. 402, 7th Floor,
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Gulberg II, Lahore.
Tel: (042) 35762953-57

Lahore LSE Branch:

1st Floor Room# 110-111, LSE Building,
19- Khayaban-e-Aiwan-e-Iqbal, Lahore.
Tel: (042) 36280931-34

Islamabad Branch:

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Fax: (051) 280 2356

Sialkot Branch:

2nd Floor, Sialkot Business & Commerce
Centre, Paris Road, Sialkot, Adjacent to
Sialkot Chamber of Commerce.
Tel: (052) 4260091-94

Multan Branch:

Office No. 607/A, 6th Floor,
The United Mall, Plot No. 74
Abdali Road, Multan
Tel: (061) 457 6611-15
Fax: (061) 457 6615

Sargodha Branch:

Ground floor, Shan Plaza, Block No 16,
Main Khushab Road, Near Allied Bank
Limited, Sargodha.
Tel: (048) 3767 817-18

Faisalabad Branch:

Mezzanine Floor, State Life Building #2,
Plot No. 833 Liaquat Road, Faisalabad.
Tel: (041) 2612261-5.

Gujranwala Branch:

51-H block Near Standard Chartered Bank
Trust Plaza GT road Gujranwala.
Tel: (055) 3848501-05

Chakwal Branch:

Office No. 12, 1st Floor, Ejaz Plaza,
Talagang Road Chakwal.
Tel: (0543) 553850, 0543-543720, 0543-
543721.

Jhelum:

2nd Floor, Khalid Plaza, Plot#7/89,
Kazim Kamal Road, Jhelum, Punjab.
Tel: (054) 4620594-97

Peshawar Branch:

Shop No.F1 & F2, 1st Floor Mall Tower 35,
The Mall Peshawar Cantt.
Tel: (091) 5274770-72

Abbottabad Branch:

Gohar Son's Arcade 1st Floor Office# 4,
Supply Bazar Sikandarabad Abbottabad,
KPK.
Tel: (0992) 400346-47

Gujar Khan Branch:

1st Floor, Office# 101 & 102, Akbar Kayani
Plaza, GT Road, Gujar Khan.
Tel: (051) 3762083

Bahawalpur Branch:

Plot # 13-A, 1st Floor, Office # 2,
Model Town B, Bahawalpur
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