

HBL PMI: Manufacturing Growth Eases but Stays Positive

Karachi, Pakistan – 3 April 2025: The HBL Pakistan Manufacturing PMI, compiled by S&P Global, posted a reading of 52.7 in March, down from 54.0 in February. A figure above 50 denotes an expansion in activity and below it signifies a contraction.

Humaira Qamar – Head of Equities & Research stated “This was the lowest reading since Sep’24 but remained within the expansion territory. The pace of expansion slowed due to a softer rise in New Orders and Manufacturing Output. New orders & output grew at a slower rate but remained robust, flashing early signs of demand resilience in the economy”

The latest expansion in new orders is driven not only by a recovery in domestic demand but also by rising foreign demand for Pakistani goods. New export orders expanded for the seventh consecutive month and firms credited this to improved quality standards.

Humaira pointed out that the recent dip in goods exports is not concerning. “The recent broad-based decline in goods exports observed in February appears transitory and this was most likely attributable to the fewer number of days during the month.”

The March PMI release comes a week after the latest GDP statistics from PBS. The core advantage of the PMI is its ability to provide up-to-date, accurate and often unique monthly indicators of economic trends while GDP is quarterly and typically lags by a period of 3-5 months.

Humaira acknowledged that GDP growth remains on the weaker side but there are early signs of growth returning and the sector’s outlook remains positive. Her optimism is shared by the survey participants.

“Despite weaker hard data, with PBS recently reporting a 0.2% contraction in industrial activity during October-December 2024, the sectors outlook remains positive. The confidence of survey participants was associated with expectations of easing price pressures as well as accommodative economic and taxation policies.”