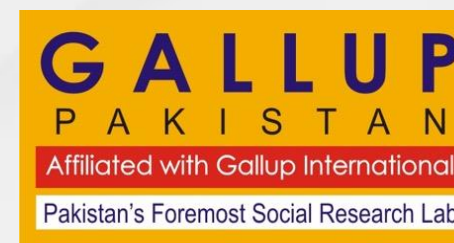


GALLUP PAKISTAN BUSINESS CONFIDENCE INDEX (BCI)

4th Quarter 2024 Report
(Findings cover October , November , December 2024)

**Measuring the sentiments of business community in Pakistan
through a statistically accurate method**





Gallup Pakistan Business Confidence Index (BCI)* – An Introduction

Business Confidence Index is a crucial and globally used indicator for forecasting economic activity as particularly suitable for monitoring short-term changes in the economy.

Why measure? Business activity indicators, if timely available, give policy makers the chance to analyze the current situation & take appropriate policy actions to avert financial and other economic crises.

Business Confidence Index offers opportunity for businesses to contribute directly to the **policy formulation process** by sharing their perceptions of current and future economic and business conditions.

Another use of **Business Confidence Index** is that forward-looking monetary policy requires input on expectations of different agents and stakeholders of the economy.

This survey was conducted with **482 businesses** across Pakistan from 21st January till 28th January 2025, by Gallup Pakistan, which specialized in data analytics and data creation.

Surveyed firms include manufacturing, services, construction, wholesale and retail trade and financial services sector spread across the country to seek their opinions on production, employment, and economic conditions etc.

This is the 14th report of the recently launched Gallup Pakistan Business Confidence Index

*Business Confidence Survey in Pakistan is produced also by State Bank of Pakistan in collaboration with IBA, Karachi. The reports are available at [State Bank of Pakistan \(sbp.org.pk\)](https://sbp.org.pk). The Gallup Pakistan Business Confidence Survey covers a broader range of the business community, including registered and non-registered businesses, and small, medium, and large enterprises. The SBP survey covers SECP registered businesses (there are approximately 6 million businesses in Pakistan and only 100,000 are registered with the SECP) and prioritizes large businesses from among them. Hence, the results between Gallup Pakistan and SBP surveys might not necessarily match.



GALLUP PAKISTAN BUSINESS CONFIDENCE SURVEYS OVER TIME



QUARTER	TIMELINE	LINK
Q2 2020	April-May-June	Q2 2020 (CLICK HERE)
Q3 2020	July-August-September	Survey not conducted
Q4 2020	October-November-December	Q4 2020 (CLICK HERE)
Q1 2021	January-February-March	Survey not conducted
Q2 2021	April-May-June	Q2 2021 (CLICK HERE)
Q3 2021	July-August-September	Survey not conducted
Q4 2021	October-November-December	Q4 2021 (CLICK HERE)
Q1 2022	January-February-March	Q1 2022 (CLICK HERE)
Q2 2022	April-May-June	Survey not conducted
Q3 2022	July-August-September	Survey not conducted
Q4 2022	October-November-December	Q4 2022 (CLICK HERE)
Q1 2023	January-February-March	Q1 2023 (CLICK HERE)
Q2 2023	April-May-June	Q2 2023 (CLICK HERE)
Q3 2023	July-August-September	Q3 2023 (CLICK HERE)
Q4 2023	October-November-December	Survey not conducted
Q1 2024	January-February-March	Q1 2024 (CLICK HERE)
Q2 2024	April-May-June	Q2 2024 (CLICK HERE)
Q3	July-August-September	Survey not conducted
Q4 2024	October-November-December	RELEASING NOW



WHAT IS COVERED IN THE REPORT

1. Business Confidence Index

Gallup Pakistan Business Confidence Index is composed of three strands



a. **Current Business Conditions Score** – The score represents the net value of the **positive – negative**.

A positive Current Business confidence score means more businesses are confident/positive about current business conditions than those who are **not** confident/positive.



b. **Future Business Condition Score** – The score represents the net value of the **positive-negative**

A positive Future Business Score represents that more businesses are confident/optimistic about the future than those who are **not** confident/optimistic.



c. **Direction of the Country Score** – The score represents the net value of the **positive –negative**

A positive Direction of the country Score represents that more businesses are optimistic about the Direction of the country being Right vs those who think it is **not** right.

2. Other Business Research topics . Each quarter we look at a different set of issues. In this current edition of BCI we explore :

- Extent of Load shedding faced by business community in Pakistan
- Extent of corruption faced by business community in Pakistan
- Whether businesses are hiring or firing employees?
- Perceived performance of current Federal Government.



3 KEY FINDINGS – Q4 2024 REPORT



KEY FINDING 1: The ‘Direction of the Country Score’ continues to be in the red, meaning that more businesses continue to feel that direction of country is wrong than there are who feel it is right. However, comparing the results with Q2 2024 (field work did not happen in Q3), there is an improvement, and more businesses are saying that the direction is right as compared to six months ago. In other words, on this count, index has improved from negative confidence to poor confidence as defined by Gallup in its methodology.

KEY FINDING 2: Future and Current Business score (the other two strands of Gallup BCI) have seen major improvement since Q2 2024. On both scores now, more businesses are saying that things are improving, and they will continue to improve in future as compared to six months ago.

Key Findings 3: Overall, all the three strands of Gallup Business Confidence have seen an improvement since Q2 2024, showing there is growing optimism in the business community. Among the three strands, direction of the country continues to be less buoyant, which may be reflective of the overall political situation in the country and less linked with economic management.

Strand 1: Current Business Situation Score		
• Q4 2024:	10%	↑
• Q2 2024:	-10%	
Strand 2: Future Business Situation Score		
• Q4 2024:	22%	↑
• Q2 2024:	-14%	
Strand 3: Direction of the Country Score		
• Q4 2024:	-24%	↑
• Q2 2024:	-64%	

Interpretation of the Score

A positive score means more businesses are feeling positive/confident/optimistic

A negative score means more businesses are feeling negative /pessimistic

Legend

+1% to 25% = Fair Confidence

+26 to 75% = Great Confidence

+75% to 100% = Excellent Confidence

-1% to -25% = Poor Confidence

-26 to -75% = Negative Confidence

-75% to -100% = Deep Negative Confidence



Gallup Pakistan Business Confidence Assessment (trend over previous quarters)



Gallup Pakistan Business Confidence Index for	Q4 2022 Score	Q1 2023 Score	Q2 2023 Score	Q3 2023 Score	Q1 2024 Score	Q2 2024 Score	Q4 2024 Score	Direction Q4 vs Q2	Assessment for Q2 2024 (this report)
Strand 1 Current Business Situation Score	-31%	-32%	-26%	-1%	6%	-10%	10%	Improvement	Fair Confidence
Strand 2 Future Business Situation Score	-10%	-22%	-20%	22%	4%	-14%	22%	Improvement	Fair Confidence
Strand 3 Direction of the Country Score	-75%	-79%	-77%	-47%	-60%	-64%	-24%	Improvement	Poor Confidence

LEGEND

+1% to 25% = Fair Confidence
 +26 to 75% = Great Confidence
 +75% to 100% = Excellent Confidence

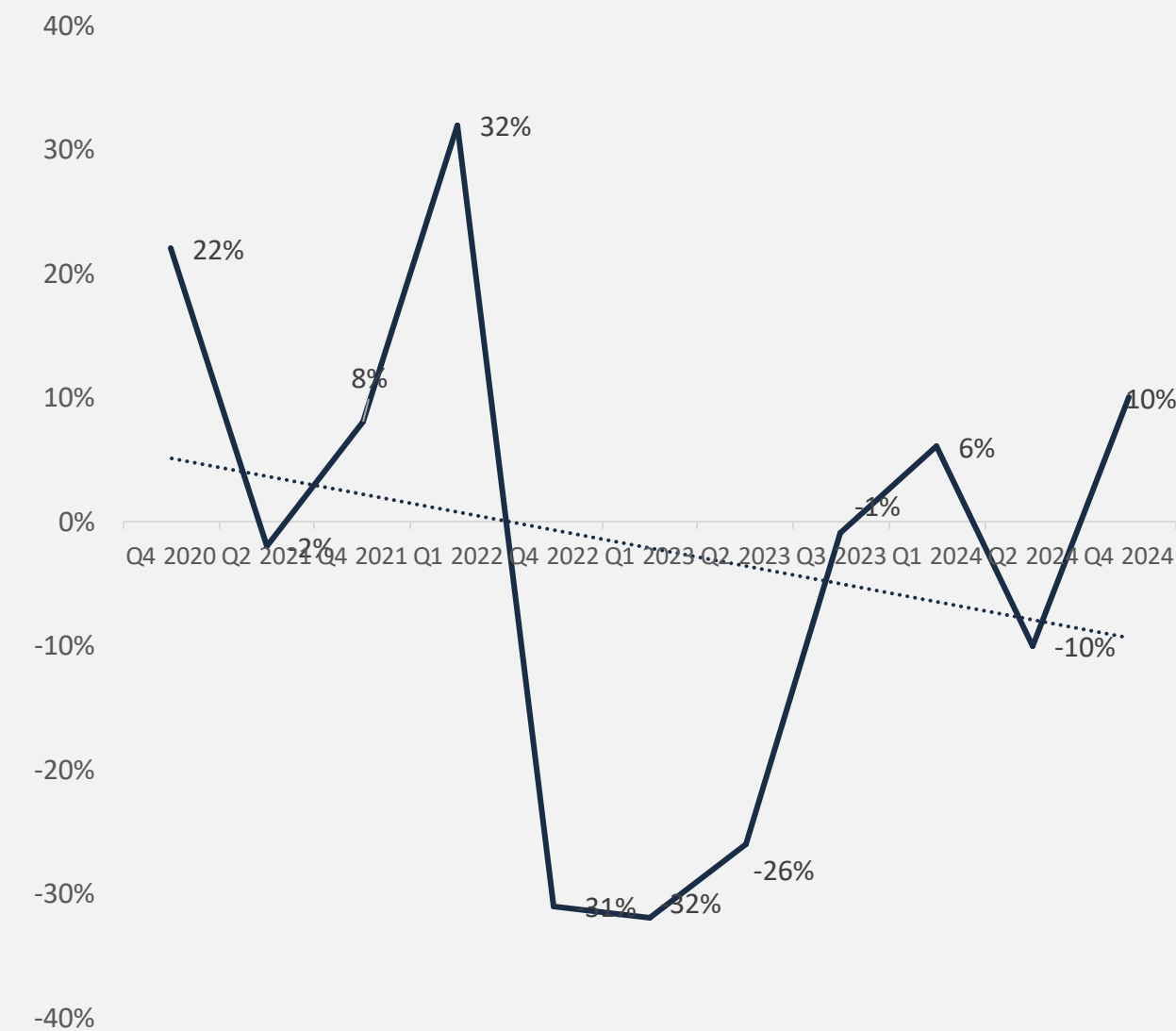
-1% to -25% = Poor Confidence
 -26 to -75% = Negative Confidence
 -75% to -100% = Deep Negative Confidence

Note : Field work in Quarter 3 was not conducted so data is not available. For methodology please visit methodology section towards end of the report

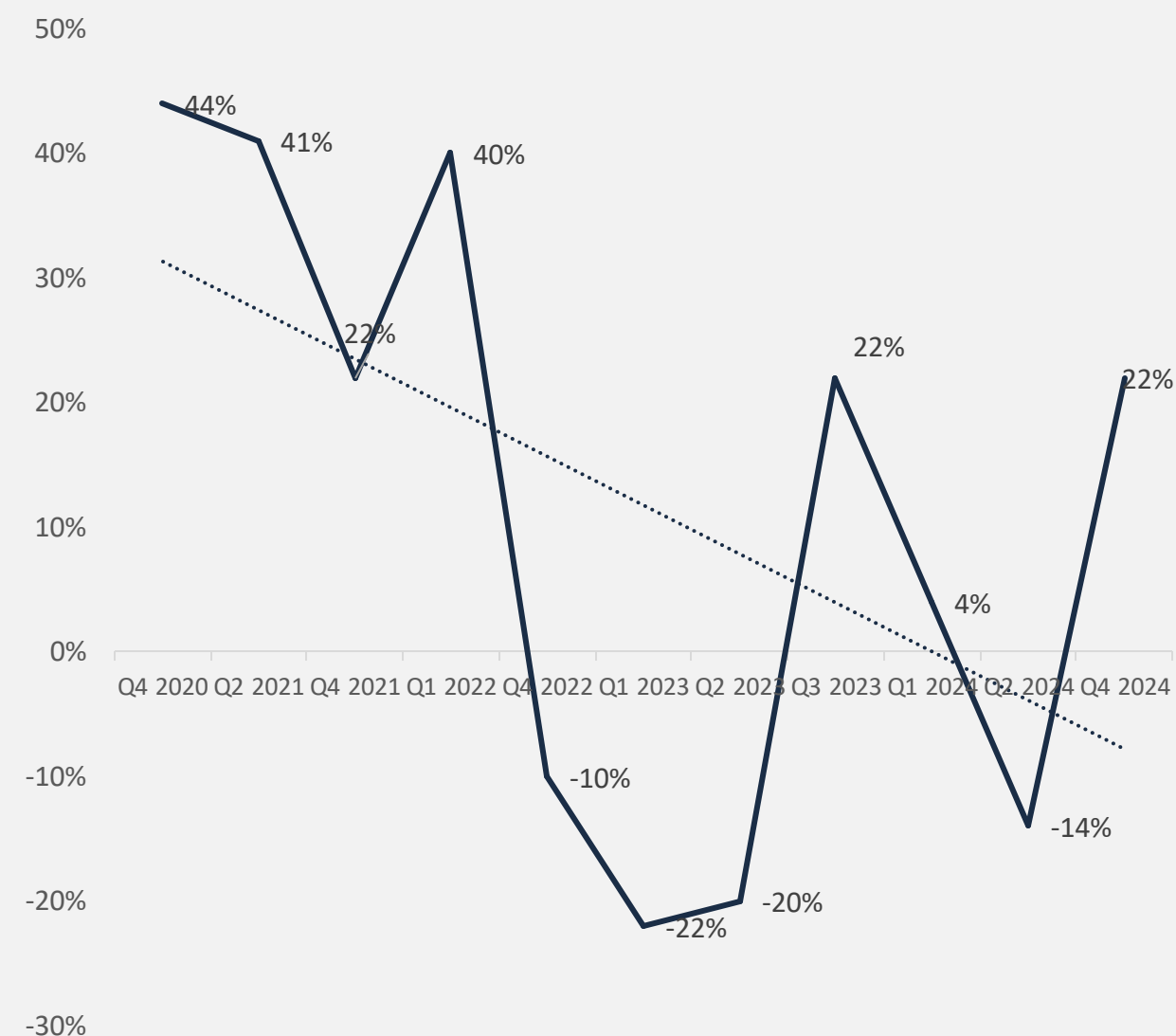
Three strands of Gallup Pakistan Business Confidence Index – SUMMARY SNAPSHOT (2020- 2024)



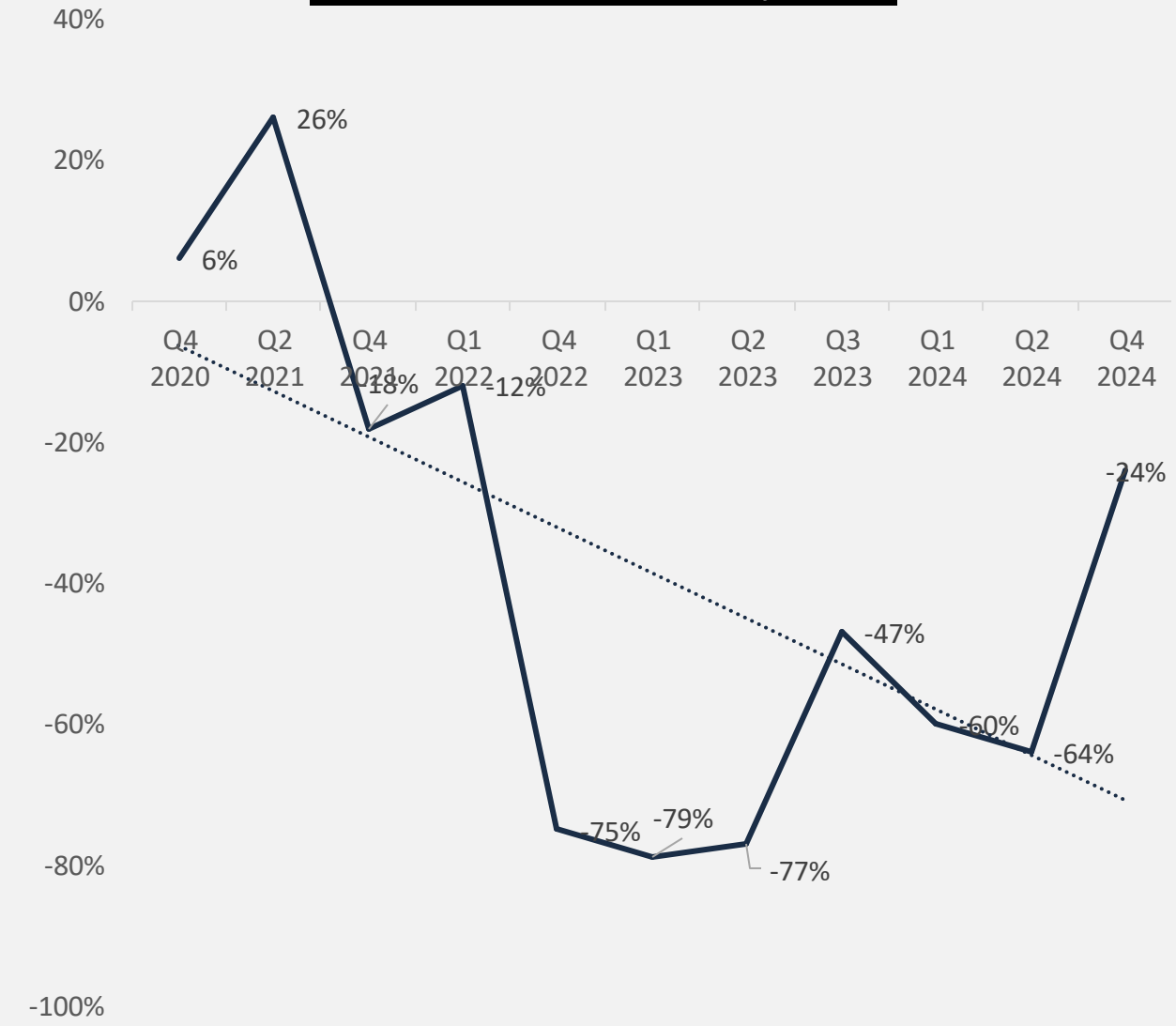
Current Business Situation Score



Future Business Situation Score



Direction of the Country Score



Between Q2 2024 and Q4 2024, there is an overall improvement in all three scores: the current business score, the future business score and the direction of country score.



EXECUTIVE SUMMARY



GALLUP
P A K I S T A N
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

EXECUTIVE SUMMARY



Finding 1: 55% Surveyed businesses say their **business is doing well these days** (either very well or some what well). There is a 10% improvement since Q2 2024 (about six months ago) when the same question was asked. There is also reduction of around 7% in businesses who rate their current situation as very bad. Manufacturing sector seems to have recovered less than services and trade sector when it comes to rating current business situation.

Finding 2: In Q4 2024, 19% more businesses than in Q2 of 2024 think that their business **will be better off in the future**; 61% in Q4 2024 said expectations for the future are positive, while 40% expect things to get worse. The Net Future Business Confidence score has increased by 36% since Q2 2024.

Finding 3: 20% less businesses in Quarter 4 of 2024, as compared to Quarter 2 of 2024, think that the **country is heading in the wrong** direction. Overall trend for the past few quarters has been consistently negative, however there is some improvement in the current quarter.



EXECUTIVE SUMMARY



Finding 4: Similar to Q2 2024, inflation is the most cited problem in Q4 that 30% of businesses would like the government to solve. The proportion of businesses that want the government to solve/decrease taxation decreased from 20% to 14%.

Finding 5: 33% of the businesses surveyed said that their workforce decreased in Quarter 4, a reduction of 10% from Quarter 2. More service providing businesses than manufacturers and traders decreased their workforce.

Finding 6: 56% of businesses surveyed said 'no' loadshedding happened in their establishment on the day of the survey, while 44% said yes. Quarter-to-Quarter reports of loadshedding decrease: 17% less businesses in Quarter 4 report loadshedding in their business on the day they were surveyed, (Q2 covered summer months and Q4 covers winter, and the results are consistent with expectations 56% of businesses surveyed said 'no' to loadshedding in Q4, while 44% said yes.

Finding 7: Around a third of businesses (34%) reported having to pay a bribe to run their business in the past six months. More traders report having to pay a bribe (50%) than manufacturers(35%) and service providers (33%).



EXECUTIVE SUMMARY



Finding 8: 41% surveyed businesses said PMLN was better than previous PTI government, another 21% found it similar. 38% found PMLN government worse than PTI government.

Finding 9: Majority (51%) business owners surveyed perceived themselves to be not risk takers ; Roughly half (49%) the businesses described themselves as at least somewhat risk-takers.



SECTION 1:

Gallup Pakistan Business Confidence Index



Gallup Pakistan Business Confidence Index Yardstick

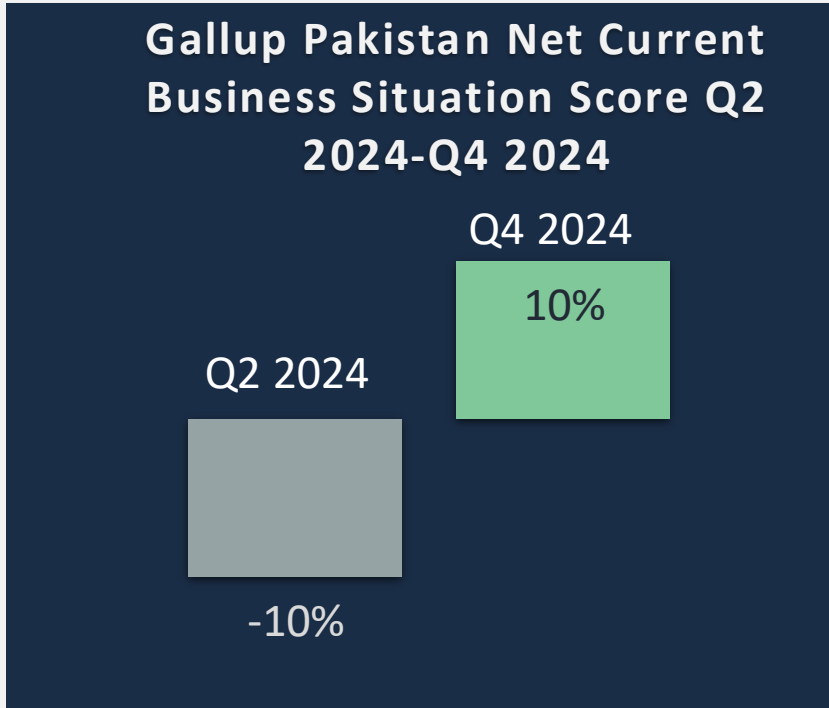
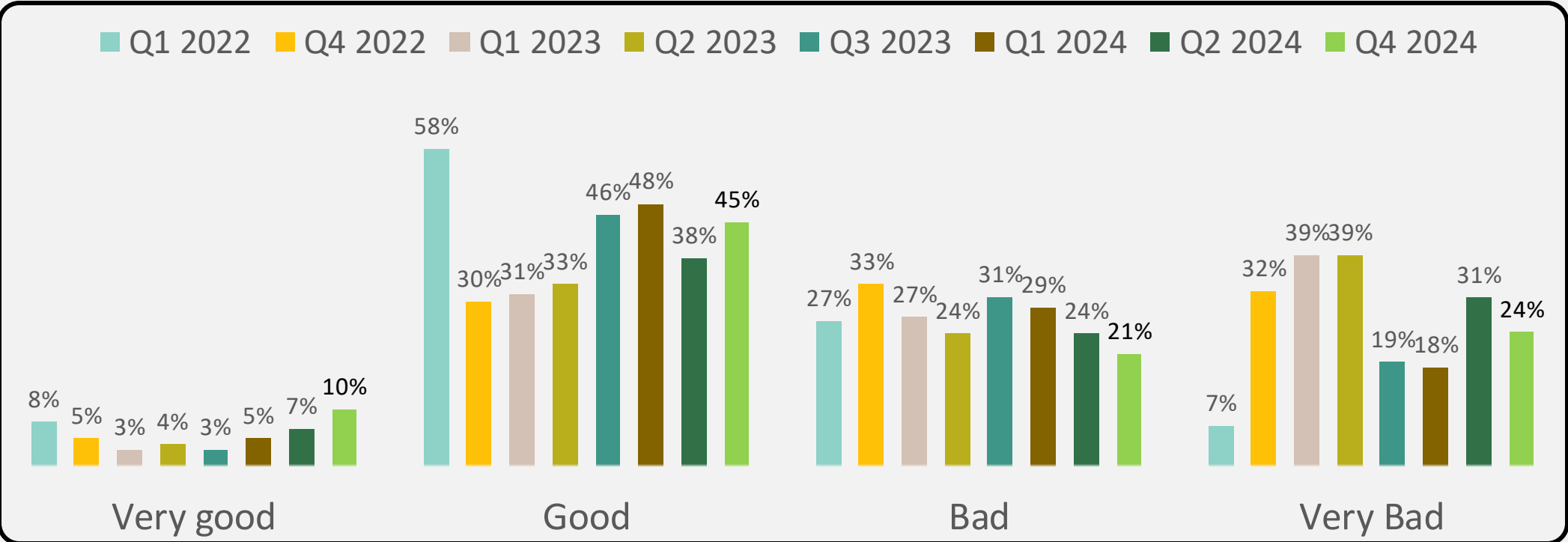
1:

Current Business Conditions Score

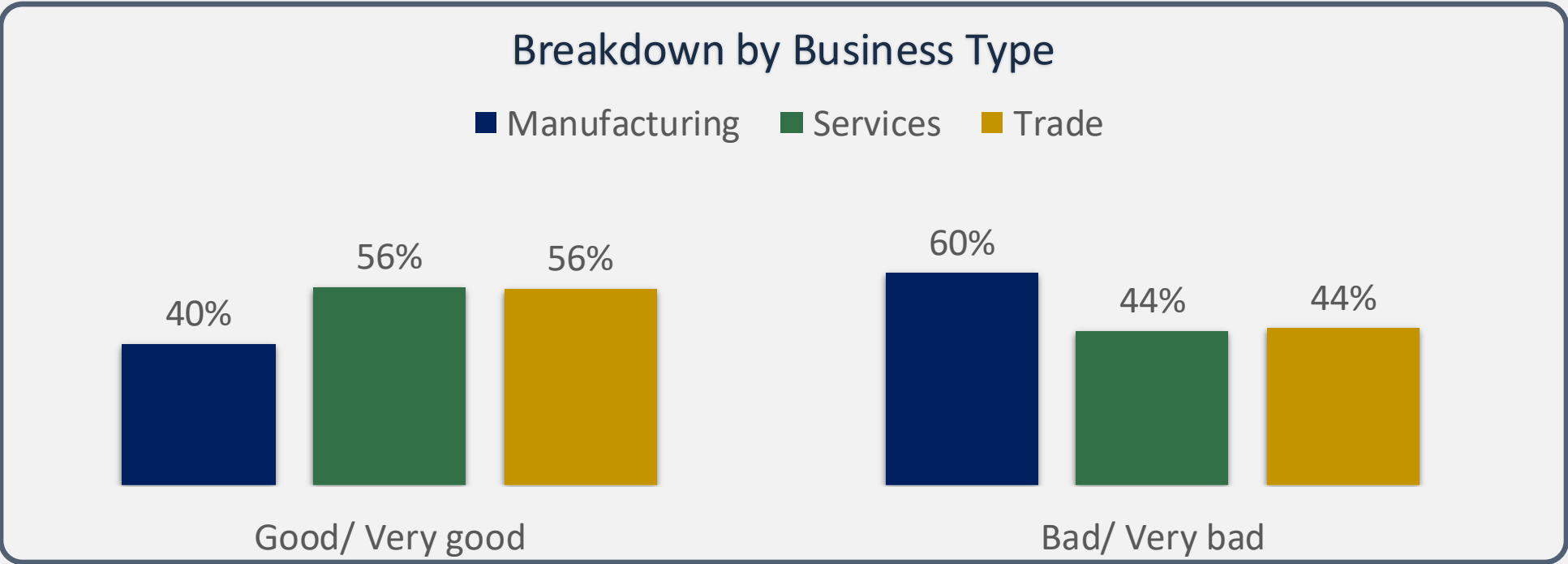


55% Surveyed businesses say there is business is doing well these days (either very good or good). There is a ten percent improvement since Q2 2024 (about six months ago) when the same question was asked. There is also reduction of around 7% in businesses who rate their current situation as very bad. Manufacturing sector seems to have recovered less than services and trade sector when it comes to rating current business situation.

Question: How well is your business doing nowadays? Would you say it is very good, good, bad, or very bad?



Since Q2 2024, the current business assessment has improved, with a 20% increase in the net proportion of people claiming their business situation to be good.

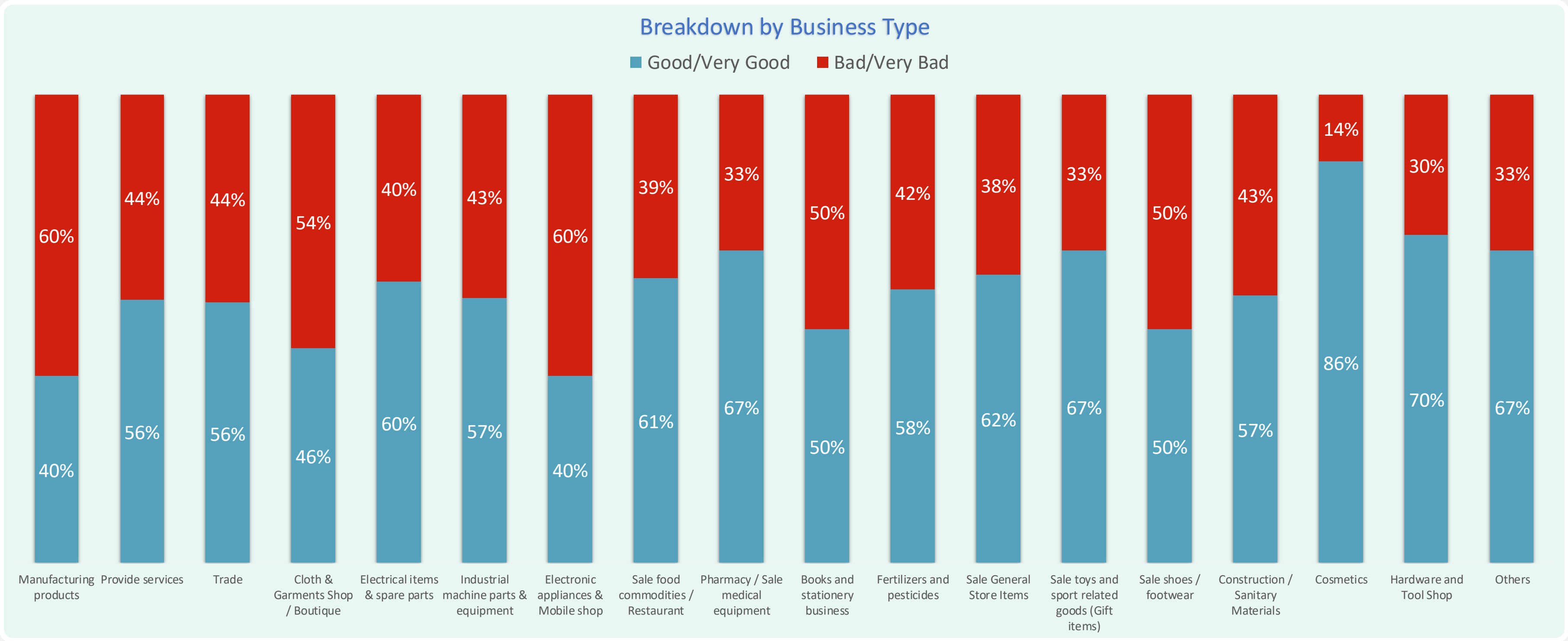


60% of manufacturing businesses and 44% of service businesses reported their current business conditions to be doing badly.

DISCLAIMER: Error margin for disaggregated results, for example, by business type is significantly higher than overall results so caution should be used in interpreting the results.

A mix of pessimistic and optimistic expectations for current business conditions characterizes the 4th quarter of 2024 when it comes to types of businesses surveyed. Optimism ranged from 86% to 40% depending on business types in the country interviewed in this survey.

Question: How well is your business doing nowadays? Would you say it is very good, good, bad, or very bad?



DISCLAIMER: Error margin for disaggregated results, for example, by business type is significantly higher than overall results so caution should be used in interpreting the results.

Source: Gallup Pakistan Business Confidence Survey with N 482 businesses in Pakistan (Report 14, Quarter 4 2024)

Gallup Pakistan Business Confidence Index Yardstick

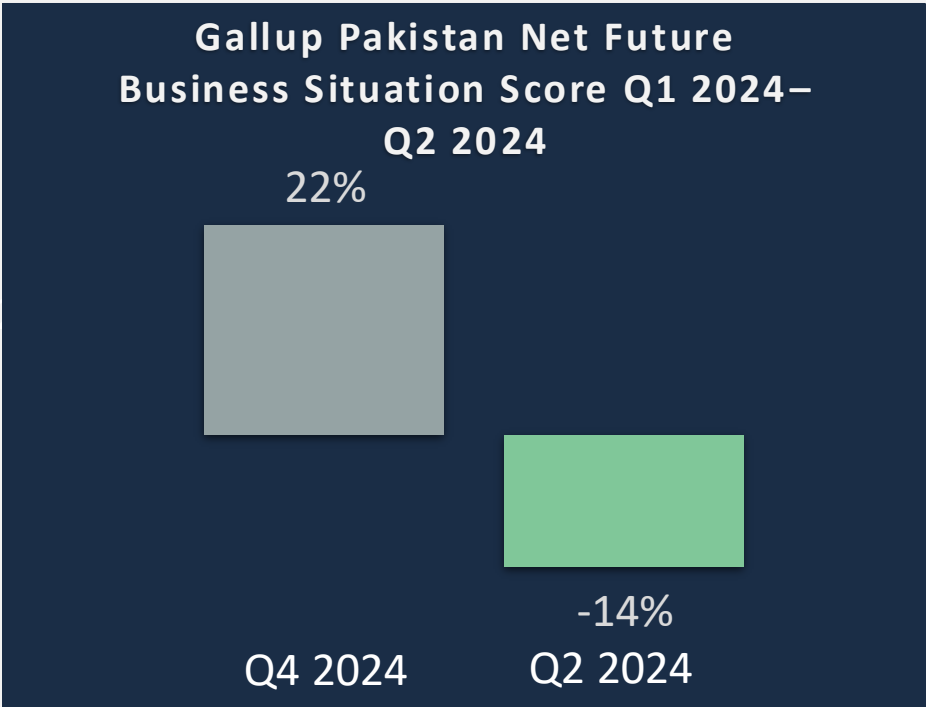
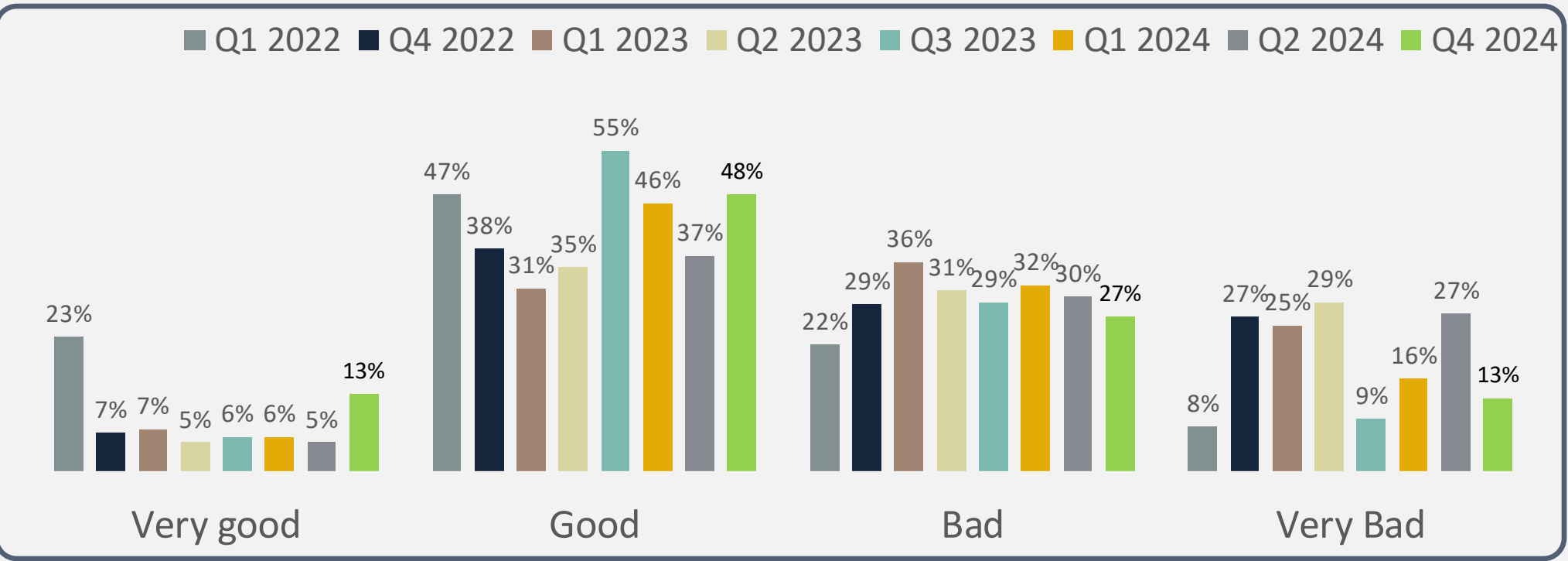
2:

Future Business Conditions Score

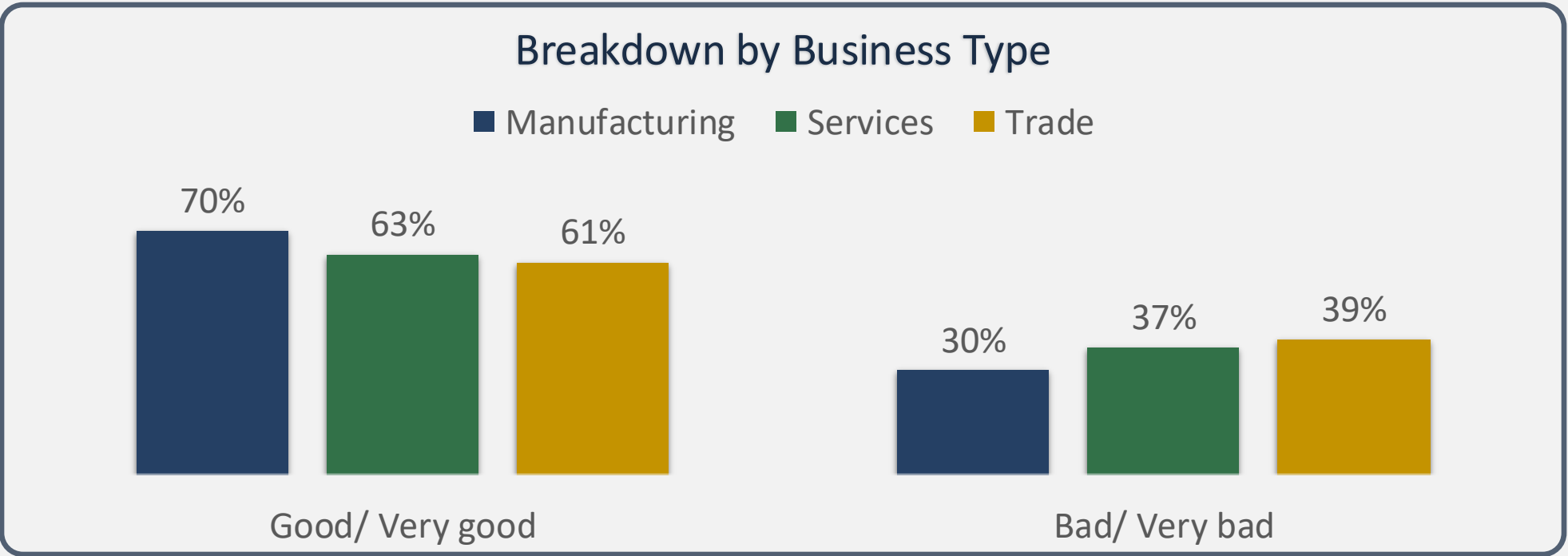


In Q4 2024, 19% more businesses than in Q2 of 2024 think that their business will be better off in the future; 61% in Q4 2024 said expectations for the future are positive, while 40% expect things to get worse. The Net Future Business Confidence score has increased by 36% since Q2 2024.

Question: What are your expectations for the future of your business compared to the past?



Net Future Business Situation Score has improved by 36% since Q2 2024

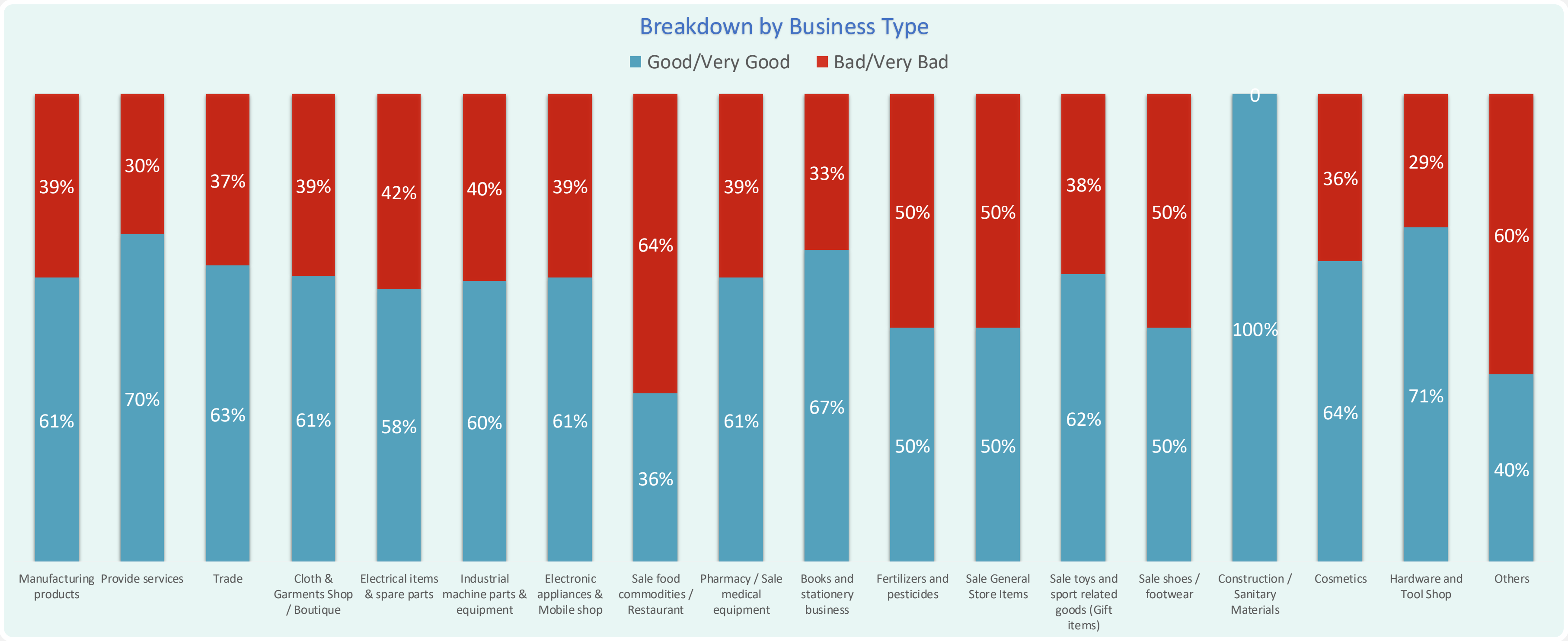


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Optimistic outlook for future business prospects dominates the landscape for both manufacturing- and service-oriented businesses

Overall, across different sectors, business are optimistic that in future their business would improve.

Question: What are your expectations for the future of your business compared to the past?



DISCLAIMER: Error margin for disaggregated results, for example, by business type is significantly higher than overall results so caution should be used in interpreting the results.

Source: Gallup Pakistan Business Confidence Survey with N 482 businesses in Pakistan (Report 14, Quarter 4 2024)

Gallup Pakistan Business Confidence Index Yardstick

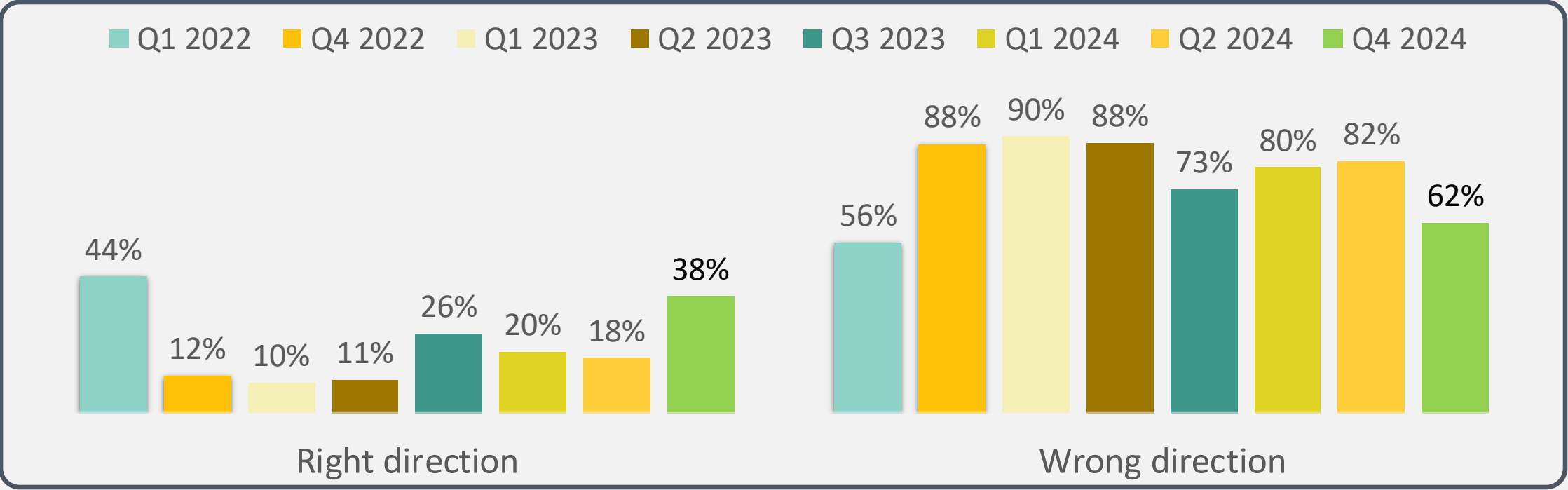
3:

Direction of the Country Score

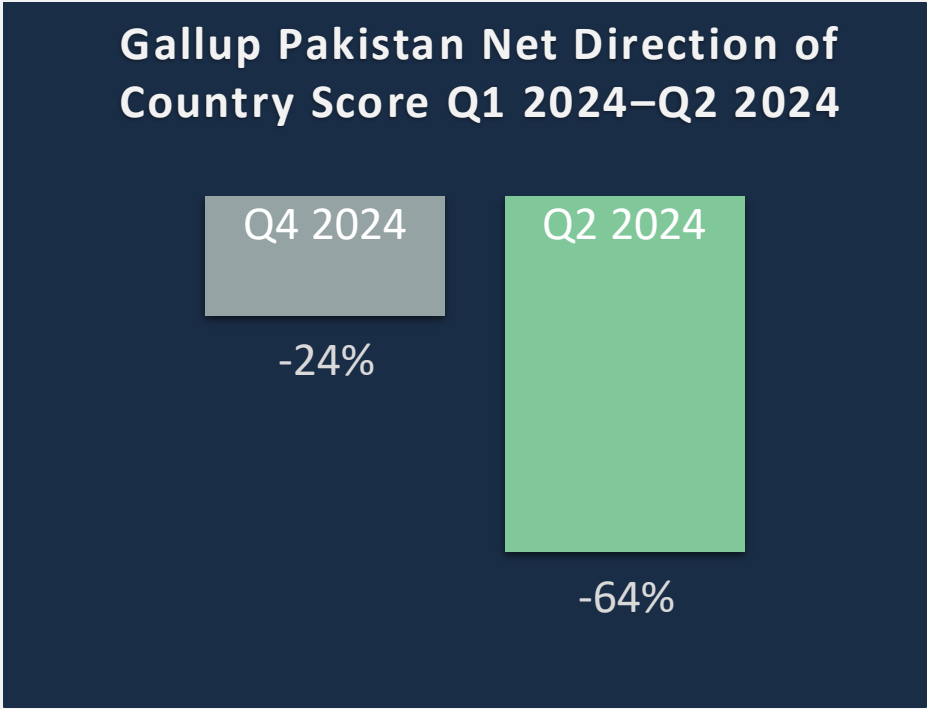


20% less businesses in Quarter 4 of 2024, as compared to Quarter 2 of 2024, think that the country is heading in the wrong direction. Overall trend for the past few quarters has been consistently negative, however there is some improvement in the current quarter.

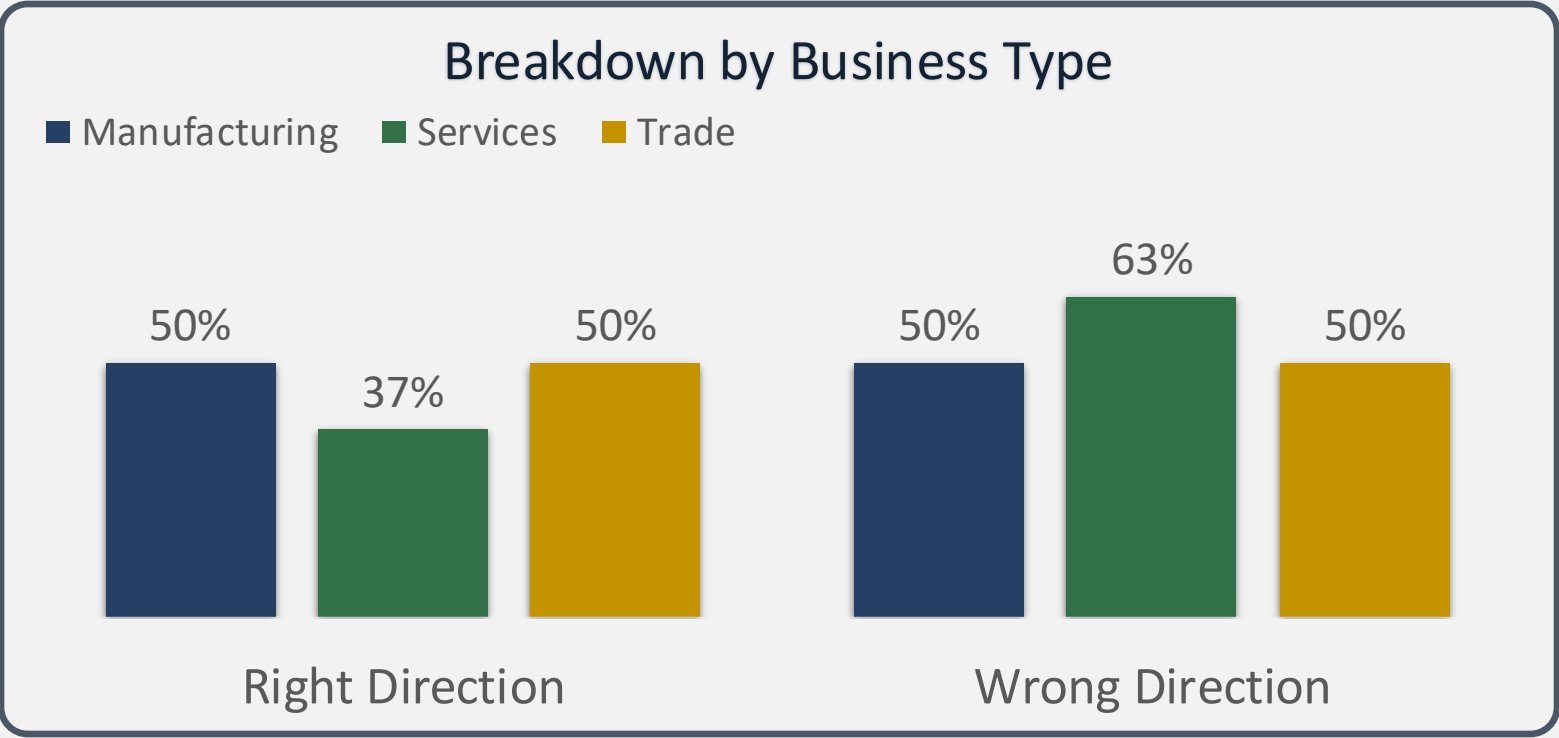
Question: What is your opinion on the direction of the country? Are we headed in the right direction or wrong direction?



Net Direction of Country Score has improved by 40% since Q2 2024



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Manufacturers and traders are evenly split in their perceptions of the direction of the country, while service providers hold a pessimistic outlook



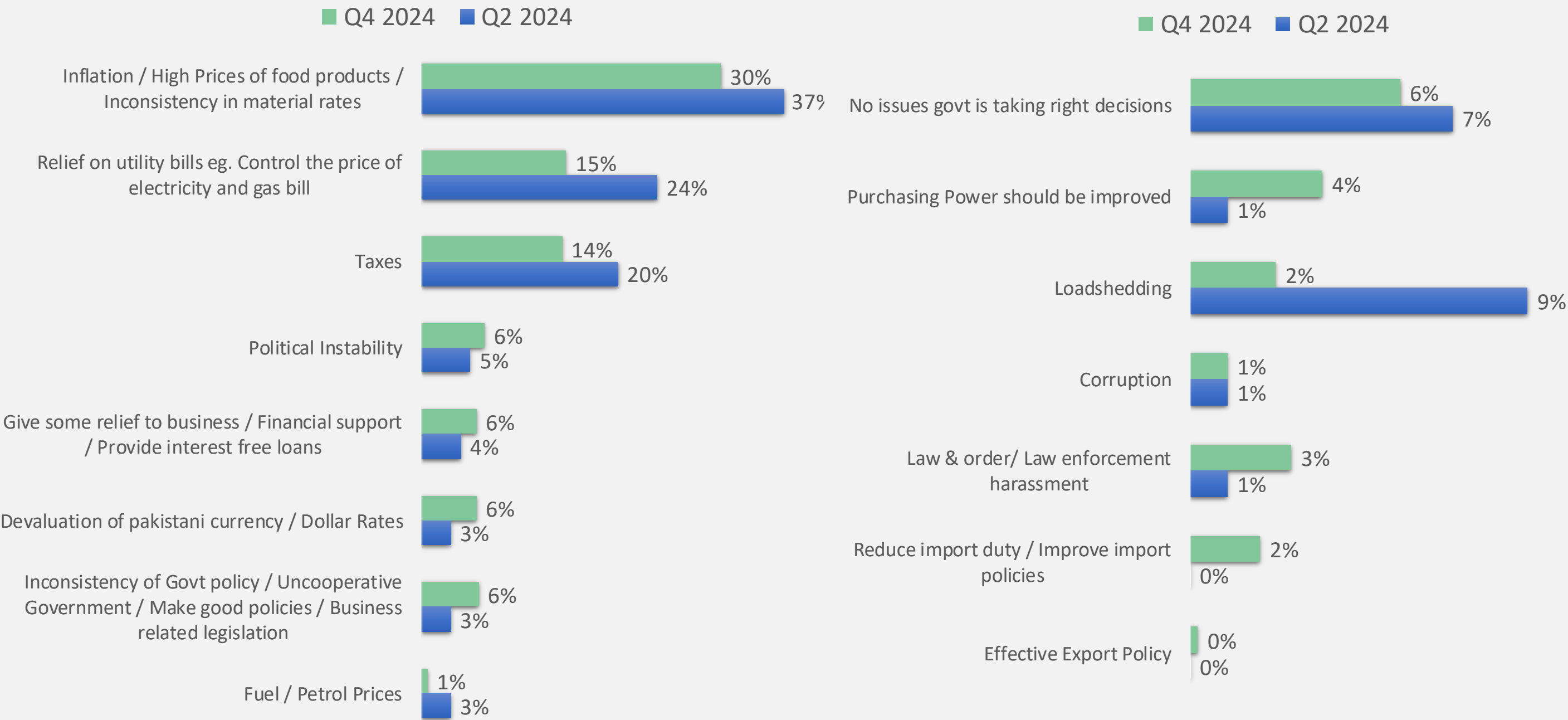
SECTION 4:

Problems Affecting Businesses in Pakistan



Similar to Q2 2024, inflation is the most cited problem in Q4 that 30% of businesses would like the government to solve. The proportion of businesses that want the government to solve/decrease taxation decreased from 20% to 14%.

Question: Which problems affecting your business considerably would you want the government to solve?



The most common issue businesses wanted the government to solve in Q4 2024 was inflation (30%) and utility bills relief (15%), followed closely by taxes (14%). The proportion of businesses that believed the government is taking the right decisions decreased by 1% since Q2 2024



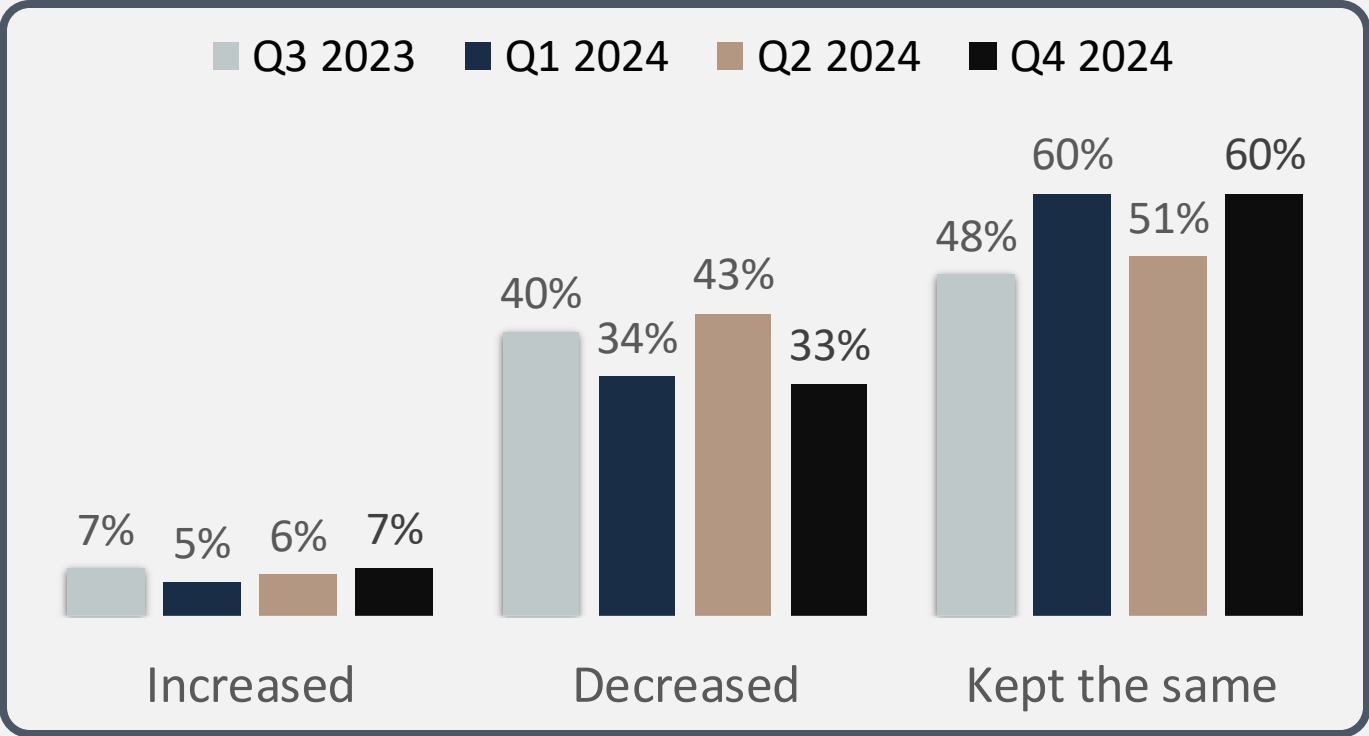
SECTION 5:

Other Topics Covered : Five topics covered in this
report

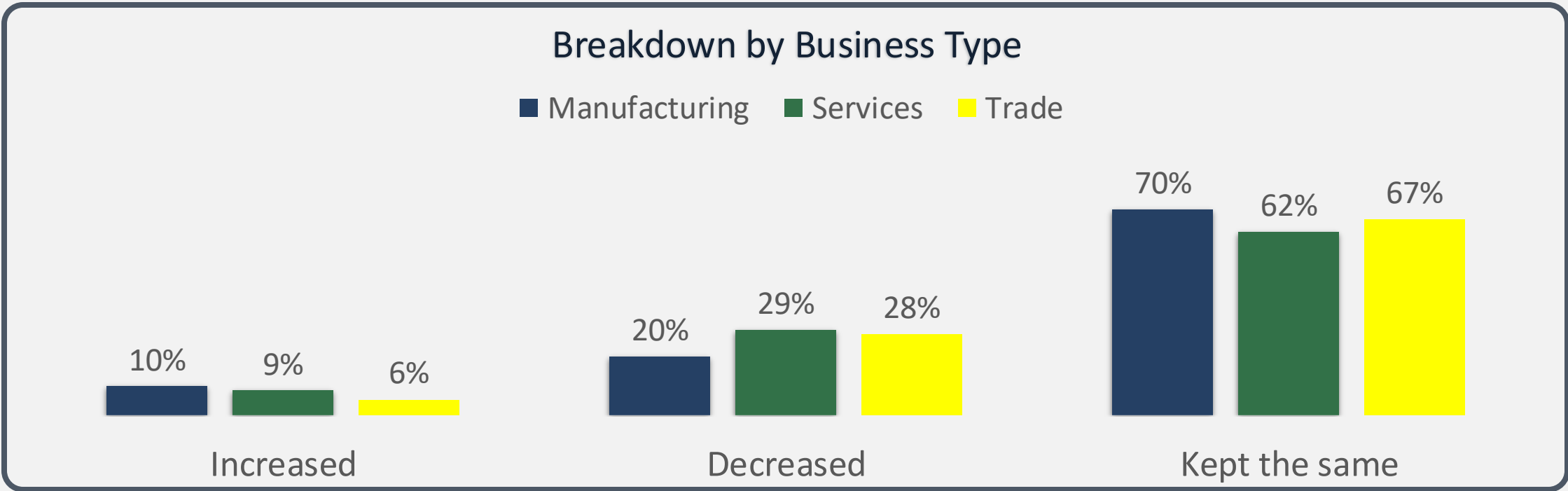


Topic 1 : 33% of the businesses surveyed said that their workforce decreased in Quarter 4, a reduction of 10% from Quarter 2. More service providing businesses than manufacturers and traders decreased their workforce.

Question: In the past 3 months has your business reduced its workforce, increased it, or kept it same?



33% of respondents reported a decrease in their workforce over the quarter, while only 7% reported an increase



DISCLAIMER: Error margin for disaggregated results, for example, by business type is significantly higher than overall results so caution should be used in interpreting the results.

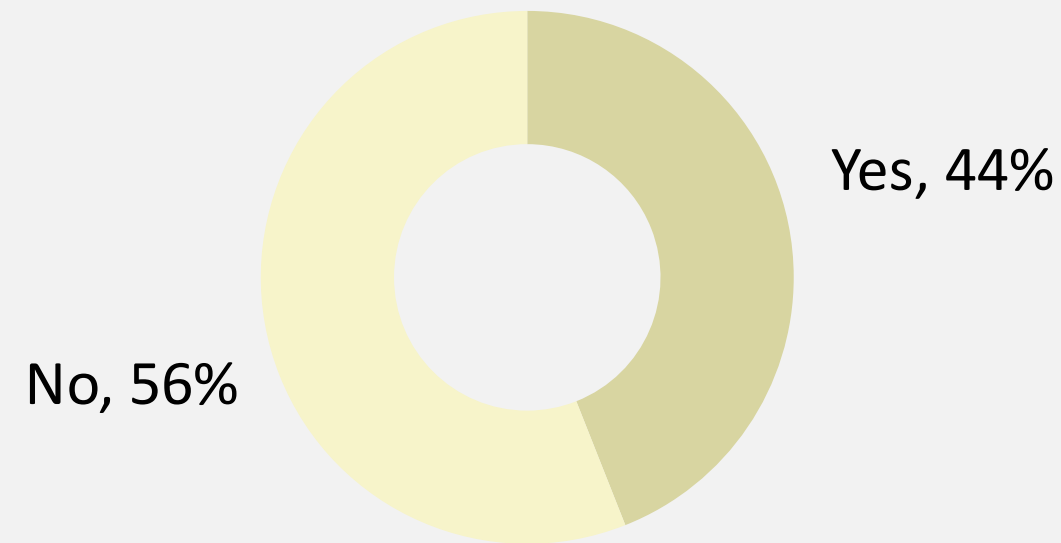


Topic 2: 56% of businesses surveyed said 'no' loadshedding happened in their establishment on the day of the survey, while 44% said yes.

Quarter-to-Quarter reports of loadshedding decrease: 17% less businesses in Quarter 4 report loadshedding in their business on the day they were surveyed, (Q2 covered summer months and Q4 covers winter, and the results are consistent with expectations 56% of businesses surveyed said 'no' to loadshedding in Q4, while 44% said yes.

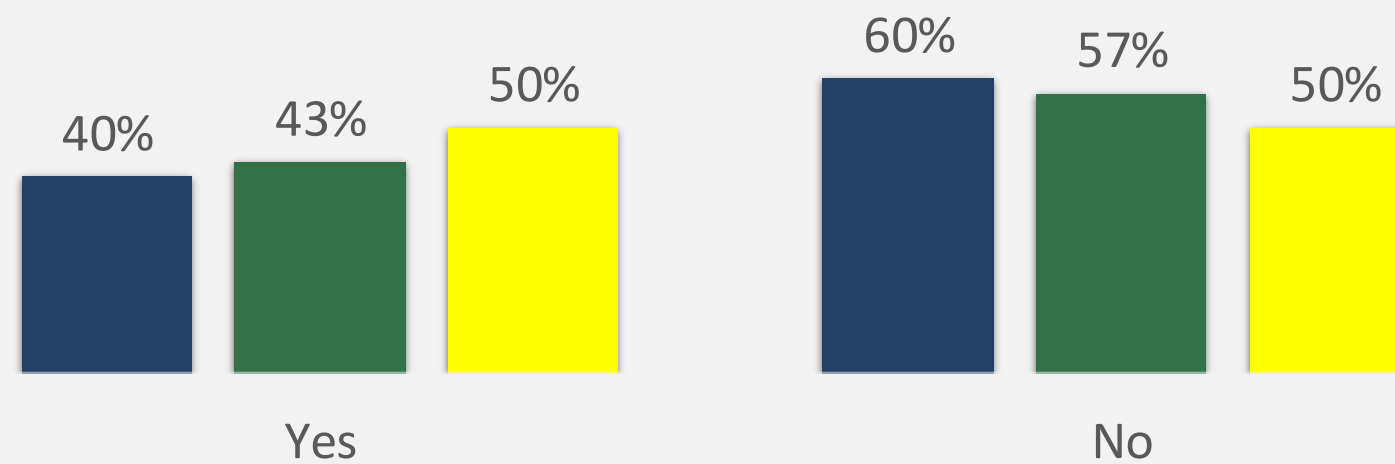
Question: Was there load shedding in your business today?

Overall in current wave



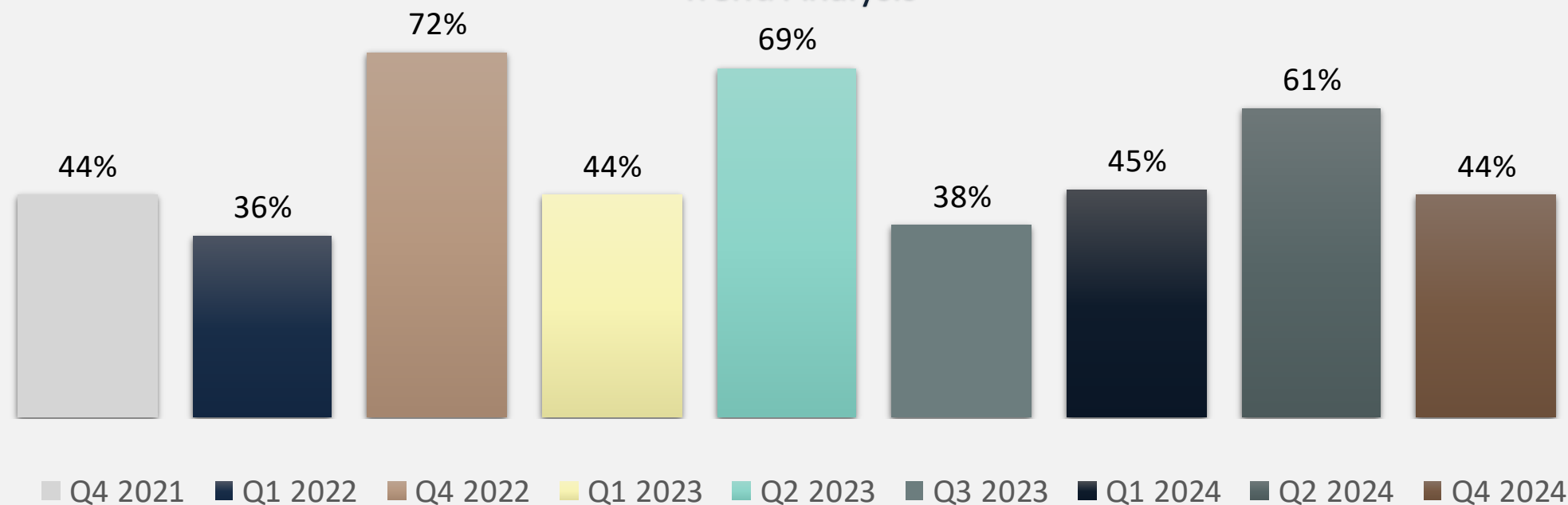
Breakdown by Business Type

■ Manufacturing ■ Services ■ Trade



50% of traders reported experiencing loadshedding in Q4 2024

Trend Analysis

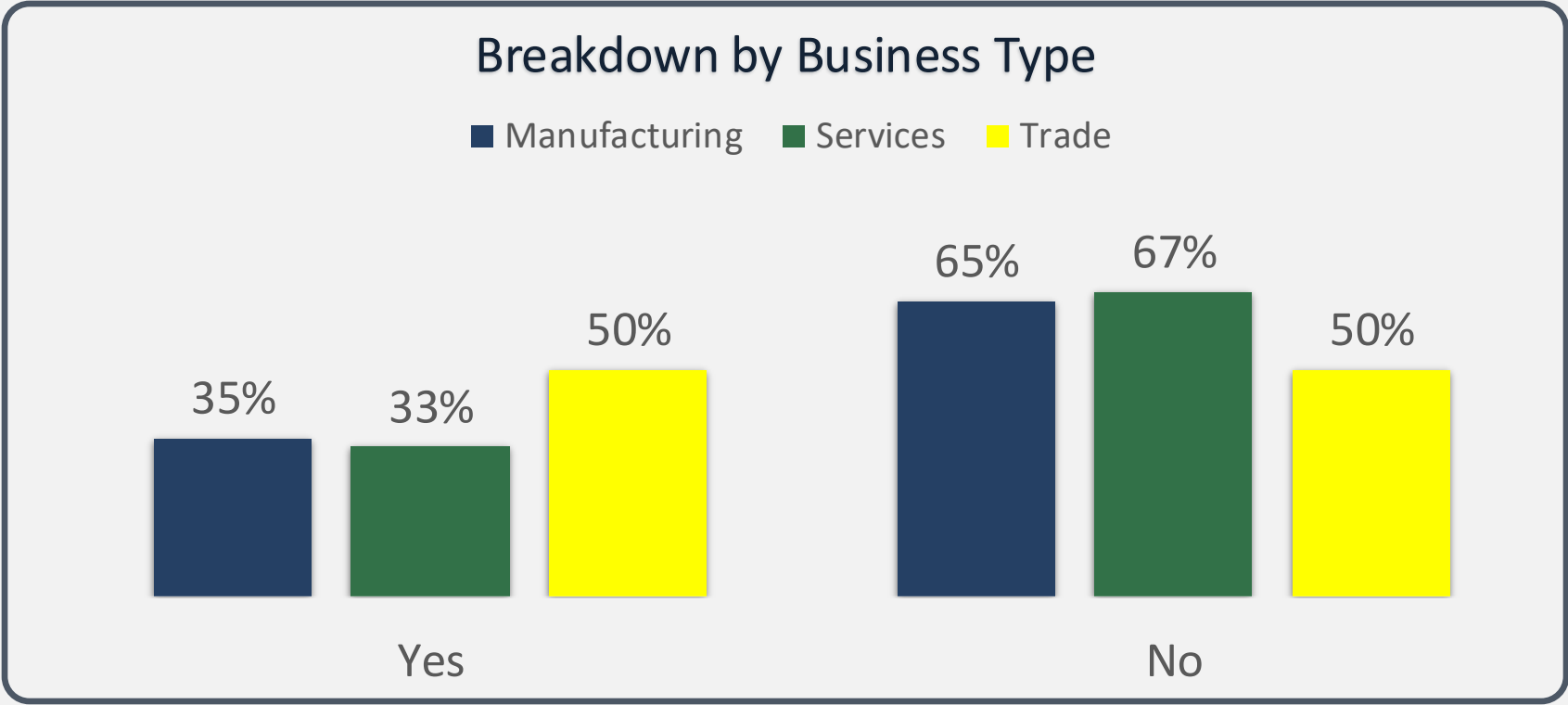
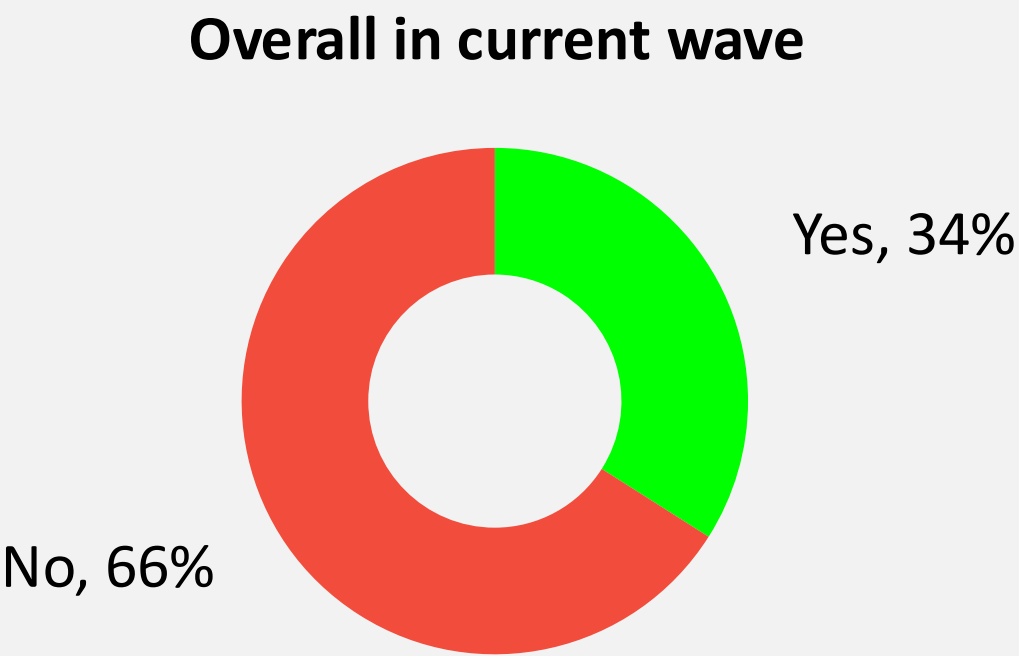


In Q4 2024, the proportion of businesses that experienced load-shedding within a day decreased by 17% since Q2 2024.

DISCLAIMER: Error margin for disaggregated results, for example, by business type is significantly higher than overall results so caution should be used in interpreting the results.

Topic 3 :Around a third of businesses (34%) reported having to pay a bribe to run their business in the past six months. More traders report having to pay a bribe (50%) than manufacturers(35%) and service providers (33%).

Question: Did you have to pay bribe to anyone in past six months to run your business?



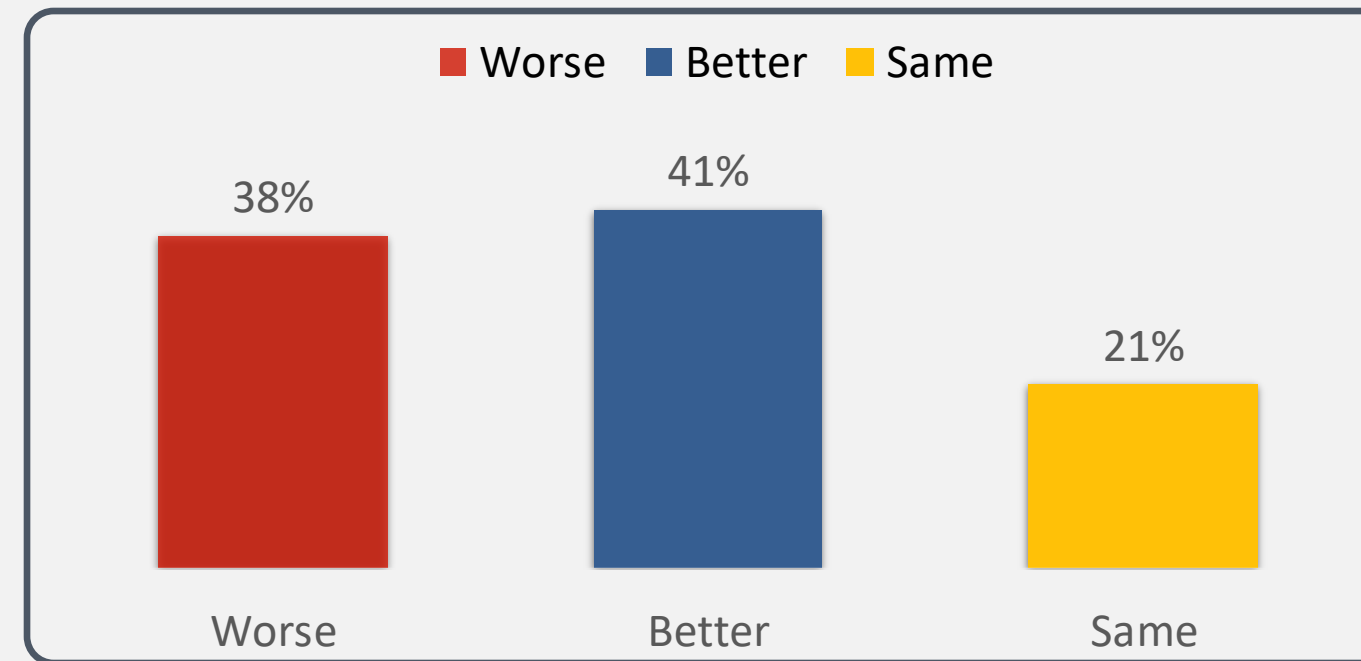
More traders report having to pay a bribe (50%) than service providers (33%) and manufacturers (35%)

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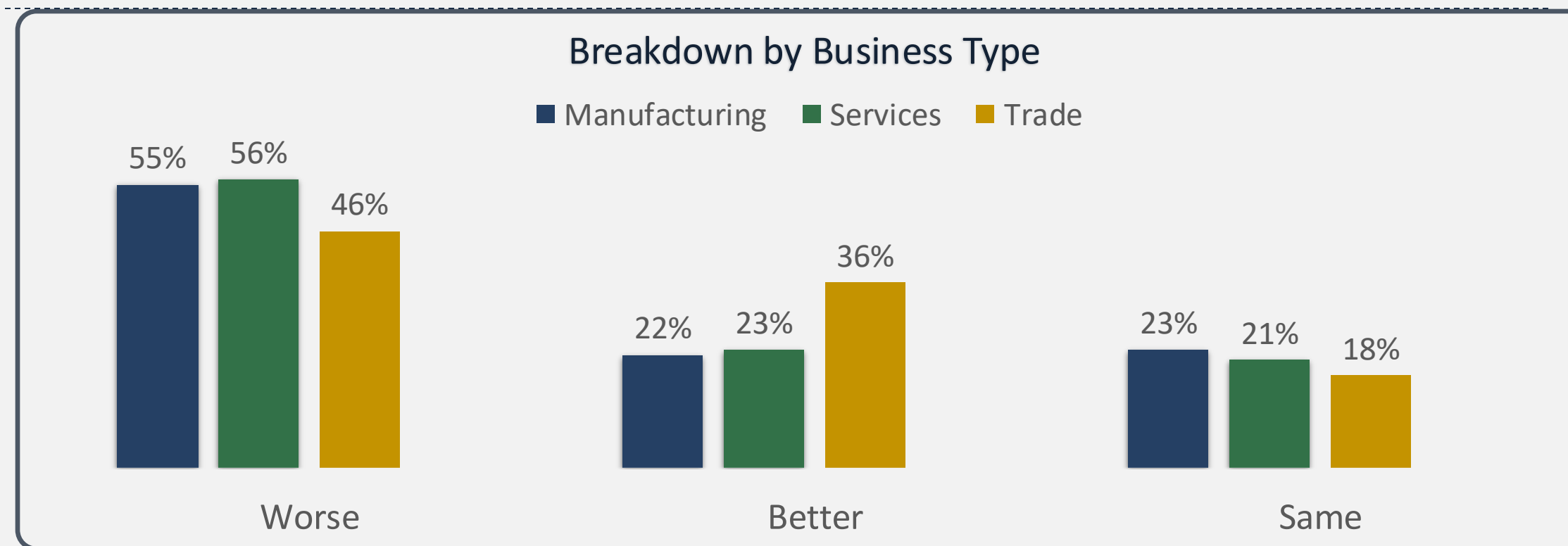


Topic 4 : 41% surveyed businesses said PMLN was better than previous PTI government, another 21% found it similar. 38% found PMLN government worse than PTI government

Question: Do you think PMLN government is better worse or same as previous government in managing the economy?



38% of the businesses thought that the PMLN government was worse than the previous government in managing the economy

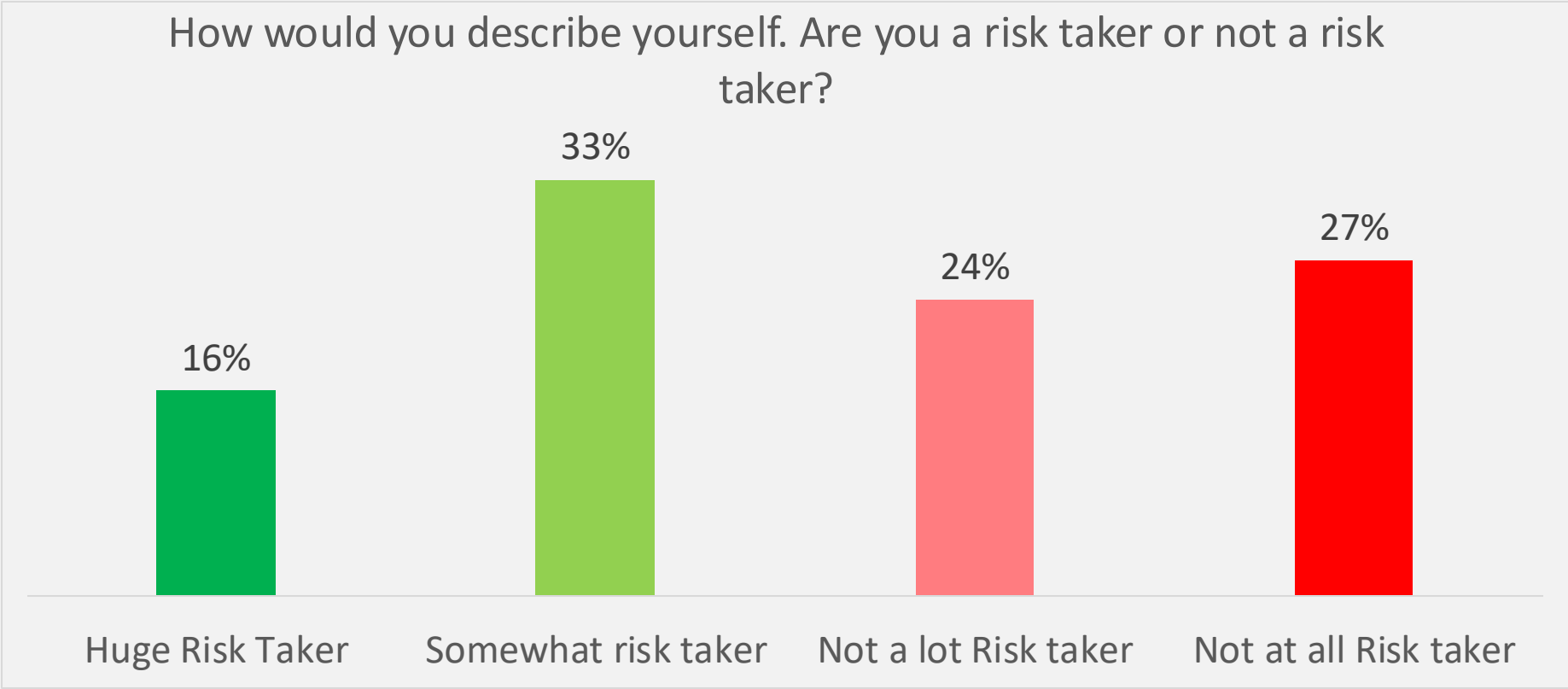


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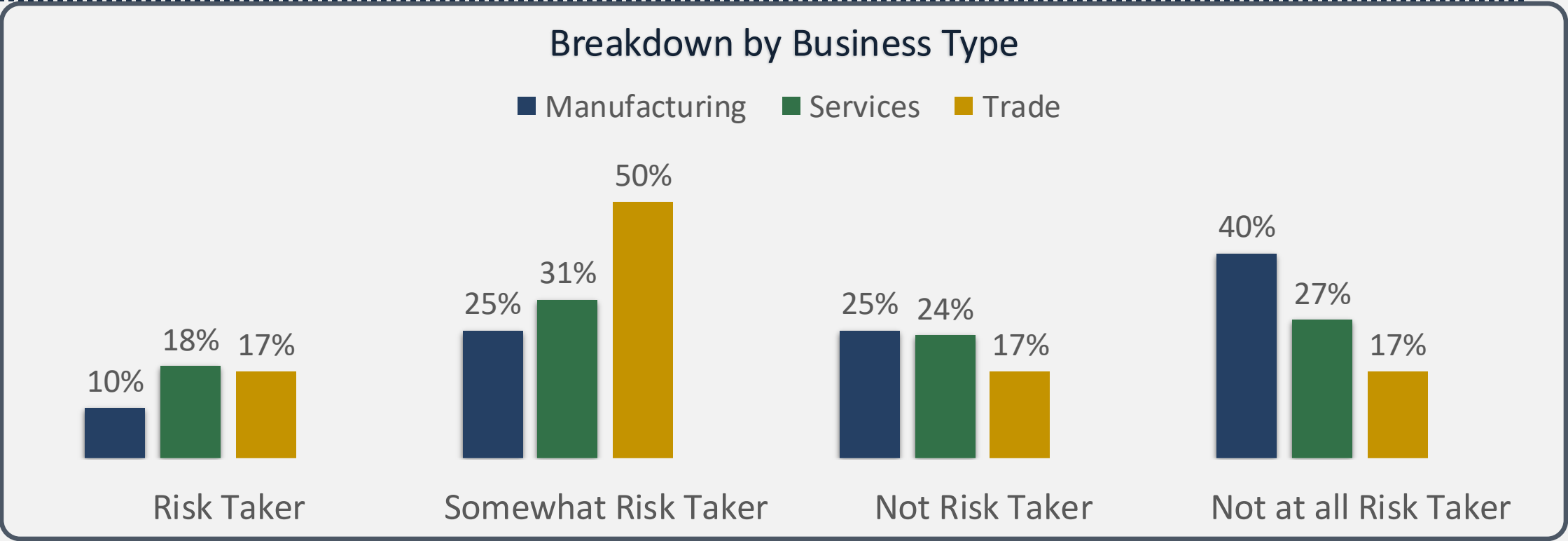
Source: Gallup Pakistan Business Confidence Survey with N 482 businesses in Pakistan (Report 14, Quarter 4 2024)

Topic 5 : Majority (51%) business owners surveyed perceived themselves to not be risk takers; Roughly half (49%) the businesses described themselves as at least somewhat risk-taking

Question: How would you describe yourself. Are you a risk taker or not a risk taker?



Roughly half (49%) the businesses described themselves as at least somewhat risk-taking



DISCLAIMER: Error margin for disaggregated results, for example, by business type is significantly higher than overall results so caution should be used in interpreting the results.



Methodology and Sample Profile

GALLUP PAKISTAN BUSINESS CONFIDENCE INDEX IN PAKISTAN



METHODOLOGY DETAILS

Sample Size:

N= 482 businesses across Pakistan

Method of Interview:

Phone surveys

Field Dates:

21st January 2025 - 28th January 2025

Field Agency:

Gallup Pakistan (*established since 1980 and member of Gallup International- www.gallup.com.pk*)

For more information on methodology please write to: amnah.imtiaz@gallup.com.pk

Please note that the figures have been rounded off to the nearest whole for the sake of comprehension.

DISCLAIMER : This is an internally funded study by Gallup Pakistan without relying on an outside source. Although maximum care has been taken but we do not take any responsibility of error or omission. We urge care and precaution in using the statistics reported here. Gallup Pakistan is not responsible for any gain or loss arising out of the use of statistics reported here.

Sample Profile of Businesses which were interviewed

BUSINESS TYPE	Manufacturing	4%
	Services	44%
	Trade	4%

METHODOLOGY DETAILS

Districts/Cities Covered in this survey

Rawalpindi
Islamabad
Karachi
Lahore
Faisalabad
Sialkot
Gujranwala
Gujrat
Sargodha
Mandi Bahauddin
Okara
Jhelum
Chakwal
Quetta
Bahawalpur
Lala Musa
Mardan

Hafizabad
Multan
Sheikhupura
Hyderabad
Peshawar
Khanewal
Sahiwal
Wazirabad
Vehari
Taxila
Haripur
Kohat
Toba Tek Singh
Hub
Layyah
Hafizabad

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