

PRESS RELEASE

SPECIAL PRESS RELEASE

Business Confidence in Pakistan

Wave 14

Reduction in Inflation, macroeconomic stability and interest rate cuts contribute to large decreases in business pessimism; Gallup Business Confidence Index for Quarter 4 2024

55% of Pakistan's businesses are satisfied with their current business situation, 61% of businesses now have positive expectations for the future, perception about direction of the country also sees improvement though more businesses still pessimistic than optimistic on this count. 41% surveyed businesses said PMLN was better than previous PTI government

Islamabad, Lahore , Karachi [13th Feb 2025]

According to a Gallup Pakistan Survey with business owners in the fourth quarter of 2024 as part of Gallup Business Confidence Index report, there has been a significant reduction in pessimism among the business community about how they perceive their current and future business prospects as well as overall direction of the country. 55% surveyed business are satisfied with their current business performance, 61% of businesses now have positive expectations for the future.

The survey is the **fourteenth edition** of a quarterly Business Confidence Survey that Gallup Pakistan conducts in Pakistan. The Business Confidence Index is an important barometer capturing the sentiments of the business community in any country and used across the world by policy makers. The survey was conducted with scientifically and randomly selected 482 businesses across Pakistan. The businesses hailed from over 30 districts of Pakistan and belonged to different sectors and fields of business community. Small, medium and large businesses were included according to their share in the national economy.

KEY QUESTIONS ANSWERED BY GALLUP BUSINESS CONFIDENCE INDEX:

1. What do firms think with respect to the current and future state of their business situation?
2. Are they hopeful or pessimistic about the direction the country is headed in?
3. Which problems affecting these businesses considerably would they want the government to solve?
4. Have there been changes in the size of the workforce in the businesses?

Gallup Business Confidence Index Pakistan is comprised of 3 strands: Current Business Situation, Future Business Situation, and Direction of the Country.

3 key findings from Q4 Report of Gallup Business Confidence survey

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%	

Source: Gallup Pakistan Business Confidence Survey (Report 14, Quarter 4 2024)

Current Business has improved by 20% since quarter 2, increasing from -10% to 10%, the future business situation and direction of country scores are also characterized by an upward trajectory; one of three strands of the BCI (Direction of the Country Score) still remain in negative territory, the Current and Future Business Situation Score has shifted from negative into positive territory, signalling some degree of increased optimism.

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.



Source: Gallup Pakistan Business Confidence Survey (Report 14, Quarter 4 2024)

Detailed findings from Gallup Business Confidence Index Report Q4 2024 Report

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

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%).

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 not to be risk takers; Roughly half (49%) the businesses described themselves as at least somewhat risk-taking.

Methodology

For details, please see the full report on the Gallup Pakistan website.

This project is done under the guidance of Bilal I. Gilani, Executive Director Gallup Pakistan. Mr. Gilani has the experience of over a decade in directing business surveys in Pakistan apart from spearheading over 500 research projects on behalf of Gallup Pakistan.

Opinion Poll from Gallup Pakistan
*The Pakistani Affiliate of Gallup
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Gilani Research Foundation is a not-for-profit public service project to provide social science research to students, academia, policy makers and concerned citizens in Pakistan and across the globe.

Gilani Research Foundation is headed by Dr. Ijaz Shafi Gilani who pioneered the field of opinion polling in Pakistan, and established Gallup Pakistan in 1980. Currently Dr. Gilani, who holds a PhD from the Massachusetts Institute of Technology (MIT) and has taught at leading universities in Pakistan and abroad, is Chairman of Gallup Pakistan.

If you have any further questions regarding this poll, please feel free to contact us.

Best Regards,

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