GALLUP PAKISTAN
BUSINESS CONFIDENCE INDEX (BCI)

1st Quarter 2026 Report
(Findings cover January February March 2026)

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

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Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

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 **510 businesses** across Pakistan from 1st April till 7th April 2026, 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 17th 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). 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 2024	July-August-September	Survey not conducted
Q4 2024	October-November-December	Q4 2024 (CLICK HERE)
Q1 2025	January-February-March	Survey not conducted
Q2 2025	April-May-June	Q2 2025 (CLICK HERE)
Q3 2025	July-August-September	Survey not conducted
Q4 2025	October-November-December	Q4 2025 (CLICK HERE)
Q1 2026	January-February-March	RELEASING NOW

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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.
- Impact of middle-east crisis on businesses.

3 KEY FINDINGS – Q1 2026 REPORT

KEY FINDING 1: The 'Direction of the Country Score' has seen a major deterioration since Q4 2025 and the index is at -32% which is the border between negative confidence as defined by Gallup. In Q4 2025 value was -8% so a decline of 24% has been observed.

KEY FINDING 2: Current Business score stands at -19% (one of the three strands of Gallup BCI) has seen minor deterioration since Q4 2025. Less businesses are saying that things have improved. In Q4 2025 the value was 8% so a decline of 27% has been observed.

Similarly on the Future Business Situation, optimism seems optimism has declined steeply and now stands at -13% . In Q4 2025 the value was +12% so a decline of almost 25% points has been observed.

Key Findings 3: Overall, all three strands of Gallup Business Confidence have declined since Q4 2025, reflecting a major decline in optimism in the business community. The decline for all three strands ranges between 24% to 27% . This quarter saw therefore a major reversal of sentiments expressed by business community in the country

Strand 1: Current Business Situation Score

- Q1 2026: -19%
- Q4 2025: 8%

Strand 2: Future Business Situation Score

- Q1 2026: -13%
- Q4 2025: 12%

Strand 3: Direction of the Country Score

- Q1 2026: -32%
- Q4 2025: -8%

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	Q2 2025 Score	Q4 2025 Score	Q1 2026 Score	Direction Q4 2025 vs. Q1 2026	Assessment for Q1 2026 (this report)
Strand 1 **Current Business Situation Score**	-31%	-32%	-26%	-1%	6%	-10%	10%	20%	8%	-19%	Worsen	Poor Confidence
Strand 2 **Future Business Situation Score**	-10%	-22%	-20%	22%	4%	-14%	21%	22%	12%	-13%	Worsen	Poor Confidence
Strand 3 **Direction of the Country Score**	-75%	-79%	-77%	-47%	-60%	-64%	-24%	-2%	-8%	-32%	Worsen	Negative Confidence

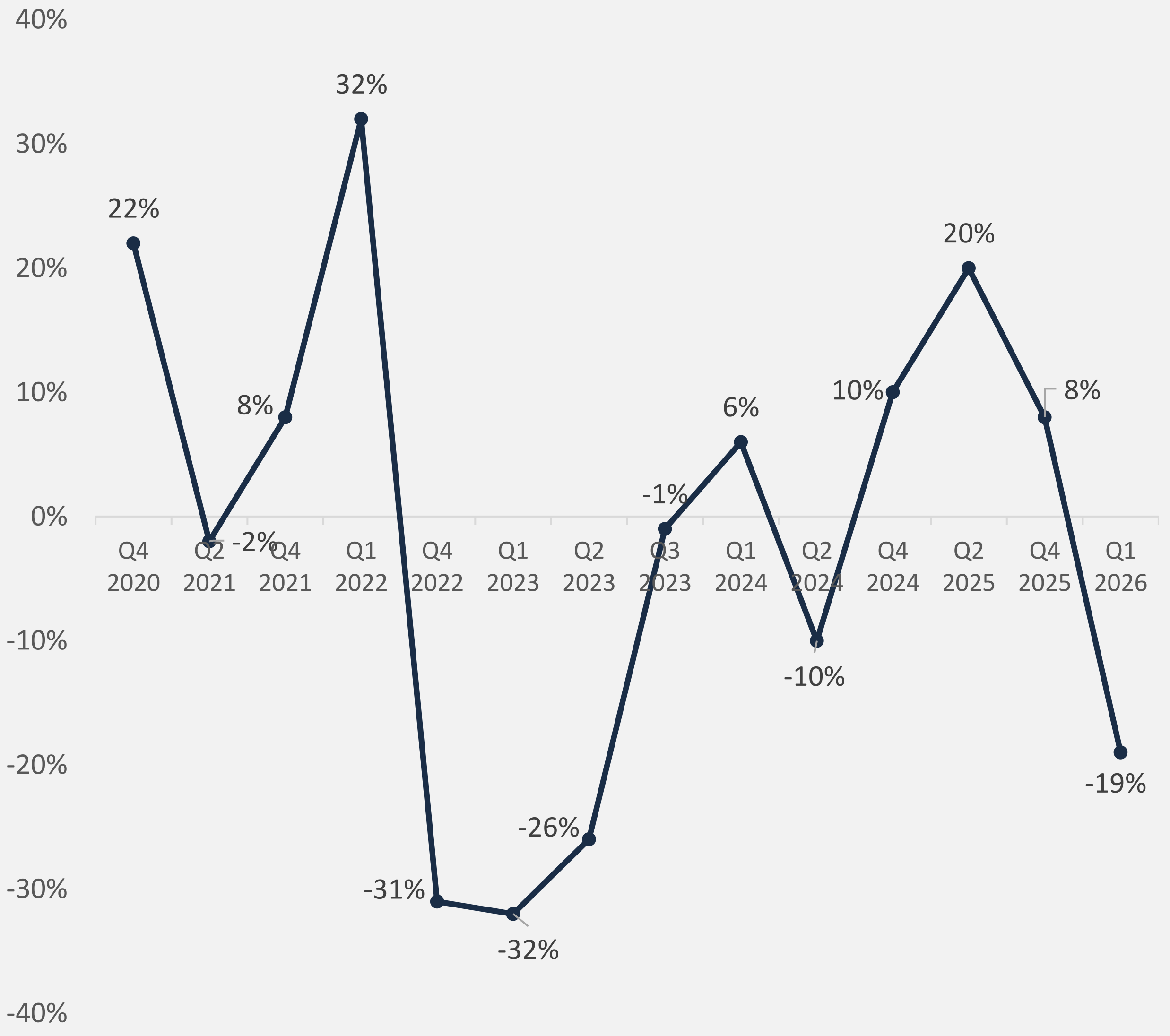
LEGEND

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

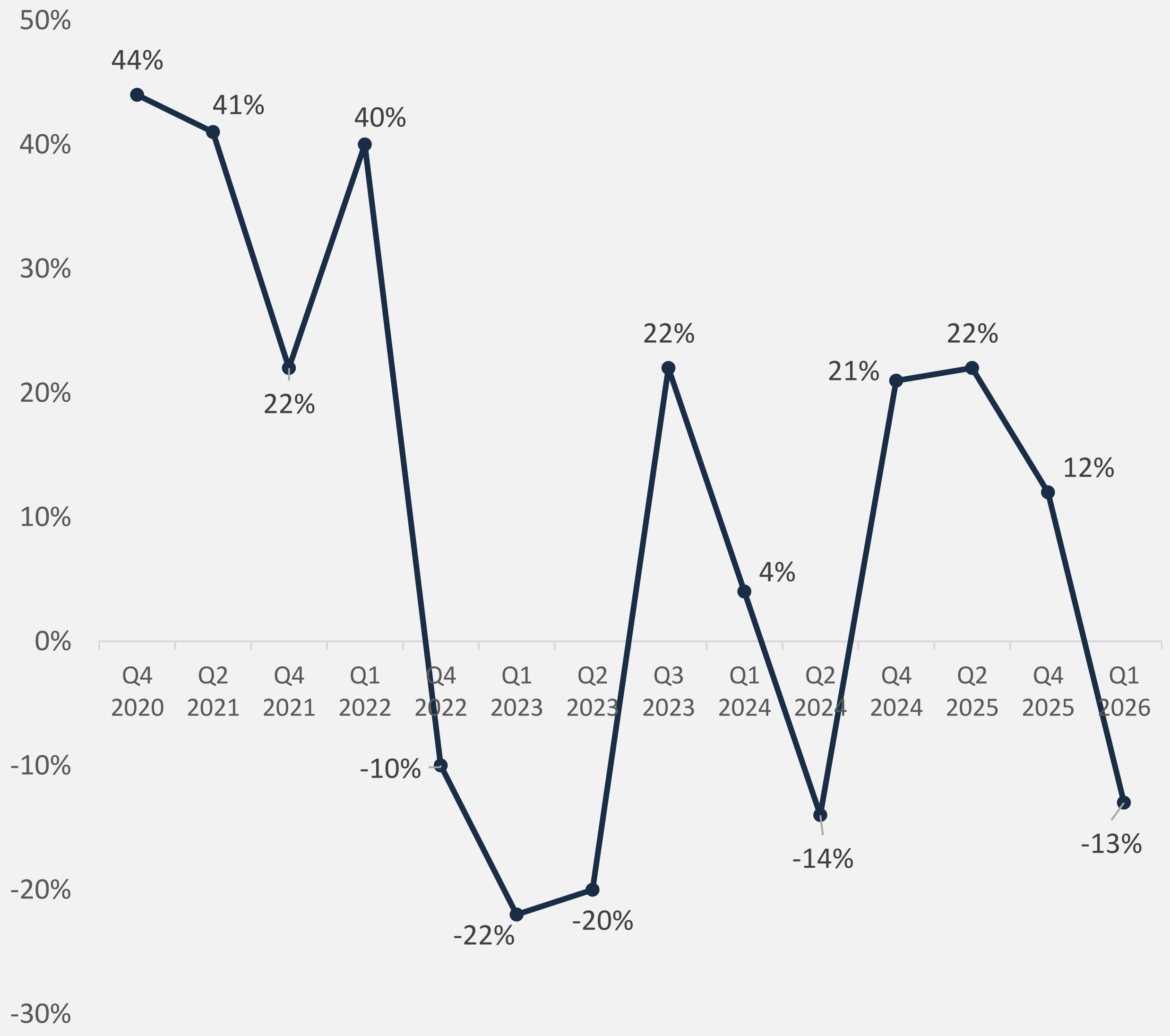
-1% to -25% = Poor Confidence
-26 to -75% = Negative Confidence
-75% to -100% = Deep Negative Confidence

Three strands of Gallup Pakistan Business Confidence Index – SUMMARY SNAPSHOT (2020- 2026)

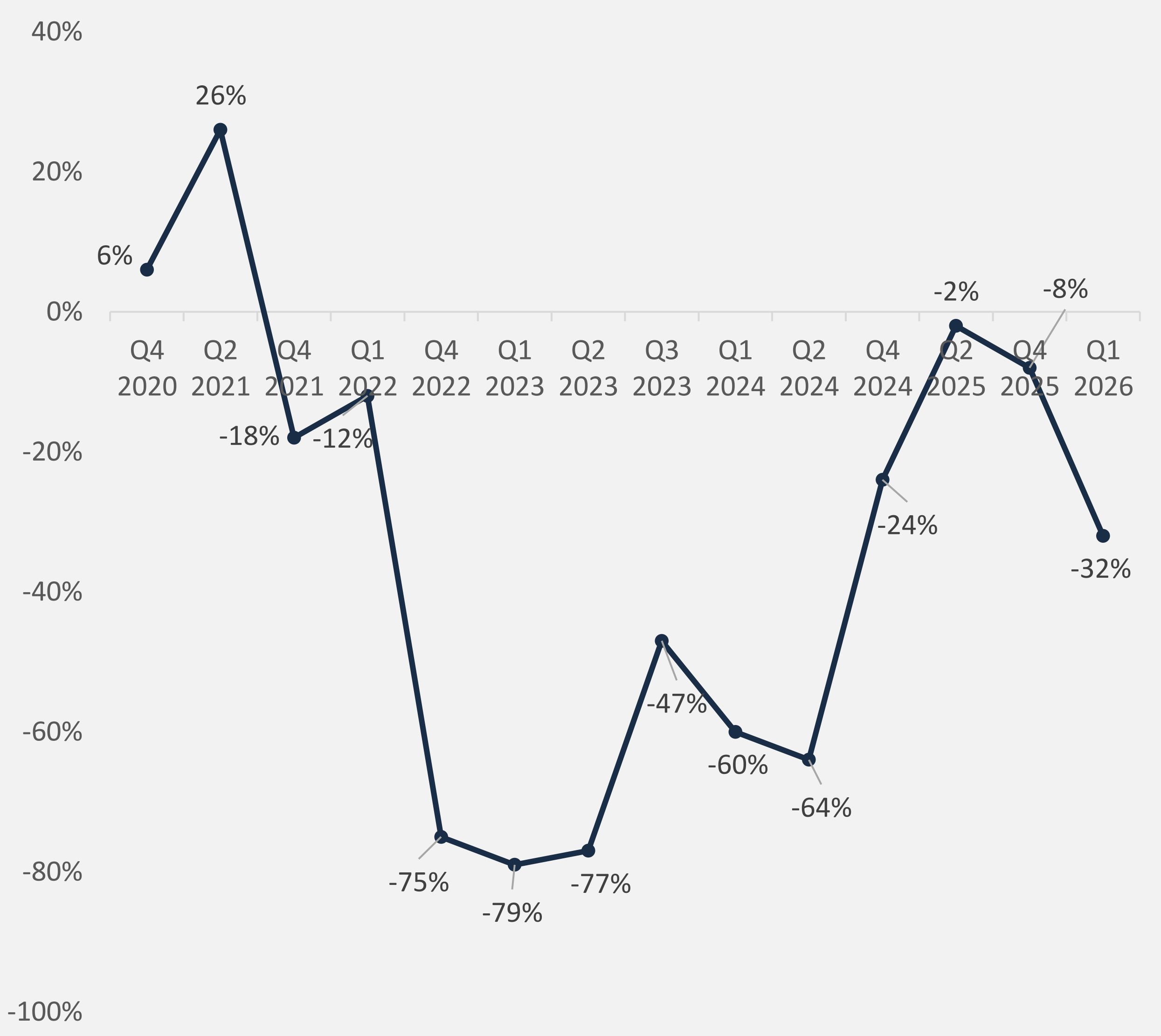
Current Business Situation Score



Future Business Situation Score



Direction of the Country Score



Between Q4 2025 and Q1 2026, there has been an overall deterioration across all three scores: the current business score, the future business score and the direction of country score.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Finding 1: 41% Surveyed businesses say their business is doing well these days (either very good or good). There is a 13% declined since Q4 2025 (about three months ago) when the same question was asked. There is also increase of around 8% in businesses who rate their current situation as very bad.

Finding 2: In Q1 2026, 12% less businesses than in Q4 2025 think that their business will be better off in the future; 44% in Q1 2026 said expectations for the future are positive, while 57% expect things to get worse. The Net Future Business Confidence score has decreased by 24% since Q4 2025.

Finding 3: 12% More Businesses in Q1 2026, as Compared to Q4 2025, Think that the Country is Heading in the Wrong Direction. Overall Trend for the Past Few Quarters Remains Negative, with a Noticeable Deterioration in the Current Quarter.

Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

EXECUTIVE SUMMARY

<u>Finding 4:</u> Similar to Q4 2025, inflation is the most cited problem in Q1 2026 that 37% of businesses would like the government to solve. The proportion of businesses that want the government to solve/decrease Fuel/Petrol Prices increased from 2% to 25%. This quarter saw major increase in both inflation and fuel prices given the Iran War and the closing of oil routes to Pakistan and spiraling of global energy prices increase.

<u>Finding 5:</u> 43% of businesses surveyed said ‘no’ loadshedding happened in their establishment on the day of the survey, while 57% said yes.

Quarter-to-Quarter reports of load shedding increase: 15% more businesses in Quarter 1 2026 report loadshedding in their business on the day they were surveyed as compared to Q4 2025.

<u>Finding 6:</u> In Q1 2026, more businesses (46%) viewed economic management as worse, while less (33%) believed it has improved. Those rating PMLN government is better than PTI declined from 46% in Q4 2025 to 33% in Q1 2026. This reflects a negative shift in public perception of the PML-N government’s handling of the economy.

Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

EXECUTIVE SUMMARY – SPECIAL QUESTIONS ON IRAN WAR IMPACE ON PAKISTANI ECONOMY

Finding 7: 81% of businesses report negative impact from ongoing middle east conflicts on their business operations. Only 6% report a positive impact, while 13% say there is no impact.

Finding 8: 58% of businesses report rising fuel and energy costs as the primary impact of the current regional situation. Other effects remain limited, with only 6% citing supply chain disruptions and 6% reporting reduced consumer demand.

Finding 9: 76% of businesses expect conditions to worsen if the current conflict persists over the next three months. Only 11% anticipate improvement, while 13% expect no change.

Finding 10: 73% of businesses report increased costs due to recent regional issues compared to the previous quarter. Only 14% report no change, while another 14% indicate a decrease in costs.

Finding 11: 62% of businesses identify inflation and rising costs as the biggest risk to their operations. Other risks remain secondary, with only 13% citing energy issues and 6% pointing to political instability.

Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

SECTION 1:

Gallup Pakistan Business Confidence Index

Gallup Pakistan Business Confidence Index Yardstick

1:

Current Business Conditions Score

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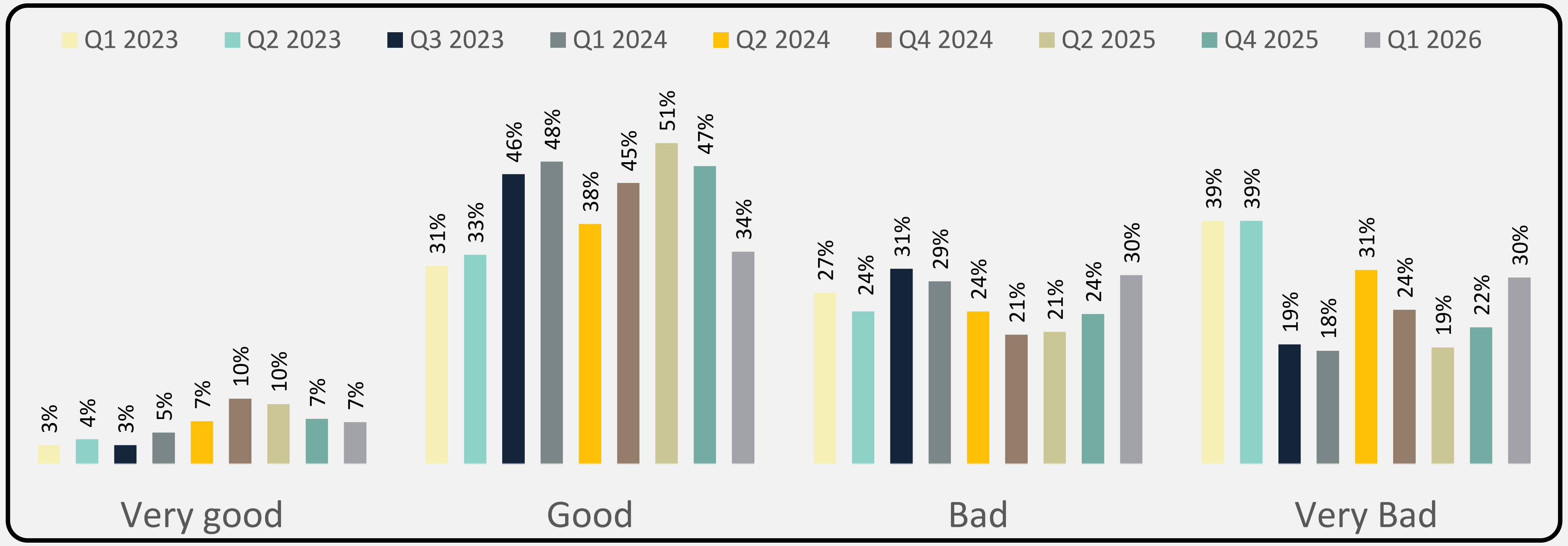
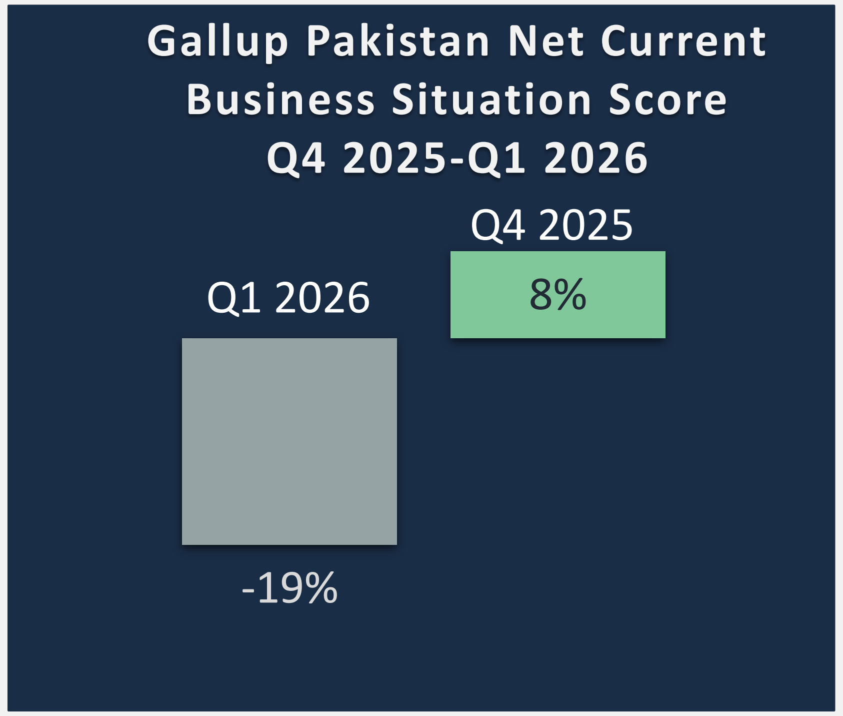
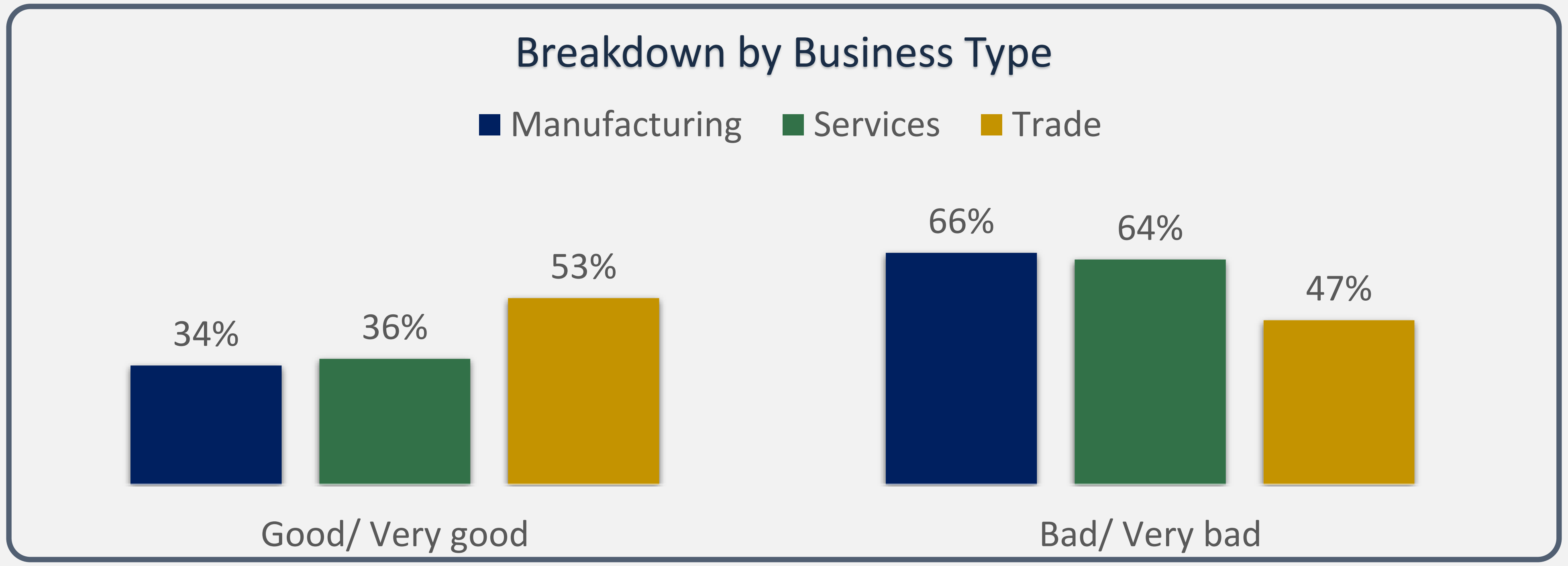
41% Surveyed businesses say their business is doing well these days (either very good or good). There is a 13% decline since Q4 2025 (about three months ago) when the same question was asked. There is also increase of around 8% in businesses who rate their current situation as very bad.

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





Since Q4 2025, the current business assessment has declined, with a 27% decrease in the net proportion of people claiming their business situation to be good.



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.

66% of manufacturing businesses and 64% of service businesses reported their current business conditions to be doing badly.

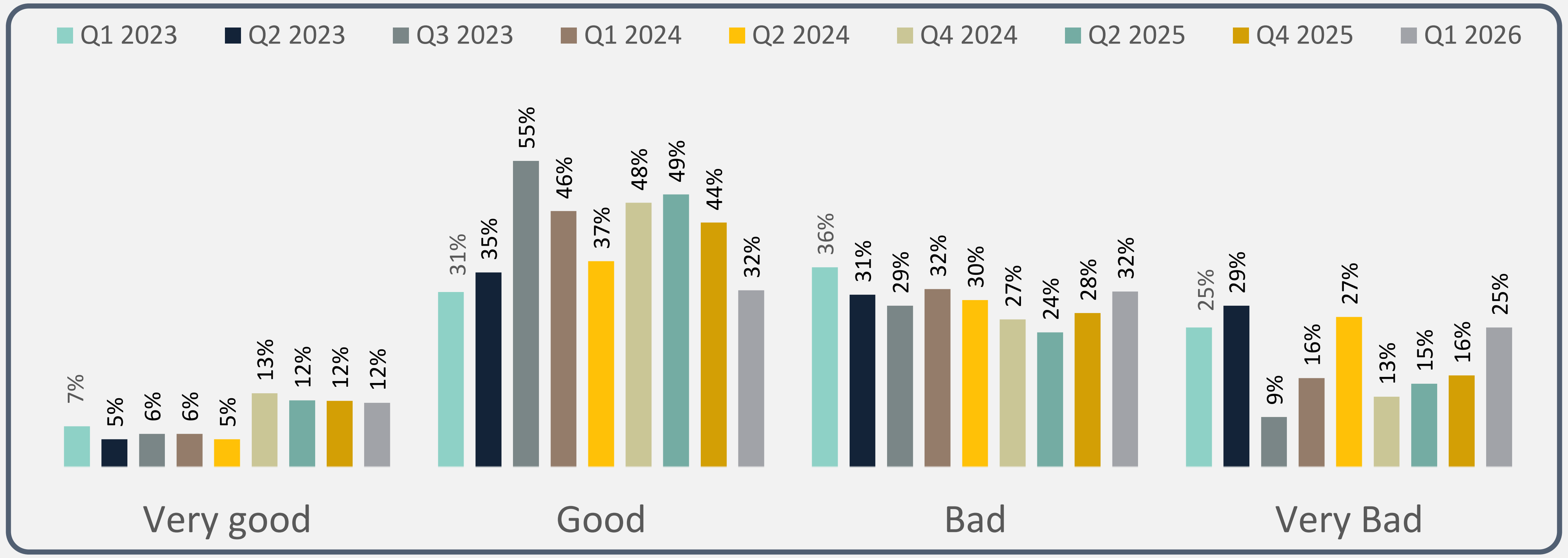
Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

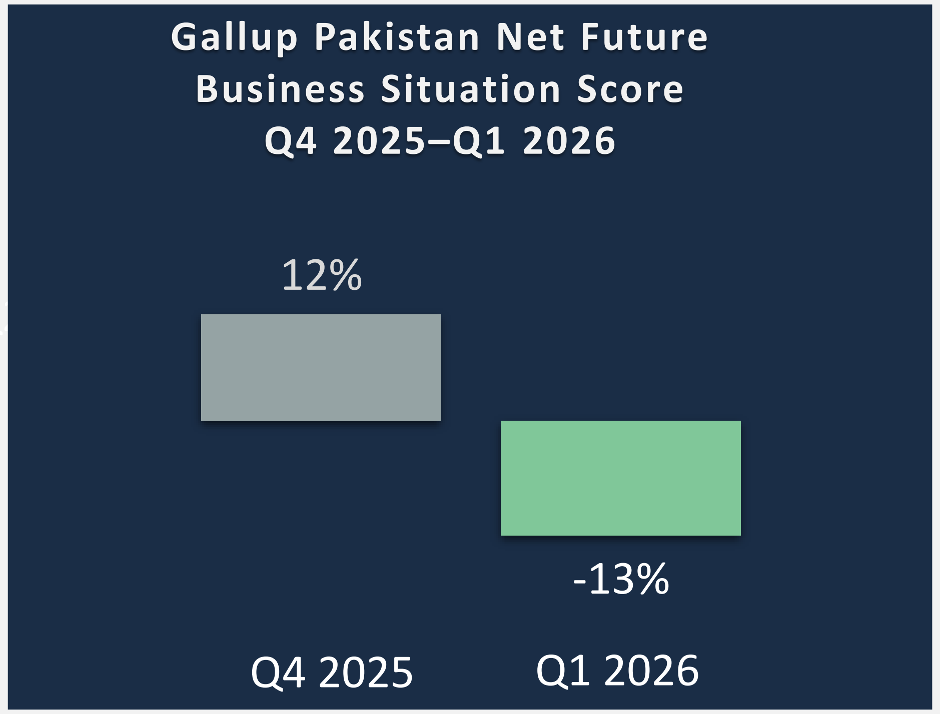
Gallup Pakistan Business Confidence Index Yardstick 2:

Future Business Conditions Score

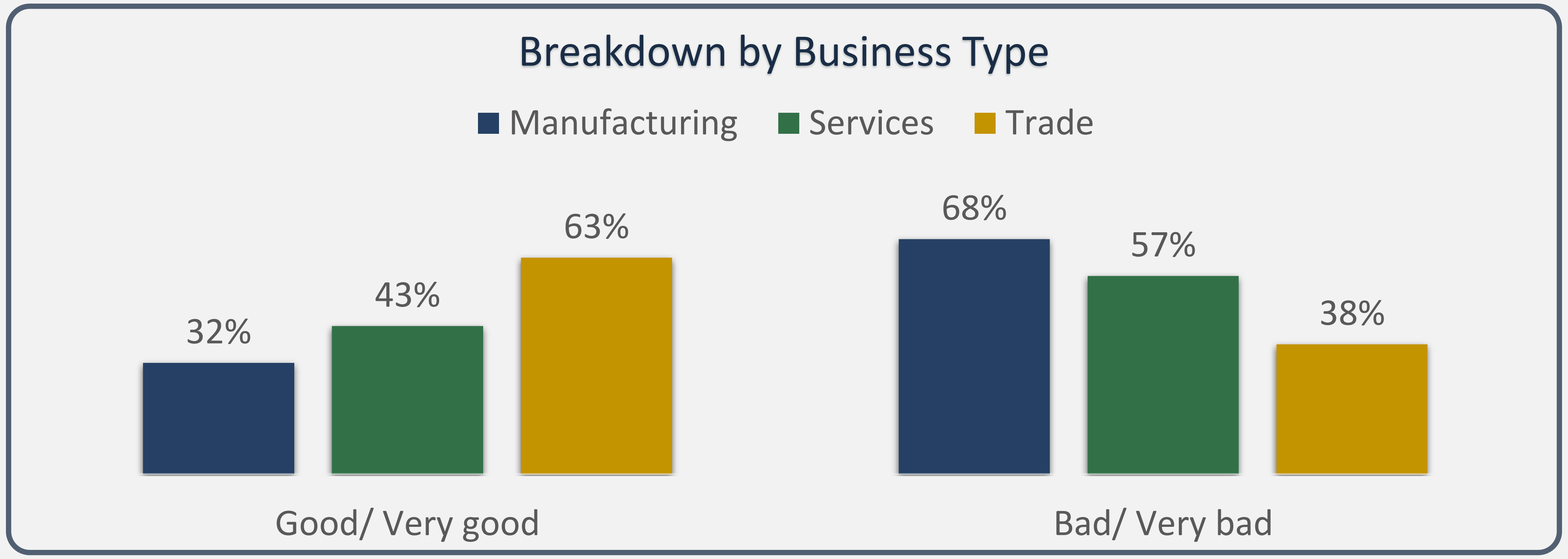
In Q1 2026, 12% less businesses than in Q4 2025 think that their business will be better off in the future; 44% in Q1 2026 said expectations for the future are positive, while 57% expect things to get worse. The Net Future Business Confidence score has decreased by 25% since Q4 2025.

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





Net Future Business Situation Score has declined by 25% since Q4 2025.



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

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Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

Gallup Pakistan Business Confidence Index Yardstick 3:

Direction of Country Score

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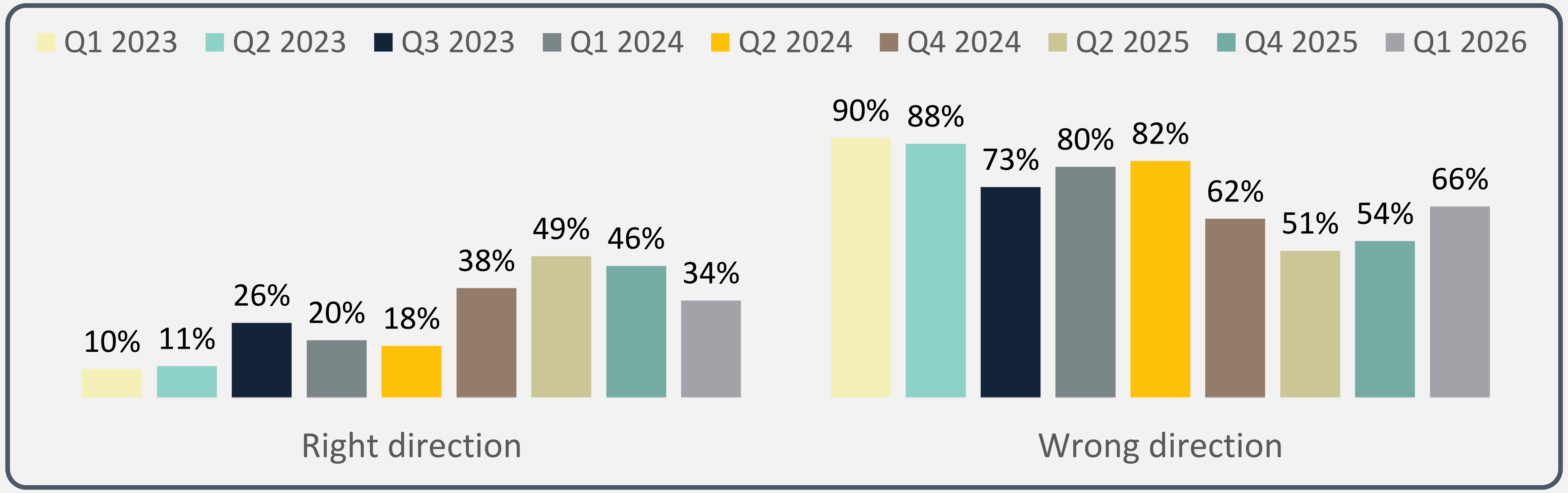
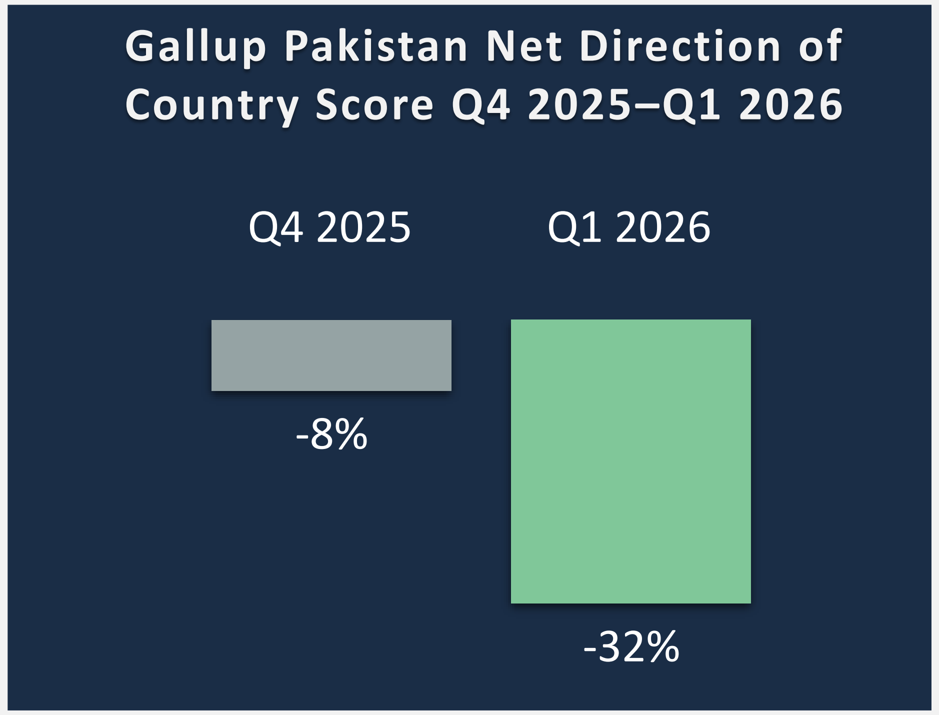
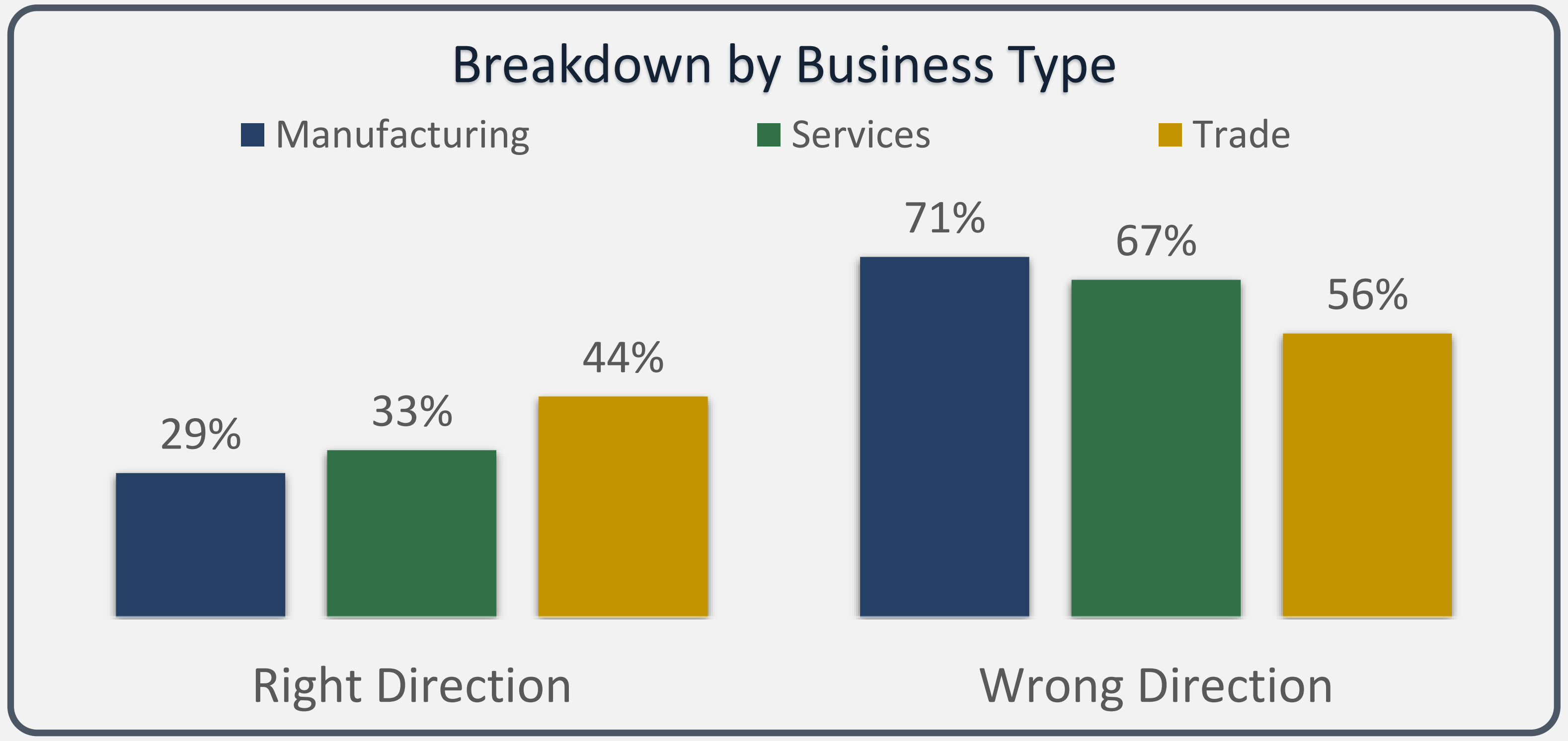
12% More Businesses in Q1 2026, as Compared to Q4 2025, Think that the Country is Heading in the Wrong Direction. Overall Trend for the Past Few Quarters Remains Negative, with a Noticeable Deterioration in the Current Quarter.

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 declined by 24% since Q4 2025





Manufacturers and service providers predominantly hold pessimistic views on the direction of the country, while trade providers exhibit a comparatively less pessimistic outlook.

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Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

SECTION 4:

Problems Affecting Businesses in Pakistan

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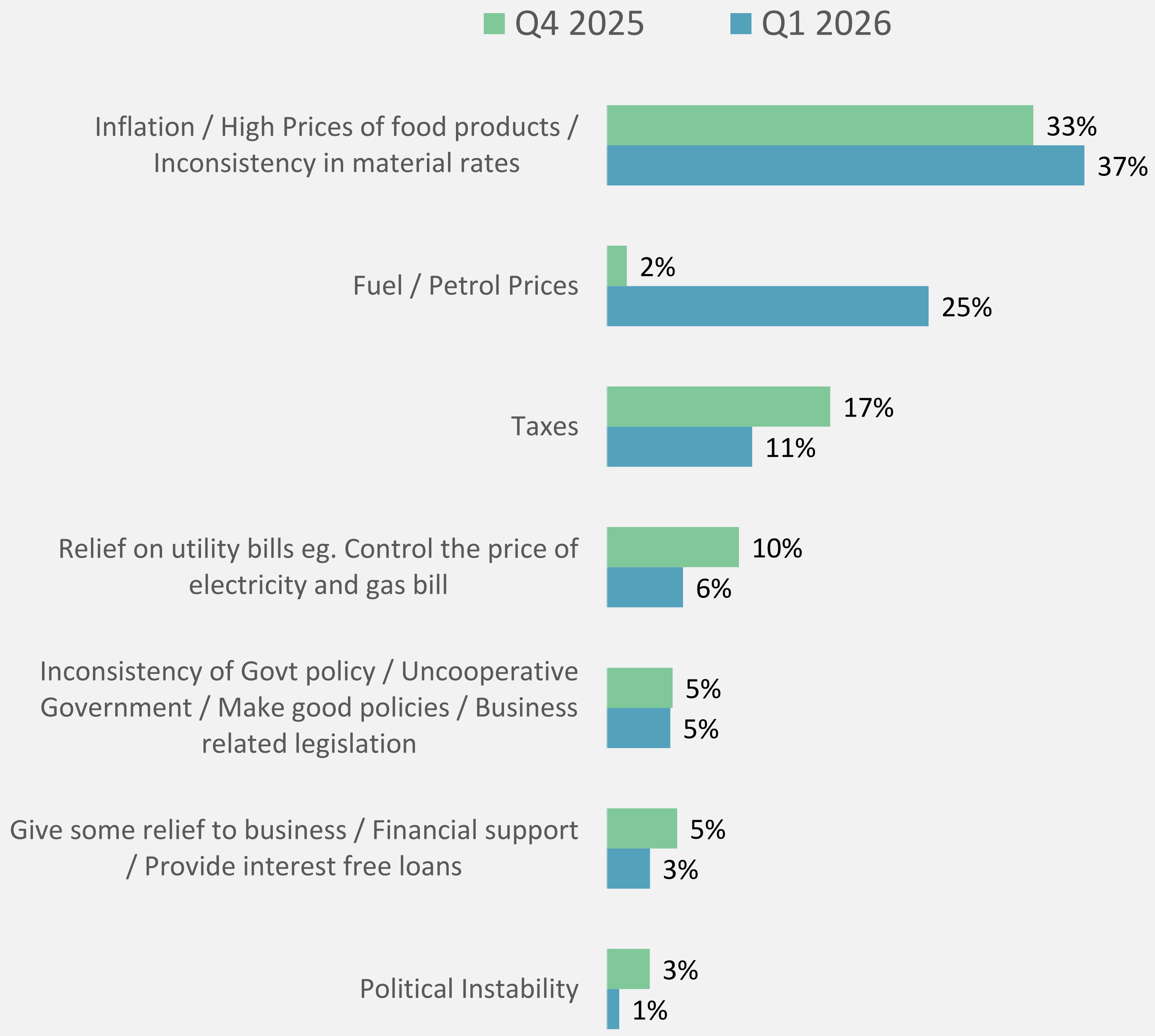
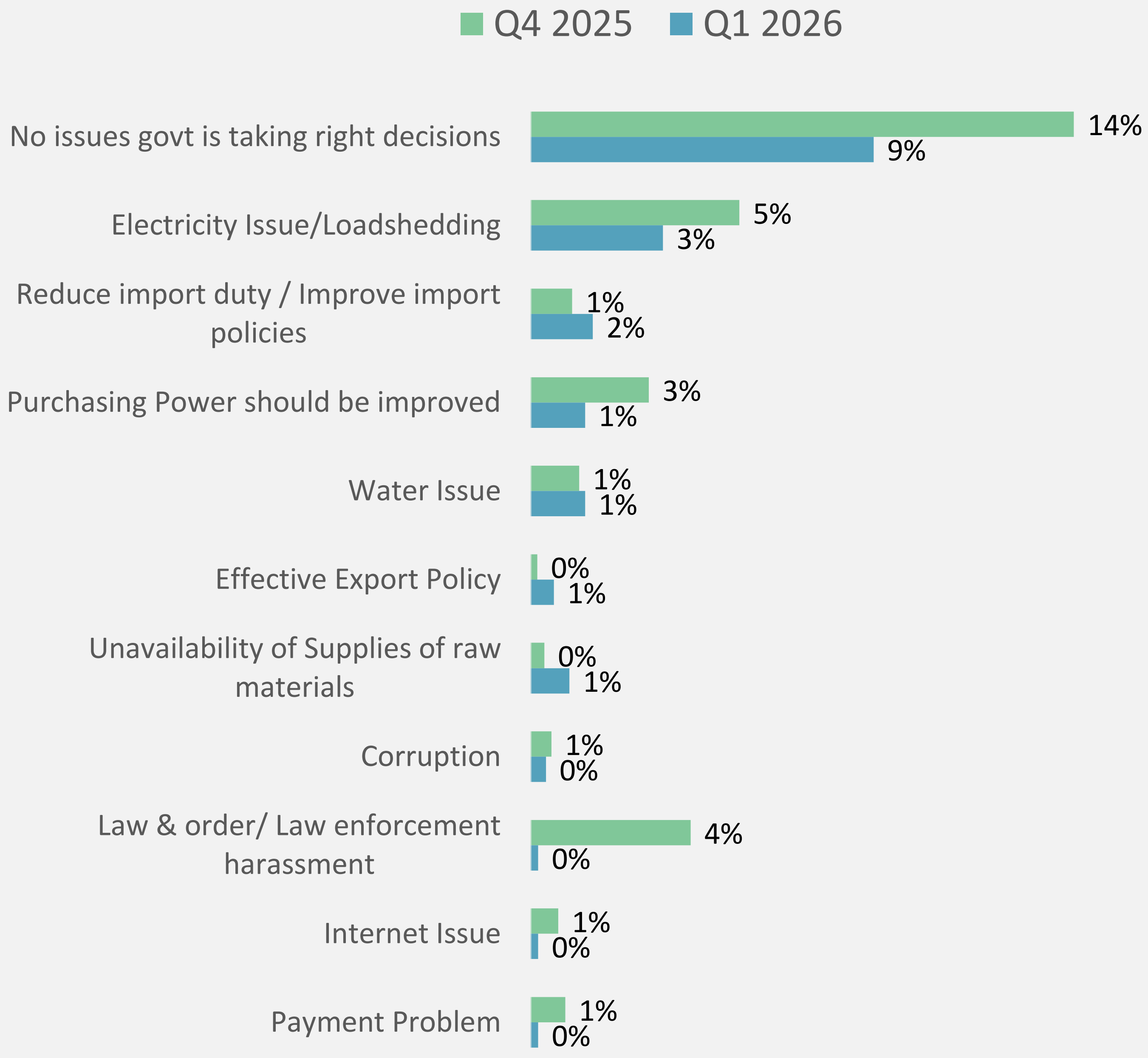
Similar to Q4 2025, inflation is the most cited problem in Q1 2026 that 37% of businesses would like the government to solve. The proportion of businesses that want the government to solve/decrease Fuel/Petrol Prices saw a massive increase jumping from 2% to 25%.

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 Q1 2026 was inflation (37%), and fuel/petrol prices (25%) followed closely by taxes (11%). The proportion of businesses that believed the government is taking the right decisions decreased by 5% since Q4 2025.

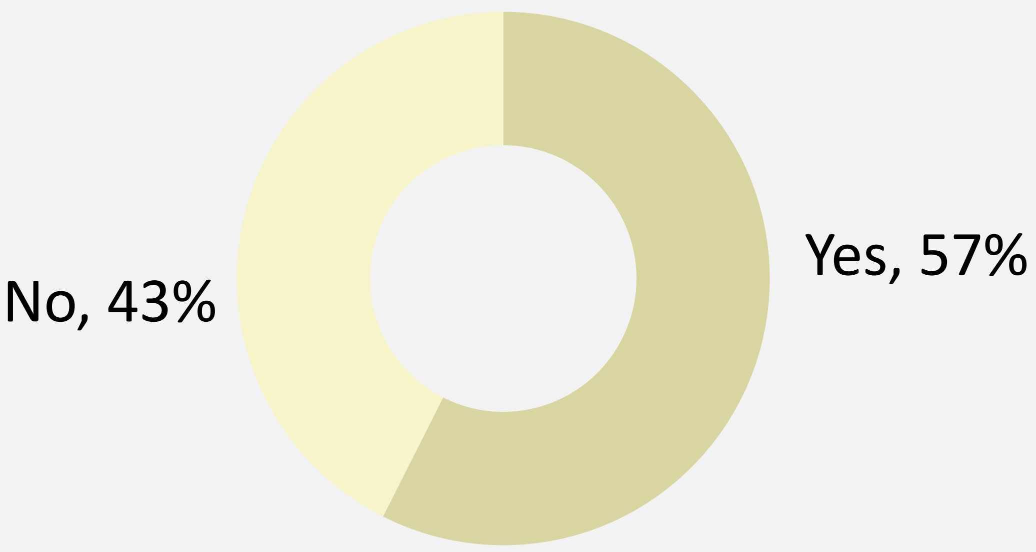
Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

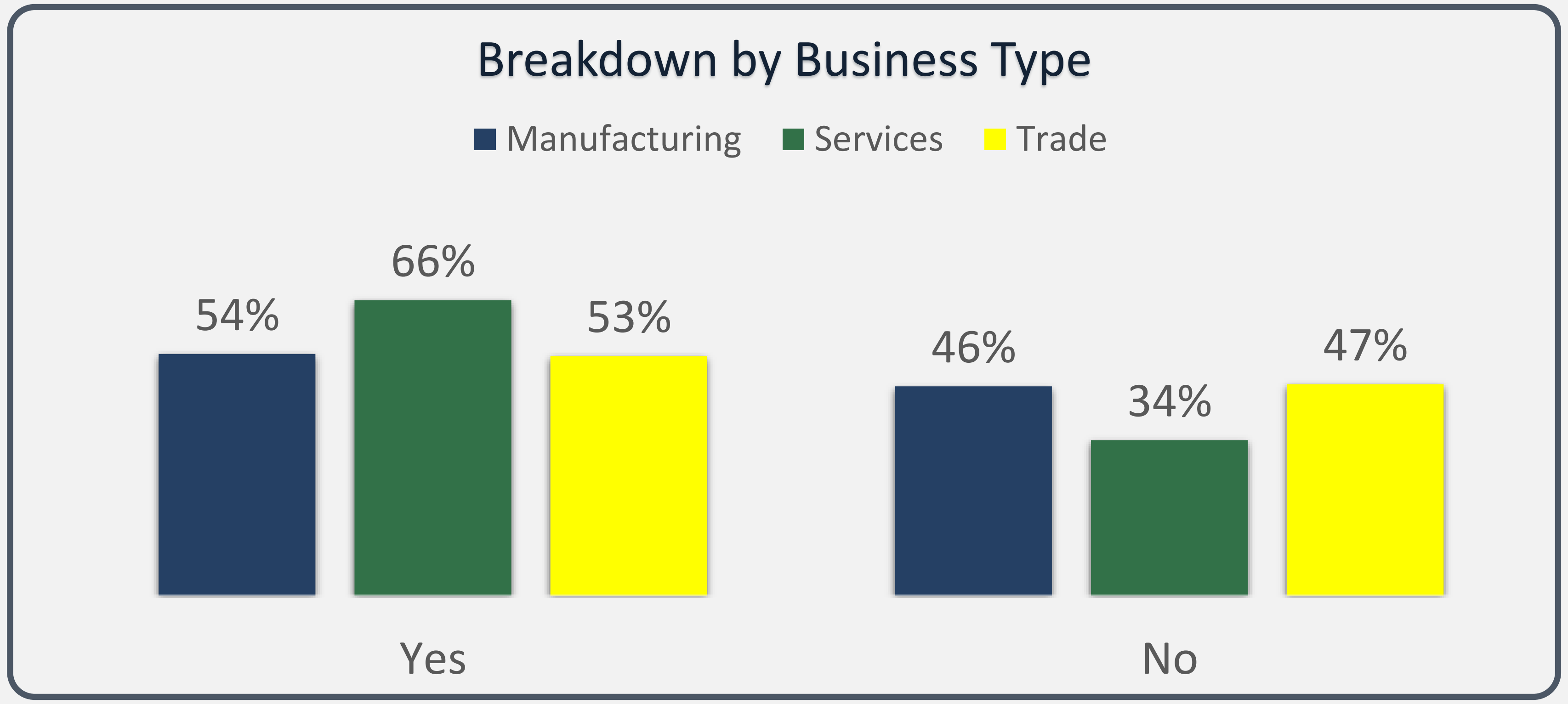
Topic 2: 43% of businesses surveyed said ‘no’ loadshedding happened in their establishment on the day of the survey, while 57% said yes.

Quarter-to-Quarter reports of load shedding increase: 15% more businesses in Quarter 1 2026 report loadshedding in their business on the day they were surveyed. The reported load shedding is higher than Q1 2023 and Q1 2024 and therefore a major reversal seen over the years

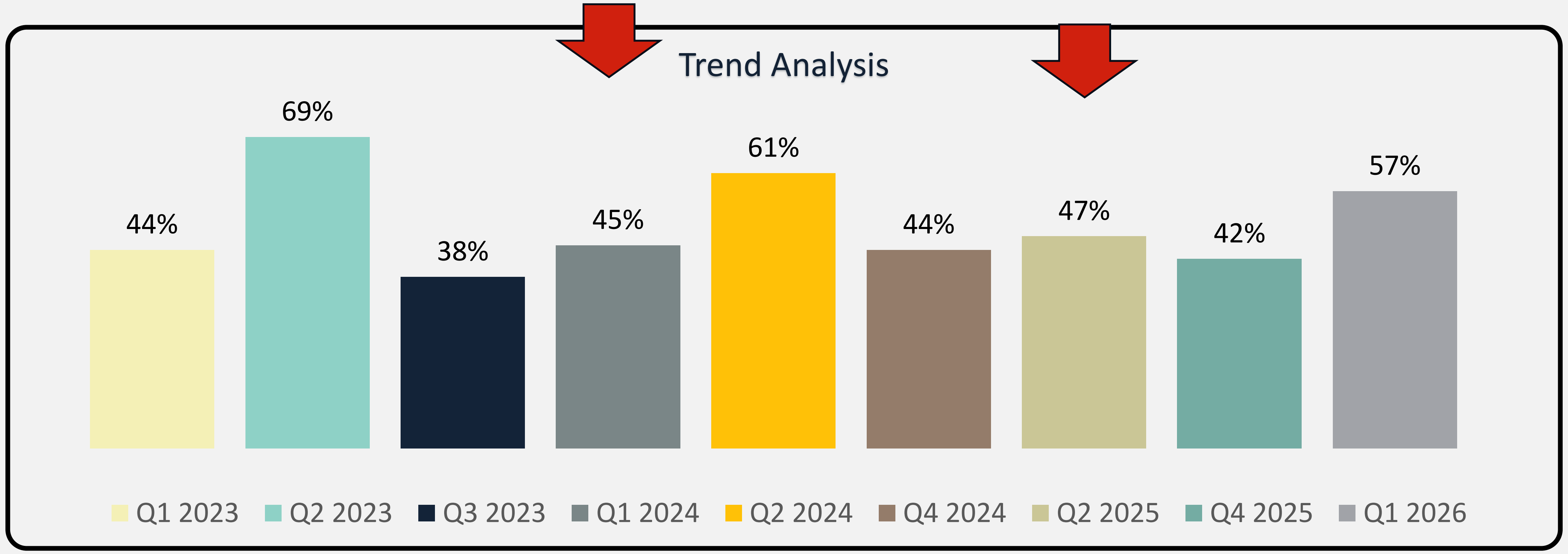
Question: Was there load shedding in your business today?

Overall in current wave





66% of Services provider reported experiencing loadshedding in Q1 2026.



In Q1 2026, the proportion of businesses that experienced load-shedding within a day increased by 15% since Q4 2025.

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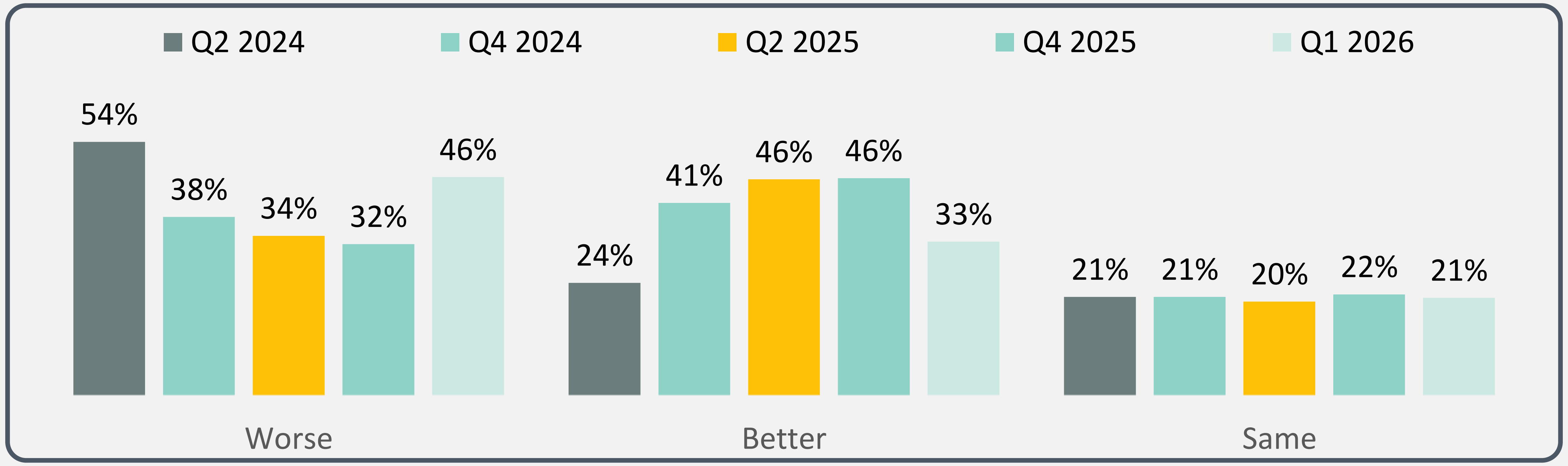
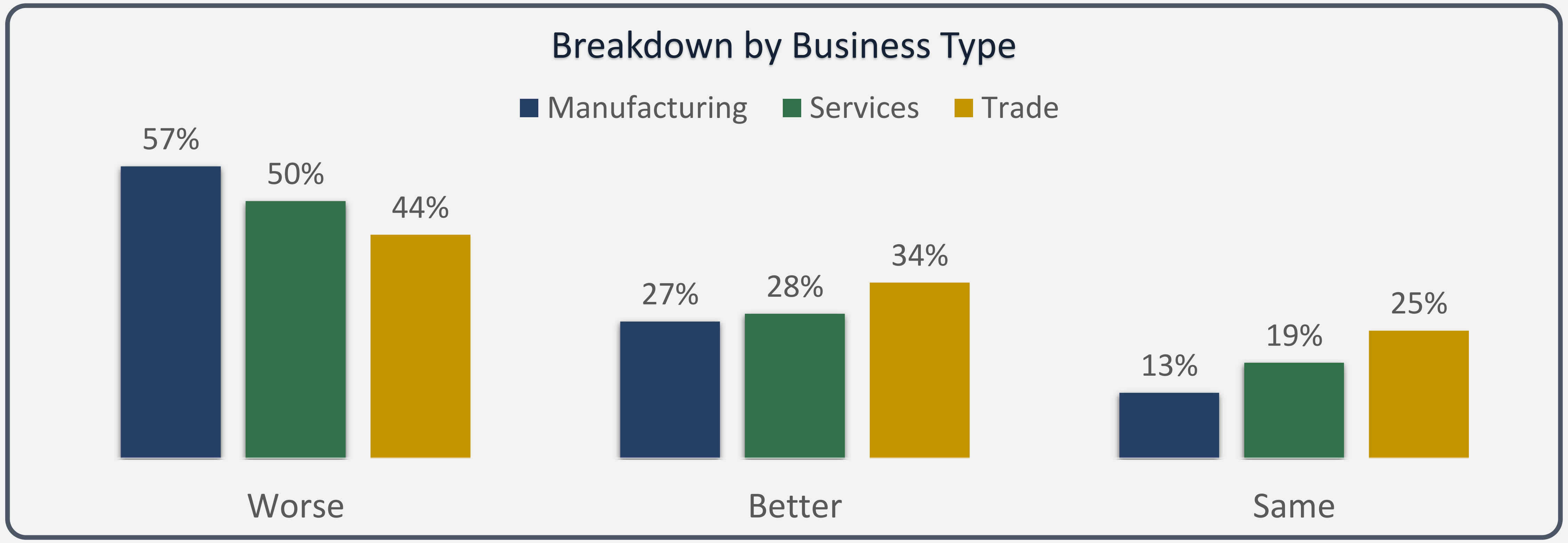
Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

Topic 3: In Q1 2026, more businesses (46%) viewed economic management as worse, while less (33%) believed it has improved. Those rating PMLN government is better than PTI declined from 46% in Q4 2025 to 33% in Q1 2026. This reflects a negative shift in public perception of the PML-N government's handling of the economy.

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



46% of the businesses thought that the PMLN government was worse than the previous government in managing the economy.



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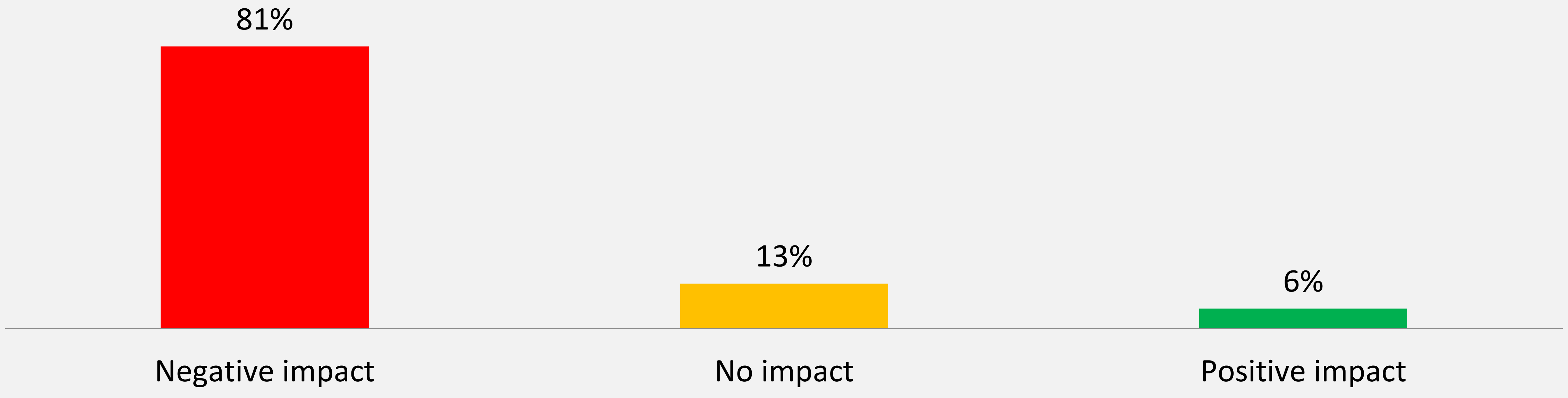
Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

SECTION 5:

Impact of middle-east crisis on businesses in Pakistan

81% of businesses report negative impact from ongoing middle east conflicts on their business operations. Only 6% report a positive impact, while 13% say there is no impact.

Question: Have the ongoing conflicts in the Middle East affected your business operations? Would you say the impact is?



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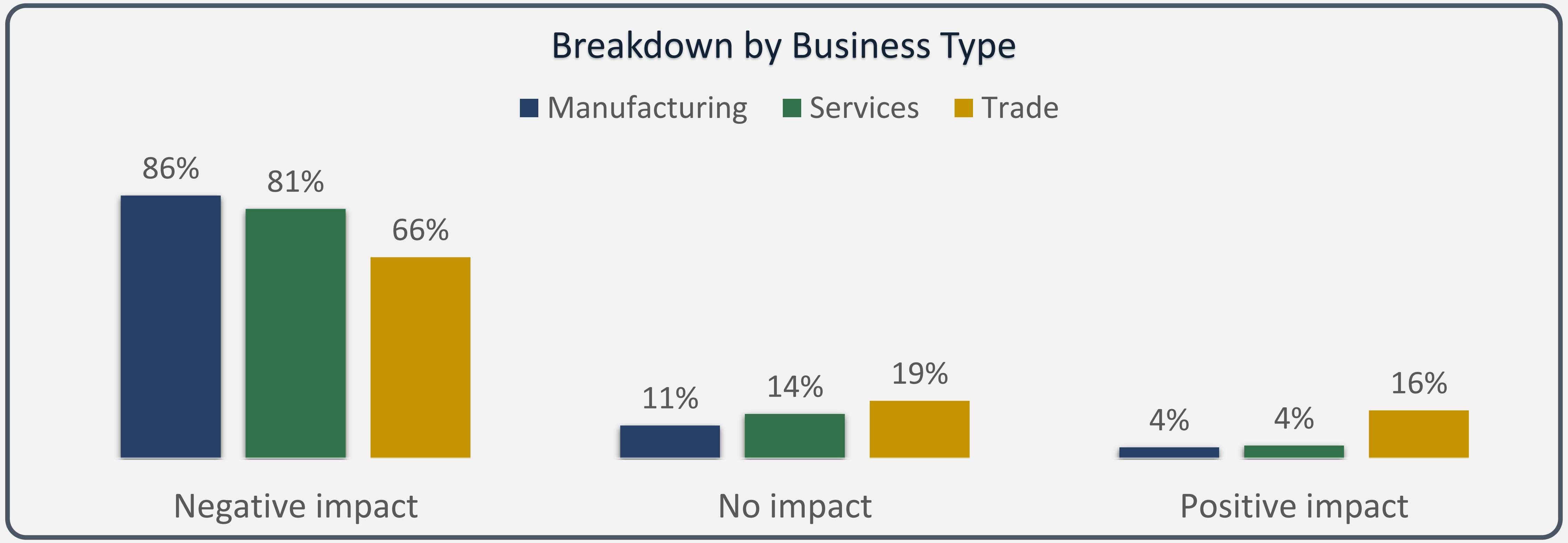

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Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

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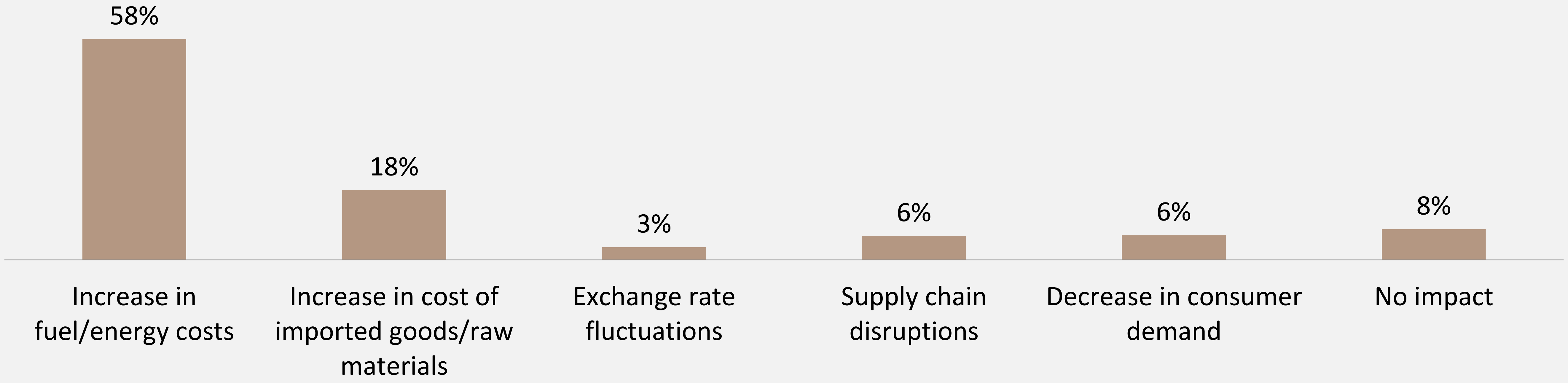
58% of businesses report rising fuel and energy costs as the primary impact of the current regional situation. Other effects remain limited, with only 6% citing supply chain disruptions and 6% reporting reduced consumer demand.

Question: In what ways is the current regional situation affecting your business?



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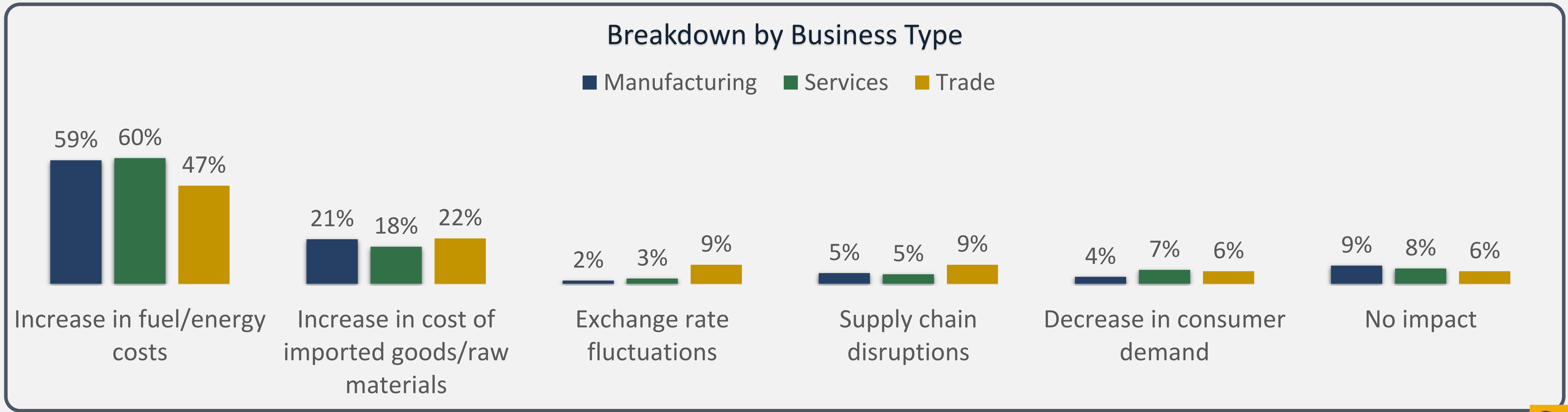

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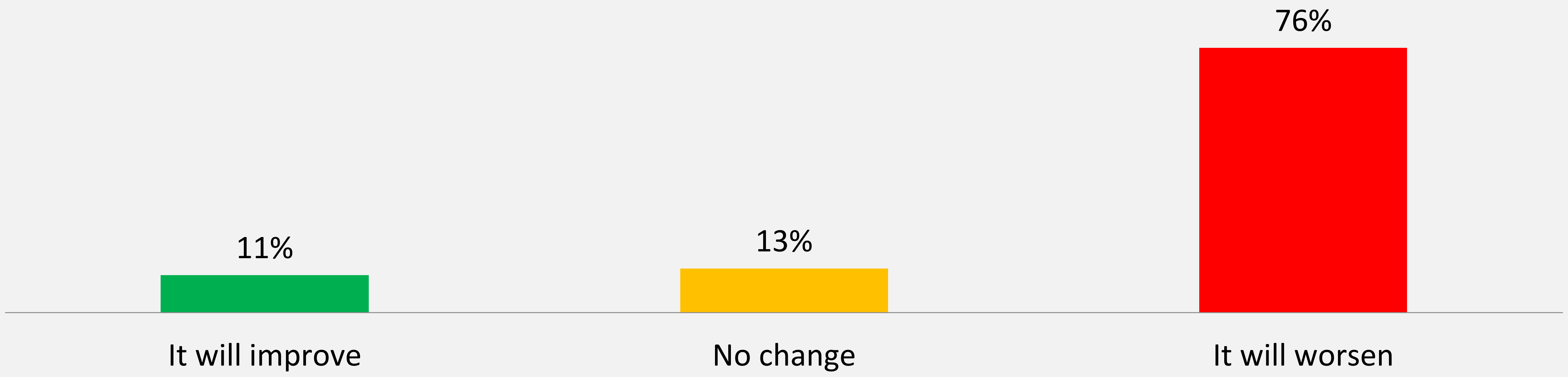
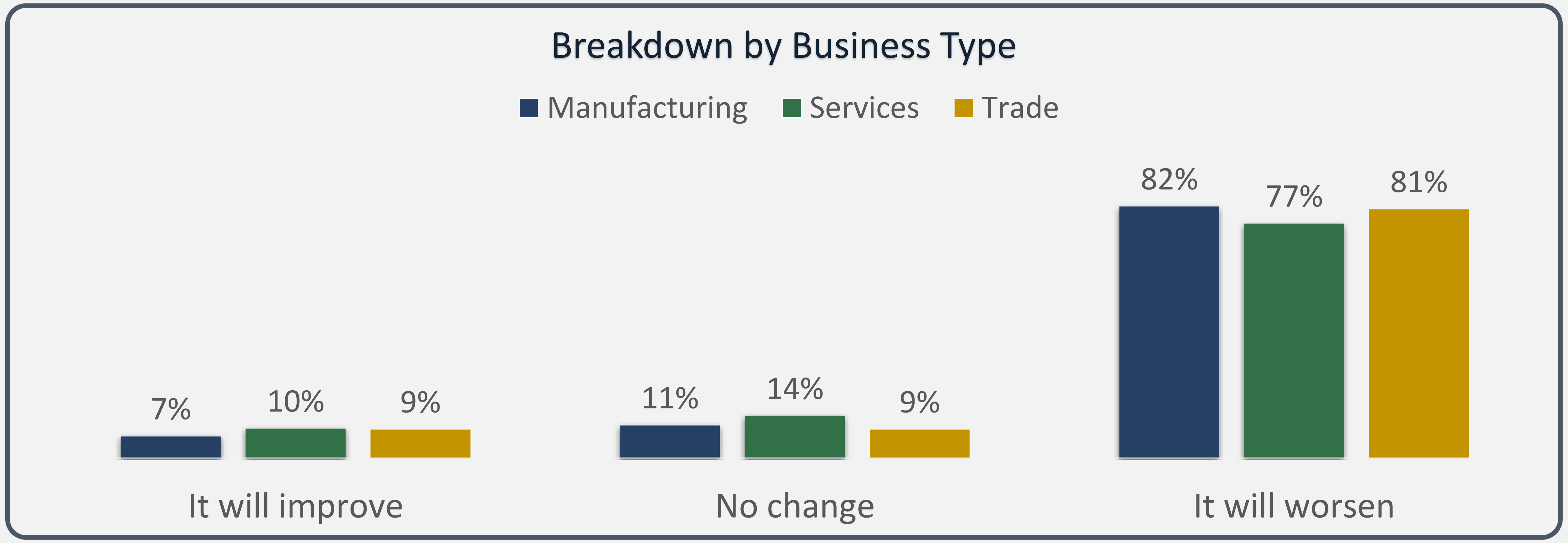
Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

76% of businesses expect conditions to worsen if the current conflict persists over the next three months. Only 11% anticipate improvement, while 13% expect no change.

Question: If the current conflict continues for the next 3 months, what impact do you think it will have on your business?



76% of businesses expect their operations to worsen if the current conflict continues for the next three months.



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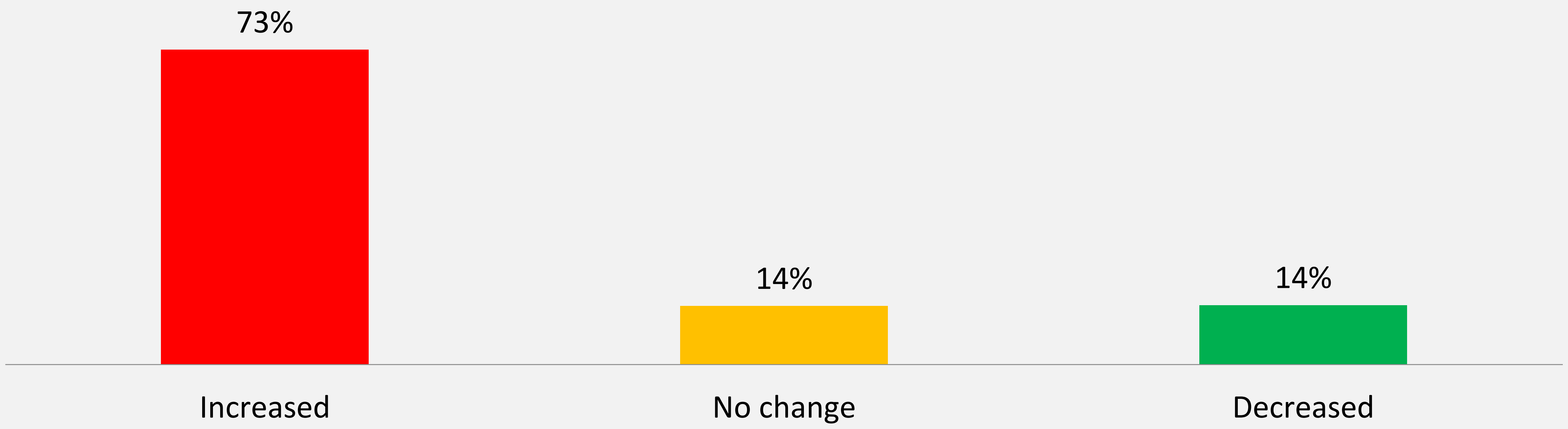
Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

73% of businesses report increased costs due to recent regional issues compared to the previous quarter. Only 14% report no change, while another 14% indicate a decrease in costs.

Question: Compared to the previous quarter, how have your overall business costs changed due to recent regional issues?



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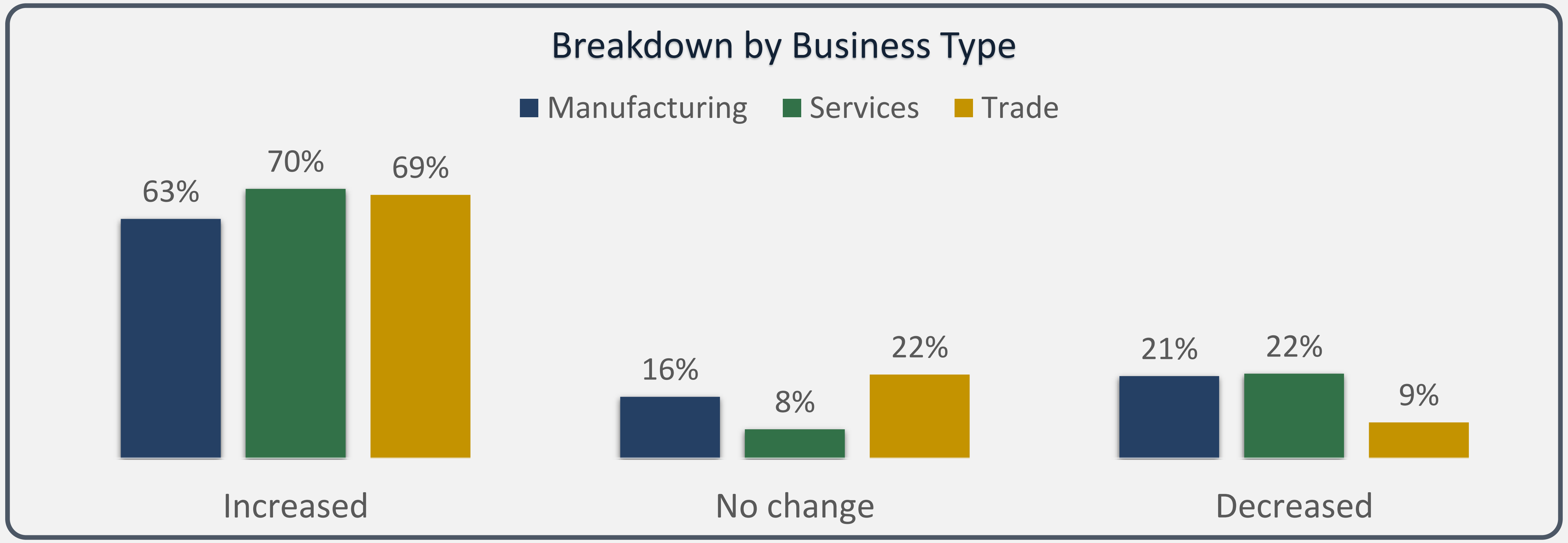

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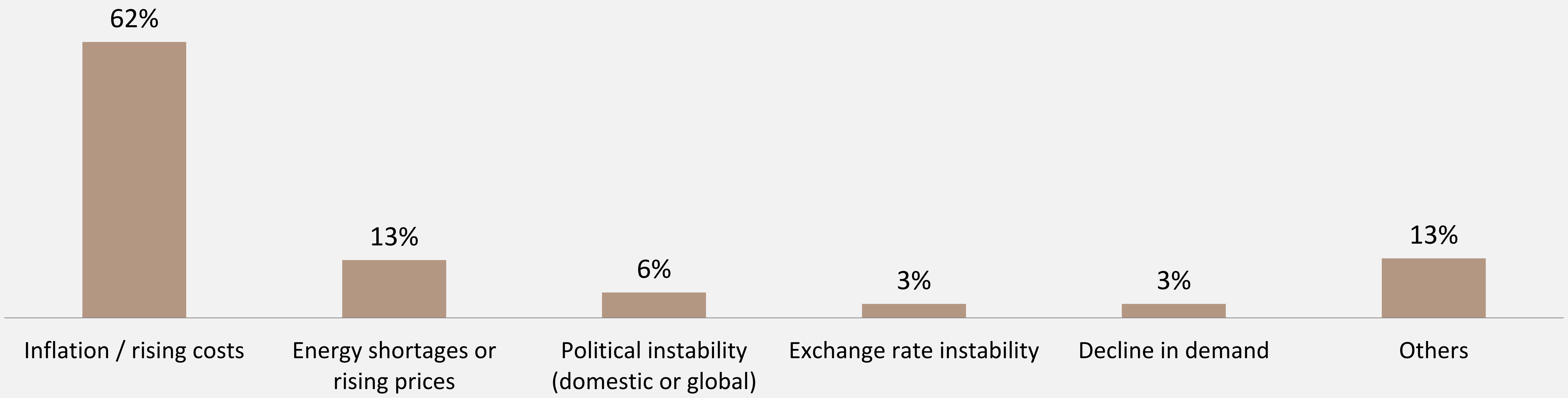
Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

62% of businesses identify inflation and rising costs as the biggest risk to their operations. Other risks remain secondary, with only 13% citing energy issues and 6% pointing to political instability.

Question: What is currently the biggest risk to your business?



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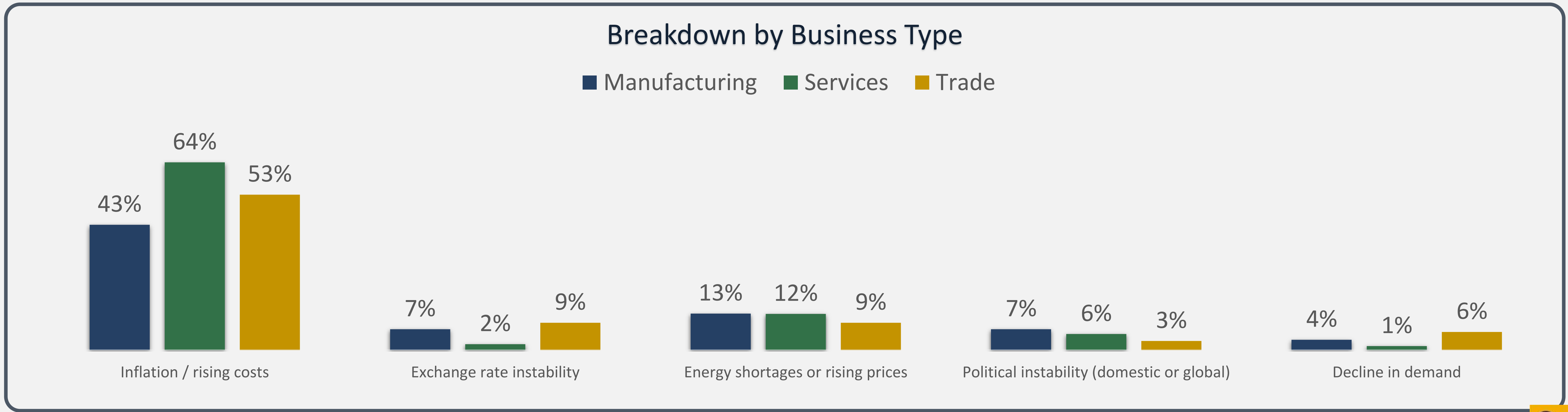

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Methodology and Sample Profile

GALLUP PAKISTAN BUSINESS CONFIDENCE INDEX IN PAKISTAN

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METHODOLOGY DETAILS

Sample Size:
N=510 businesses across Pakistan

Method of Interview:
Phone surveys

Field Dates:
1st April 2026 - 7th April 2026

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

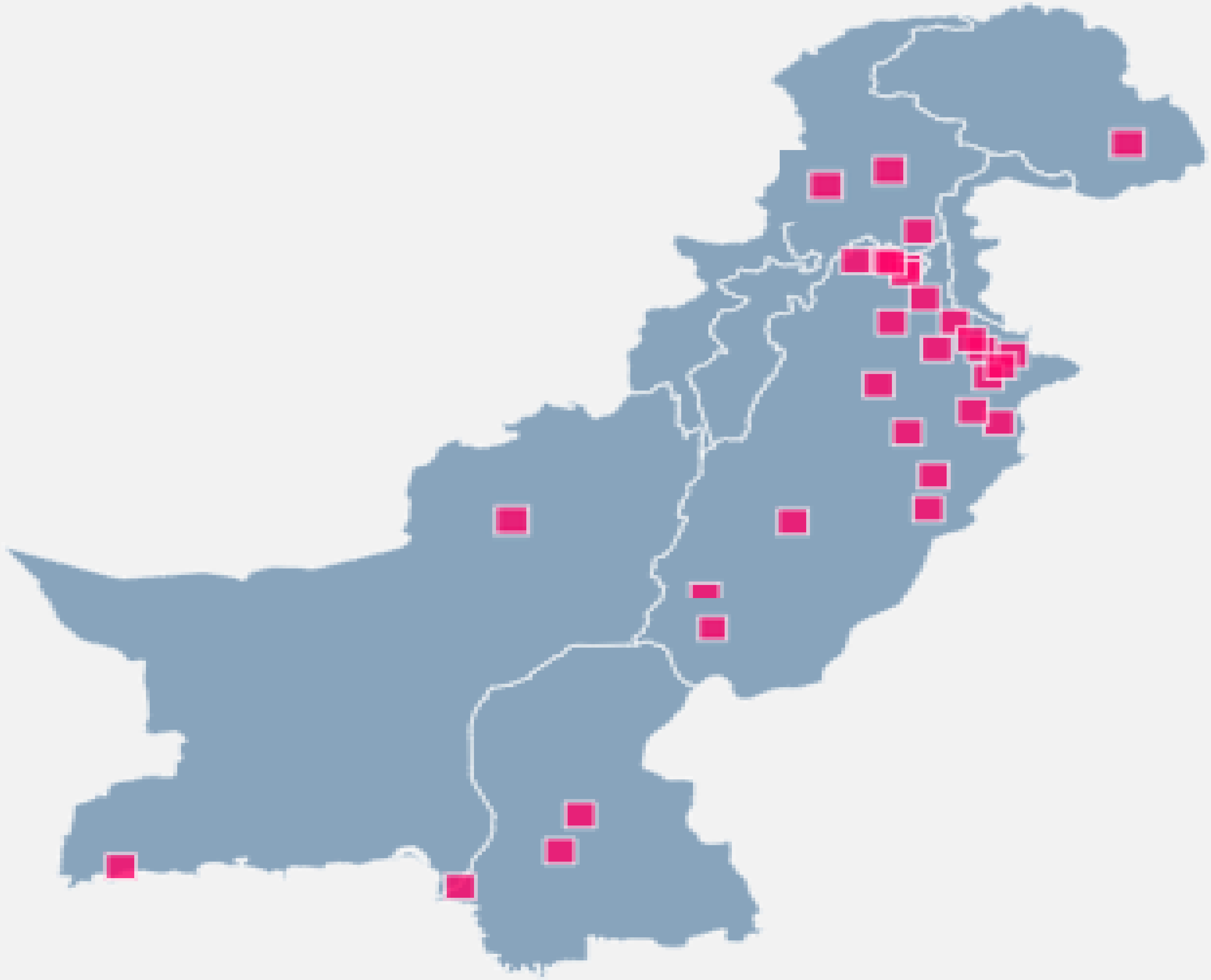
BUSINESS TYPE	Manufacturing	11%
	Services	28%
	Trade	6%
	Others	52%
	No response	3%

Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

METHODOLOGY DETAILS

Districts/Cities Covered in this survey

Rawalpindi	Sheikhupura
Islamabad	Hyderabad
Karachi	Peshawar
Lahore	Khanewal
Faisalabad	Kasur
Sialkot	Nowshera
Gujranwala	Gwadar
Gujrat	Muzaffargarh
Daska	Sahiwal
Sargodha	Wazirabad
Mandi Bahauddin	Wah Cantt
Jhelum	Jauharabad
Chakwal	Vehari
Quetta	Taxila
Jhang	Attock
Bahawalpur	Azad Jammu Kashmir
Lala Musa	Sukkur
Mardan	Haripur
Hafizabad	Larkana
Multan	Bhakkar
	Layyah
	Bahawalnagar



Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

APPENDIX

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QUESTIONNAIRE

Q1) How well is your business doing nowadays? Would you say it is very good, good, bad, or very bad?

Q2) What are your expectations for the future of your business compared to the past?

Q3) What is your opinion on the direction of the country? Are we headed in the right direction or wrong direction?

Q4) Which problems affecting your business considerably would you want the government to solve?

Q5) Was there load shedding in your business today?

Q6) Do you think PML-N government is better worse or same as previous government in managing the economy?

Q7). Have the ongoing conflicts in the Middle East affected your business operations? Would you say the impact is?

Q8) In what ways is the current regional situation affecting your business?

Q9) If the current conflict continues for the next 3 months, what impact do you think it will have on your business?

Q10) Compared to the previous quarter, how have your overall business costs changed due to recent regional issues?

Q11) What is currently the biggest risk to your business?

Source: Gallup Pakistan Business Confidence Survey with N 510 businesses in Pakistan (Report 17, Quarter 1 2026)

FOR MORE INFORMATION, PLEASE CONTACT

Bilal I Gilani
Executive Director
Gallup Pakistan
bilal.gilani@gallup.com.pk

Amnah Imtiaz
Director Research Operations
Gallup Pakistan
amnah.imtiaz@gallup.com.pk

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