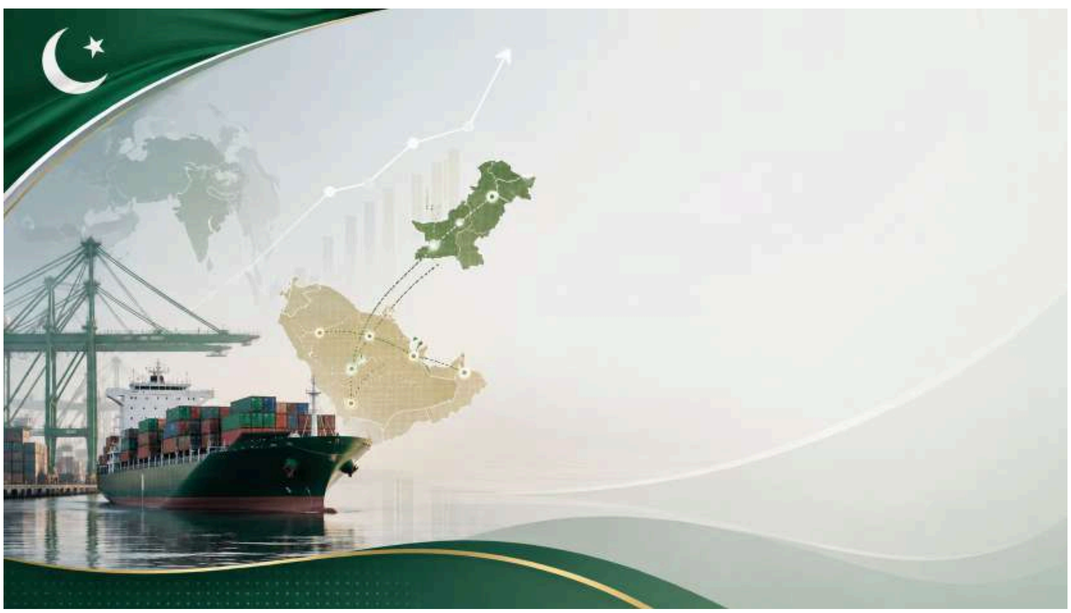
PAKISTAN'S EXPORT PERFORMANCE TO THE GCC

Seven-Month Consolidated and Monthly Assessment

January-July 2026 | Comparative Base: January-July 2025



Policy Advisory Board of FPCCI

The Federation of Pakistan Chambers of Commerce and Industry

August 2026

Executive Summary

Pakistan's merchandise exports to the six GCC economies increased from US$1.904 billion in January-July 2025 to US$1.944 billion in January-July 2026, generating a net gain of approximately US$40.0 million and year-on-year growth of 2.1%. The headline improvement is positive, but the underlying structure is uneven: export growth has become more dependent on the United Arab Emirates, while three smaller GCC markets recorded material contractions.

US$1.944bn **Total GCC exports** Jan-Jul 2026	**+2.1%** **Overall growth** vs. Jan-Jul 2025
65.9% **UAE share** of total GCC exports	**86.5%** **UAE + Saudi share** destination concentration

The UAE remained the dominant market, with exports rising by 5.9% to US$1.280 billion. Its US$71.1 million absolute increase was greater than the GCC's total net increase, which means losses elsewhere offset a significant part of the UAE-led expansion. Saudi Arabia grew modestly by 1.4% to US$401.1 million, while Kuwait delivered the fastest percentage growth at 14.7%, albeit from a much smaller base.

By contrast, exports to Oman fell 13.8%, Qatar 23.7%, and Bahrain 34.9%. Excluding the UAE, Pakistan's exports to the remaining GCC markets declined by approximately 4.5%; excluding both the UAE and Saudi Arabia, exports to the other four GCC economies contracted by approximately 12.2%. This indicates that the seven-month improvement should be interpreted as concentrated growth rather than a broad-based regional expansion.

Diplomatic Engagement and Trade Resilience

Pakistan’s diplomatic engagement and crisis-management efforts have helped preserve trade continuity during a period of heightened regional uncertainty. Under the leadership of Prime Minister **Mian Muhammad Shehbaz Sharif** and the Honourable **Field Marshal Syed Asim Munir**, Pakistan has maintained constructive engagement with GCC partners and supported the continuity of commercial, logistics, and people-to-people linkages. As a result, Pakistan’s exports to the GCC have shown only a limited and temporary dip in certain months, while the seven-month aggregate remained positive. This relatively resilient performance suggests that Pakistan has been better able to preserve its export presence in GCC markets than several regional competitors affected by the wider disruption.

Monthly performance was also volatile. Export value rose to US$323.2 million in February, weakened through March and April, stabilised at about US$240.7 million in May, and then recovered in June and July. On a sequential basis, total GCC exports rose 10.8% in February, declined 7.8% in March and 19.1% in April, were broadly flat in May, and then increased 7.8% in June and 11.9% in July. The rebound is encouraging, although July remained about 10.2% below February's 2026 peak.

1. Introduction

The Gulf Cooperation Council represents a strategically important export region for Pakistan because of geographic proximity, established commercial relationships, large consumer markets, energy-linked trade flows and the presence of major logistics hubs. This report evaluates Pakistan's export performance to Saudi Arabia, the United Arab Emirates, Oman, Qatar, Kuwait and Bahrain during January-July 2026, using January-July 2025 as the comparative base.

The analysis is deliberately market-focused. It first assesses the seven-month consolidated position to identify the scale, direction and concentration of export growth. It then examines monthly performance in two complementary ways: the change in each month relative to the corresponding month of 2025, and the sequential month-on-month movement within 2026. This distinction is important because it separates structural year-on-year performance from short-term export momentum.

Strengthening PNSC

Within this broader trade context, the Prime Minister's decision to strengthen the Pakistan National Shipping Corporation (PNSC) and add more vessels to the national fleet is a welcome policy direction. In June 2025, Prime Minister Muhammad Shehbaz Sharif directed the acquisition of additional ships, including through leasing, to expand PNSC's fleet; in July 2025, he also called for an increase in the number of ships and a comprehensive plan to elevate the national flag carrier to international standards. A stronger PNSC can support export competitiveness by improving shipping capacity, reducing dependence on foreign carriers, strengthening schedule reliability and retaining a greater share of freight-related economic activity within Pakistan.

The relevance of this policy is especially clear for GCC trade. PNSC's official website reported a dedicated Gulf feeder link between Fujairah and Karachi in April 2026, highlighting the operational connection between maritime capacity and Pakistan's access to Gulf markets. Continued fleet modernisation, commercially viable route development and stronger port-to-market connectivity can therefore complement export promotion efforts aimed at the GCC.

2. Discussion on 7-Months Consolidated Performance

During January-July 2026, Pakistan exported US$1,944.2 million worth of goods to GCC economies, compared with US$1,904.2 million during the same seven-month period of 2025. The resulting US$40.0 million gain represents growth of 2.1%. While this is a positive regional outcome, the country-level distribution shows a clear divergence between expanding and contracting markets.

Market	7M 2025 US$ mn	7M 2026 US$ mn	Abs. Change US$ mn	Growth	2026 Share
Saudi Arabia	395.6	401.1	+5.5	+1.4%	20.6%
Qatar	65.7	50.2	-15.6	-23.7%	2.6%
Oman	139.6	120.3	-19.3	-13.8%	6.2%
Kuwait	62.7	71.9	+9.2	+14.7%	3.7%
Bahrain	31.3	20.4	-10.9	-34.9%	1.0%
UAE	1,209.3	1,280.5	+71.1	+5.9%	65.9%
Total GCC	**1,904.2**	**1,944.2**	**+40.0**	**+2.1%**	**100.0%**

Table 1. Pakistan's exports to GCC markets: January-July consolidated performance

Source: SBP database; authors calculations.

2.1 Growth is positive, but increasingly concentrated

The UAE accounted for 65.9% of Pakistan's GCC exports in the first seven months of 2026, up from approximately 63.5% in the corresponding period of 2025. Saudi Arabia contributed a further 20.6%. Together, the two largest destinations therefore absorbed 86.5% of Pakistan's GCC exports, compared with about 84.3% a year earlier. The rise in the top-two share by roughly 2.2 percentage points shows that destination concentration increased even as aggregate GCC exports grew.

A particularly important result is that the UAE's US$71.1 million increase was equivalent to about 178% of the GCC's net US$40.0 million gain. In other words, the UAE more than generated the entire regional increase, while contractions elsewhere reduced the final outcome. Excluding the UAE, exports to the other five GCC markets declined by approximately 4.5%.

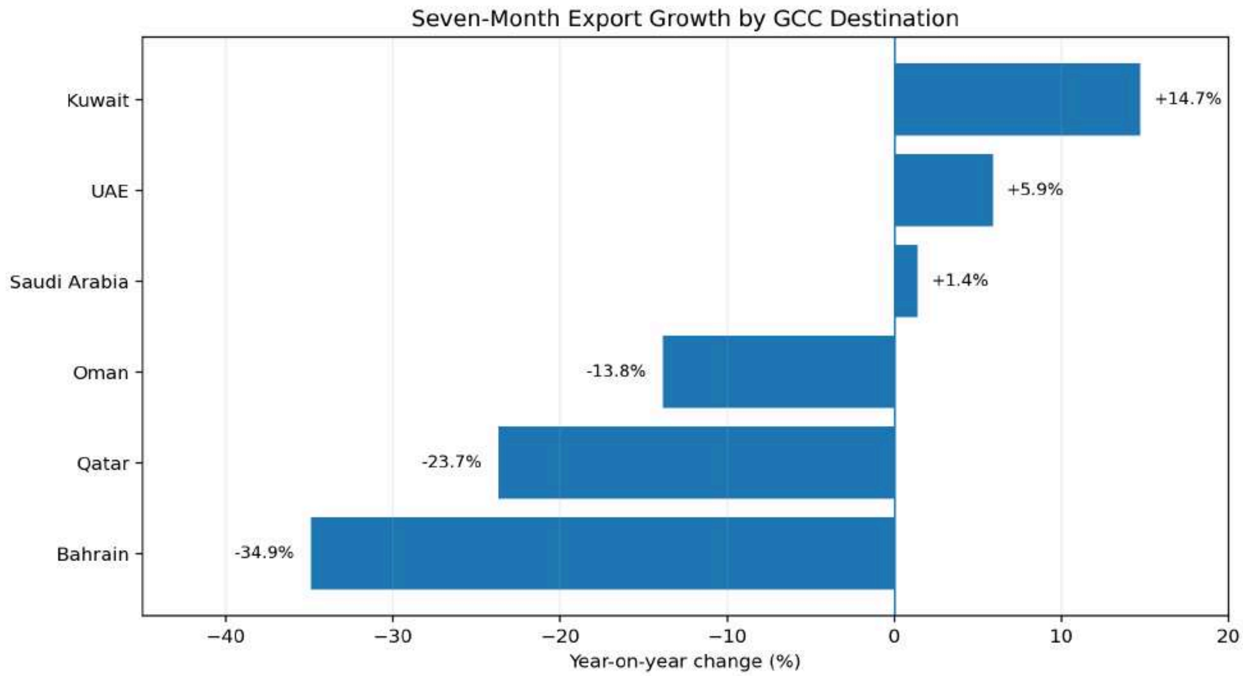


Figure 2. Year-on-year change in seven-month exports by destination

Source: SBP database; authors calculations.

2.2 Market-level performance

United Arab Emirates: Exports to the UAE increased from US$1,209.3 million to US$1,280.5 million, a 5.9% increase. The US$71.1 million absolute gain made the UAE the principal engine of GCC export growth. The market's scale and continued expansion reinforce its role as Pakistan's primary commercial gateway within the Gulf.

Saudi Arabia: Exports increased modestly from US$395.6 million to US$401.1 million, representing growth of 1.4%. Saudi Arabia remained Pakistan's second-largest GCC market, accounting for 20.6% of regional exports. The relatively stable performance provided an important base, although the growth rate was significantly lower than in the UAE.

Kuwait: Exports rose from US$62.7 million to US$71.9 million, an increase of 14.7%, the fastest seven-month percentage growth among the six GCC destinations. Although Kuwait represented only 3.7% of the regional total, the result demonstrates that smaller Gulf markets can make a positive contribution when market access and commercial demand align.

Oman: Exports declined from US$139.6 million to US$120.3 million, a reduction of 13.8% or US$19.3 million. Oman remained the third-largest GCC destination, but its share declined to 6.2%. The scale of the contraction means that recovery in Oman would have a more meaningful effect on the GCC total than comparable percentage gains in the smaller Bahrain or Qatar markets.

Qatar and Bahrain: Qatar fell 23.7% to US$50.2 million, while Bahrain recorded the steepest percentage decline, falling 34.9% to US$20.4 million. Together, the two markets reduced Pakistan's seven-month GCC exports by approximately US$26.5 million. The weakness in both markets warrants product-level review to identify whether the decline is concentrated in a few major HS lines or reflects a broader loss of market momentum.

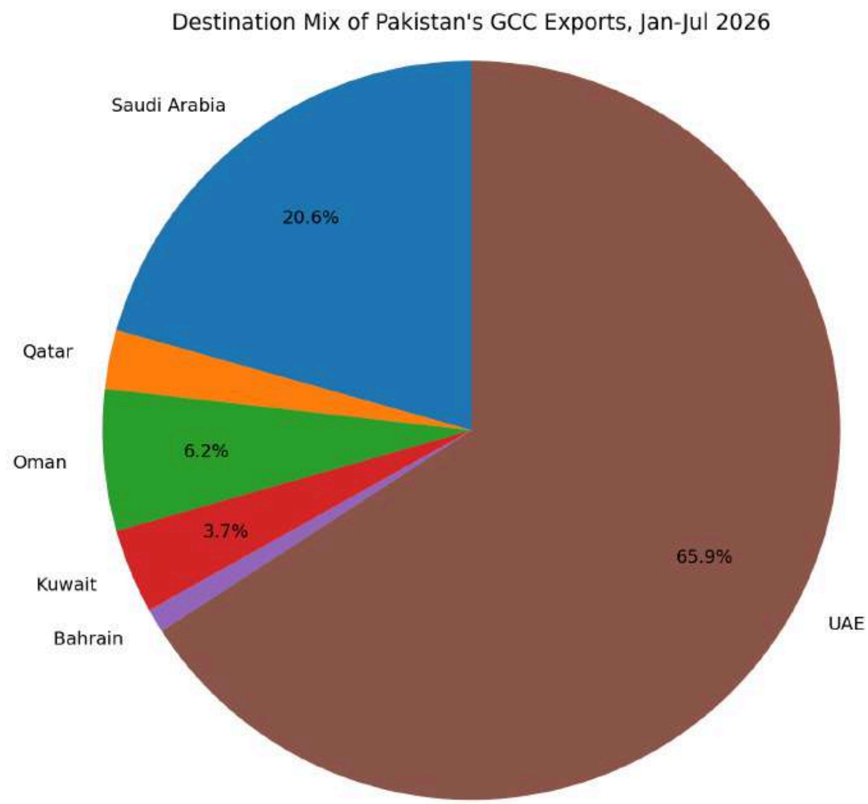


Figure 3. Destination composition of GCC exports, January-July 2026

Source: SBP database; authors calculations.

Implication for export strategy

The consolidated data point to a two-track strategy: deepen commercial penetration in the UAE and Saudi Arabia, while developing specific market-recovery plans for Oman, Qatar and Bahrain. Kuwait should be treated as a growth market whose recent gains merit product-level follow-up and targeted buyer development.

3. Discussion on Month-on-Month Performance

Monthly performance reveals considerably more volatility than the seven-month aggregate. For analytical clarity, the table below shows both the same-month year-on-year comparison and the sequential month-on-month movement within 2026. The former measures whether a month performed better or worse than the corresponding month in 2025; the latter measures the immediate change in export momentum from one 2026 month to the next.

Month	2025 US$ mn	2026 US$ mn	YoY Change	2026 MoM Change
January	275.7	291.6	+5.7%	n.a.
February	258.1	323.2	+25.2%	+10.8%
March	307.0	298.0	-2.9%	-7.8%
April	269.5	241.0	-10.6%	-19.1%
May	288.8	240.7	-16.7%	-0.1%
June	227.8	259.5	+13.9%	+7.8%
July	277.3	290.3	+4.7%	+11.9%

Table 2. Monthly GCC export performance and sequential momentum

Source: SBP database; authors calculations.

3.1 January-February: strong opening and early peak

January 2026 exports were US$291.6 million, 5.7% above January 2025. The month was supported by year-on-year increases in the UAE, Oman, Kuwait and Bahrain, although Saudi Arabia and Qatar were lower. February strengthened substantially: total GCC exports reached US$323.2 million, the highest monthly value in the seven-month period. This was 25.2% above February 2025 and 10.8% higher than January 2026. The UAE was the central driver, rising to US$216.4 million, while Saudi Arabia and Kuwait also improved.

3.2 March-May: loss of momentum and a broad soft patch

The February peak was followed by three months of weakness. March exports fell 7.8% sequentially to US$298.0 million and were 2.9% below March 2025. April produced the sharpest sequential contraction of the period: total exports declined 19.1% month-on-month to US$241.0 million and were 10.6% below April 2025. The UAE fell 23.0% from March to April, while Saudi Arabia also declined 18.6%.

May remained almost unchanged from April at US$240.7 million, a sequential decline of only 0.1%, but the same-month year-on-year comparison deteriorated to -16.7%, the weakest annual comparison in the seven-month series. The apparent monthly stabilisation therefore occurred at a relatively low export level rather than representing an immediate return to strong growth.

3.3 June-July: recovery in total exports, with changing market drivers

June marked a clear rebound. Total GCC exports increased 7.8% from May to US$259.5 million and were 13.9% higher than June 2025. The composition of the recovery was notable: Oman more than doubled sequentially to US$29.2 million, Kuwait increased 52.1%, and Bahrain rose 77.5%, while the UAE eased 3.2% from May. This suggests that June's improvement was more diversified across smaller markets than the seven-month aggregate might imply.

July extended the recovery, with total exports rising another 11.9% month-on-month to US$290.3 million and standing 4.7% above July 2025. The UAE increased 22.1% sequentially to US$194.0 million and Saudi Arabia rose 13.9% to US$56.4 million. Qatar and Bahrain also improved from June, while Oman and Kuwait moderated after their unusually strong June levels. July was therefore a more UAE- and Saudi-led recovery.

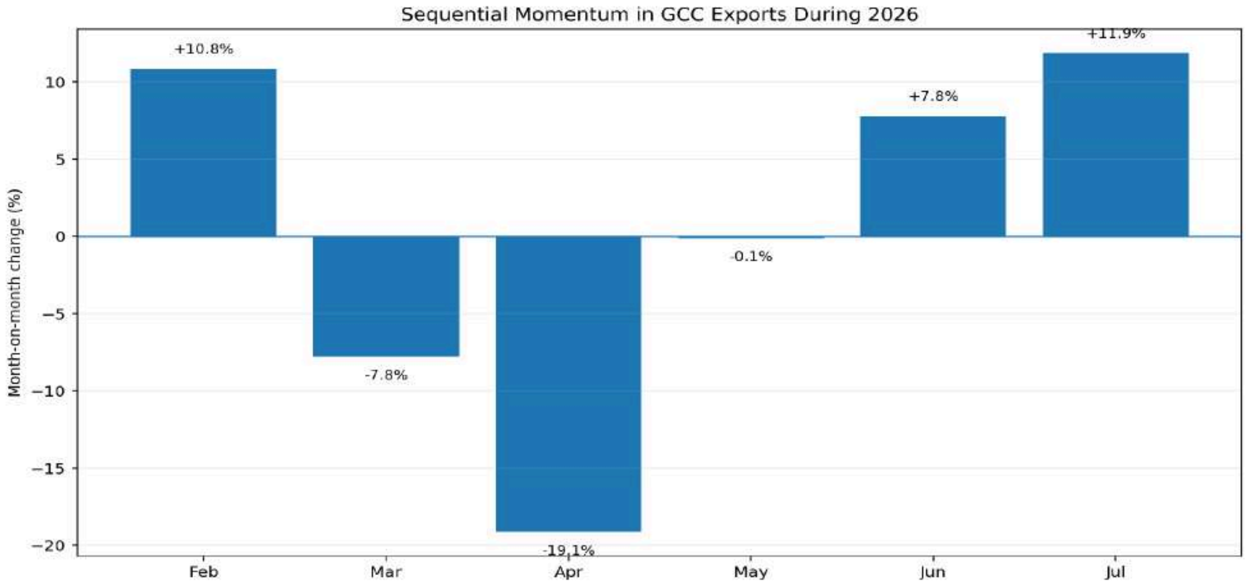


Figure 5. Sequential month-on-month growth in total GCC exports during 2026

Source: Ministry of Commerce database; calculations based on the supplied dataset.

3.4 What the monthly pattern indicates

The seven-month trajectory can be divided into three phases: expansion in January-February, weakening in March-May, and recovery in June-July. This is analytically important because the positive seven-month result does not reflect a steady upward trend. Rather, it combines a strong start, a pronounced mid-period correction and a partial recovery.

The recovery is meaningful but not yet complete. July's US$290.3 million export value was approximately 20.6% above the May trough but still about 10.2% below February's peak. The market mix also remained unstable: Oman and Kuwait experienced sharp month-to-month swings, while Qatar and Bahrain improved from their May lows but remained below their January 2026 levels. These patterns reinforce the need to distinguish temporary monthly volatility from sustained market-level improvement.

Market	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Saudi Arabia	+16.4%	-2.1%	-18.6%	-9.1%	+1.0%	+13.9%
Qatar	-15.0%	-10.1%	-29.6%	-19.4%	+42.3%	+18.3%
Oman	-36.4%	-17.3%	+47.6%	-12.4%	+120.3%	-29.9%
Kuwait	+6.2%	-54.4%	+0.2%	+21.3%	+52.1%	-34.4%
Bahrain	-29.6%	-20.7%	-9.9%	-22.6%	+77.5%	+22.3%
UAE	+16.8%	-5.5%	-23.0%	+4.2%	-3.2%	+22.1%

Table 3. Sequential month-on-month movement by GCC market during 2026

Source: SBP database; authors calculations.

Research interpretation

The monthly evidence supports cautious optimism. Export momentum improved in June and July, but the recovery remains uneven across markets and below the February peak. Sustained improvement will require repeated gains over several months, particularly outside the UAE and Saudi Arabia, before the regional performance can be described as broadly based.

4. Conclusion

Pakistan's exports to the GCC recorded a modest but positive 2.1% increase during January-July 2026, reaching US$1.944 billion. The result confirms the continued importance of the Gulf as a regional destination for Pakistani goods. However, the composition of the increase is more significant than the headline rate: the UAE generated the overwhelming majority of the incremental export value, Saudi Arabia remained broadly stable, and Kuwait posted strong percentage growth, while Oman, Qatar and Bahrain contracted.

The resulting increase in destination concentration is the principal strategic issue emerging from the seven-month data. With the UAE accounting for 65.9% of GCC exports, Pakistan's regional performance is highly sensitive to conditions in one market. Maintaining and deepening these relationships is essential, but a more resilient GCC export position will also require rebuilding commercial momentum in the smaller Gulf economies.

The monthly pattern strengthens this conclusion. Exports peaked in February, weakened materially through April and May, and then recovered during June and July. The rebound is encouraging, but July remained below the February peak and the drivers of growth changed substantially from month to month. This indicates that export expansion has not yet settled into a consistent regional trend.

Against this background, the government's maritime-capacity agenda is timely. The Prime Minister's direction to expand PNSC's fleet and upgrade the national flag carrier should be supported by commercially disciplined vessel deployment, reliable GCC shipping connections and close coordination between ports, shipping services and export promotion institutions. Greater national shipping capacity will not by itself create exports, but it can strengthen the logistical platform through which exporters reach Gulf markets.

The next analytical step should be a product-level assessment by HS code for each GCC destination. Such an exercise would identify which commodities are driving the UAE and Kuwait gains, which products account for the declines in Oman, Qatar and Bahrain, and where targeted market-access, buyer-development or logistics interventions could generate the highest export return.

Overall assessment

The seven-month position is best characterised as resilient but concentrated: Pakistan has maintained positive GCC export growth, yet the sustainability of that growth will depend on converting the June-July recovery into a broader and more diversified expansion across the Gulf.