



Press Release

70–80pc businesses delaying or revising investment decisions in Pakistan, reveals latest OICCI BCI Survey

KARACHI, June 2, 2026: The Overseas Investors Chamber of Commerce and Industry (OICCI) today released the results of its Business Confidence Index (BCI) Survey Wave 29, conducted across Pakistan in the second quarter of 2026. The survey reveals a marked deterioration in business sentiment, with the overall BCI falling 9 percentage points to a positive 13 percent, down from 22 percent in Wave 28, as the ongoing war in the Middle East casts a long shadow over investment confidence, supply chains, and economic growth prospects.

The decline is driven primarily by elevated inflationary pressures, rising fuel costs, and the intensifying fallout from the war in the Middle East. The Services sector recorded the sharpest drop, falling 20 points to 14 percent, while Manufacturing declined by 7 points. The Retail sector was the only segment to show improvement, rising 3 points to positive 20 percent. Investment intentions have weakened sharply, with the New Investment Index collapsing 10 points to just 2 percent, reflecting a near-total freeze in near-term capital deployment.

Around 70–80 percent of businesses across all sectors are delaying or revising investment decisions and diversifying supply chains to reduce exposure to affected trade routes. The strategic focus is shifting towards risk mitigation and operational resilience. The survey's global business situation indicator deteriorated by 31 points, and businesses across all sectors expect the disruption to persist well beyond six months.

“The results of Wave 29 are a clear signal that businesses operating in Pakistan are navigating an increasingly complex environment,” said M. Abdul Aleem, Secretary General, OICCI. “The ripple effects of the Middle East conflict are being felt across every sector, from investment freezes to supply chain restructuring. While the fundamentals of the Pakistani market remain intact, restoring business confidence will require policy stability, cost relief, and a concerted effort to shield the economy from prolonged geopolitical uncertainty.”

Looking ahead, 34 percent of respondents anticipate a negative outlook over the next six months, up sharply from 22 percent in Wave 28, with political instability, fuel prices, and inflation cited as the top concerns. When asked about the key structural threats to business growth, rising inflation topped the list at 84 percent, followed by high taxation at 79 percent, and concerns over currency stability and inconsistent government policies both at 61 percent. Business confidence among OICCI member companies, representing the country's leading foreign investors, remained relatively resilient, improving marginally to positive 28 percent. Metropolitan confidence fell 12 points to 11 percent, while non-metro cities including Peshawar, Quetta, Rawalpindi, Multan, Sialkot, and Sukkur saw a modest 3-point improvement to 22 percent.

On a forward-looking note, the survey found growing business interest in generative AI adoption, with OICCI member companies showing notably higher readiness for large-scale integration across technology platforms, core business processes, and workforce development, signalling that despite near-term headwinds, leading foreign investors are positioning for long-term transformation.

The BCI Survey is conducted by OICCI twice a year, covering participants representing approximately 80 percent of Pakistan's GDP.

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OICCI is the first port of call for foreign investment in Pakistan. Over 196 members of OICCI, coming from over 30 countries, contribute one-third to the total revenue collection of the country. Moreover, members have re-invested over \$23 billion over the last decade. For more information, reach out to Humayoun Ahmed Khan, Corporate Communications Lead, at humayoun.khan@oicci.org.