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Pakistan, US Finalize Strategic Trade Framework to Boost Economic Ties

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Pakistan's Prime Minister Shehbaz Sharif has welcomed the finalization of a major bilateral trade framework between Pakistan and the United States, announced on July 30, 2025, which aims to enhance cooperation in energy, technology, and infrastructure sectors.

The agreement, concluded during Finance Minister Muhammad Aurangzeb's visit to Washington, emphasizes the development of Pakistan's offshore oil exploration capacity, improved market access, and the reduction of reciprocal tariffs. Sharif described the deal as a significant step toward strengthening economic engagement, with plans to attract American investment in energy, mining, IT, and cryptocurrency sectors, according to reports in *The Hindu* and *Radio Pakistan*.

Discussions were held with U.S. Secretary of Commerce Howard Lutnick and U.S. Trade Representative Jamieson Greer, focusing on Pakistan's economic needs and investment climate. While details remain under negotiation, both governments signaled interest in facilitating exploratory efforts around Pakistan's offshore oil fields. Independent assessments have not yet confirmed the commercial viability of these reserves, and development timelines remain uncertain, per the World Bank.

The agreement arrives at a critical juncture for Pakistan's \$350 billion economy, which faces external financing pressures and remains reliant on annual remittances of approximately \$30 billion, as reported by the State Bank of Pakistan. The U.S. remains one of Pakistan's largest export destinations, with \$5.2 billion in goods sent in 2024, according to the Pakistan Bureau of Statistics.

Officials in Islamabad framed the deal as a shift toward sustainable, trade-based growth, rather than dependency on foreign aid. Final implementation will depend on private sector interest, including the identification of a U.S.-based energy firm to potentially lead offshore exploration initiatives.

This trade framework is being viewed as a diplomatic milestone, reflecting a mutual intent to deepen ties amid evolving global trade alignments.