

UK and Pakistan Join Forces to Boost Trade and Innovation

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The United Kingdom and Pakistan are preparing to launch a significant trade initiative aimed at overcoming persistent non-tariff barriers (NTBs) that have constrained the growth of bilateral trade. The UK-Pakistan Trade Dialogue, scheduled to commence later this year, seeks to foster closer regulatory cooperation and practical solutions to facilitate smoother trade flows.

British trade envoy Mohammad Yasin described the dialogue as a “structured ministerial platform” focused on technical collaboration and regulatory alignment designed to unlock the full potential of the £4.7 billion trade relationship between the two countries.

During his recent visit to Pakistan, Mr. Yasin engaged with government officials, investors, and industry stakeholders to lay the groundwork for enhanced cooperation. The discussions centered on improving investment frameworks, streamlining export procedures, and strengthening business-to-business linkages particularly in high-growth sectors such as technology and pharmaceuticals.

Non-tariff barriers, including stringent UK technical standards and certification requirements, pose significant challenges for many Pakistani small- and medium-sized enterprises (SMEs), especially within the textile and pharmaceutical sectors. Additional obstacles such as sanitary and phytosanitary measures and post-Brexit customs procedures further complicate the export process. On the Pakistani side, inefficiencies in export logistics and infrastructure bottlenecks also impede trade expansion.

Despite the advantage of duty-free access under the UK's Developing Countries Trading Scheme, these non-tariff constraints have limited Pakistan's ability to diversify exports and capitalize on emerging sectors such as clean energy, digital services, and value-added manufacturing.

While the establishment of a formal Free Trade Agreement remains a longer-term objective, Mr. Yasin emphasized that the dialogue represents a pragmatic and timely approach to address immediate concerns impacting exporters. "This dialogue complements both countries' economic priorities and provides a platform for targeted, accelerated progress," he stated.

The UK is also committed to supporting Pakistan's dynamic technology sector and SMEs through initiatives like the REMIT program, which aims to improve the business environment, increase access to finance, and promote digital transformation. British development finance institutions, including British International Investment and UK Export Finance, play an active role in investing in Pakistan's digital infrastructure and facilitating partnerships that enable Pakistani firms to access broader global markets.

As the UK-Pakistan Trade Dialogue moves forward, it holds significant promise for dismantling trade barriers and fostering a more resilient and diversified bilateral economic partnership.