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United States and Pakistan Finalize Oil and Trade Agreement

July 31, 2025

– Categories: *Breaking News*



The United States and Pakistan have reached a new agreement focused on developing Pakistan's oil reserves, with expectations of trade benefits for both countries. The deal, announced by U.S. President Donald Trump and confirmed by Pakistani officials, could mark a shift in Washington's South Asia energy and trade strategy.

In a post on his social media platform Truth Social, President Trump stated, "We have just concluded a Deal with the Country of Pakistan, whereby Pakistan and the United States will work together on developing their massive Oil Reserves." The president also noted that a leading oil company will be selected to spearhead the joint development, though no company has been named yet.

The Pakistani government echoed the announcement. Deputy Prime Minister and Foreign Minister Ishaq Dar confirmed the agreement on X (formerly Twitter) with a brief post, while Finance Minister Mohammad Aurangzeb offered further context during his visit to Washington. “It was always going beyond the immediate trade imperative,” Aurangzeb said, describing the deal as a “win-win” and highlighting the intention to tie investment closely with expanded trade relations.

While President Trump did not mention specific trade concessions, Pakistani officials claim the agreement includes reduced tariffs on Pakistani exports to the U.S. In April, Pakistan had faced the threat of a 29 percent tariff from Washington, which was suspended for 90 days to allow trade discussions to proceed. The recent deal appears to stem from those negotiations.

Details regarding the specific oil reserves to be developed, as well as the scale and scope of American investment, have not yet been disclosed. Similarly, the terms of the tariff reductions remain unclear, pending official documentation or further announcements.

The agreement arrives amid tense trade relations between the U.S. and India. Just a day prior, Washington imposed a 25 percent tariff on Indian imports in response to its continued trade with Russia. President Trump criticized India’s high tariffs and expressed disinterest in expanding U.S.-India economic ties, calling them one of the “highest in the World.” In contrast, the agreement with Pakistan represents a more cooperative approach.

While no direct commercial ties to India were announced in this deal, President Trump remarked, “Who knows, maybe they’ll be selling Oil to India some day!” highlighting potential future regional dynamics stemming from the agreement.