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## Pakistan Reports Progress in Washington Trade Discussions

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Pakistan announced successful trade talks with the United States (U.S.) in Washington, D.C., on July 18, 2025, aimed at easing tariff tensions and expanding economic ties, according to the Finance Ministry. Led by Finance Minister Muhammad Aurangzeb, the discussions with U.S. officials signal a push to counter a 29% tariff on Pakistani exports and foster cooperation in new sectors.

The talks, held with U.S. Commerce Secretary Howard Lutnick and U.S. Trade Representative (USTR) Jamieson Greer, come as Pakistan faces

a 29% tariff imposed under President Donald Trump's "America First Trade Policy," targeting nations with trade surpluses like Pakistan's \$3 billion in 2024. Aurangzeb emphasized the U.S. as Pakistan's largest trading partner, telling reporters, "We're committed to a deal that benefits both economies." The negotiations, ongoing since a virtual meeting in June 2025, focus on reciprocal tariffs and aim to conclude within a week, offering relief to Pakistan's textile-heavy exports, which constitute 77% of its U.S. trade.

Pakistan's strategy includes increasing imports of U.S. goods, such as crude oil and cotton, to address the trade imbalance. Islamabad also offered concessions for U.S. firms in its mining sector, notably the \$7 billion Reko Diq copper-gold project, with the U.S. Export-Import Bank (EXIM) reviewing \$500 million to \$1 billion in financing. "This deal is a lifeline for our exporters," said Commerce Secretary Jawad Paal, highlighting the stakes for Pakistan's economy, already strained by fiscal challenges and International Monetary Fund (IMF) programs.

The talks reflect a broader geopolitical shift, with the U.S. seeking to counter China's influence in South Asia through stronger economic ties with Pakistan. A recent White House meeting between Trump and Pakistan's army chief, Field Marshal Asim Munir, underscored this warming relationship. However, challenges remain, as sustained tariffs could cost Pakistan \$1-2 billion annually and erode its U.S. market share to competitors like Vietnam.

With both sides optimistic, the negotiations signal a pragmatic approach to stabilizing Pakistan's economy while deepening U.S. strategic interests. A successful deal could pave the way for diversified exports in technology and minerals, strengthening bilateral ties amid global uncertainties.