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Pakistan, Iran Target \$8 Billion in Annual Trade Boost

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– Categories: Finance



Pakistan and Iran aim to elevate their annual bilateral trade to \$8 billion, with trade ministers committing to enhanced economic cooperation.

On August 3, 2025, Pakistan and Iran agreed to increase their annual bilateral trade volume to \$8 billion, a significant jump from the current \$2.8 billion, as announced during a meeting in Islamabad. Pakistan's Federal Minister for Commerce Jam Kamal Khan and Iran's Minister for Industry, Mines, and Trade Mohammad Atabak emphasized leveraging their geographic proximity to strengthen economic ties, according to The Express Tribune. The agreement, reached during Iranian President Masoud Pezeshkian's two-day visit, focuses on sectors like agriculture, energy, logistics, and information technology (IT), with plans to streamline border facilities and trade corridors.

The ministers highlighted the importance of trust-based partnerships, with Atabak noting that traders in both nations are ready but require consistent facilitation mechanisms, as per a Commerce Ministry statement. Khan proposed targeted trade delegations, citing successful models used with Belarus, to boost market access and regulatory cooperation, according to Business Standard. Both sides also agreed to expedite the upcoming Pakistan-Iran Joint Economic Commission (JEC) session to advance these initiatives, aiming to remove bottlenecks that have hindered trade growth.

This pact builds on prior commitments, including a 2024 agreement to reach \$10 billion in trade, as reported by Radio Pakistan. However, the \$8 billion target reflects a pragmatic step given challenges like Pakistan's \$133.5 billion external debt and security issues in Balochistan, where cross-border tensions flared in 2023, per CNN. The Pakistan Muslim League-Nawaz (PML-N) government faces criticism for slow progress on trade infrastructure, with analysts urging faster action to capitalize on Iran's \$2 trillion import market, as noted in Pakistan Today.

Public sentiment, reflected in posts on X, shows cautious optimism about the economic potential but demands transparency to ensure benefits reach local businesses. The agreement underscores Pakistan's push for regional economic integration, with Khan envisioning connectivity extending to Turkey and Central Asia, per DT Next. Sustained efforts to address security and logistical hurdles will be critical to achieving this ambitious trade goal.