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Pakistan, U.S. Trade Talks Gain Momentum Amid Tariff Dispute and Calls for Broader Cooperation

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Pakistan and the United States have held a new round of high-level trade talks in Washington, signaling renewed efforts to deepen economic ties despite recent tensions over tariffs. The meeting, involving Pakistan's Finance Minister Muhammad Aurangzeb, U.S. Commerce Secretary Howard Lutnick, and U.S. Trade Representative (USTR) Jamieson Greer, focused on finalizing a broader trade agreement and addressing the 29 percent reciprocal tariff imposed on Pakistani exports earlier this year.

The tariff, introduced under trade policies enacted during former U.S. President Donald Trump's administration, has put pressure on Pakistan's textile exports—its primary export to the American market. With nearly 90 percent of Pakistan's exports to the U.S. consisting of textile products, Islamabad has expressed concern that such duties could weaken its fragile export-led recovery. Finance Minister Aurangzeb reiterated that the United States remains Pakistan's largest trading partner and called for an expansion of trade into non-traditional sectors such as information technology, agriculture, and mineral resources.

Both sides welcomed the progress made in recent months and reaffirmed their shared commitment to strengthening economic ties. In a statement from Pakistan's Ministry of Finance, officials highlighted the mutual desire to move beyond a limited, textile-focused trade relationship and explore new areas for innovation and investment. By emphasizing technology and agricultural development, Pakistan aims to become a more diversified attractive trade partner, especially in a global market that increasingly values digital services and resource efficiency.

While the tariff remains a key sticking point, there was optimism on both sides about the potential for a more comprehensive trade agreement that could balance interests and enhance bilateral cooperation. Pakistan has shown resilience in its export sector, despite global headwinds, and is working to reduce overreliance on a few sectors and diversify trade destinations.

These talks come at a strategic moment for Pakistan. A successful agreement could help stabilize the country's economic outlook and reaffirm its role as a responsible, reform-oriented partner in a challenging global environment. The focus now must shift toward converting diplomatic progress into tangible outcomes that deliver sustained growth and mutual benefit.