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## Pakistan Receives Over \$22 Billion in Foreign Assistance but Falls Short of Target

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– Categories: Finance



Pakistan managed to secure over \$22 billion in external financing during the fiscal year 2024 to 2025, according to fresh data from the Economic Affairs Division (EAD). Among the inflows was nearly \$2 billion from the International Monetary Fund (IMF), as the country sought to stabilise its dwindling reserves and meet urgent fiscal obligations. Despite the large headline figure, the country missed its external financing target by more than \$7 billion, highlighting growing vulnerabilities in Pakistan's funding model.

The government had set a target of \$19.35 billion in official loans and grants for the fiscal year. However, the net inflow reported stood at only \$12.13 billion. Much of the remaining support came through temporary arrangements such as rollovers worth nearly \$8 billion from allied nations including China, Saudi Arabia, and the United Arab Emirates. While these friendly gestures helped prevent a balance of payments crisis, they did little to address the underlying fragility in the country's long-term financial health.

Economists have raised alarms over Islamabad's increasing reliance on short-term instruments and one-off rollovers to plug fiscal gaps. The tendency to depend on external buffers without instituting deep economic reforms reflects the absence of sustainable policy direction. Rather than fostering a competitive domestic environment and encouraging exports, authorities have continually opted for quick fixes. This approach keeps the economy on life support but offers no roadmap to genuine recovery or independence from foreign lenders.



As the dust settles on another fiscal year marked by borrowing, the numbers tell a sobering story. Pakistan remains stuck in a cycle of borrowing to repay old debt while avoiding the bold structural reforms required to stimulate economic self-sufficiency. While donor agencies and allies remain willing to provide temporary relief, the cost of this dependence is growing. The upcoming fiscal years will test the resolve of policymakers to chart a more stable path. Without meaningful reform and a disciplined financial strategy, the country risks sinking deeper into a pattern of recurring crises, undermining both investor confidence and public trust.