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Pakistan Seeks Trade Relief in High-Level Talks with US Amid Tariff Pressures

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Pakistan's Finance Minister Muhammad Aurangzeb has held critical discussions with top United States (US) officials in Washington, aiming to recalibrate bilateral trade relations in response to a stiff 29% tariff imposed on Pakistani exports. The talks reflect Islamabad's effort to reposition its economic ties with the US from a conventional trade dynamic to a more investment-focused engagement, especially as Pakistan works to stabilise its economy under structural pressure.

The tariffs, introduced under former US President Donald Trump's trade realignment strategy, were originally designed to penalise countries with significant trade surpluses with the US. Although Pakistan's trade surplus is modest compared to other nations, it has been caught in the crossfire of broader protectionist policies. Finance Minister Aurangzeb's meetings with US Commerce Secretary Howard Lutnick and Trade Representative Jamieson Greer are part of a renewed push to negotiate relief from these tariffs, which threaten to undermine Pakistan's already fragile export-led recovery.

Islamabad has made it clear that its objective is to transition from dependence on aid and loans to securing long-term investment partnerships. In a video message after the talks, Minister Aurangzeb expressed optimism, noting that both sides acknowledged the importance of fostering economic resilience through direct investment. The talks come at a time when Pakistan is grappling with external account challenges and is still under the influence of a USD 7 billion International Monetary Fund (IMF) programme initiated in 2024. Experts have warned that without favourable trade terms, Pakistan's path to recovery could remain steep and unstable.



As Pakistan navigates these negotiations, it faces a delicate balancing act—convincing global partners to invest while implementing internal reforms that enhance transparency and business confidence. The outcome of these talks could be pivotal not only for exporters but also for the country's broader economic trajectory. If Islamabad succeeds in steering the relationship away from punitive trade measures and towards productive, investment-driven cooperation, it may finally begin to reduce its cyclical dependency on short-term fixes. In an increasingly protectionist global environment, Pakistan's best path forward lies in pursuing pragmatic, mutually beneficial ties that prioritise economic sovereignty over reactionary policy.