

## U.S. and Pakistan Finalize Trade Deal Aimed at Oil Development and Tariff Reduction

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The United States and Pakistan have finalized a new trade agreement aimed at unlocking Pakistan's untapped oil reserves and reducing tariffs, officials confirmed Thursday. The deal is expected to strengthen bilateral economic ties and enhance energy cooperation between the two countries.

While specific locations for the oil exploration have not been disclosed, much of Pakistan's known reserves are situated in the southwestern province of Balochistan. The region, though rich in natural resources, has long faced instability due to separatist tensions and security challenges. Despite this, the agreement signals a strategic step toward energy development and investment in Pakistan's infrastructure.

U.S. President Donald Trump shared the announcement on his Truth Social platform, stating, "We have just concluded a deal with the country of Pakistan, whereby Pakistan and the United States will work together on developing their massive oil reserves." He further noted that the selection process for the American oil company to lead the initiative is underway, adding, "Who knows, maybe they'll be selling oil to India someday!"

According to data from the Office of the United States Trade Representative (USTR), total trade between the U.S. and Pakistan reached approximately \$7.3 billion in 2024. U.S. exports to Pakistan totaled \$2.1 billion, an increase of 4.4% (\$90.9 million) from 2023, while imports from Pakistan amounted to \$5.1 billion, marking a 4.9% rise (\$238.7 million) from the previous year.

The agreement is expected to not only support Pakistan's energy sector but also potentially improve the trade balance between the two nations. By encouraging resource development and lowering trade barriers, both countries stand to gain from greater economic cooperation. However, successful implementation will depend on security conditions, logistical planning, and corporate engagement on both sides.