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Pakistan Eyes \$1 Trillion Economy with China Pact

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Pakistan's Uraan Pakistan initiative aims for a \$1 trillion economy by 2035, bolstered by a new economic cooperation agreement with China's Development Research Center.

Pakistan has set an ambitious target to transform its economy into a \$1 trillion powerhouse by 2035 through the Uraan Pakistan initiative, as announced by Federal Minister for Planning, Development, and Special Initiatives Ahsan Iqbal. On August 3, 2025, Pakistan's Ministry of Planning formalized an agreement with China's Development Research Center (DRC) to enhance bilateral economic ties, a critical step toward achieving this goal. The accord, signed during a meeting with DRC President Lu Hao, focuses on trade, technology, and infrastructure development, aligning with the China-Pakistan Economic Corridor (CPEC), according to The Express Tribune.

The Uraan Pakistan plan, built on the 5Es Framework, Exports, E-Pakistan (digital transformation), Environment, Energy and Infrastructure, and Equity and Empowerment, seeks to address Pakistan's economic challenges through targeted reforms. Minister Iqbal highlighted that Pakistan aims to boost annual exports to \$60 billion by 2029, emphasizing sectors like information technology (IT), agriculture, and manufacturing. He noted that China's \$2 trillion import market offers untapped potential for Pakistani goods, with the agreement facilitating greater market access, as reported by Pakistan Today. Positive economic indicators, such as the policy rate dropping from 23% to 11% and the Pakistan Stock Exchange surpassing 140,000 points, signal progress, Iqbal added.

The partnership with China draws on its economic success, with Iqbal stressing that Pakistan seeks to emulate China's scientific planning for sustainable growth. However, critics point to Pakistan's \$133.5 billion external debt and reliance on International Monetary Fund (IMF) programs as hurdles, with debt projected to triple by 2029 without reforms, per South Asian Voices. Security issues in regions like Khyber Pakhtunkhwa and governance inefficiencies also pose risks, as noted in The Diplomat.

Despite these challenges, the government remains optimistic. The agreement with China includes joint research and training to support Uraan Pakistan's export-led growth model, as stated by CPEC officials on X. The initiative reflects Pakistan's determination to break free from economic dependency and establish itself as a global competitor, with strategic investments in clean energy and digital infrastructure paving the way.