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Pakistan, Iran Aim for \$8bn Trade Boost

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Pakistan and Iran have announced a strategic plan to raise bilateral trade to \$8 billion annually, signaling a renewed push toward regional economic cooperation. The announcement was made during high-level meetings in Islamabad between Pakistan's Commerce Minister Jam Kamal Khan and Iranian Minister of Industry, Mines and Trade Mohammad Atabak.

The new trade goal marks a significant leap from current levels, which remain far below the target due to years of underdeveloped commercial ties. Both ministers agreed to reinvigorate the Joint Economic Commission, a platform that had remained inactive in recent years. They stressed the importance of immediate action on banking reforms, customs modernization, and transportation links to facilitate smoother trade flows.

Key sectors identified for joint development include energy, agriculture, petrochemicals, and manufactured goods. A major priority is the resolution of long-standing issues in payment settlements, which have historically disrupted transactions between the two countries. Strengthening formal financial mechanisms is seen as critical to encouraging private sector confidence and sustainable trade growth. From Pakistan's perspective, closer ties with Iran offer alternative energy sources, particularly in oil and gas, which could help alleviate domestic energy shortages. For Iran, access to Pakistan's Gwadar Port and consumer market presents new export opportunities, especially in light of ongoing international sanctions.

Additionally, the development could benefit border provinces such as Balochistan, where informal trade has long been a feature of the local economy. Officials believe that formalized trade routes and customs stations in these regions could improve security, boost legal commerce, and create new employment opportunities.

Observers note that while the \$8 billion target is ambitious, it reflects a strategic recalibration by both nations to strengthen economic sovereignty amid shifting global dynamics. As global trade realigns due

to geopolitical tensions and changing alliances, regional partnerships like this may play an increasingly critical role.

A proposed Free Trade Agreement (FTA) is also under discussion, which, if finalized, could eliminate tariffs on key exports and enhance cross-border business activity. Implementation of such agreements would require high-level political commitment and infrastructure upgrades on both sides.

The coming months will be crucial in determining whether these diplomatic commitments translate into measurable commercial outcomes. Success could position the Pakistan-Iran economic corridor as a model for pragmatic regional cooperation.

