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Pakistan, US Officials Push Forward Key Trade Talks

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Senior officials from Pakistan and the United States met this week in Washington to advance discussions on expanding bilateral trade beyond traditional sectors, with a renewed focus on diversification and economic cooperation.

Finance Minister Muhammad Aurangzeb led the Pakistani delegation in talks with US Commerce Secretary Howard Lutnick and US Trade Representative Jamieson Greer. The meeting followed a virtual exchange between Aurangzeb and Lutnick in July, where both sides committed to fast-tracking negotiations.

The discussions come in the wake of Washington's recent decision to impose a 29 percent "reciprocal tariff" on Pakistani exports, primarily affecting the textile industry. The move, originally introduced under trade measures from former US President Donald Trump, has raised concerns in Islamabad about its impact on Pakistan's already delicate export-led economic recovery.

"The United States remains Pakistan's largest trading partner," Aurangzeb said during the talks. He emphasized Islamabad's commitment to expanding cooperation in both established and emerging sectors such as information technology, agriculture, and minerals.

According to the Ministry of Finance, officials on both sides expressed satisfaction with the progress made in enhancing trade relations. They reaffirmed their intent to pursue mutually beneficial agreements aimed at strengthening economic ties.

Nearly 90 percent of Pakistan's current exports to the US come from the textile sector, making it particularly exposed to tariff risks. However, Pakistan is now pushing to diversify its export portfolio and reduce dependency on any single market or commodity.

In the fiscal year 2024, Pakistan exported \$5.44 billion worth of goods to the United States, maintaining its position as the country's top export destination. From July 2024 to February 2025, exports to the US grew by 10 percent compared to the same period last year, reflecting steady demand despite the tariff changes.

The finance ministry noted that expanding into non-traditional sectors could create more resilience in Pakistan's international trade strategy, especially amid evolving global economic conditions.

"Both parties expressed optimism that ongoing trade talks would yield positive outcomes, benefiting the economies of both countries," the statement concluded.

The latest dialogue signals a potential turning point for Pakistan's trade policy, as officials aim to secure broader, long-term agreements with Washington and reduce over-reliance on a limited set of export goods.