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Japan Assesses Pakistan's Economic Challenges

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A delegation from the Japan International Cooperation Agency (JICA) is currently in Islamabad to assess Pakistan's economic situation amid ongoing reforms and financial challenges. The five-member team is led by Tsuji Kensuke, Director of the Credit Risk Analysis Department at JICA, and is conducting high-level consultations with government institutions, regulatory bodies, and international partners.

The mission is part of a broader initiative to evaluate Pakistan's macroeconomic stability, the implementation of energy sector reforms, and the overall investment climate. Key meetings have been held with officials from the State Bank of Pakistan (SBP), the Federal Board of Revenue (FBR), and the Federation of Pakistan Chambers of Commerce and Industry (FPCCI). The JICA team has also engaged with representatives from leading commercial banks to gather private-sector insights.

Japan's development agency is coordinating with the World Bank and Asian Development Bank (ADB) to ensure its findings align with multilateral perspectives. The consultations focus on identifying areas where Japanese technical expertise and financial cooperation may support Pakistan's economic recovery and structural reform efforts.



A detailed briefing was provided by Pakistan's Special Investment Facilitation Council (SIFC), highlighting new initiatives to attract foreign direct investment, particularly in agriculture, minerals, and information technology. Meetings with the National Electric Power Regulatory Authority (NEPRA) and Power Division covered ongoing efforts to reduce circular debt and improve efficiency in power distribution. The potential for renewable energy investment was also discussed.

The Japanese delegation's visit comes at a critical time as Pakistan continues implementing reforms under its International Monetary Fund (IMF) program. Inflation, fiscal constraints, and external debt remain pressing concerns for the country's economic managers.

JICA's independent assessment is expected to inform Tokyo's future cooperation with Islamabad, particularly in terms of risk analysis and

development planning. The findings may influence Japan's approach to financial assistance, technical support, and long-term investment strategies in Pakistan.

For Pakistan, the review presents an opportunity to showcase its reform progress and engage with one of Asia's most experienced economic partners. The outcome of the assessment could shape the next phase of bilateral cooperation, with Japan potentially playing a more prominent role in Pakistan's economic stabilisation.

