

MEDIA COVERAGE



PIDE POLICY VIEWPOINT

Impact of Unilateral Tariff Increase by United States on Pakistani Exports

Muhammad Zeshan, Shujaat Farooq, Usman Qadir

*"You should never let a good crisis go to waste,"
Response of Finance Minister, Pakistan on Tariff*

Executive Summary

The US is the Pakistan's largest single-country export destination as country exported \$5.3 billion to the US in FY2024, dominated by textiles. The US claims tariffs address trade deficits and "currency manipulation," but they risk destabilizing the partnership between the two countries. The proposed 29% US import tariffs will reduce Pakistan's exports to the US by 20–25% (USD 1.1–1.4 billion annually), disproportionately harming the products with the largest share in the export basket. The affected products are textiles, rice, and surgical instruments. While framed as a remedy for US trade imbalances, the tariffs reflect a zero-sum approach by the US that ignores mutual gains from comparative advantage, liberalization and GVCs. In order to minimize losses and take advantage of long-term potential, this note suggests immediate diplomatic engagement, export diversification, and cost-cutting measures.

Web Editions

Dawn

<https://www.dawn.com/news/1904017/trump-tariffs-could-pose-14bn-risk-to-pakistan-exports>

The News

[https://www.thenews.com.pk/print/1301153-pide-warns-reciprocal-tariff-on-pakistan-may-hit-exports-to-us](https://www.thenews.com.pk/print/1301153/pide-warns-reciprocal-tariff-on-pakistan-may-hit-exports-to-us)

The Nation

<https://www.nation.com.pk/14-Apr-2025/proposed-us-tariffs-can-have-devastating-impact-on-export-sector>

ARAB News

<https://www.arabnews.com/node/2596976/amp>

Business Recorder

<https://www.brecorder.com/news/amp/40357686>

Daily Times

<https://dailytimes.com.pk/1286730/pide-urges-diplomatic-efforts-on-us-tariffs-to-maintain-trade-ties/>

Pakistan Today

<https://profit.pakistantoday.com.pk/2025/04/14/trump-tariffs-could-lead-to-20-25-decline-in-pakistans-us-exports-costing-1-4bn-annually-report/>

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<https://www.geo.tv/latest/599931-trumps-tariffs-to-result-in-up-to-20-decline-in-pakistans-exports-to-us>

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<https://islamabadpost.com.pk/trade-crisis-could-push-pakistan-toward-new-global-markets-pide/>

WE News

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Bol News

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MM News

<https://mmnews.tv/pide-estimates-annual-loss-of-1-4-billion-to-pakistan-from-trump-tariffs/>

MinnutMirror

<https://minutemirror.com.pk/how-dangerous-are-us-tariffs-for-pakistan-pide-releases-comprehensive-report-381287/>

Khabarwalay

<https://khabarwalay.com/2025/04/14/pide-warns-us-tariffs-could-cost-pakistan-up-to-1-4-billion/>

The Current PK

<https://thecurrent.pk/trumps-tariffs-likely-to-cause-14-billion-hit-to-pakistani-exports>

MSN

<https://www.msn.com/en-xl/news/other/proposed-us-tariffs-can-have-devastating-impact-on-export-sector/ar-AA1CTpkV>

Pro Pakistani

<https://propakistani.pk/2025/04/14/pakistan-could-lose-1-4-billion-in-exports-due-to-us-tariffs-pide/>

Trump tariffs could pose '\$1.4bn risk to Pakistan exports'

- Study by Pakistan Institute of Development Economics says US policy should serve as 'wake-up call' for export diversification
- Warns tariffs may cost textile sector half a million jobs; leather, rice, surgical instruments, sporting goods also vulnerable

By Khaleeq Kiani

ISLAMABAD: The increase in trade tariffs on Pakistani products announced by US President Donald Trump — later suspended temporarily — could have a devastating impact on Pakistan's important exports and serves as a wake-up call for diversification, according to a state-owned think tank.

"A storm may be brewing on Pakistan's trade horizon," said the Pakistan Institute of Development Economics (Pide), adding that the "proposed reciprocal tariffs by the United States could have a devastating impact on the country's export sector".

In a stark policy note, the

institute cautioned that these tariffs could lead to macroeconomic instability, significant job losses and a critical reduction in foreign exchange earnings.

China asks US to 'completely cancel' reciprocal tariffs:
Page 12

The study, titled 'Impact of Unilateral Tariff Increase by United States on Pakistani Exports' and conducted by Dr Muhammad Zeshan, Dr Shujaat Farooq and Dr Usman Qadir, analysed the consequences of a proposed 29 per cent reciprocal tariffs on Pakistani exports to the United States.

When added to the existing 8.6pc Most Favoured Nation (MFN) tariff, the total duty could reach 37.6pc, the policy note said. The result would likely be a 20-25pc decline in exports to the US, translating into an annual loss of \$1.1-1.4 billion, with the textile sector bearing the brunt of the blow.

In the fiscal year 2024, Pakistan exported \$5.3bn worth of goods to the United States, making it the country's largest single-country export market. A significant portion of these exports were textiles and apparel, which already face tariffs as high as 17pc.

If the proposed tariffs are implemented, Pakistan's price competitiveness would be severely eroded, possibly allowing regional competitors

like India and Bangladesh to capture the market share.

The economic consequences would extend beyond textiles, the Pide analysis warned. Major exporters such as Nishat Mills and Interloop may be forced to reduce production, threatening more than 500,000 jobs. Non-textile exports — including leather, rice, surgical instruments and sports goods — also face increased vulnerability.

Despite the risks, Pide viewed the crisis as an opportunity for strategic transformation. The policy note encourages Pakistan to take swift and thoughtful action in response. In the short term, Pide recommended that Pakistan engage in high-level diplomatic efforts to highlight the mutual costs of

the tariffs and preserve long-standing trade relations.

For example, the United States exported \$181 million worth of cotton to Pakistan in 2024, a trade stream that is now at risk. Pakistan might also consider reducing tariffs on select US imports — such as machinery, scrap metal and petroleum — to create room for negotiation. Additionally, Pakistani firms could be encouraged to use more US-origin inputs like cotton and yarn to help maintain value chains and seek tariff exemptions.

For the long term, Pide emphasised the need to diversify both export products and markets. Emerging destinations such as the European Union, China, Asean nations, Africa and the Middle East

offer growth potential in sectors like IT, halal food, processed foods and sports goods.

The report also called for measures to reduce energy and logistics costs, streamline regulations and promote innovation and technology adoption. Furthermore, a comprehensive US trade strategy is necessary — one that focuses on building synergies in technology, agriculture, energy and value-added manufacturing.

On the international front, Pide noted that the proposed US tariffs exceed the World Trade Organisation's (WTO) bound tariff ceiling of 3.4pc, potentially violating multilateral trade rules. While legal

Continued on Page 11

April 14, 2025

PIDE warns reciprocal tariff on Pakistan may hit exports to US

Cautions these tariffs can lead to macroeconomic instability, significant job losses, critical reduction in foreign exchange earnings

By Mehtab Haider

ISLAMABAD: Pakistan's prestigious think tank—Pakistan Institute of Development Economics (PIDE) affiliated with Planning Commission, has warned that the reciprocal tariff on Pakistan might cause a decline in exports to US in the range of 20-25 percent translating into annual loss of \$1.1 billion to \$1.4 billion.

A storm may be brewing on Pakistan's trade horizon, as PIDE warns that proposed reciprocal tariffs by the United States could have a devastating impact on the country's export sector.

In a stark policy note released on April 13, 2025, the institute cautions that these tariffs could lead to macroeconomic instability, significant job losses, and a critical reduction in foreign exchange earnings.

The study—conducted by Dr. Muhammad Zeshan, Dr. Shujaat Farooq, and Dr. Usman Qadir—analyzes the consequences of a proposed 20% reciprocal tariff on Pakistani exports to the US. When added to the existing 8.6% Most Favored Nation (MFN) tariff, the total duty could reach 37.6%.

The result would likely be a 20-25% decline in exports to the US, translating into an annual loss of \$1.1-1.4 billion, with the textile sector bearing the brunt of the blow.

"Trade is not a zero-sum game. It's about shared value—about building connections that make both economies stronger. These proposed tariffs risk severing those ties," said Dr. Nadeem Javaid, PIDE Vice Chancellor, in a strong statement accompanying a new policy note. "At PIDE, we see this moment not just as a threat, but as a catalyst—for course correc-

tion toward a more resilient, diversified, and strategic export future for Pakistan."

In fiscal year 2024, Pakistan exported \$5.3 billion worth of goods to the United States, making it the country's largest single-country export market. A significant portion of these exports were textiles and apparel, which already face tariffs as high as 17%.

If the proposed tariffs are implemented, Pakistan's price competitiveness would be severely eroded, possibly allowing regional competitors like India and Bangladesh to capture market share. The economic consequences would extend beyond textiles.

Major exporters such as Nishat Mills and Interloop may be forced to reduce production, threatening more than 500,000 jobs. Non-textile exports—including leather, rice, surgical instruments, and sports goods—also face increased vulnerability.

Despite the risks, PIDE views the crisis as an opportunity for strategic transformation. The policy note encourages Pakistan to take swift and thoughtful action in response.

In the short term, PIDE recommends that Pakistan engage in high-level diplomatic efforts to highlight the mutual costs of the tariffs and preserve long-standing trade relations. For example, the US exported \$181 million worth of cotton to Pakistan in 2024, a trade stream that is now at risk.

Pakistan might also consider reducing tariffs on select US imports—such as machinery, scrap metal, and petroleum—to create room for negotiation. Additionally, Pakistani firms could be encouraged to use more US-origin inputs like cotton and yarn to help maintain

value chains and seek tariff exemptions.

For the long term, PIDE emphasizes the need to diversify both export products and markets. Emerging destinations such as the EU, China, ASEAN nations, Africa, and the Middle East offer growth potential in sectors like IT, halal food, processed foods, and sports goods.

The report also calls for measures to reduce energy and logistics costs, streamline regulations, and promote innovation and technology adoption. Furthermore, a comprehensive US trade strategy is necessary—one that focuses on building synergies in technology, agriculture, energy, and value-added manufacturing.

On the international front, PIDE notes that the proposed US tariffs exceed the WTO's bound tariff ceiling of 3.4%, potentially violating multilateral trade rules. While legal recourse through the WTO remains an option, Pakistan's limited fiscal resources may hinder such efforts.

More importantly, the tariffs ignore the interconnected nature of global trade.

The US-Pakistan textile loop is a prime example—American cotton supplies Pakistani mills, which in turn export finished garments to the US. Disrupting this value chain benefits neither country.

The road ahead is challenging, but it also presents a chance for Pakistan to recalibrate and strengthen its export framework.

With timely diplomacy, strategic policy reforms, and bold diversification efforts, Pakistan cannot only withstand this external shock but also emerge as a more competitive and resilient player in the global economy.

US Tariff threat sparks wake-up call for Pak's exports: PIDE

MAHNOOR ANSAR

ISLAMABAD: "Trade is not a zero-sum game. It's about shared value—about building connections that make both economies stronger. These proposed tariffs risk severing those ties," said Dr. Nadeem Javaid, Vice Chancellor of the Pakistan Institute of Development Economics (PIDE), in a strong statement accompanying a new policy note. "At PIDE, we see this moment not just as a threat, but as a catalyst—for course correction toward a more resilient, diversified, and strategic export future for Pakistan." A storm may be brewing on Pakistan's trade horizon, as PIDE warns that proposed reciprocal tariffs by the United States could have a devastating impact on the country's export

sector. In a stark policy note released on April 13, 2025, the institute cautions that these tariffs could lead to macroeconomic instability, significant job losses, and a critical reduction in foreign exchange earnings. The study—conducted by Dr. Muhammad Zeshan, Dr. Shujaat Farooq, and Dr. Usman Qadir—analyzes the consequences of a proposed 29% reciprocal tariff on Pakistani exports to the US. When added to the existing 8.6% Most Favored Nation (MFN) tariff, the total duty could reach 37.6%. The result would likely be a 20–25% decline in exports to the US, translating into an annual loss of \$1.1–1.4 billion, with the textile sector bearing the brunt of the blow. In fiscal year 2024, Pakistan exported \$5.3 billion worth of goods to the United States, making it the country's largest single-country

export market. A significant portion of these exports were textiles and apparel, which already face tariffs as high as 17%. If the proposed tariffs are implemented, Pakistan's price competitiveness would be severely eroded, possibly allowing regional competitors like India and Bangladesh to capture market share. The economic consequences would extend beyond textiles. Major exporters such as Nishat Mills and Interloop may be forced to reduce production, threatening more than 500,000 jobs. Non-textile exports—including leather, rice, surgical instruments, and sports goods—also face increased vulnerability. Despite the risks, PIDE views the crisis as an opportunity for strategic transformation. The policy note encourages Pakistan to take swift and thoughtful action in response.

April 14, 2025

PIDE urges diplomatic efforts on US tariffs to maintain trade ties

The Pakistan Institute of Development Economics (PIDE) on Sunday expressed serious concern over the recent increase in tariffs imposed by the United States on goods imported from Pakistan, suggesting high-level diplomatic efforts to preserve the long-standing bilateral trade relations.

"Trade is not a zero-sum game. It's about shared value—about building connections that make both economies stronger," PIDE Vice Chancellor Dr Nadeem Javaid said in a statement and accompanying the policy note.

"At PIDE, we see this moment not just as a threat, but as a catalyst—a chance for course correction toward a more resilient, diversified, and strategic export future for Pakistan," he said, according to a news release.

A storm may be brewing on Pakistan's trade horizon, Dr Javaid warned, noting that the proposed US tariffs could have a devastating impact on Pakistan's export sector.

In a stark policy note, the institute cautioned that these tariffs could lead to macroeconomic instability, significant job losses, and a critical reduction in foreign exchange earnings.

The study, conducted by Dr Muhammad Zeshan, Dr Shujaat Farooq, and Dr Usman Qadir, analyzed the consequences of a proposed 29% reciprocal tariff on Pakistani exports to the US.

When added to the existing 8.6% Most Favored Nation (MFN) tariff, the total duty could reach 37.6%. The result would likely be a 20-25% decline in exports to the US, translating into an annual loss of \$1.1-1.4 billion, with the

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The study said the economic consequences would extend beyond textiles. Major exporters such as Nishat Mills and Interloop may be forced to reduce production, threatening more than 500,000 jobs.

Non-textile exports—including leather, rice, surgical instruments, and sports goods—also face increased vulnerability, it added.

Despite the risks, PIDE viewed the crisis as an opportunity for strategic transformation.

The policy note encourages Pakistan to take swift and thoughtful action in response.

In the short term, PIDE recommends that Pakistan engage in high-level diplomatic efforts to highlight the mutual costs of the tariffs and preserve long-standing trade relations.

For example, the US exported \$181 million worth of cotton to Pakistan in 2024, a trade stream that is now at risk. Pakistan might also consider reducing tariffs on select US imports—such as

machinery, scrap metal, and petroleum—to create room for negotiation.

Additionally, Pakistani firms could be encouraged to use more US-origin inputs like cotton and yarn to help maintain value chains and seek tariff exemptions.

For the long term, PIDE emphasizes the need to diversify both export products and markets. Emerging destinations such as the EU, China, ASEAN nations, Africa, and the middle East offer growth potential in sectors like IT, halal food, processed foods, and sports goods.

The report also calls for measures to reduce energy and logistics costs, streamline regulations, and promote innovation and technology adoption.

Furthermore, a comprehensive US trade strategy is necessary—one that focuses on building synergies in technology, agriculture, energy, and value-added manufacturing.

On the international front, PIDE notes that the proposed US tariffs exceed the WTO's bound tariff ceiling of 3.4%, potentially violating multilateral trade rules.

While legal recourse through the WTO remains an option, Pakistan's limited fiscal resources may hinder such efforts.

More importantly, the tariffs ignore the interconnected nature of global trade.

The US-Pakistan textile loop is a prime example—American cotton supplies Pakistani mills, which in turn export finished garments to the US. Disrupting this value chain benefits neither country. **APP**

April 14, 2025

US tariff threat sparks wake-up call for Pakistan's exports, says PIDE

Spokesman Report

ISLAMABAD: "Trade is not a zero-sum game. It's about shared value—about building connections that make both economies stronger. These proposed tariffs risk severing those ties," said Dr. Nadeem Javaid, Vice Chancellor of the Pakistan Institute of Development Economics (PIDE), in a strong statement accompanying a new policy note. "At PIDE, we see this moment not just as a threat, but as a catalyst—for course correction toward a more resilient, diversified, and strategic export future for Pakistan."

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April 14, 2025

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April 14, 2025

ٹرمپ ٹیرف، پاکستان کی امریکا کو برآمدات 25 فیصد تک کم ہونیکا امریکا

پیداوار کم ہونے سے پانچ لاکھ ملازمتیں ختم، بھارت، بنگلادیش پاکستان کا شیئر حاصل کر سکتے ہیں

برآمدات حجم میں ایک ارب 10 کروڑ ڈالر سے ایک ارب 40 کروڑ ڈالر تک کی آسکتی ہے، رپورٹ

اسلام آباد (رپورٹ، تنویر ہاشمی) امریکا کی
جانب سے پاکستان کی برآمدات پر 29 فیصد
جوابی ٹیرف عائد ہونے سے پاکستان کی امریکا کو
برآمدات میں 20 سے 25 فیصد کمی آجائے گی اور

پاکستان کی امریکا کو برآمدات کا حجم ایک
ارب 10 کروڑ ڈالر سے ایک ارب 40 کروڑ
ڈالر تک کی آسکتی ہے پیداوار کم ہونے سے پانچ
باقی صفحہ 5 نمبر 33