

RAHBAR KISAN INTERNATIONAL

Pakistan gets 'promising response' from China over debt

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Pakistan is advancing economic ties with China, Saudi Arabia, and Turkiye, as Federal Finance Minister Muhammad Aurangzeb held high-level discussions on the sidelines of the World Bank-IMF Annual Meetings in Washington DC. The meetings focused on debt reprofiling, trade cooperation, and joint ventures to strengthen Pakistan's economic prospects. Aurangzeb revealed a "promising response" from China over Pakistan's request to reprofile its power sector debt, a move aimed at providing the country with breathing room to lower electricity prices. "We have just started that discussion, and the response is encouraging," the minister told Bloomberg, while stressing the importance of continuing structural reforms. He noted that Pakistan seeks to extend the maturity of debt for nine power plants built by Chinese companies under the China-Pakistan Economic Corridor (CPEC). China has already rolled over \$16 billion in debt from a total of \$26 billion in the current fiscal year. In addition to these negotiations, Aurangzeb met with Saudi Finance Minister Mohammed Aljadaan to discuss enhancing bilateral trade and investment in key sectors. Both ministers emphasised the historical bonds between Pakistan and Saudi Arabia, agreeing to further cooperation in energy and other areas of mutual interest. Aljadaan also shared insights into Saudi Arabia's energy reforms, offering valuable lessons for Pakistan as it seeks to overhaul its energy sector. Aurangzeb also held discussions with Turkiye's Treasury and Finance

Minister Mehmet Simsek, where he invited Turkish firms to explore mutually beneficial joint ventures (JVs) with Pakistani counterparts. Highlighting the strong potential to increase bilateral trade, the minister praised Turkiye's experience in power sector reforms and expressed Pakistan's interest in learning from their success. These discussions underscore Pakistan's strategic efforts to secure debt relief and deepen economic ties with key global partners, aiming to strengthen its economy and create new opportunities for trade and investment.