

\$101 million in US aid for Pakistan sought by Biden administration

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The Biden administration has requested \$101 million in aid for Pakistan to combat terrorism, support economic reforms, and provide debt relief, US Assistant Secretary for South and Central Asia, Donald Lu, announced on Tuesday. Speaking before a subcommittee of the US House Committee on Foreign Affairs, Lu emphasised that the aid aims to stabilise Pakistan's economy and uphold democracy and human rights. This comes amid ongoing financial struggles in Pakistan, despite securing a 37-month International Monetary Fund (IMF) programme. Lu, previously accused by Pakistan Tehreek-e-Insaf (PTI) founder Imran Khan of involvement in his government's ousting, stated that the funds would also help support economic reforms. The financial assistance seeks to build on the recent IMF agreement that introduced increased taxes on agricultural incomes and aimed to reduce the recurrent deficit. The IMF deal sets a challenging

target, with the highest effective tax rate potentially rising to 45% from the current 15%, starting in 2025. Brokerage firm JS Global termed this move “unprecedented.” In his testimony, Lu also expressed concern over the rights of women and minority groups in Afghanistan, stressing that normalisation of relations with the Taliban government hinges on the respect of Afghan citizens’ rights. He demanded the release of all American prisoners held by the Taliban. Since the US withdrawal from Afghanistan in August 2021, Washington has provided over \$17.9 billion in aid to the country, maintaining its position as the largest donor.