

Pakistan's Transformative Digital Future: Growth Strategy and Roadmap

Roundtable

The world is currently experiencing the Fourth Industrial Revolution (4IR), characterised by the widespread adoption of digital technologies. The global digital economy is now worth USD 11.5 trillion, representing approximately [15.5% of global GDP](#).

In 2022, Pakistan's Information Technology (IT) sector emerged as the fastest-growing sector in the country, making a significant contribution to the economy. According to the Pakistan Economic Survey 2023, it generated a remarkable USD 1.72 billion surplus through IT and IT-enabled Services (ITeS) exports, totaling [USD 2.6 billion in export revenue](#). The State Bank of Pakistan's 2023 report highlights the influx of Foreign Direct Investment (FDI) in the sector, with hardware development and IT services attracting USD 0.1 million and USD 4.9 million, respectively. This growth trajectory indicates the sector's immense potential to bolster economic growth and trade. With digitalisation as a driving force, the IT industry in Pakistan is poised to generate around [USD 2 billion annually](#), growing at an average rate of 30%.

The 'Digital Pakistan Policy, 2018' identifies several key areas for digitalisation to achieve mass adoption. These areas include sectoral digitalisation, E-commerce, digital inclusion, innovation, infrastructure, and empowerment. This policy serves as a holistic technology strategy, emphasising the pivotal role of Information and Communication Technology (ICT) across all sectors. As the cornerstone of a knowledge society and economy, IT has become a central enabler, driving economic development.

A well-developed digital ecosystem can significantly enhance the quality of government services offered to citizens, businesses, and other government agencies. This improvement is achievable through e-governance platforms, data-driven decision-making, and digital trade. Furthermore, such an ecosystem can bolster public trust in the government by ensuring transparency, personalisation, and inclusivity in its operations. However, despite its immense potential, the IT sector in Pakistan faces a significant challenge: fragmentation within the digital ecosystem. Addressing this issue requires the formulation and implementation of a pragmatic, strategic framework. Such a framework would integrate and streamline various digital initiatives, ensuring a cohesive and efficient digital transformation in Pakistan.

Given this background, the Sustainable Development Policy Institute (SDPI), in collaboration with the Asian Development Bank (ADB), is implementing a Technical Assistance (TA) project in Pakistan titled '*Transformative Digital Future: Growth Strategy, and Roadmap.*' Under this collaboration, a comprehensive country-wide digital ecosystem diagnostic study will be conducted. The project aims to prepare a national digital policy framework and establish a long-term roadmap for the ICT sector. Additionally, it will focus on strengthening the knowledge and capacities of key government officials regarding new internet-based business models to facilitate informed policy formulation and regulation. The discussion in this thematic session will focus on:

- Presenting the objectives of the Technical Assistance;
- Exploring the country's digital ecosystem and potential policy frameworks to create an environment conducive to new business models, value chains, youth employment, and entrepreneurship;
- Examining the digital policy framework and sector roadmap for effective sectoral planning; and,

- Enhancing the knowledge and capacities of stakeholders regarding internet-based business models to develop new value-added opportunities and digital trade.

Panel Organisers

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