

29th Jan 2050

Pakistan

The Economic

Powerhouse of Asia

A Research on how Pakistan made significant policy changes and embarked on initiatives which turned its fortunes around.



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How Pakistan Progressed Across Decades - 2025 to 2050



2025

GDP PPP
Ranking
42



2035

GDP PPP
Ranking
37



2045

GDP PPP
Ranking
24



2050

GDP PPP
Ranking
18

Potential Impact of Digital across Sectors to Pakistan Economy

Pakistan's GDP (PPP):

\$1.58T 2025

\$5.0T 2050

\$2T 133%

Potential Increase in GDP due to Digital across (Selected) Sectors by 2050

	2025	2050
Agriculture	\$ 85 B	\$340 B
SME	\$150 B	\$600 B
e-Commerce	\$9.78 B	\$1000 B
Tech Exports	\$2.6 B	\$255 B
Digital Business	\$2.0 B	\$500 B
Health	\$13 B	\$120 B
Education	\$8 B	\$100 B

Pakistan's Global Digital Economy Standing

An analysis between 2050 vs 2025



2050

24/132
Ranking

Global Innovation Index
World Intellectual Property
Org

39/190
Ranking

Ease of Doing Business
World Bank

23/146
Ranking

Start-up Environment
- Digital Readiness
Index

26/112
Ranking

Global Economic
Diversification Index



2025

88/132
Ranking

Global Innovation Index
World Intellectual
Property Org

108/190
Ranking

Ease of Doing Business
World Bank

135/146
Ranking

Start-up Environment
- Digital Readiness
Index

68/112
Ranking

Global Economic
Diversification Index



Pakistan Economic Parameters

2050

vs.

2025

National
GDP (PPP)

Tech stocks
market
capitalization

E-commerce
spend % of
GDP

Frontier
technologies
readiness
index


EMI
registered
merchants

Number of
e-Wallets

Loans to
Agri sector
as % of total
banking
portfolio

Cultivable
land millions
of hectares

Average
corporate
tax
collection
per company



National GDP
(PPP)

\$1.58T to \$5T

Tech stocks market
capitalization

3% to 58%

E-commerce spend
% of GDP

2.7% to 22%

Frontier technologies
readiness index

125 to 17

Digital businesses
impact on GDP

1.5% to 10%

Number of e -Wallets

1.6m to 250m

Loans to Agri sector
as % of total banking
portfolio

3.6% to 20%

Cultivable land millions
of hectares

22.5 to 38

Average corporate
tax collection per
company

\$30K to \$240K



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How bad policies stunted Pakistan's growth for 78 years

A sectorial deep dive

“Starting a company for Foreign Investors

- Security Clearance of Directors
- Global Assets & Wealth Declarations
- Lengthy process (8 - 12 months)
- Still lacking one window operations
- SBP registration as a repatriable company
- No legal recourse



“

Corporate Taxation, Banking, Import Duties

- ~62% overall Taxes
- Inability to maintain Dollar account locally
- No USD hedging for principal
- Very high Import duties/Sales Taxes



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Human Resource Cost

- Up to 34% Payroll taxes
- Workers Welfare Fund + EoBI hassle
- Training costs
- Retirement benefits and additional costs



“

Regulatory Whiplashes

- Taxation disputes
- No single compliance documents
- Different ministries' contradicting regulations
- Harsh requirement for regulated sectors
- Continuous shifts in regulatory requirements



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Outward Remittances & Exit Labyrinth

- Profit Repatriation
- Dividend Tax
- Capital Value Tax
- Capital Gain Tax
- Winding up a company



“

What happens when countries
get the policies done right

An example of a few smart countries

“

Low corporate income tax of 12.5%. Double tax treaties with 70 countries. 25% tax credit on R&D expenditure. Reduced tax rate of 6.5% from qualified Intellectual property. Exemptions on dividends and on capital gains from the disposal of shares. Government investment in education and training for supply of qualified professionals.

Ireland

Brink of economic collapse in 2010. Fastest growing economy of EU in 2014. Offices of 1,000+ US tech companies. Major regional HQs of Apple, Facebook, Google, Microsoft, LinkedIn and Twitter established. Irish ICT sector employing 105,000+ people by 2014.

“

Corporate income tax of 20%. *tax holidays* of up to 20 years for upstream metals, petrochemicals, renewable energy. *SEZs* offer further **tax incentives, simplified licensing, and expedited customs clearance.** “Omnibus Law on Job Creation” **streamlines business regulations.** *Indonesian Investment Coordinating Board* single-window simplify startup processes and FDI approvals.

Indonesia

Internet user base surpassed 200 million by 2020s, fueling e-commerce and fintech. Homegrown “unicorns” like GoTo, Bukalapak, and Traveloka. Between 2010 and 2020, GDP increased from approximately USD 706 billion to over USD 1.1 trillion. initiatives under “Making Indonesia 4.0”



“

0% corporate income tax to Samsung till 2013, and 10% till date instead of the usual 20%. Long -term land leases at significantly lower prices. Faster corporate setup and operational ease. Investment in education and training program.

Vietnam

From a GDP of \$99 Bn in 2009 and exports of \$59B, Vietnam has risen to an annual GDP of \$360B and exports of \$399B with \$40B in trade surplus. Samsung contributes 20% export value, and has direct investment of \$18B in Vietnam, employing 100,000+.



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Spectrum prices for 4G auction were lowered to \$1.7 million per MHz, amongst the lowest till date, compared to \$29.5 million in Pakistan and \$12.39 million in India.

Sweden

Between 2010 and 2014, Sweden's 4G coverage rose from 2% to 70% with 0.8% GDP increase for every 10% increase in mobile coverage, with GDP rising from \$436 Bn in 2009 to \$586 Bn in 2014. It is estimated that the impact of mobile coverage contributed \$26 Bn GDP increase over 5 years.



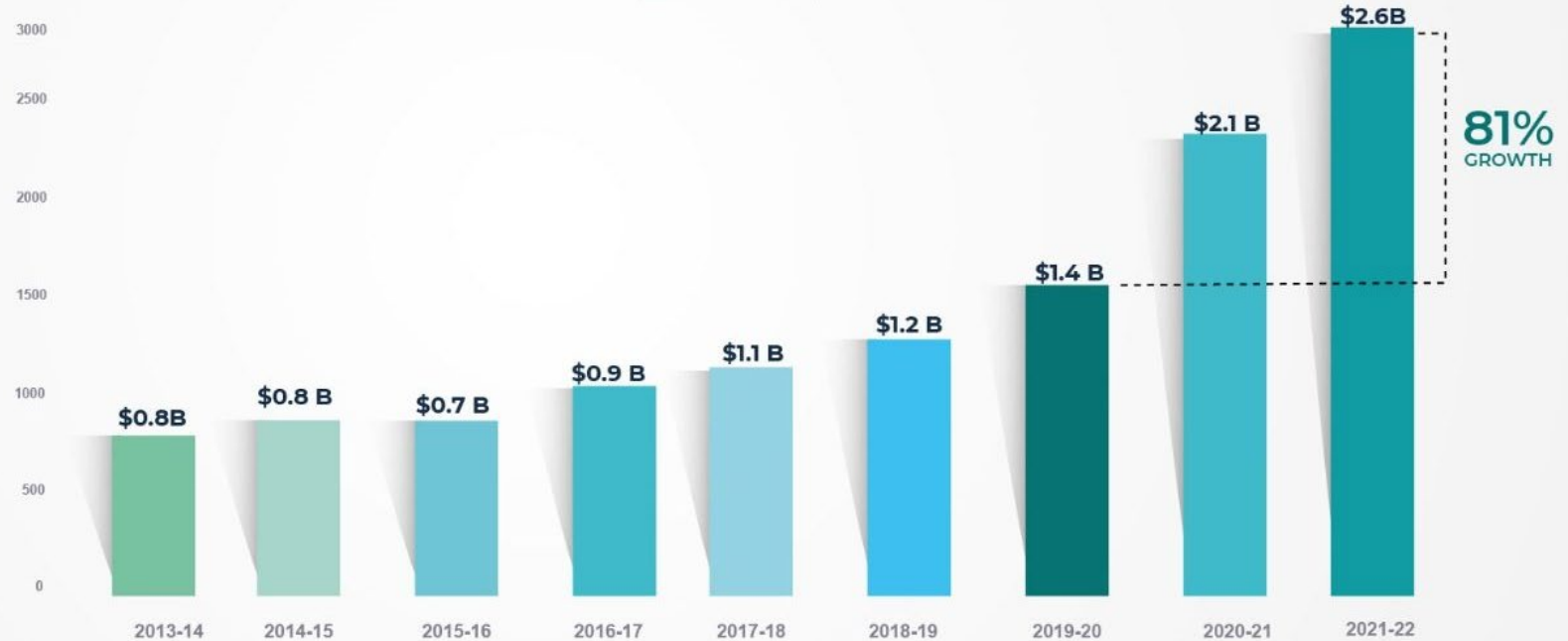
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Why Digital Businesses are the key

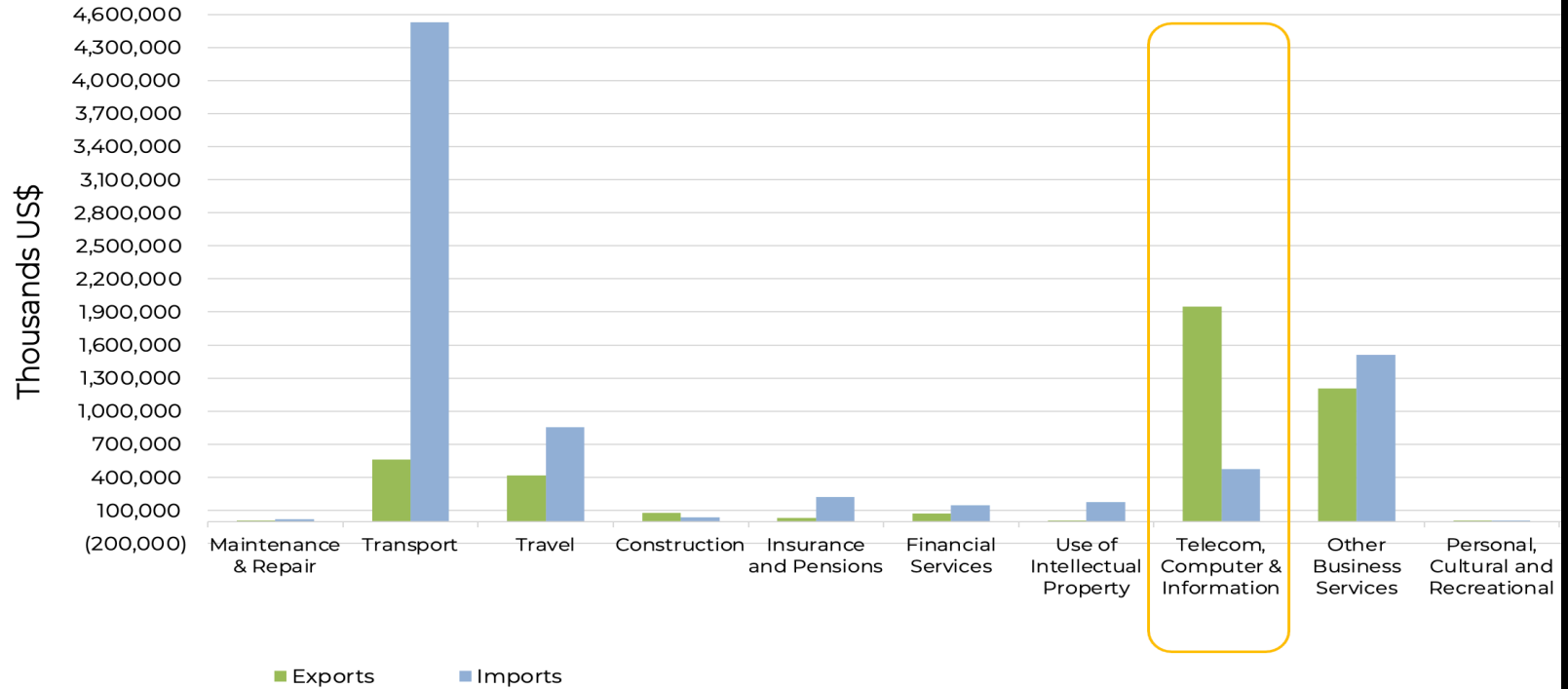
An example of IT Exports offered hope

Pakistan IT & ITeS Remittances

(Rising Growth Trend)



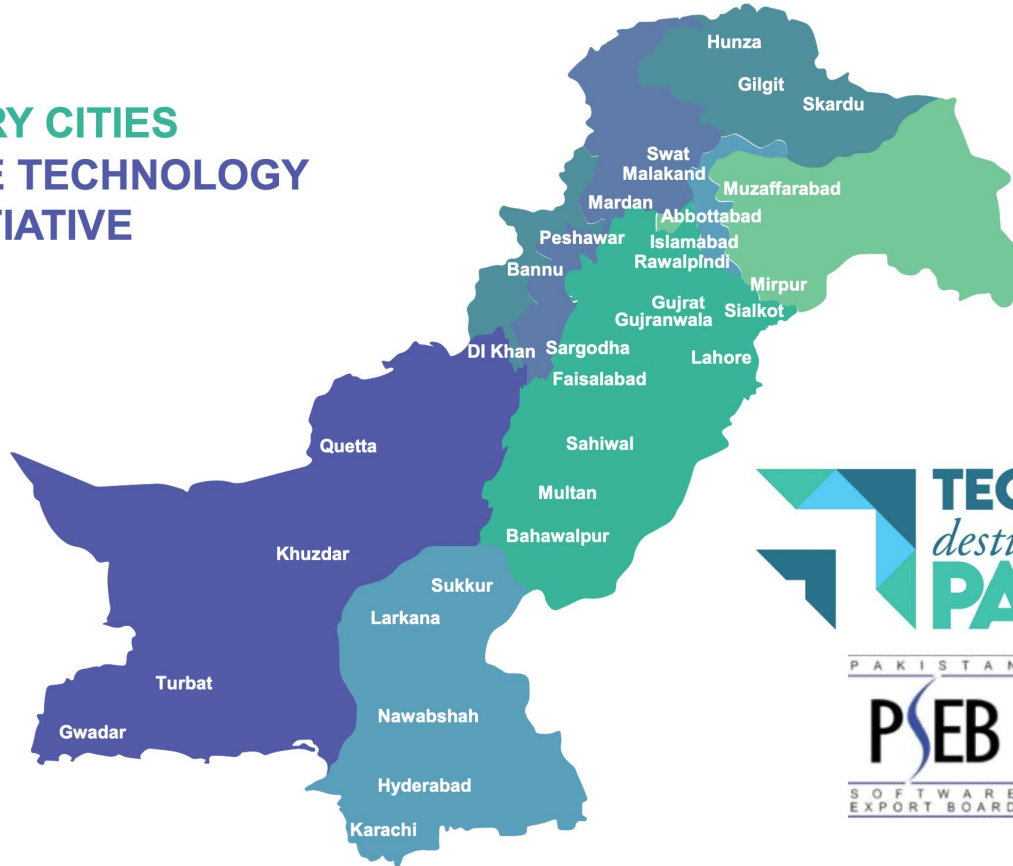
Pakistan – Services Trade Balance (Jul 2021 – Mar 2022 As per State Bank of Pakistan)



SECP Registered IT & ITeS Companies – Major Cities

City	Companies	City	Companies	City	Companies	City	Companies
Lahore	6112	Bahawalpur	81	Chakwal	34	R.O KPK	116
Islamabad	4727	Gilgit	80	Okara	34	R.O North Punjab	43
Karachi	4231	Hyderabad	73	Vehari	32	R.O South Punjab	162
Rawalpindi	1850	Gujrat	71	Rahim Yar Khan	30	R.O Central Punjab	128
Peshawar	336	Sahiwal	67	Kasur	27	R.O Sindh	44
Faisalabad	317	Sargodha	63	SWAT	26	R.O Baluchistan	7
Multan	283	Jhelum	58	Mingora	23	R.O GB	6
Gujranwala	124	<u>Attock</u>	39	<u>Jhang</u>	22	Kashmir	3
Sialkot	113	Sheikhupura	38	Toba Tek Singh	22	TOTAL	19,722
Quetta	104	Wah Cantt	38	Haripur	21	Active	17,635
Abbottabad	82	Mardan	35	Sukkur	20	Non-SECP	Add. 42%
						Exporting (SBP)	5,613

SECONDARY CITIES SOFTWARE TECHNOLOGY PARKS INITIATIVE



Ministry of Information Technology
& Telecommunication

DIGITAL PAKISTAN



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Lunch Break



Policy Making 2050 pastgazing vs 2025

Being in the Situation

- 1) Zero window ops – 100% e Gov
- 2) Open Data & Access for all (data governance framework)
- 3) Open Procurement – 15% to startups
- 4) Ease of Doing Business
- 5) Open Banking, Open Agriculture
- 6) Tokenization
- 7) Optimal human capital provision (digital literacy from school levels)

Post Success Situation

- 1) E Gov, Federal + Provincial – harmonization of the rules, laws, data exchange
- 2) e-Commerce, logistics, payments, cashless transactions,
- 3) Whole of government digitization – no overlaps of policy misalignment was allowed
- 4) Digital curriculum
- 5) 100 digital unicorns –
- 6) Shifted all digital identification – data privacy
- 7) Humanless taxation
- 8) profit/loss declaration by government department



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Tea Break



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A Roadmap of Digitization of National Economy

Projects and Initiatives



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Digitization of Business
transactions through digital
commerce



SME Software Framework: Enhancing Digital Readiness

- **Core Approach:**
 - Off-the-shelf local solutions
 - Custom development not required.
- **API Interoperability:**
 - APIs for data sharing.
- **Operational Efficiency:**
 - Automates business operations
- **Boosting Digital Readiness:**
 - Edigital markets for SMEs
 - National digital transformation



National Escrow Platform: Building Trust in Digital Transactions

- **Purpose:**
 - Trust, security, and transparency
 - Neutral intermediary holding funds/assets
- **Key Features:**
 - Diverse transactions
 - Digital payment systems integration
 - Blockchain secure, traceable, immutable transactions.
- **E-Commerce Benefits:**
 - Protects buyers
 - Assures sellers
- **Broader Impact:**
 - Speeds up settlements
 - Reduces disputes across sectors.



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Digitization of Investments & capital markets automation



Pakistan Digital Pension Transformation Project

Purpose:

Modernize and digitalize pension systems for government and formal sector workers.

Key Components

- **Unified System:** federal & provincial schemes.
- **Centralized Database:** EOBI & private pension funds.
- **Defined Contribution:** Individual Retirement Accounts.
- **Automation:** Streamlines pension calculations and disbursements.
- **Digital Verification:** Simplifies life certification.
- **Real -Time Monitoring:** Analytics dashboard



Unified Digital Infrastructure for Financial Markets

Objective

Streamline operations, enhance oversight, and reduce systemic risks.

Challenges

- Fragmented systems and manual T+4 cycles.
- Limited surveillance and siloed data.
- Duplicate KYC/AML processes.

Key Components

- API Gateway: Enables interoperability.
- Distributed Ledger: Secure transaction records.
- Real-Time Settlement: Speeds up finality.
- Market Surveillance: Enhances fraud detection.
- Unified KYC: Simplifies compliance.



Central Bank Digital Currency (CBDC)

Objective

Modernize monetary system, financial inclusion, secure digital Rupee.

Key Features

- Blockchain-based for secure, fast transactions.
- Regulated by SBP for transparency.
- Real-time tracking and privacy protection.

Implementation

- Pilot for government payments.
- Integration with payment systems.
- Regulatory framework for security.



Blockchain -Based Real Estate Investment Platform

Key Features

- **Fractional Shares:**
 - Access high -value properties with minimal capital.
 - Enables buying and selling of property shares.
- **Blockchain:**
 - Secure, transparent, and immutable transactions.
- **Liquidity:**
 - Trade real estate like stocks.
 - Supports diversified portfolios.
- **Integrated Tools:**
 - Regulatory compliance, valuation tools, and AI -driven analytics.



Digital Trade Financing Platform by EXIM Bank

Objective

Streamline financial services for international trade, boosting accessibility, efficiency, and competitiveness.

Key Features

- Financial Services: Credit, guarantees, and insurance for trade businesses.
- Digital Integration: Collaboration with banks, Bol, and SMEDA; automated workflows.
- Advanced Tools: Real -time tracking and data analytics.



Tea Break



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Agriculture Digitization



Precision Agriculture Project

Objective

Modernize Pakistan's agriculture boosting productivity and sustainability.

Key Components

- **Agri Platform:**
 - Cloud facility for Satellite geospatial data processing,
 - Auto-steering, smart irrigation, and geospatial analysis
 - Drones & Robotics for farm automation
- **Blockchain:**
 - Farm to Market transactions Asset tokenization
 - Smart Contracts for supplychain
- **IoT Network:**
 - National infrastructure for connected agricultural systems.



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Government Transaction Automation



Intelligent PSDP

Objective

Modernize PSDP Program through AI and Blockchain

Key Components

- **AI for Assessments and Predictive Analytics:**
 - PCIs assessments using Gen AI
 - Programs tracking and AI based predictions
 - Data analytics of past 20 years of projects
- **Blockchain for funding automation:**
 - Tokenization of funding instead of cash transactions
 - Smart Contracts for KPI based automatic disbursements



Bureaucracy Assist

Objective

GenAI Integration with E -Office for assistance of civil service staff

Key Components

- **AI for Predictive Analytics:**
 - Government local LLM
 - Trained on laws, rules, regulations, notifications
 - Assist with notings, and impact assessments of new laws, rules, notifications



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Future of Industries

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Manufacturing Innovations

Interoperable framework

- AI
- Digital Twins
- IoT
- Robotics
- Renewables

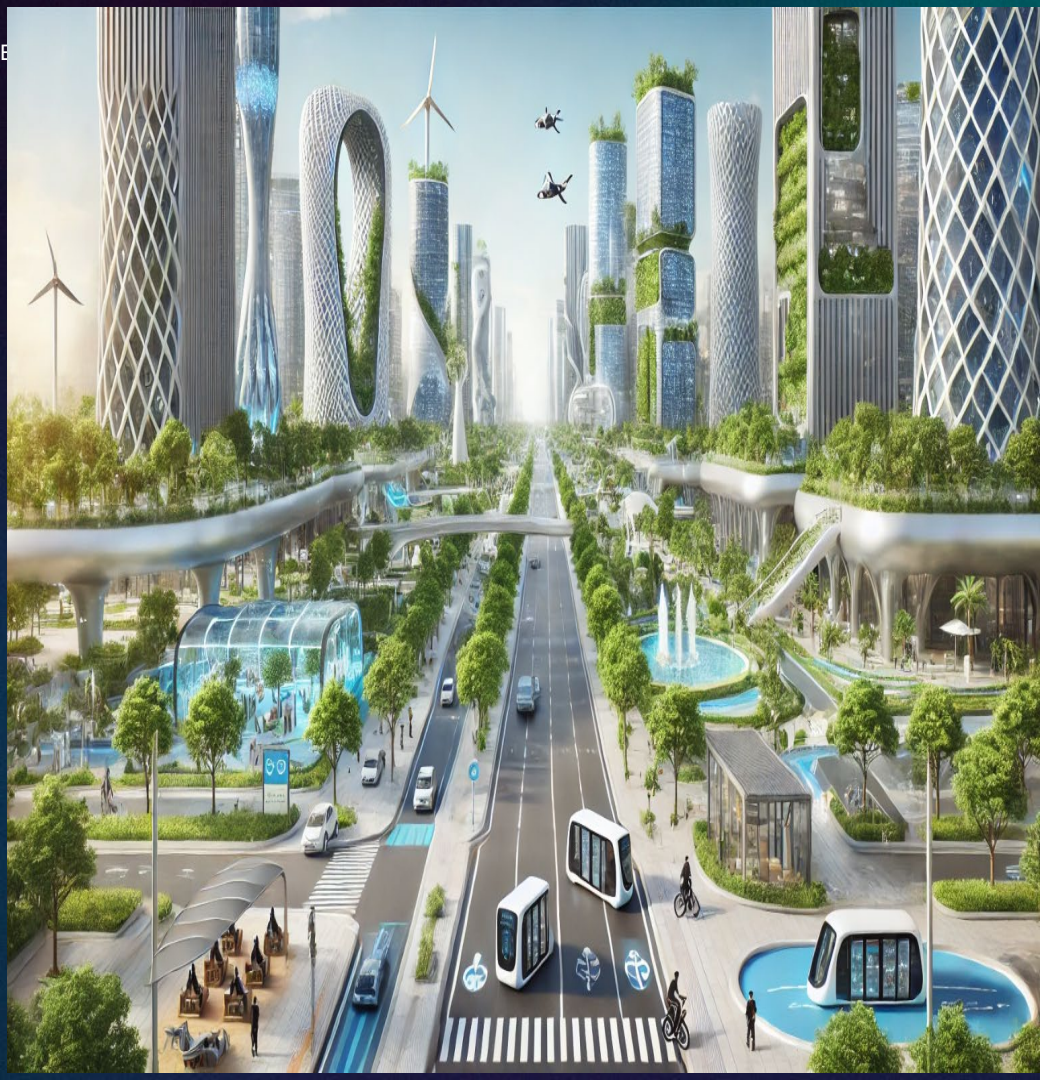




“ Urban Tech & Cleantech

Interoperable framework

- AI
- Digital Twins
- IoT
- AR/VR
- Blockchain & Fintech
- Renewables



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Data Centers





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Tokenization of Assets



Closing Thoughts