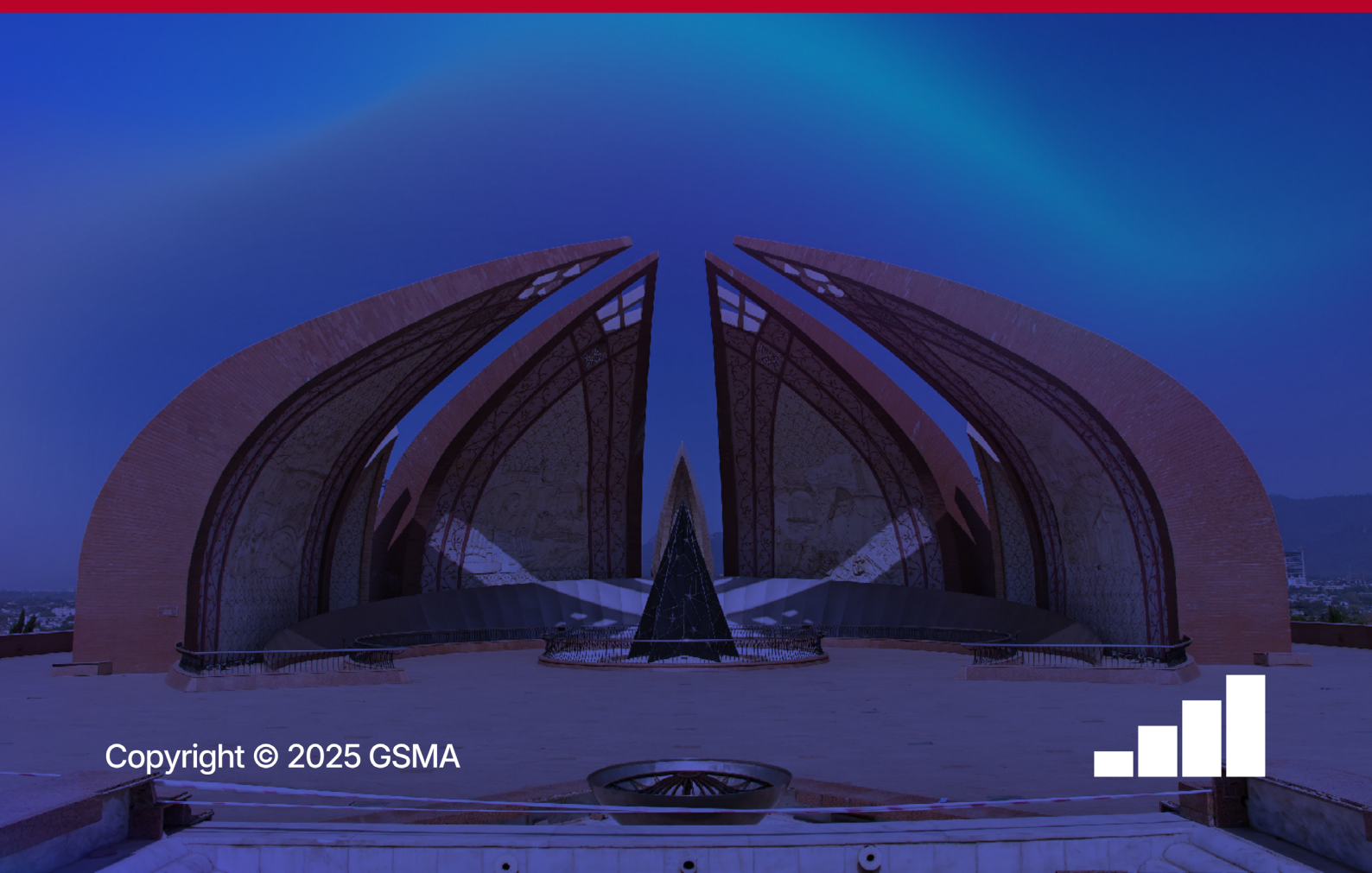


GSMA™

# Unlocking Pakistan's Digital Potential: Reform, Trust and Opportunity

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# GSMA

The GSMA is a global organisation unifying the mobile ecosystem to discover, develop and deliver innovation foundational to positive business environments and societal change. Our vision is to unlock the full power of connectivity so that people, industry and society thrive. Representing mobile operators and organisations across the mobile ecosystem and adjacent industries, the GSMA delivers for its members across three broad pillars: Connectivity for Good, Industry Services and Solutions, and Outreach. This activity includes advancing policy, tackling today's biggest societal challenges, underpinning the technology and interoperability that make mobile work, and providing the world's largest platform to convene the mobile ecosystem at the MWC and M360 series of events.

We invite you to find out more at [gsma.com](https://www.gsma.com)

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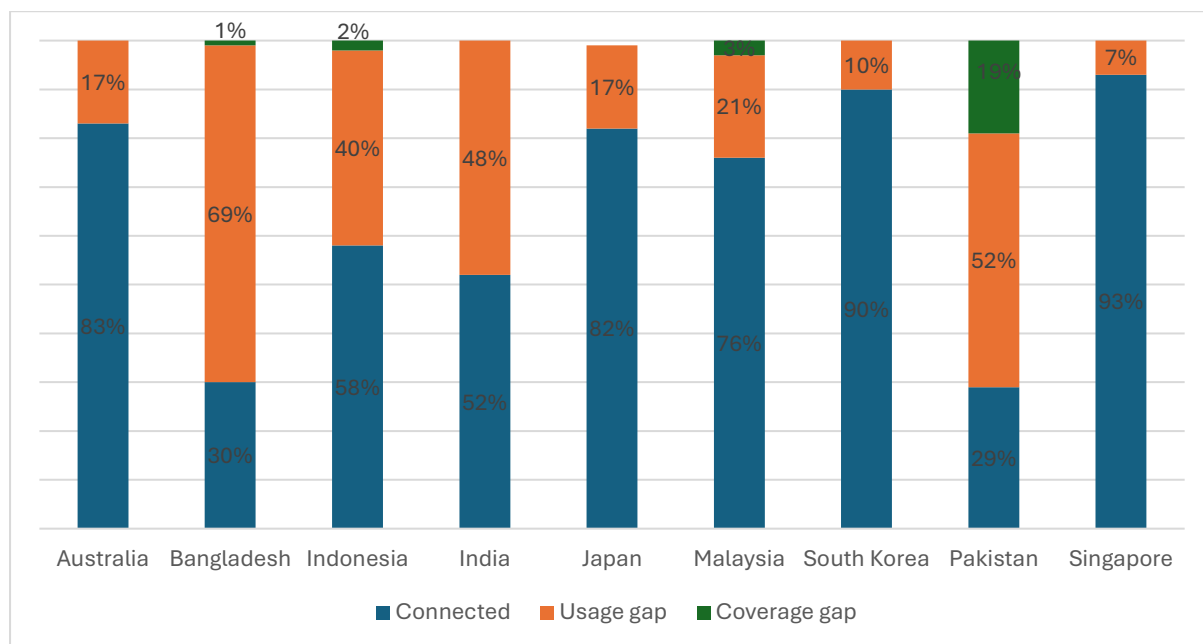
# Unlocking Pakistan’s Digital Potential: Reform, Trust, and Opportunity

Pakistan has the talent. It has the ambition. It even has the vision—through the “Digital Pakistan” initiative—to become a thriving digital economy. But without urgent reforms to its telecoms policy, the country risks falling further behind its regional peers. And it’s not just investors who will walk away. It’s the people of Pakistan who will pay the price.

## The Cost of Falling Behind

In 2024, mobile technologies and services contributed **\$950 billion** to the Asia Pacific economy, accounting for **5.6% of GDP**. This is projected to reach **\$1.4 trillion** or **6.6% of GDP** by 2030, driven by the expansion of 5G, IoT, and AI<sup>1</sup>.

Yet Pakistan is not on track to fully benefit from this growth. Only **29%** of the population in Pakistan used mobile internet in 2024, despite **68% smartphone adoption** and **coverage reaching 81%**. The **usage gap**—the share of people who live within coverage but are not using mobile internet—stands at **52%** (based on total population)<sup>2</sup>, one of the highest in the region. This reflects persistent barriers such as affordability, digital literacy, and trust.



Source: GSMAi

<sup>1</sup> [The Mobile Economy Asia Pacific 2025](#)

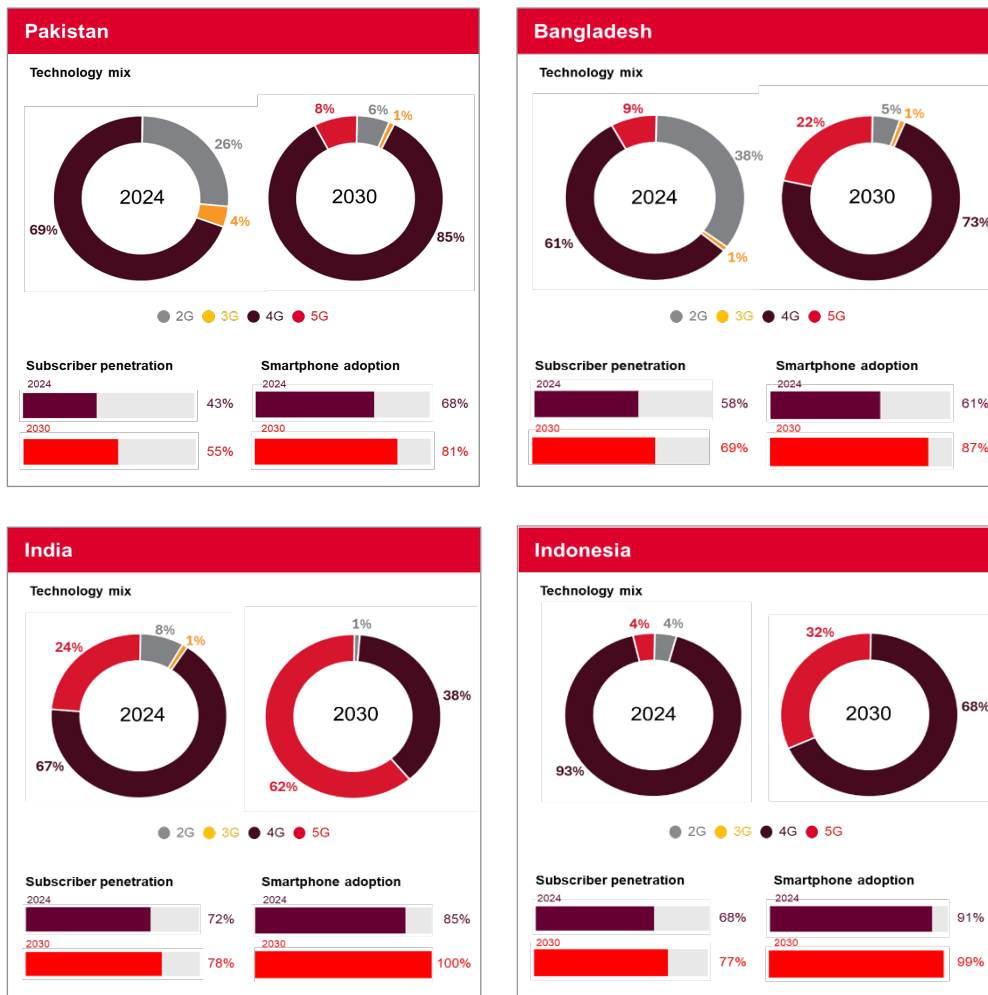
<sup>2</sup> There has been a significant reduction in Pakistan’s mobile internet usage gap from 47% to 37% (based on adult population aged 18 and above)

## The 5G Dilemma: Falling Behind the Region

Across Asia Pacific, countries are accelerating their 5G rollouts to power smart cities, digital industries, and inclusive growth. Vietnam, for example, successfully completed its 5G spectrum auctions in 2024, assigned 300 MHz in key bands, and introduced fiscal incentives to support base station deployment.

In contrast, Pakistan's 5G rollout remains stalled. The country has one of the lowest levels of assigned IMT spectrum in the region. A 5G multiband auction was planned for 2025 but has been delayed due to merger and licensing issues.

5G is not just about faster speeds—it's about enabling real-time services, industrial automation, and digital inclusion. Pakistan must act now to avoid being left behind.



## Spectrum Reform: The Cornerstone of Connectivity

Spectrum pricing and availability are critical to unlocking Pakistan's digital future. A GSMA study shows that spectrum cost-to-revenue ratios in Asia Pacific rose from 3% in 2014 to 9% in 2023. Every 10-percentage point increase in spectrum cost is associated with a 6-point drop in coverage and 8-point drop in speeds.

To reverse this trend, Pakistan must:

- **Price spectrum for growth**, not short-term revenue.
- **Use local currency** to reduce financial risk.
- **Release more spectrum**, especially mid-band, for 5G readiness.
- **Enable sharing and trading** to improve efficiency.
- **Publish a national roadmap** to guide long-term investment.

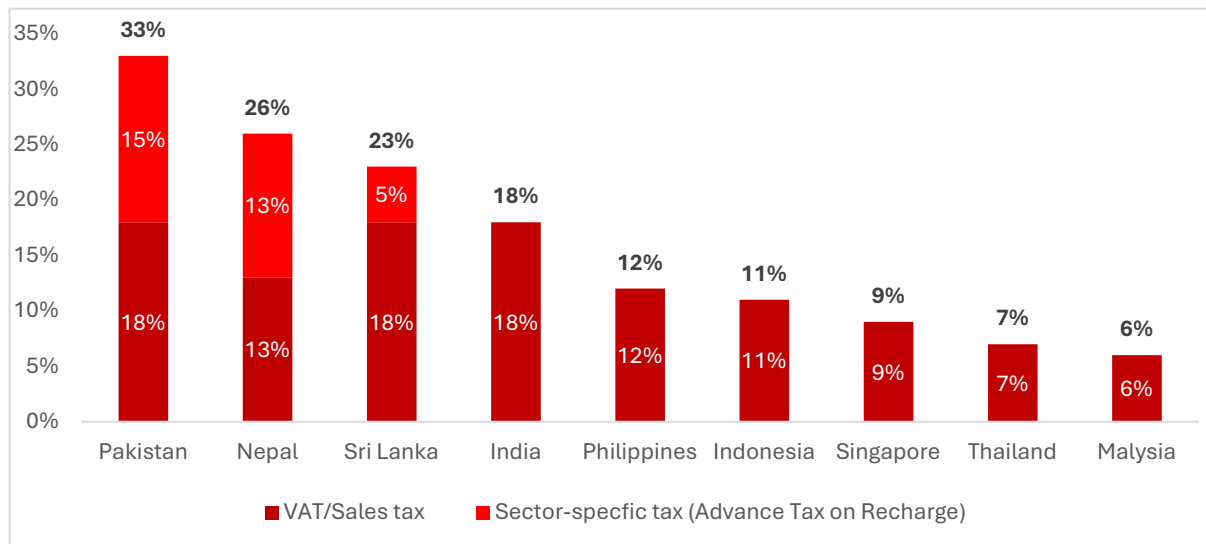
### Fiscal Reform: Aligning Policy with Digital Ambitions

To truly unlock Pakistan’s digital potential, fiscal policy must be aligned with the country’s digital development goals. Telecom operators face one of the highest tax burdens in the region, with **combined tax rate on the use of mobile services reaching 33%**, which stifles investment and raises costs for consumers. This includes the **sales tax of 18%** and a **15% of advance tax on recharge** — making digital access costlier for users and discouraging private investment in infrastructure.

Currently, devices such as smartphones are subject to combined customs duties and taxes of up to 40%, while mobile broadband services face multiple layers of taxation, further widening the digital divide. Reducing sector-specific taxes and rationalising duties on devices and services can make connectivity more affordable and accelerate adoption. Targeted fiscal incentives—such as tax credits for infrastructure investment or R&D—can further catalyse innovation and growth.

A forward-looking fiscal framework will not only attract investment but also ensure that digital transformation benefits all segments of society.

### Combined tax rates on the use of mobile services (2024)



Source: Operators data and GSMA analysis

### The API Economy and GSMA Open Gateway

Pakistan’s developers and startups stand to benefit from the API economy—where telcos expose network capabilities to build new services. The **GSMA Open Gateway** initiative now includes 48 APIs published in CAMARA with another 56 in development. Pakistan is one of 12 Asia Pacific markets participating.

By embracing Open Gateway, Pakistan's operators can:

- Unlock new revenue streams.
- Enable faster innovation.
- Improve security and trust in digital services.

### **A Hidden Strength: Pakistan's IT Talent**

Pakistan is already a global player in software development and IT outsourcing. With over 600,000 IT professionals<sup>3</sup> and a thriving freelance economy, the country has become a hub for digital services exports. The Asian Development Bank's 2025 diagnostic report<sup>4</sup> highlights Pakistan's potential to become a regional leader in digital innovation—if the right infrastructure is in place.

But here lies the paradox: without robust, high-speed, and affordable connectivity, this talent pool will remain underutilised. The digital economy cannot thrive on patchy infrastructure and policy uncertainty.

### **Encouraging Progress on the Gender Gap**

There are signs of progress. In 2024, Pakistan saw a meaningful reduction in the mobile internet gender gap. According to GSMA's *Mobile Gender Gap Report 2025*<sup>5</sup>, women's mobile internet usage rose from 33% to 45%—a 12 percentage point increase, the highest among all countries surveyed. While the gap remains significant, this improvement reflects the impact of targeted policy efforts and industry collaboration. It's a reminder that change is possible—and worth accelerating.

### **Scams Are Undermining Trust**

Scams are eroding consumer trust in digital services. The GSMA's 2025 report<sup>6</sup> highlights the rise of the "scam economy," with over \$1 trillion lost globally. The GSMA APAC Cross-sector Anti-scam Taskforce (ACAST) is helping operators like Jazz collaborate regionally to tackle fraud.

Pakistan's participation in ACAST and Open Gateway is a positive step—but more needs to be done to scale these efforts nationally and restore and ensure digital trust.

### **Connectivity at Risk: Network Shutdowns and the AONs Bottleneck**

Despite Pakistan's digital ambitions, the country continues to experience network shutdowns—blanket service restrictions that disrupt connectivity for millions. These shutdowns, often imposed for political or security reasons, have far-reaching consequences: they undermine economic activity, restrict access to emergency services, and erode trust in digital platforms.

To mitigate these risks, Pakistan has explored the **Always on Network (AONs)**<sup>7</sup>—a solution designed to maintain essential connectivity during outages. However, the initiative remains stuck in regulatory red tape. The delay in implementation not only weakens digital resilience but also leaves citizens vulnerable during emergencies and crises.

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<sup>3</sup> [Home - Pakistan Tech Destination Of The Year](#)

<sup>4</sup> [Pakistan's Digital Ecosystem: A Diagnostic Report | Asian Development Bank](#)

<sup>5</sup> [GSMA | Gender Gap 2025 - Mobile for Development](#)

<sup>6</sup> [Towards a digital nation: addressing the scam economy in Asia Pacific | GSMA Intelligence](#)

<sup>7</sup> [Always on Network Service \(AONS\) - GSMA Foundry](#)

## Learning from the Region: Vietnam's Digital Momentum

Vietnam offers a compelling example of how smart policy can unlock digital growth. After a failed auction in 2023 due to high reserve prices, Vietnam reduced spectrum costs by up to 90%, successfully completed its 2024 auctions. The government introduced incentives for operators in the form of a subsidy to cover 15% of the costs of base station equipment, provided operators were able to build 20,000 base stations by the end of 2025.

Pakistan can draw inspiration from this approach—adapting it to local realities to unlock its own digital potential.

## What a Better Future Looks Like

Imagine a Pakistan where:

- Every citizen can afford to get online.
- Women and rural communities are digitally empowered.
- Telecom networks support AI, smart agriculture, and e-health.
- Startups build new services using Open Gateway APIs.
- Scams are proactively addressed through regional collaboration.
- 5G powers innovation across industries and regions.
- Investors see Pakistan not as a risk, but as a rising digital leader.

This is not a fantasy. It's a choice.

## A Call to Action—for Everyone

This is not just about investors. It's about the people of Pakistan. It's about students who need online classes, farmers who need weather alerts, and entrepreneurs who need digital payments.

To unlock this future, Pakistan must:

- Reform spectrum policy to make connectivity affordable and future ready.
- Accelerate 5G deployment through smart auctions and infrastructure investment.
- Reduce the tax burden on operators and consumers.
- Embrace the API economy and GSMA Open Gateway to drive innovation.
- Streamline telecom regulation and policy implementation.
- Invest in digital literacy and inclusion, especially for women.
- Scale up anti-scam protections through ACAST and beyond.

The time to act is now. Because the longer Pakistan waits, the further behind it falls.

## Acknowledgement

We would like to express our sincere appreciation to the Ministry of Information Technology and Telecommunication (MoITT), the Pakistan Telecommunication Authority (PTA), and the GSMA Mobile Network Operators (MNOs) in Pakistan for their tireless efforts and contributions toward advancing the country's digital landscape. Their commitment and collaboration have been instrumental in driving innovation, improving connectivity, and laying the foundation for a digitally empowered Pakistan.

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