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ADB Warns of Major Shortfalls in Pakistan's Digital Infrastructure

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The Asian Development Bank (ADB) says Pakistan's telecom and digital networks are lagging badly behind regional peers, and that without swift, market-friendly reforms the country risks missing the next wave of economic growth tied to connectivity and technology.

In a report released this week, the ADB notes that Pakistan's telecommunications sector valued at roughly US\$4.5 billion is projected to reach US\$5.3 billion by 2029, but only if chronic under-investment is addressed. Fibre-optic coverage remains patchy, delays in

auctioning fifth-generation (5G) spectrum persist, and little progress has been made on upgrading third-generation (3G) services. Heavy, overlapping taxes make Pakistan one of the most expensive mobile markets in Asia, discouraging both foreign and domestic capital while keeping broadband out of reach for many households. Although mobile-internet signals cover about 80 percent of the population, the ADB finds that real digital uptake is far lower, stifled by price and by stubborn gaps in digital literacy.

The economic cost is stark. Pakistan's digital economy contributes barely 1.5 percent to Gross Domestic Product (GDP), well below potential and trailing neighbors that have embraced aggressive information-and-communications-technology (ICT) drives. By comparison, India rolled out 5G services in 2022 and is already leveraging the network for manufacturing, health care, and digital-payments growth. Even Bangladesh, once seen as a technology laggard, has cut sector taxes, aligned spectrum policy with investors' needs, and drawn substantial private funding. The ADB report attributes Pakistan's under-performance to policy inertia, regulatory uncertainty, and a revolving political door that has stalled long-term planning. "Absent a clear road map and predictable rules," the study warns, "capital will continue to flow to jurisdictions where returns are protected and red tape is minimal."



For policy-makers in Islamabad, the message is unambiguous: unleash competition, streamline regulation, and let entrepreneurs build the networks consumers demand. Lowering punitive levies on handsets and data, fast-tracking transparent spectrum auctions, and rolling out nationwide fibre should top the agenda. A leaner Universal Service Fund could focus on genuine rural gaps rather than city projects that private operators are willing to finance. Pakistan's young workforce and fast-growing start-up scene have shown they can innovate if given the bandwidth literally and figuratively. Closing the digital divide is not about grand slogans; it is about concrete steps that signal to investors that Pakistan is open for business and serious about the rule of law. The alternative, as the ADB makes clear, is a slow slide into technological irrelevance just as the global economy pivots ever more decisively toward the digital frontier.

