

"Digitalization of Economy in Pakistan: Prospects"

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III Digital Economy Prospects of Pakistan.

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Digitalization of the economy is transforming global economic structures, and Pakistan is gradually adapting to this shift, with advancements in information technology, fintech solutions, and e-commerce, digital transformation is becoming essential for economic growth. The increasing internet penetration, mobile banking and government initiatives like "Digital Pakistan" and "Arfa Khan Digital Complex in Lahore" indicate a promising future. However, challenges such as limited infrastructure, low digital literacy, and cybersecurity concerns need to be addressed for a successful digital economy.

E-commerce is rapidly expanding in Pakistan. due to the rise of digital payments and increased internet access.

Platforms like Daraz, Foodpanda, Temu and local online businesses have gained popularity, allowing small and medium enterprises (SMEs) to reach a broader customer base. However, a lack of trust in digital transactions and logistical challenges hinder its full potential.

Financial technology is playing a crucial role in Pakistan's digital economy. The introduction of digital banking services, mobile wallets like Easypaisa and JazzCash, and online business payment gateways have made transactions more convenient. The State Bank of Pakistan has also launched Raast, a digital payment system, to promote financial inclusion. Despite these advancements, many people in rural areas still lack access to

digital financial services.

The government has launched several programs to promote digitalization, such as the "Digital Pakistan" initiative, the National IT Policy, and tax incentives for IT startups.

These efforts aim to improve digital infrastructure, support entrepreneurship,