

— AI OPPORTUNITY REPORT · 2026

Building Pakistan's AI era



 **PUBLIC FIRST**

Pakistan's digital economy is growing quickly, but remains narrow: services-led, uneven in productivity, and with much of its tech sector concentrated in lower-margin work.

AI offers a route to change this. Pakistan has a digitally eager workforce, a large and fast-growing domestic market, and a globally connected base of freelancers and software talent. Its clearest opportunity is not to copy other markets looking to scale infrastructure or build frontier models, but to develop strengths in high-volume AI services, applied AI, and AI-enabled exports.

By helping workers move from basic use to more sophisticated AI workflows, and by helping the tech sector move up the global value chain, Pakistan can turn enthusiasm into advantage. This is its chance not just to catch up, but to leapfrog.

Rs. 4.4 trillion

Potential increase in Pakistan's GVA from AI (US\$16 billion).

158 million

Internet users in May 2026. With penetration at 63%, tens of millions are still to come online.

93%

Of workers want AI skills training. One of the highest figures recorded in the region.

AI offers new tools to address the Pakistani economy's historical challenges

KEY CHALLENGE

A narrow, shock-prone economy

Pakistan's growth is heavily exposed to a narrow set of sectors — including textiles, agricultural goods and light manufacturing — and its export base remains thin and undiversified. This leaves the economy more vulnerable to swings in raw material prices, energy costs and other imported inputs.



— IMPACT

Boosting economic resilience

AI can enable new, high-value specialist exports (particularly digital exports) and faster R&D which in turn diversifies what Pakistan sells to the world.

KEY CHALLENGE

A tech sector stuck on low margins

Pakistan's tech sector is still concentrated in outsourced, lower-margin work, while shortages of experienced developers and advanced digital skills limit its ability to move into higher-value products, platforms and specialist services.



— IMPACT

Helping the tech sector capture more value

AI coding tools could lower the cost of building software, helping Pakistani firms move beyond outsourced delivery toward products, platforms and IP owned at home.

KEY CHALLENGE

Enthusiasm outpacing enablement

Pakistan has strong public and policy enthusiasm for AI, but use remains concentrated in basic tools and individual experimentation. Employer support, governance infrastructure and top-down adoption remain weak.



— IMPACT

Turning AI from Enthusiasm to Action

Training and employer support could turn Pakistan's large base of intermediate AI users into sophisticated daily users, helping AI move from individual experimentation to real productivity gains.



01

Boosting economic
resilience

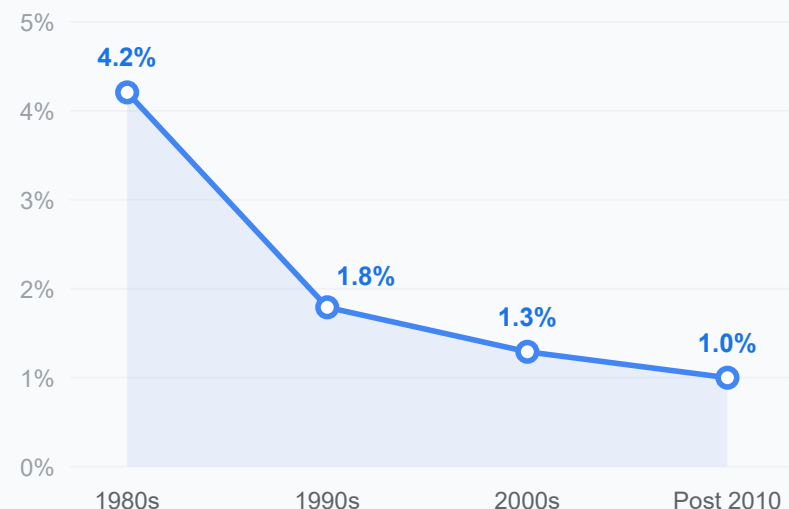
Powering innovation-led growth

Following meteoric growth in the early 2000s, Pakistan's economy has cooled in recent years, held back by persistently low productivity, limited movement into higher-value sectors, and difficulty converting competitive labour costs into innovation-led growth. [By accelerating science and innovation, AI could create an additional Rs. 250 billion \(US\\$880 million\) in economic value through faster R&D by 2040](#) — helping Pakistan grow through better ideas, not just more labour and capital.

1.4x

AI-assisted product development could let start-ups in Pakistan release new features 1.4 times faster than today.

Average annual growth in labour productivity



[Pakistan's labour productivity growth has stalled over time.](#) To sustain future growth, the country will need to rely more on innovation, new ideas and higher-value goods and services — a shift AI can help supercharge.

Diversifying Pakistani exports

Pakistan's export base remains narrow and concentrated in a small number of goods categories and lower-margin services, leaving growth exposed to global price swings and limiting the country's move into higher-value trade. AI offers a route to diversify exports by helping the IT sector move into faster, higher-quality and higher-value delivery. [In our modelling, AI adoption could increase the export intensity of Pakistan's IT sector by 20%, generating an additional Rs. 210 billion \(US\\$740 million\) in exports each year.](#)

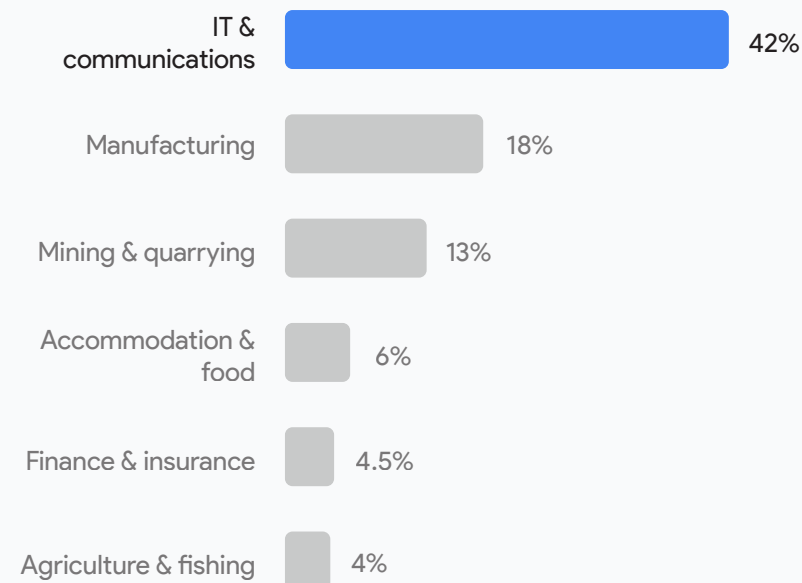
Rs. 150 billion

AI-enabled creation and localisation could unlock an additional Rs. 150 billion (US\$ 520 million) a year in creative exports for Pakistan by helping creators reach global audiences faster and adapt content for overseas markets.

[IT's one of Pakistan's most export-intensive sectors.](#) Building higher-value products, specialist tech services and AI-enabled tools in IT will be central to higher exports, driving productivity and raising living standards. Crucially, these tools need not stay within IT: as the sector matures, it can equip the rest of the economy with AI applications that lift productivity across the rest of the economy — from agriculture to manufacturing.

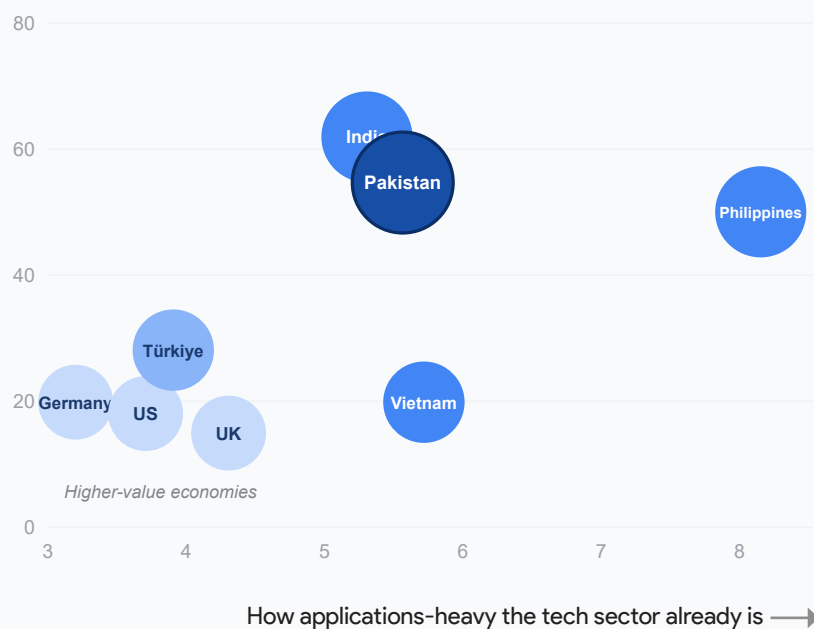
Exports as a proportion of sector's output

IT's one of Pakistan's most export-intensive sectors



Supercharging the Pakistani IT sector

How fast low-value app work is growing (annual % growth)



Ratio of lower-value applications work to higher-value core systems work. Low-value = websites, apps, maintenance, testing. High-value = operating systems, databases, core infrastructure.

Pakistan's tech sector remains concentrated in lower-value outsourced work — basic coding, maintenance, testing and support — limiting how much value is captured at home. AI could help firms capture more value by upskilling developers, automating routine tasks and building stronger domestic capabilities. [In our modelling, this could increase the value added of Pakistan's IT sector by 5.6%, contributing Rs. 290 billion \(US\\$1 billion\) to GVA each year.](#)



Development time reduction caused by AI-enabled coding tools. In Pakistan, AI-enabled coding tools could reduce development time by 29%.

THE LOCK-IN RISK

Like other emerging markets, Pakistan's tech sector is concentrated in lower value applications work and growing it instead of moving to products and IP.

— CASE STUDY

AI Seekho 2026

Organised by Google for Developers, in collaboration with the Ministry of Information Technology and Telecommunication (MoITT), Innovista, and Telenor Pakistan, #AISeekho2026 introduced ‘vibe coding’ as an accessible way to equip Pakistan’s young developers with a way to build with AI for free.

The two-phase programme was run as a “learn, build, win” online challenge where participants could vibe code to build and submit a working app or game using free Google Cloud credits to Google AI Studio and Antigravity. The strongest teams progressed to physical hackathons and competed for a Rs 2.5 million prize pool.

The programme united developers and builders nation-wide under the slogan of #VibeKeragaPakistan (Pakistan will Vibe); throughout the programme, participants had mentorship and the endorsements from Google’s developer community, pathways into incubation and start-up funding for those who wanted to take their ideas further.



50,000+

Developers engaged across the campaign.

17,000+

Participants registered across the online and hackathon phases.

1,500+

Solutions received.

50%

Of participants were working professionals; 25% were women.

Democratising access to software solutions through vibecoding

Software adoption in Pakistan remains concentrated among larger, urban firms, while SMEs, micro-enterprises and entrepreneurs often lack the money, time or technical support to build the tools they need. But many already have the basics for digital adoption: smartphones, internet access and a willingness to try new technologies. AI coding agents can lower the barrier to simple custom software — from websites and order forms to customer databases, stock trackers and finance tools. For small firms, these tools can save time, reduce errors and help manage customers more effectively. **By making custom software easier to build, vibe coding could deliver productivity gains worth up to 22% of a typical SMB's profits per business per year.**

Greater access to software could also create more demand for qualified IT professionals within Pakistan, rather than pushing talent to look for opportunities abroad. By further professionalising Pakistan's app and game development ecosystem, AI could create demand for 7,000 new app and game designers, developers, and creative technologists in Pakistan.



Google's impact in Pakistan

For over a decade, Google has been investing in AI to advance its mission to organise the world's information and make it universally accessible and useful.

Today, Google is expanding access to AI for billions in the Asia Pacific through products like Maps, Search, Android, Gemini and NotebookLM, while helping businesses be more productive and connect with new customers.

Rs. 150 billion

(US\$520 million) in economic activity in 2025. Supported through Google products, helping firms find customers and build their online presence.

58,000 jobs

Supported in Pakistan in 2025. As firms sell more and use digital tools through Google's products, they create demand across their own operations and supply chains.

Rs. 11 billion

(US\$38 million) generated in export earnings in 2025. Supported through Google Products from overseas markets for local businesses.

Google products include Google Search, Google Ads, Google AdSense, Google Play, Google Cloud and YouTube.

A group of four young adults are sitting outdoors, possibly on a rooftop or balcony, engaged in a conversation. A man with a beard and glasses, wearing a blue and black plaid shirt, is gesturing with his hands while speaking. Two women are listening attentively; one is wearing a red top and the other a pink top with denim overalls. A fourth person, partially visible on the left, is wearing a plaid shirt. The background shows a building with a blue roof. The image has a semi-transparent dark overlay on the left side where the text is located.

02

Turning enthusiasm into use
cases

Turning enthusiasm into use cases

AI adoption in Pakistan is running ahead of employers, driven by workers experimenting on their own. The next step is to turn that bottom-up enthusiasm into structured workplace adoption — closing the everyday gaps in training, guidance and support that determine whether AI use becomes real productivity growth.

— HIGH ENTHUSIASM

93%

want AI skills training.

80%

of young professionals say that AI feels like a 'digital mentor'.

29%

of young professionals say AI proficiency will be the most important factor for getting future jobs - the highest proportion in APAC.

18%

of Pakistanis say AI is the most promising tool to address national challenges - the most popular option.

— LAGGING ENABLEMENT

20%

alone say they were encouraged to use AI by company leadership (compared to 52% choosing to use AI of their own accord).

18%

do not use AI because they'd have to ask a manager's permission.

36%

want help learning how to prompt - the most-requested skill.

30%

cite privacy and confidentiality concerns as the top barrier to using AI at work.



— CASE STUDY

Metal Bling

Sumana Ali founded Metal Bling to teach women in Rawalpindi the craft of metalworking, rooted in their shared Islamic heritage. As the business grew, she saw that her students were struggling to make a living from their craft — and she wanted to help them become financially independent.

Through Tech Valley Pakistan, Sumana came across Google's Career Certificates scholarship and enrolled on the Digital Marketing & E-commerce and AI Essentials courses, both to strengthen Metal Bling and to pass the skills on to her students. She put them to work straight away: building an online store to showcase her students' creations, and running Google Ads that carried Metal Bling's reach from Rawalpindi to customers around the world.

For Sumana, Metal Bling is now more than a business. It is a mission — and through her story she is inspiring women around the world to turn their skills into success.

60%

of Metal Bling's sales now come through its online store.

40%

increase in Metal Bling's revenue.



Award of Excellence

Recognised with an Award of Excellence from the Government of Pakistan.

Ensuring egalitarian adoption

Despite national progress in digital infrastructure, Pakistan's digital divide remains pronounced, especially between urban and rural areas and between larger firms and SMEs. If smaller businesses lack the connectivity, tools, skills and support to adopt AI, the technology's benefits will remain concentrated among larger, better-resourced firms rather than spreading across the wider economy. Closing that gap is essential to turning AI from a frontier technology into a broad-based productivity tool. **In our modelling, if SMEs adopted AI at the same rate as large enterprises, they could unlock Rs. 1.5 trillion (US\$5.2 billion) in additional value by 2035.** This is equivalent to 1.3% of Pakistan's entire GDP.

2x

AI non-use is twice as common in rural Pakistan as in its cities (10% Urban / 19% Rural).

URBAN

10%



RURAL

19%



About the research

In this paper, we used a range of different methods to quantify the economic and social potential of AI for Pakistan:

- We created a new set of economic models, exploring the potential of AI for labour productivity and business efficiency across the economy.
- We ran a survey of **1,046 online adults** based in Pakistan in March 2026, conducted in English and Urdu. All results are weighted using Iterative Proportional Fitting, or 'Raking'. Results quoted here are weighted by age group, gender, state, and education level to nationally representative proportions. While we undertook our best efforts to make the sample as representative as possible with extensive attention checks and neutral question design, all polling is subject to the potential for response bias and our sample does not include non-online adults.

You can access our detailed methodology [here](#), and the appendix of additional datapoints not included in this report, on request.

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