EDITORIAL

The Missing Data Centre: Why Pakistan's Compute Gap Is a Sovereignty Problem

Pakistan's government agencies, banks, and start-ups increasingly run on servers thousands of miles away, and every gigabyte that leaves the country carries a little more of the state's autonomy with it — even as a handful of new projects promise to close the gap.

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Introduction

Pakistan's installed data-centre capacity stood at roughly 23.5 megawatts of IT load in 2025, a fraction of what comparable digital economies operate, and industry forecasts see that figure only reaching about 53 megawatts by 2030. In the same period, the country is already spending an estimated $700–800 million a year on AI-related technology and cloud services, according to industry executives — money that flows almost entirely to compute sitting outside Pakistan's borders. Government records, banking data, telecom metadata, and the AI workloads now being pitched as the next growth engine mostly live on servers owned and operated by foreign hyperscalers, not on Pakistani soil.

That gap is not merely an infrastructure shortfall; it is a sovereignty question. Where a byte of data physically sits determines whose courts, whose subpoenas, and whose national-security laws can reach it — a Pakistani company's customer records stored on a foreign cloud remain exposed to instruments like the U.S. CLOUD Act regardless of what Pakistani law says about them. That exposure is compounded by the fact that Pakistan's own Personal Data Protection Bill, first drafted in 2023, is still stuck in parliament, leaving the country without a modern legal framework to even define what should stay home.

> ***"Every server Pakistan doesn't build is a server someone else controls — and, eventually, a decision Pakistan doesn't get to make."***

The Scale of the Deficit

A handful of projects are trying to close the gap. Gul Ahmed Energy Group's Quantum Global Data Centre has announced Pakistan's largest planned Tier III facility, backed initially by $230 million and potentially $600 million over three to four years, built alongside a 136-megawatt captive power plant and developed in partnership with Huawei. Khazana Cloud and the National Aerospace Science and Technology Park are separately planning what they describe as the country's first hyperscale facility, also Huawei-powered, while Jazz's Tier III Digital Park and a National Data Centre serving over a hundred government ministries anchor Islamabad and Rawalpindi's existing footprint.

Even these projects sit against real constraints. Islamabad has set aside 2,000 megawatts of surplus generation for AI clusters specifically to shield power-hungry facilities from grid volatility, but reliability outside that carve-out remains uneven, and water-intensive cooling for large campuses has already drawn public criticism in a country that is, by most measures, water-stressed rather than water-rich. Skilled operations staff, land, and financing costs add further friction, and the buildout still lags far behind the hyperscale capacity that regional competitors in India and the Gulf have already put in the ground — a gap that keeps pulling Pakistani workloads toward foreign infrastructure by default rather than by choice.

Key Findings & Impact

Scholars studying this pattern across developing economies have called it a form of data colonialism: countries supply the raw material — clicks, transactions, biometric and behavioural data — while the infrastructure that stores, processes, and monetises it sits abroad, owned by firms in wealthier jurisdictions. For Pakistan, the practical effect is a value-capture imbalance. Local firms and freelancers still do much of the lower-value coding and support work in the global digital supply chain, while the cloud storage, model training, and data-driven advertising built on top of Pakistani-generated data largely accrues to platforms headquartered in the United States or China.

There is a fiscal dimension too. Every dollar spent importing compute and cloud services instead of building domestic capacity widens the same external-financing pressure that already constrains Pakistan’s economy, at a time when reserves remain thin and much of their recent improvement reflects borrowing rather than export earnings. A few early hedges exist — a partnership with Dfinity to build a Pakistan-specific subnet on the Internet Computer network so government and start-up applications need not depend entirely on centralised foreign clouds, plus a National AI Taskforce and National Center of Artificial Intelligence coordinating a longer-term roadmap — but these remain small relative to the country’s overall dependence on hyperscale providers.

What's Next?

The path forward has three fairly clear pieces. First, Pakistan needs to finally pass a modern data protection law — finishing what the 2023 Personal Data Protection Bill started, with an independent regulator, clearly defined categories of sensitive and critical data, and a phased localisation mandate rather than an all-or-nothing rule that would spook investors. Second, the tax credits, land, and power-tariff incentives that have attracted a few flagship projects need to be extended and made predictable enough to pull in the public-private partnerships that domestic data-centre construction actually requires at scale, not just headline announcements.

Third, planning for water and power has to happen alongside planning for compute, not after it — a data centre that draws down a water-stressed region’s reserves to cool servers storing someone else’s data is a bad trade twice over. None of this is about walling Pakistan off from global cloud providers; it is about making sure the country owns enough of the physical stack underneath its own digital economy that growth in exports and AI adoption translates into growth in national leverage, not merely growth in dependence.