DIGITAL ECONOMY Trade Policy / IT Exports / Research Commentary

Freelancing Built Pakistan's IT Exports. It Can't Sustain Them Alone.

Individual freelancers now generate a quarter of Pakistan's IT exports and are on track to cross $1 billion a year — but the government's $10 billion export target needs a kind of growth that hourly gig work was never built to deliver.

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Introduction

Every month, hundreds of thousands of newly trained Pakistanis log into Upwork, Fiverr, and Payoneer for the first time. Between July 2025 and March 2026 alone, that workforce sent home $856 million in foreign exchange from computer and IT services — a 50 percent jump on the year before, and enough to cover roughly one in every four dollars of Pakistan's IT export earnings.

That growth is real, and it deserves the credit it gets. But the government's own "Uraan Pakistan" plan calls for IT exports to reach $10 billion by FY2029 — more than double this year's expected $4.5 billion. Getting there will require a kind of export Pakistan has not yet built at scale: one based on products, platforms, and companies, not hours billed by individuals working alone.

> ***"Freelancing exports labour by the hour. It cannot, on its own, export the intellectual property, capital, and scale that a ten-billion-dollar target requires."***

How Freelancing Became the Export Engine

Pakistan now counts more than 2.37 million freelancers by the Asian Development Bank's estimate, ranking it among the world's largest freelance markets. Public training programmes such as DigiSkills, alongside initiatives run by the Pakistan Software Export Board and NGOs, feed hundreds of thousands of new entrants into global marketplaces every month, while a 0.25 percent effective tax rate for PSEB-registered freelancers and the right to hold up to half of foreign earnings in dollar accounts have made formal registration worth the paperwork.

Two structural advantages made this possible. Pakistan's large, English-speaking, technically trained youth population maps directly onto the skill categories — software development, design, digital marketing, content — that global clients hire for on demand. And a depreciating rupee has quietly made that same talent cost-competitive against freelancers anywhere else in the world, turning currency weakness into an unlikely export subsidy.

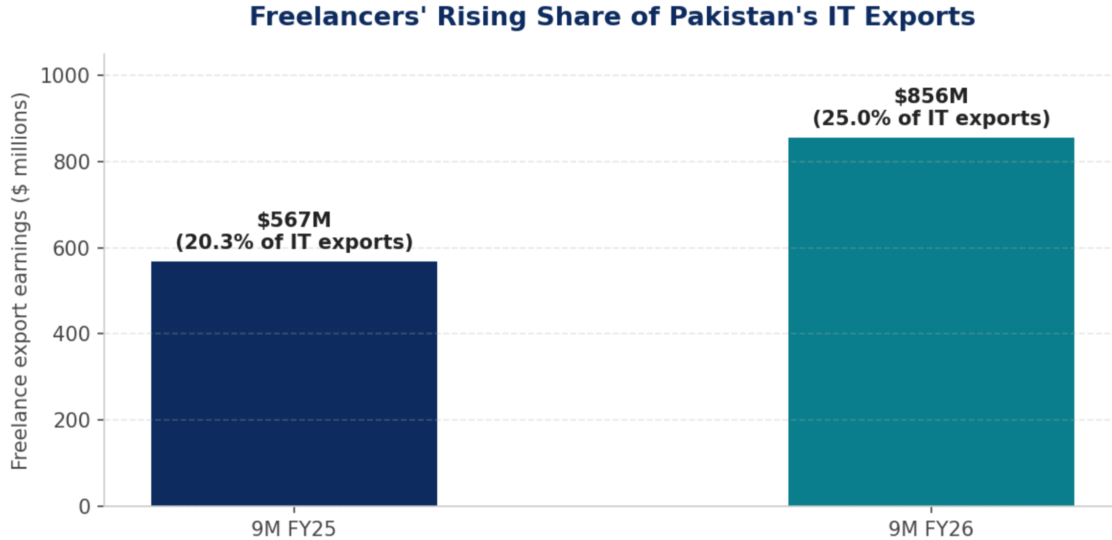

Figure 1: Freelance earnings as a share of Pakistan's total IT exports, nine-month period, FY2025 vs FY2026 ($ millions). Source: State Bank of Pakistan; Pakistan Economic Survey 2025–26.

Key Findings & Impact

The limits show up in the plumbing. Pakistani freelancers cannot use PayPal at all, and rely instead on Payoneer and Wise, with each routing choice shaving three to five percent off an invoice before it ever reaches a local bank. PAFLA, the freelancers' association, has repeatedly flagged internet slowdowns and power outages — including disruption from a submarine cable fault — as recurring threats to platform rankings and client trust, problems no tax incentive can fix.

More fundamentally, an hour billed is an hour that ends — it does not compound the way a software product, a services company, or a licensed platform does. Some industry voices even suspect the freelancer share is partly inflated by companies reclassifying salaried staff as freelancers to capture the same tax relaxation, which would mean the headline growth overstates genuine gig-economy expansion. Either way, freelancing formalises income; it does not, by itself, build the exportable firms that countries like India used to reach tens of billions of dollars in software services.

What's Next?

Whatever comes next has to build a second engine alongside the first. That means treating successful freelancers as a founder pipeline rather than an end state — helping the strongest among them register companies, hire teams, and bid for the larger systems-integration and product contracts that individuals cannot win alone. It also means fixing the infrastructure freelancers have been complaining about for years: reliable broadband, resilient submarine-cable routing, and uninterrupted power, none of which show up in an export target but all of which determine whether that target is reachable.

Pakistan should keep celebrating every freelancer who crosses a new earnings milestone — they built the export line the country now depends on. But a $10 billion target will be won or lost on whether the next generation of that same talent stays behind laptops as employees of Pakistani companies, not just contractors to someone else's.

About the Author

Bilal Ahmed Qureshi is a graduate student from the Lahore University of Management Sciences (LUMS), where his research focuses on services trade and digital labour markets in South Asia. He has advised provincial IT boards on export-facilitation policy.

Keywords: IT Exports; Freelancing; Pakistan Digital Economy; PSEB; Uraan Pakistan; Software Services

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