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EDITORIAL

Why Pakistan Needs a Dedicated Digital Economy Ministry

Pakistan's telecom competition rules have been stuck since 2015 because two institutions still cannot agree who has authority to write them — and in 2026, instead of resolving that decade of gridlock, the government is running two separate efforts, in two separate bodies, both claiming the job of leading the digital economy.

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Introduction

Pakistan's Telecom Policy 2015 assigned the Ministry of Information Technology and Telecommunication responsibility for drafting dedicated competition rules for the telecom sector. The Pakistan Telecommunication Authority submitted its first draft in 2016. A decade, several court rulings, and dozens of inter-institutional meetings later, the rules still do not exist — because MoITT and PTA have never resolved which of them has the legal authority to finalise them. The ministry circulated another revised draft on 7 July 2026. PTA submitted comments on 27 July. The dispute continues, even as the market it is meant to govern just underwent its biggest structural change in years: the PTCL-Telenor merger has cut the country from four major mobile operators to three, and PTA has separately fined the remaining operators nearly Rs740 million for service violations while the National Assembly's IT Standing Committee holds hearings on network degradation severe enough to draw its own attention.

This is not an isolated turf war. It is the default operating mode of Pakistan's digital governance, and 2026 has produced an almost perfect illustration of why. In June, the government announced a World Bank-supported, decade-long restructuring of MoITT itself, explicitly aimed at turning a ministry "designed mainly for a telecommunications-focused policy environment" into one capable of leading artificial intelligence, cybersecurity, data governance, and cross-government digital transformation. In parallel, the Pakistan Digital Authority — a completely separate statutory body created under the Digital Nation Pakistan Act 2025 — is already executing its own National Digital Master Plan across the same three pillars: digital economy, digital society, digital governance. Two institutions, formed a year apart, are now simultaneously trying to become the same thing.

> ***"Pakistan doesn't need another restructuring plan for the ministry that already exists. It needs one ministry the rest of government is actually required to listen to."***

A Decade of Turf Wars, Compressed Into One Year

Count the institutions with a real stake in Pakistan's digital economy today and the fragmentation becomes obvious: MoITT sets IT and telecom policy; PTA regulates telecom operators and is now also being asked to weigh in on competition rules it has spent a decade arguing over; the National Information Technology Board implements e-government projects; NADRA controls the identity infrastructure everything else depends on; PSEB promotes software exports; the State Bank licenses fintechs and runs Raast; SECP regulates non-bank finance and the corporate side of tech; HEC sets the curricula the whole sector's talent pipeline runs on; the Ministry of Commerce owns the IT export targets; and now the Pakistan Digital Authority sits above all of it with a mandate broad enough to overlap nearly every one of the others. No single one of these bodies can be blamed for the fragmentation, because no single one of them was ever given the authority to prevent it.

Government itself has now implicitly conceded the problem twice in three months without quite saying so out loud. MoITT's own restructuring brief, prepared under the World Bank-financed Digital Economy Enhancement Project, describes hiring consultants specifically to review "the mandates, functions, and coordination mechanisms" of PTA, NITB, PSEB, and other affiliated bodies — an admission that nobody currently knows, with precision, who is responsible for what. That consultancy is not scheduled to even begin until October 2026, and will run a further six months before producing recommendations. Meanwhile the PDA, created to solve exactly this coordination problem, is executing its own parallel plan with no formal subordination to MoITT's process at all.

Two Bodies, One Mandate, No Owner

This isn't a hypothetical risk — it is the same pattern this magazine has now documented across multiple beats. Our reporting on e-governance found citizen-facing portals collapsing repeatedly because MoITT, PTA, and NITB share responsibility for outcomes none of them individually owns. Our reporting on fintech found EMI licensing timelines stretching to eighteen months partly because SBP, SECP, and PSEB apply overlapping but uncoordinated standards to the same applicants. Our reporting on AI policy found an ambitious National AI Policy sitting alongside a Personal Data Protection Bill that exempts the very government bodies deploying AI most aggressively. Each of those stories reads, on its own, like a sector-specific failure. Read together, they are the same institutional design flaw wearing four different costumes.

The cost is measured in years, not headlines. A telecom competition framework first assigned to MoITT in 2015 is still unfinished in 2026 — eleven years during which the market it was meant to govern consolidated from four operators to three with no dedicated competition rulebook in place to govern that consolidation. A digital economy restructuring exercise announced this year will not even begin its consultancy until October, will run six more months after that, and will then have to be implemented against a Pakistan Digital Authority pursuing its own parallel plan. Institutional fragmentation of this kind doesn't just slow policy down. It makes policy self-cancelling, because every ministry or authority optimises for its own mandate in isolation, and nobody is positioned — or empowered — to notice when two of those mandates are actively working against each other.

What's Next?

A dedicated Digital Economy Ministry — not a restructured telecom ministry, not a parallel authority, but a single body with statutory seniority over the sector-specific regulators it needs to coordinate — would not need to abolish PTA, SBP's fintech oversight, or PSEB. It would need the explicit legal authority to arbitrate exactly the kind of jurisdictional dispute that has kept telecom competition rules unfinished for a decade, set binding cross-agency timelines the way no current body can, and absorb the Pakistan Digital Authority's national coordination mandate into an accountable ministerial structure rather than leaving it to compete with MoITT for the same job.

The government's own diagnosis, buried in MoITT's restructuring brief, already concedes that its current structure "was designed mainly for a telecommunications-focused policy environment" and is not suited to the digital economy it now needs to lead. That is the correct diagnosis arriving at an incomplete prescription. Pakistan does not need a better-organised telecom ministry with an expanded job description. It needs a ministry built from first principles for a digital economy that now touches finance, education, identity, health, and governance all at once — with the seniority to end a decade-long jurisdictional standoff in months rather than watching it enter its twelfth year unresolved.

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