Pakistan's Fintech and Data Analytics Landscape: Lessons from MENA Countries for a Data Powered Economy

By: ICMA Research and Publications Department

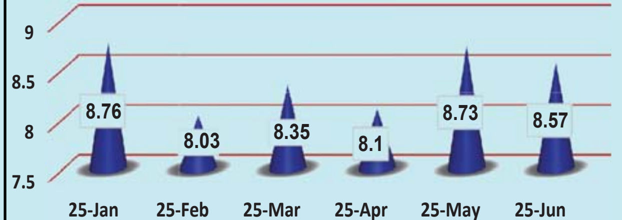
Preamble

This article by the Research & Publications (R&P) Department explores the evolution of Pakistan's fintech and data analytics landscape in 2025 and compares it with developments across the MENA region. It highlights the rapid rise of digital payments, wallets, startups, and cryptocurrency in Pakistan, while also addressing challenges such as regulation, funding, and cybersecurity. The article further reviews MENA's governance frameworks, national data strategies, and case studies to identify lessons for Pakistan. It concludes with policy recommendations to guide the country toward a more coordinated and data-driven digital economy.

Pakistan's Fintech and Data Analytics Landscape 2025

Pakistan's fintech and data analytics ecosystem in 2025 is expanding rapidly, supported by strong mobile and broadband penetration. By June 2025, subscriptions had reached 197.8 million, with monthly data usage ranging from 8.1 to 8.76 GB, reflecting a digitally active population (see Figure 1).

Figure 1: Monthly Data Usage/ Subscriber by CMO (GBs)

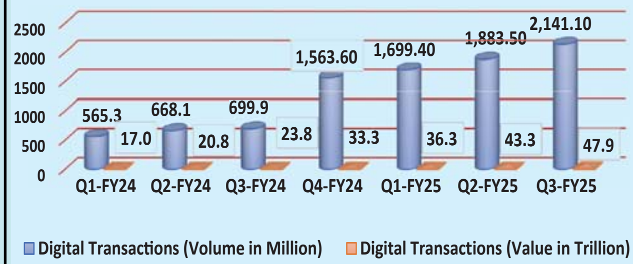


Source: PTA

This connectivity is fueling a surge in digital finance. Transactions grew from 565 million in Q1-FY24 to 2.14 billion in Q3-FY25, with values rising by 182% to Rs. 47.9 trillion. Mobile apps now drive most payments, while the Raast system processed 368 million P2P transactions worth Rs. 8 trillion in Q3-FY25, underscoring the importance of central bank–backed infrastructure.

The Payment Systems Quarterly Review (Q3-FY25) shows retail payments surged to 2.4 billion transactions, with mobile apps handling 1.7 billion transactions worth Rs. 27 trillion. Overall, digital payments now represent 89% of retail transactions by volume, though 71% of transaction value (Rs. 117 trillion) still flows through over-the-counter (OTC) channels, underscoring a gradual but uneven shift from cash to digital.

Figure 2: Snapshot of Digital Transactions in Volume & Value



Source: SBP, Payment System Transaction

Major players such as JazzCash, Easypaisa, NayaPay, and SadaPay dominate wallets and payments, while startups like Abhi and CreditBook leverage analytics to extend credit and financial access. Despite progress, 71% of transaction value continues to flow through cash and OTC channels, highlighting an uneven transition to digital.

In comparison, the MENA region is projected to see its AI market reach USD 9.34 billion in 2025, with growth driven by top-down strategies—centralized data platforms, open banking, and smart-city analytics. Pakistan's path, by contrast, is grassroots-led, built on mass adoption of low-value, high-volume payments enabled by affordable data.

With financial inclusion at 64% in 2025 and a target of 75% by 2028, Pakistan is well-positioned for transformative growth. Yet challenges such as fragmented regulation, uneven rural access, unstable funding, and cybersecurity risks must be addressed. Learning from MENA's coordinated governance and sectoral pilots could help Pakistan shift from fragmented progress to a structured, data-powered digital economy.

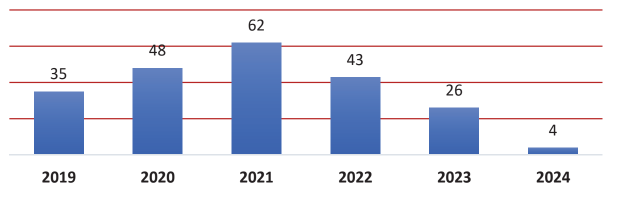
Fintech Adoption in Pakistan

Pakistan's fintech sector has expanded rapidly in recent years, attracting more than USD 385 million in funding since 2019. Investments peaked at USD 152 million in 2022, fueled by strong demand for digital financial services, but declined sharply in 2023 amid economic challenges and investor caution. Encouragingly, the sector began to rebound in 2024 with USD 26.3 million raised, followed by USD 52 million in 2025.

Notable funding rounds included Abhi (USD 15 million), PostEx (USD 7.3 million), and Neem (USD 4 million), reflecting growing investor interest in BNPL solutions and embedded finance.

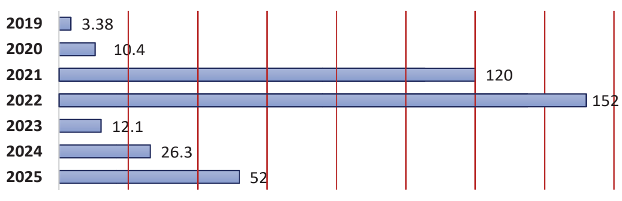
This surge in funding was accompanied by a steady rise in fintech startups, increasing from 35 in 2019 to a record 62 in 2021, as shown in Figures 3 and 4.

Figure 3: Total Number of Companies in the Fintech Sector in Pakistan



Source:https://tracxn.com/d/explore/fintech-startups-in-pakistan/__OOMGzleyZYPyvEWpfn5a944aEy78_IJ8i3yxi2iu-K8#top-companies

Figure 4: Total Funding YoY in the Fintech Sector in Pakistan (in USD Million)

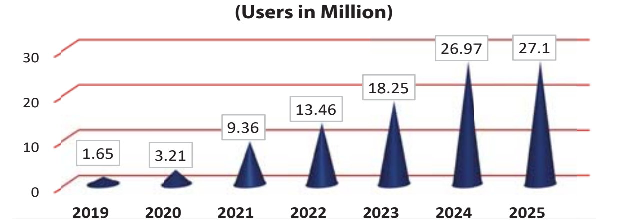


Source: https://tracxn.com/d/explore/fintech-startups-in-pakistan/__OOMGzleyZYPyvEWpfn5a944aEy78_IJ8i3yxi2iu-K8#funding-trends

Startup formation slowed sharply in 2024, with only four new companies emerging due to tighter funding and tougher market conditions, signaling sectoral consolidation. At the same time, Pakistan's digital payments ecosystem has surged, with the wallet market reaching USD 343 billion (Rs. 96 trillion), powered by Raast, as of 2024 it has processed over 892 million transactions worth more than Rs. 20 trillion since its launch. Financial inclusion has risen dramatically, with account ownership growing from 16% in 2018 to 64% in 2024, supported by 59 million branchless wallets, 19 million mobile banking users, and 12 million internet banking users—reflecting a nationwide shift toward digital finance.

Meanwhile, cryptocurrency adoption has accelerated despite regulatory uncertainty. As shown in figure 5, the number of users increased from 1.65 million in 2019 to 27.1 million in 2025, although growth has recently stabilized.

Figure 5: Cryptocurrency Adoption Rate in Pakistan (Users in Million)



Source: https://www.datawallet.com/crypto/best-crypto-exchanges-pakistan

Trading remains dominated by peer-to-peer exchanges such as Binance, KuCoin, and Kraken, as banks are restricted from processing crypto transactions. The establishment of the Pakistan Virtual Assets Regulatory Authority (PVARA) and the ongoing efforts of the Pakistan Crypto Council signal progress toward a clearer regulatory framework, which could legitimize and further expand the sector.

Looking ahead, fintech is becoming an integral part of Pakistan's broader digital transformation strategy. The government has launched a Central Bank Digital Currency (CBDC) pilot and allocated 2,000 MW of surplus electricity for bitcoin mining and AI data centers. With support from China under CPEC in areas such as 5G and artificial intelligence, fintech is set to remain central to Pakistan's digital economy. However, challenges including unstable funding flows, weak regulation, cybersecurity risks, and uneven digital access must be addressed for the sector to sustain its momentum.

Fintech Adoption in MENA

MENA is an abbreviation that stands for the Middle East and North Africa. Countries that make up the MENA region are Bahrain, Oman, Libya, Qatar, Algeria, Saudi Arabia, the United Arab Emirates, Kuwait, Iraq, Syria, Egypt, Morocco, the Islamic Republic of Iran, Israel, Tunisia, and Yemen. Sudan and Turkey are included sometimes.

The MENA region has emerged as the world's fastest-growing fintech market, with revenues projected to increase by 35% annually until 2028. As shown in figure 6, the market is valued at USD 1.66 billion in 2025 and is expected to reach USD 2.63 billion by 2030 (CAGR 9.71%). More than 1,000 fintechs, four unicorns, and USD 1.9 billion raised in 2023–24 highlight strong momentum. However, penetration remains low compared with the US and UK, leaving substantial room for expansion.

Growth is concentrated in the UAE, Saudi Arabia, Bahrain, and Egypt, which account for 99% of funding. Payments dominate the sector, attracting 42% of investment and expanding 152% annually, supported by 95% consumer openness to digital wallets, wearables, and biometrics. Although overall funding declined 47% in 2023, stable early-stage valuations point to sustained investor confidence.

Governments are driving growth through proactive regulation: the UAE's FIT program, Saudi Arabia's open banking framework, Bahrain's sandbox model, and Egypt's financial inclusion initiatives. The UAE leads with a 33% market share, Saudi Arabia benefits from 94% NFC adoption, and Bahrain is the fastest-growing market with a 15% CAGR. Morocco, meanwhile, is widening wallet adoption through the spread of payment accounts.

The ecosystem is highly competitive and diverse. Startups, banks, and global players are expanding through partnerships and cross-border ventures. Venture funding follows two tracks: accelerators such as 500 Global and Y Combinator support numerous smaller deals, while regional giants like STV (USD 924.5 million) and Shorooq Partners (USD 879 million) back fewer but larger investments to scale up fintechs.

- Allow alternative data (telco, utility, tax) for credit scoring under strict consent rules.

(3) Expanding Instant Payments

- Route all government payments and collections (social transfers, utility bills, taxes, fees) through Raast.
- Offer 1–2% rebates for MSMEs that accept Raast.

Verified Case Studies from MENA

stc pay	**Saudi Arabia — STC Pay → STC Bank** STC Pay, the country's largest wallet, secured SAMA approvals and transitioned into STC Bank in February 2025. More than 200,000 merchants were already connected, showing a clear regulatory pathway from wallets to fully licensed digital banks.
fawry	**Egypt — Fawry** Egypt's flagship e-payments firm delivered FY2024 revenue growth of 68% and net income growth of 125%, demonstrating the resilience of a utility- and merchant-based payments model even amid macroeconomic volatility.
JOPACC INNOVATING DIGITAL FINANCIAL SOLUTIONS	**Jordan — eFAWATEERcom / JoPACC:** Under the Central Bank of Jordan and JoPACC, MadfooatCom's eFAWATEERcom processed 66.1 million transactions worth USD 18.6 billion in 2024 for over 600 billers. JoPACC's broader systems recorded 224.6 million transactions (+77% YoY), highlighting the power of public–private models in digitizing payments.
بنك المغرب BANK AL-MAGHRIB	**Morocco — Mobile Wallets & Payments (Bank Al-Maghrib)** By end-2024, Morocco had 13.8 million payment accounts (+33% YoY). While wallet volumes remain a small share of payments overall, strong policy support and social programs are driving account growth, with merchant acceptance as the next key unlock.

Fintech Policy Blueprint for Pakistan

(1) Licensing Pathways

- Create a step-by-step license system like wallets/EMIs → restricted digital banks → full digital banks. Publish clear capital, risk, and migration rules.
- Turn the SBP sandbox into a permanent fast-track, with 90-day reviews and transparent approval dashboards.
- Issue tailored licenses for BNPL, payment initiation (PISP/AISP), micro-savings, and agent acquiring with proportionate requirements.

(2) Open Banking & Data Sharing

- Mandate bank data APIs (read + payment initiation), aligned with Raast, phased in by bank size.
- Set up a NADRA-linked national consent manager for standardized, revocable consent with audit trails.
- Require government contractors to pay salaries and suppliers via Raast.

(4) Cybersecurity & Resilience

- Adopt a national baseline (NIST/ISO 27001 + PCI for payments) with risk-based rules for startups.
- Mandate real-time fraud data sharing (privacy-safe) among banks/EMIs through a Raast-linked utility.
- Enforce strong customer authentication for high-risk transactions.

(5) Virtual Assets & Tokenization

- Begin with whitelisted stablecoins for capped B2B cross-border pilots; no retail leverage or derivatives at this stage.
- Keep CBDC in pilot phase for wholesale uses (securities settlement, bulk G2P payments) until cost-benefit is clear.

- Treat bitcoin mining as an energy/industrial policy issue: require grid-balancing, renewable share, heat reuse, and transparent fiscal terms before scaling.

Data Analytics in Pakistan

Pakistan's data analytics sector is expanding rapidly, driven by cloud adoption, AI integration, and business intelligence tools. The Business Intelligence market is projected to reach USD 52 million in 2025 and grow to USD 85 million by 2030 (CAGR 10.3%). The Public Cloud market will rise from USD 1.13 billion in 2025 to USD 3.18 billion by 2030 (CAGR 23%), while Cloud Security is expected to increase from USD 3.3 million to USD 10.3 million during the same period (CAGR 25.6%). Pakistan's AI market alone is forecast to hit USD 861 million in 2025 and USD 3.5 billion by 2031 (CAGR 26.3%).

Government initiatives underpin this momentum. The Digital Policy 2018, NITB's 180+ e-governance projects, and entrepreneurship hubs such as NICs are creating a strong foundation. National centers like NCAI, NCBC, and NCRA are advancing AI, big data, robotics, and automation. Recent projects such as URAAN Pakistan Data Centre and the country's first Data Park are further enhancing accessibility and evidence-based policymaking.

Competition is led by telecom and tech providers. PTCL Cloud offers tier-III centers with redundancy and security. Zong Cloud positions itself as Pakistan's only "business-ready" cloud with AI-driven features, while Jazz Cloud targets SMEs with disaster recovery services. Huawei and Khazana focus on secure financial cloud services, whereas public providers like NTC and SCO primarily serve government agencies. However, a major challenge remains the shortage of local data centers, which raises costs and increases reliance on foreign hosting.

Case studies highlight Data Analytics in Pakistan growing innovation. BariTechSol and Zenveus provide scalable global IT solutions, Bravado Solutions delivers AI-driven automation and IoT integration, and Techpigeon specializes in cloud migration.

AI startups are also emerging like Vyro (AI content creation), Traversaal.ai (enterprise AI solutions), Xylexa (medical imaging), Adlytic AI (retail/video analytics), and Farmdar (AI for agriculture). Together, they showcase a fast-growing ecosystem positioned for regional competitiveness.

Data Analytics in MENA

In the MENA region, data analytics and AI are rapidly emerging as strategic national priorities. The regional AI market is projected to reach USD 9.34 billion in 2025 and grow at a 26% CAGR to nearly USD 38 billion by 2031, with Saudi Arabia and the UAE driving much of this expansion.

Verified Case Studies from MENA

dubaipulse	**UAE — Dubai Pulse (city-scale data exchange)** Smart Dubai's platform consolidates government and private datasets into dashboards and APIs for transport optimization, service planning, and open-data reuse, serving as a leading example of urban-scale analytics
SDAIA Saudi Data & AI Authority	**Saudi Arabia — SDAIA National Data Bank & Apps** SDAIA centralizes government datasets in the National Data Bank and deploys citizen-facing apps like Tawakkalna, using real-time analytics for service delivery, particularly during and after COVID, supported by Saudi Arabia's PDPL and data governance framework.
BenefitPay Bahrain National E-Wallet	**Bahrain — BENEFIT (payments and data utilities)** BENEFIT operates national payment rails, credit reference systems, and digital ID infrastructure for banks and fintechs. Its analytics capabilities enable risk scoring, fraud detection, and open banking. In 2024, usage and authentications surged, reflecting the impact of shared data infrastructure across the ecosystem.
swam SWITCH AL MAGHRIB	**Morocco — Payment Switch Analytics (HPS / SWAM)** Morocco's national switch, SWAM, processed approximately 401 million card payments and 5.3 million mobile-wallet payments in 2024. HPS has commercialized switch data for merchant analytics and risk management, demonstrating growing sophistication in data monetization.

Investments in digital transformation are expected to surpass USD 74 billion by 2026, while PwC estimates AI could add USD 320 billion to the region's GDP by 2030.

Growth is supported by sovereign AI programs, cloud adoption by banks and telecoms, and large-scale initiatives such as Dubai's "Dubai Pulse," which bring together public and private investment. At the same time, regulatory frameworks are advancing, with countries including the UAE, Saudi Arabia, Egypt, and Bahrain strengthening data protection and governance laws to balance privacy with innovation.

Competition is intensifying as banks, telecoms, and payment firms reinvent themselves as data-driven enterprises, while specialized AI players such as G42 and Bayanat expand into healthcare, geospatial, and government services. In North Africa, companies like Morocco's HPS are scaling regionally by exporting analytics and payment-processing solutions.

Lessons for Pakistan from MENA's Data and AI Experience

1) **Set Up a National Data and AI Authority:** The UAE (National Data Strategy) and Bahrain (PDPL and open-banking sandbox) have unified frameworks that align regulators, public agencies, and private players. Pakistan could combine NITB, NCAI, and NCBC efforts under a single National Data and AI Authority to ensure consistent standards for privacy, interoperability, and data use.

2) **Build National Data Platforms and Marketplaces:** MENA governments have invested in national data exchanges—Dubai Pulse (UAE) integrates government and private data for urban planning, while BENEFIT in Bahrain provides shared analytics for payments and digital ID. Pakistan could create a National Data Bank with an API marketplace to allow startups, fintechs, and universities to develop products on secure, shared datasets.

3) **Introduce an Open-Data Policy:** Countries like Morocco and the UAE have made thousands of datasets machine-readable through open portals, supporting startups and SMEs. Pakistan could implement a mandatory open-data policy for ministries and SOEs, making anonymized datasets publicly available to fuel analytics-driven entrepreneurship.

4) **Launch Sector-Specific Pilot Projects:** In Morocco, HPS/SWAM used transaction data to generate merchant risk and behavior insights, while the UAE applies analytics in healthcare (genomics), energy (smart grids), and logistics (ports). Pakistan could run pilots in agriculture (crop forecasting), health (diagnostics), and governance (tax analytics, subsidy tracking) to build credibility and encourage adoption.

5) **Develop Specialized Data and AI Training Programs:** MENA initiatives, such as UAE's AI University and Egypt's Applied Innovation Hubs, supply skilled analysts to the market. Pakistan could upgrade DigiSkills and NICs into specialized Data and AI Academies, training freelancers and enterprise-level professionals in data engineering, machine learning, and cloud analytics.

Conclusion

Fintech and data analytics offer transformative opportunities for Pakistan, but their success depends on clear regulation, coordinated governance, and collaboration across the ecosystem. Despite funding fluctuations and regulatory gaps, Pakistan has shown strong progress in financial inclusion, digital wallets, and AI-driven startups.

MENA's experience demonstrates that structured sandboxes, national data platforms, and sector-focused analytics programs can accelerate adoption and reduce systemic risks. For Pakistan, priorities include creating a graduated fintech licensing framework, establishing a National Data and AI Authority, and developing applied analytics pilots in agriculture, healthcare, and public finance.

By combining local innovation with global best practices, Pakistan can move from fragmented progress to a structured digital economy strategy, enhancing resilience, boosting investor confidence, and fostering inclusive growth powered by fintech and data analytics.

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