

Digital Transformation is About People, Not Just Technology

Almighty has blessed the world with a day of 24 hours, which span was more than enough during the primitive age with a simple and crude lifestyle. The inquisitive nature of humans, and with the advent of industrialization, he started experiencing that the available 24 hours were too short to fulfill all his ambitions. Especially with no chance of its extension, his main focus was to produce more and travel fast just to accumulate wealth and gain time. Necessity remained the mother of invention. In other words, technological inventions are just motivated by human desires to satisfy needs and unending ambition, by improving productivity, moving fast and producing more at affordable prices. This lust kept humans driven from basic existence to complicated economic and social grandeurs.

The inspiration to conquer the universe in no time has taken man to the moon, achieved a ground rail speed of 400 km/h, and the Apollo 10 capsule could take a person at a speed of 39,900 km/h. The timeline from one innovation to the other kept reducing from centuries to decades in view of the accelerating quality of knowledge. Time gaps between the Printing Press to Electric Bulb to Automobile were long compared to the internet to 5G to robots to AI to Digital Assets, and still counting.

Any innovation contains inherent negative side effects, making humans liable to pay its cost. The glaring example is Global Warming damaging the environment together with social costs. All this has increased awareness for preferential research sectors like renewable energies, advanced public transit, AI driven diagnostics, personalized medicines, eco-friendly agriculture, and, above all, a shift of fundings to environmentally friendly projects. The continuous innovations with technological advancement have given rise to the Digital Transformation, with its key components like e-governance platforms, digital infrastructure, mobile apps, data management, necessary training for officials, and citizen involvement.

Till the recent past, people's money was parked and considered safe in some banks, being used through issuing cheques. Then came credit and debit cards, which only a few would carry, and these were safe and rather easy to use for any type of payments. However, banks are charging their relevant fees, including interest when funds are borrowed, and they take more time in money transfer. Then came the Digital Economy, where payments are made/received not always involving banks but through e-wallets or crypto wallets, taking least time and the lowest cost.

1) Digital Assets and Cryptocurrencies

a) Digital Assets – These are nonphysical intangible assets represented and created through a digital presence and can be stored and transferred digitally and have usage rights. These are treated as intangible assets in accounting presentation. Their value is noted at a point in time and they are represented either through video, images, audio files, 3D

models, etc. Mainly, there are four types of Digital Assets.

b) Cryptocurrencies

– These are digital currencies with no physical existence and are made to work through a computer network without any backing from a central authority like a government or central bank. They work under a decentralized system. Hence, they are considered intangible trust assets. Courts in India, UK, and some other countries recognize such cryptocurrencies as intangible property capable of being trusted. Using cryptocurrency requires a crypto-wallet like a bank account for banking transactions. These currencies have no intrinsic value but are evaluated based on what people are ready to pay at any point in time, and their values are not easy to predict as no factors are available as a basis to forecast.

c) Crypto Wallet – This is a service provided for the transfer of money, like JazzCash, EasyPaisa, etc. For easier understanding, it is almost similar to bank accounts, with the difference that bank accounts are maintained by scheduled banks and highly regulated, also provide loans, cards, and can be approached through various bank branches, whereas digital wallets hold money digitally only. Money can be sent/received through wallets in different cryptocurrencies.

d) Blockchain – It is a decentralized digital ledger recording transactions online across a network where data cannot be altered. Users can view the transactions, and they are secured technically. Steps are being taken by the Pakistan Government to transfer all land and property records on blockchain technology to restrict alterations and any fraudulent transactions and to integrate with NADRA and FBR. Due to its decentralized digital nature, any change in one copy does not affect others until the combined system makes changes with consent from all.

e) Tokenization – These are digital security systems mainly provided by banks, license holders, and government institutions for the safety of any item which has ownership rights with a value and legal existence, enabling part ownership, security, and trading round the clock once these are digitalized. Token issuers provide a unique number as Token ID. Such documents are not provided physical security, for which bank lockers are the right tool.



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Tokenization is, in fact, an added layer of security. Digitalized properties are provided security in combination with blockchain.

2) Pakistan Scenario

Pakistan started online payment systems somewhere around 2008. Since then, big improvements have occurred and are still accelerating. Here, over 80 million people use smartphones, causing rapid increase of online users, with over 2.8 billion transactions by early 2025, showing that a great number of people are using modern technology instead of cash transactions.

To minimize cash transactions, the digitalization process is spreading fast, where digital banking and fintech institutions play a significant role. The government is working proactively, with commitment and seriousness, to include all government receipts/payments through digital systems, especially for loans, support to the agriculture sector, and the general public with low income, together with expanding the tax net and privatization process for overall economic improvement.

During the first half of the current year 2026, IT exports noted an increase of 19% with a target of \$5 billion by end FY 2026. Raast, developed by SBP, is being used for digital payments. Over 48 million users have entered this platform, with 53 banks linked by mid-January 2026. Increasing digital transactions indicates that people have confidence in this mode, in spite of the fact that a majority of the population is illiterate. Fast adoption of digital transactions has improved the country's image internationally. However, there is a dire need for consumer safety to be the foremost priority, in view of widespread cybercrimes. SBP has already issued necessary guidelines to commercial banks repeatedly to improve cybersecurity and ensure foolproof mechanisms, as many online users have already faced big financial frauds. Pakistan Virtual Assets Regulatory Authority (PVARA) will supervise, control, and regulate the Virtual Assets and Virtual Asset Service Providers to ensure public interest in line with international standards, restrict misuse, and prevent money laundering, regulating the system for the overall benefit of the people. The government has recently announced large funds for youth digital training.

Pakistan still has a major portion of undocumented economy whose size cannot be precisely measured, but only estimated around 50% to 100% of GDP (\$410 billion), and some assess it at \$450 billion, a figure exceeding our GDP. It is doubtful that this parallel economy could join the Digital Transformation process.

3) Advantages of Digital Transformation

Some countries are running from pillar to post in search of just one billion dollars of loan, aid, or credit facilities, whereas money is so easy to accumulate, even for individuals like Elon Musk, who became the first person with an estimated net worth of \$852 billion by February 2026, according to Forbes. His success story: from \$2 billion at end 2012—\$300 billion in 2021—\$400 billion in 2024—\$500 billion in 2025—\$600 billion in mid-Dec 2025—\$700 billion by end 2025—\$852 billion in February 2026. This illustrates the power of digital technology. There were times when wise men used to advise hard work for success, but now smart work could lead one to the top of the world. IT and

financial services are the most important sectors for rapid growth, which also underscores the advantages of digitalization.

FBR has taken steps to track digital trading, which would improve tax collections. Key Advantages: Round-the-clock trading. Digital services are cheaper and faster compared to bank services. Digital trade process time is almost zero. Small investors can participate in big projects through tokenization. Entire world trade occurs over an internet connection. Not much investment is required to start a digitalized business.

4) Limitations of Digital Assets

The basic fear is the inherent intangible nature of digital assets, with volatility and uncertainty. They are all risk-prone to scams and hacks. Volatile nature reduces certainty, especially when no factors exist to assess importance or value. Sudden crashes or windfall gains create low confidence. Different countries have different rules and regulations, which may change rapidly. Lack of comprehension due to intangible nature. Weak digital infrastructure can quickly raise doubts. Low literacy impedes adoption of digitalization. Charms of the undocumented economy may deter people from joining the digital platform for obvious reasons.

5) Conclusion

Digital Transformation is less about technology and more about human expertise. It is a double-edged sword: amateur use may bring negative impact, but virtuoso application brings stunning gains. At present, Pakistan is in deep financial crisis, carrying total federal loans of Rs.79 trillion by end of Dec 2025, and still rising rapidly, posing a serious challenge when apparently no proper roadmap exists.

It is imperative that the government engage the best available youth in digital technology, providing maximum support to freelancers already contributing to innovations and IT exports. They are contributing over 45% to IT exports.

For rapid expansion of digitalization, maximum funds may be directed to improving digital infrastructure. Implement clear-cut long-term digitalization policies and remove bottlenecks in government framework, especially red tape, as rapid changes in industrial trends require quick decision making. Leaders must ensure that once a project is announced and approved, it is tracked and completed on time. It is hoped that the huge undocumented economy may gradually integrate into Digital Transformation through incentives under the Digital Pakistan Vision and the upcoming National Digital Commission. No doubt industrial growth and agricultural productivity bring solace to the distressed economy, yet the continuous downfall demands a speedy recovery, where Digital Technology is the only answer.

About the Author: Syed Shamim Ahmed is a senior Chartered Management Accountant having Fellow membership of ICMA. He retired as General Manager Finance from the Karachi Port Trust (KPT) where he served for around 22 years in different positions. He was also a member of the Karachi Dock Labour Board for 7 years. After doing his MBA from IBA Karachi, he started his initial career with Citibank and then served in Awami Autos (now Pak Suzuki).