



THE ECONOMIC COST OF INTERNET CLOSURE

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Due to closure of 3G/4G services in the country, businesses
face a direct loss of

 **PKR 1.3 billion**  **Per day**
OR
0.57% of daily GDP

while the indirect loss faced by businesses and economic agents
due to the loss of these activities is beyond this and
unaccounted for.

Details of these are shared ahead.



Telecommunication Sector

Closure of 3G/4G Internet Services



Total Loss

PKR 450 million

Source: As per information provided by the industry



Financial Sector

Unable to process POS Transactions through debit/credit card

Via 1Link

Volume

45% ↓

From 127,000 (daily average) to 68,000

Value

46% ↓

from PKR 606 million to PKR 330 million

Via PayPak

Volume

52% ↓

from over 34,000 to 18,000

Value

56% ↓

from almost PKR 111 million to PKR 62 million

Total Loss in transaction value

PKR 325 million

Source: <https://www.dawn.com/news/1752514>



Online Cab Services

Unable to book rides

97% ↓

Reduction in number of rides

Loss of Business

Average daily rides: **40,000 to 45,0000**

Average daily rides on days with 3G/4G closure: 1,200 to 1,350

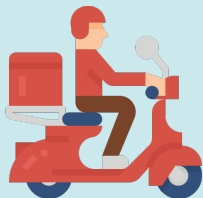
Assuming average ride cost of **PKR 750**

PKR 29.1 to 32.7 million

Total Loss of Business

PKR 30 million

Source: Author calculations based on information provided by the industry



Online Food Delivery Services

75% ↓

Reduction in number of orders

Loss of Business

Unable to place orders to restaurants through online food delivery apps

Average daily orders: **200,000**

Average daily orders on days with 3G/4G closure: 50,000

Average order value: **PKR 900**

PKR 135 million

Source: Author calculations based on information provided by the industry



Freelancing Services

\$0.5 billion

Annual Revenue earned from Freelancing Services

\$1.37 million

Daily Average of Revenue Earned

Denial of orders to Pakistan based freelance workers due to internet disruptions

Using **\$1= PKR 285**

Loss of Earning

PKR 390 million

In addition to the aforementioned economic costs, the following additional loss was also faced by the economy on a daily basis due to road closures as a result of protests; on the days 3G/4G internet services were also shut down:



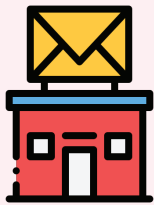
Commercial Inter-City Public Transport Services



Loss of Revenue
PKR 400 to 500 million

Transport unable to serve on routes (pre-dominantly in and through Punjab and KPK areas)

Source: Author calculations based on information provided by the industry



Postal Services & Couriers



2-4 Days



Unable to delivered booked consignments on time

Delivery Delay per consignment

To read more about the Economic Costs of Political Conflicts, visit <https://pide.org.pk/research/economic-cost-of-political-conflict-2/>