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Beyond Silicon Borders:
Pakistan's AI Leap and the China–Pakistan Community of Shared
Future in the Digital Age



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On the outskirts of Islamabad, inside a gleaming new campus at Capital Smart City, thousands of racks now hum quietly through the night, drawing power once reserved for heavy industry and turning it into something far less tangible but infinitely more valuable: computation. When Prime Minister Shehbaz Sharif and Field Marshal Syed Asim Munir inaugurated Sky47's Karakoram-01 facility on July 24, 2026, they were not simply cutting a ribbon on a building. They were marking the moment Pakistan stopped renting its digital future from abroad and began, quite literally, to host it at home.



For a nation long accustomed to importing technology rather than building it, this is a watershed. And for those of us who have spent our careers at the intersection of governance, cybersecurity, and Pakistan's deepening partnership with China, Karakoram-01 is more than infrastructure. It is a symbol of what "win-win cooperation" actually looks like when it moves off the page and into steel, silicon, and fibre.

A STRATEGIC LEAP, NOT A LUCKY BREAK

Developed by Sky47 Limited, a majority-owned subsidiary of Mari Energies through Mari Technologies Limited, and backed by the Fauji Foundation, the Government of Pakistan, and OGDCL, Karakoram-01 is Pakistan's first large-scale, purpose-built AI-ready data centre campus. Its initial 8.5-megawatt, Tier III/IV facility was engineered with Chinese telecommunications leader ZTE as the project's key technology partner, and it is designed to scale well beyond 50 megawatts and 3,000 racks as demand grows. Sister facilities are already taking shape in Karachi's Port Qasim, expected online by September 2026, with a Lahore node planned to complete a three-city network offering genuine geographic redundancy.

That an energy company born from Pakistan's oil and gas heritage is now the anchor of the country's sovereign AI backbone tells its own story about where national priorities are heading. This is not a vanity project. It is a calculated bet that in the twenty-first century, compute capacity is as strategic an asset as a pipeline or a power grid — and that a nation which cannot host its own data cannot fully own its own decisions.

WHY DATA SOVEREIGNTY MATTERS

For years, Pakistani banks, hospitals, telecom operators, and government departments have depended on cloud infrastructure hosted well beyond our borders, subject to foreign laws, foreign courts, and foreign leverage. Every sensitive citizen record, every transaction log, every diagnostic scan routed abroad has represented a quiet erosion of sovereignty. Karakoram-01 changes that calculus. As officials have noted, the platform is built to let government, banking, telecom, healthcare, and technology enterprises run mission-critical workloads inside Pakistan, under Pakistani law, with Pakistani oversight.



This matters most in the sectors where trust is the product itself. In banking, sovereign AI infrastructure allows fraud-detection models and core banking systems to be trained and run on local infrastructure without exposing customer data to jurisdictions with no accountability to Islamabad. In healthcare, it opens the door to AI-assisted diagnostics and hospital management systems that keep patient records within reach of Pakistani regulators rather than foreign data-protection regimes that were never designed with Pakistan in mind. And for the country's fast-growing software and IT-services industry — already a major source of export earnings — locally hosted, high-performance computing means Pakistani developers can build, train, and deploy AI products at home instead of renting capacity from Silicon Valley at dollar rates that strain a currency already under pressure.

THE OPPORTUNITY — AND THE HONEST CHALLENGES

It would be dishonest, and unhelpful, to overstate where things stand. At 8.5 megawatts, Karakoram-01 is Pakistan's largest facility of its kind, yet it remains modest next to the hundreds-of-megawatts hyperscale campuses being built in the Gulf, China, or the United States. Power reliability, the cost of energy for high-density cooling, a shortage of AI-specialised engineers, and the need for a mature regulatory framework around data protection and cross-border AI governance are all real obstacles standing between Pakistan and its ambition to become a regional AI hub.

But obstacles are not the same as dead ends. Pakistan possesses what few countries its size can claim: a young population with a strong appetite for technology, a globally respected freelance

and software-export community, and now, for the first time, sovereign infrastructure on which to build. The task ahead is to fill Karakoram-01 and its sister sites with real workloads — national AI models trained on Pakistani languages and data, fintech platforms serving the unbanked, agricultural AI tuned to local crops and climate, and a new generation of startups that no longer have to choose between growth and data sovereignty.

THE ROLE OF CHINA–PAKISTAN COOPERATION

None of this exists in isolation from the deeper, decades-long friendship between Islamabad and Beijing. ZTE's role as strategic technology partner in building Karakoram-01 is not an isolated transaction; it is a natural extension of the China–Pakistan Economic Corridor into its next, digital phase. Where CPEC once meant highways, power plants, and Gwadar's port, its evolution now runs through fibre-optic cables, AI compute clusters, and cybersecurity partnerships — the practical expression of the Digital Silk Road within the Belt and Road Initiative.

This is the essence of what China describes as a "community of shared future":

cooperation designed so that both partners genuinely gain, rather than one nation extracting value while the other merely hosts the wiring. China brings proven engineering capacity, competitive technology at a fraction of Western pricing, and a demonstrated willingness to build infrastructure in partner countries rather than simply sell services into them. Pakistan brings strategic geography, a young workforce hungry for opportunity, and a genuine market need for exactly the kind of sovereign, affordable digital infrastructure that Chinese firms have already proven they can deliver at scale.

For Pakistan, deepening this partnership also offers something quietly important: technological diversification. A digital future built entirely on Western hyperscalers leaves developing nations perpetually price-taking and rule-taking. A digital future co-built with a trusted partner like China — one bound to Pakistan by decades of an "iron brotherhood" that has weathered every geopolitical storm — gives Islamabad real leverage, real choice, and a genuine seat at the table in shaping how AI governance, standards, and infrastructure evolve across the developing world.





TOWARD A REGIONAL AI HUB

Pakistan's ambition to become a regional AI hub is not fanciful. Its geography places it at the crossroads of South Asia, Central Asia, and the Gulf; its telecom backbone is expanding; and it now has, in Karakoram-01 and its planned sister sites, the first serious infrastructure to match that ambition. What is needed next is policy coherence: a clear national AI strategy, incentives for Chinese and domestic investment in compute and talent, and continued expansion of the Digital Silk Road partnerships that have already proven their value in Karakoram-01's construction.

If Pakistan and China continue on this trajectory — combining Chinese engineering and infrastructure capability with Pakistani talent, geography, and market need — the result will not simply be more data centres. It will be a genuine digital corridor stretching from Kashgar to Karachi, one that lets Pakistani enterprises, students, and citizens participate in the AI era on their own terms, hosted on their own soil, governed by their own laws.

A FORWARD-LOOKING CONCLUSION

Karakoram-01 is not the end of the story; it is the opening chapter. The real measure of its success will be written over the next decade — in the fintech apps it powers, the diagnoses it helps doctors make faster, the AI models trained in Urdu and Pashto and Sindhi rather than borrowed wholesale from elsewhere, and the young Pakistani engineers who no longer have to emigrate to build something meaningful.

For that story to be written well, Pakistan and China must keep doing what has made this partnership endure for more than seven decades: treating cooperation not as charity or as a transaction, but as a shared investment in each other's future. The Digital Silk Road has already reached Islamabad. The task now is to walk it further — together, deliberately, and with the same trust that has defined this friendship since its founding. If we get this right, Pakistan's AI leap will not just be a national achievement. It will stand as one more proof point that a community of shared future, built brick by brick and byte by byte, is not a slogan. It is a working model for how nations can rise together in the digital age.