# ICT, Fintech & Software

### **Sector Pitch**

July 2025





### Pakistan's recently reformed economy and vibrant and talented population have contributed to the nation's appeal as an investment destination



### **Pakistan Value Proposition**

### Reformed **Economy**



### USD 3.3Tn<sup>1</sup>

Expected GDP in 2050 (from USD >410Bn<sup>2</sup> today)



Improved Credit Rating<sup>3</sup> from CCC-

B-



### **Top 10**

In Business Entry Regulations ranking4



### **Stabilized** Inflation

At lowest levels since 1968<sup>5</sup>



### **Stabilized** Currency

Achieved since 2023 in coordination with IMF



### 5-Year Tax **Holidays**

and other fiscal and trade incentives in Special Economic Zones<sup>6</sup>



### **Vibrant Demographics** and Talent



#### 255 million

Large and growing population7



#### 64%

Population younger than 30<sup>7</sup>



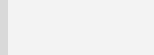
### 7<sup>th</sup> largest

Workforce globally8



#### 2 million

University students enrolled every year<sup>9</sup>





<sup>1.</sup> Goldman Sachs; 2. National Accounts Committee; 3 Fitch Ratings; 4. World Bank's B-READY assessment; 5. US (St Louis) Federal Reserve Bank; 6. Pakistan Government; 7. United Nations; 8. CIA World Factbook; 9. Higher Education Commission

# To develop critical mass, Pakistan is advancing strategic initiatives to boost private investment in critical sectors of the economy



### 2023 SIFC ESTABLISHMENT

SIFC has been established to act as a single window to create a thriving business environment and develop favorable policies to increase ease of doing business



# 2024 ECONOMIC AGENDA LAUNCHED

Pakistan launched Uraan Pakistan, aimed at economic development across 5 pillars:



# Ongoing OPPORTUNITIES PIPELINE DEVELOPMENT

The government is working on developing a pipeline of internationally competitive investment opportunities geared towards full operational and commercial facilitation



Pakistan is actively seeking to partner with global stakeholders, to leverage international expertise and investments, while safeguarding the viability and profitability of each project from an investor's standpoint



# Pakistan is strengthening the integrity of key enablers that will unlock sustained progress in multiple economic sectors



1 Consistent Policy Framework

2 One-Window Investor Facilitation



3 Ease of Repatriation of Profits

Consistent FDI, tax, and industrial policies with long-term orientation and minimal reversal risk

Seamless processing of approvals, permits, and licenses. A single, empowered agency that owns this end-to-end journey



Steadfast assurances to repatriate profits and convert currency without friction



4 Legal & Contract Enforcement

Independent, fast-track commercial courts and adherence to international arbitration standards



5 Political and Macro Stability

Strong stability in terms of macroeconomic environment (inflation, debt, currency) and cross-party consensus

6 Positive Global Perception

A globally resonant and visible narrative shift for Pakistan showcasing its viability



Pakistan is currently working on incentives geared to catalysing private sector investment across multiple sectors

The government continues to enact major steps that reinforce attractiveness and viability of the private sector



RISING
PAKISTAN
SPECIAL INVESTMENT

Implementation of key investment regulations, such as:

- Foreign Private Investment Promotion and Protection Act
- Bilateral Investment Treaties with Friendly Countries
- Special Economic and Technology Zones (SEZs, STZs) regulation

### Preserves security and safety

- Pre-approved site access for Special Economic Zones (SEZs)
- Specialized, highly trained security units for investor protection
- Enhanced law enforcement and monitoring at industrial zones
- Controlled, heavily surveilled, and secure project sites







- Enables global trade access
- Export FacilitationScheme (EFS)
- Signed major trade agreements (PTAs & FTAs)
- Connected to key global markets
- Access to South Asian
   Free Trade Area, and more

China and Pakistan have developed key treaties and agreements, including:

- Bilateral Investment Treaty
- China–Pakistan Economic Corridor (CPEC)















These efforts have garnered international recognition, as Pakistan has been featured in the international media as an emergent attractive investment destination

Where Pakistan Has Been Featured BARRON'S **Bloomberg FitchRatings** ARAB NEWS



International recognition highlights Pakistan's renewed economic attractiveness and stability

### Multiple global and regional entities have announced recent FDI projects in **Pakistan**

### **Examples of Foreign Direct Investment (FDI) projects in Pakistan**



### **FDI projects** (non-exhaustive)

Sunwalk Group is planning on

investing in deploying 100,000 Km

in fiber optic cables to connect

multiple cities across the country

- The Chinese telecom company has already invested USD 5 Mn in the

Sunwalk Group (China) USD 2 Bn

project to date



**AD Ports (UAE)** USD 220Mn



Al Mirqab Capital (Qatar) **Power Construction Corp.** (China) USD 2.09Bn



- 50-year concession agreement to manage, operate and develop the **Karachi Gateway Terminal** 











**DP World** (UAE) and **National Logistics Corp.** (Pakistan) JV investment not public

 Development of 50km freight corridor from Karachi Port to Pripri

Alibaba (China) Investment not public

2018



Acquisition of Daraz from Alibaba in

 Daraz became a whole owned unit of Alibaba



Reportage. **Properties** 

**EMAAR** 









### Moving forward, Pakistan aims to propel domestic growth across 13 investment areas

### **Pakistan's Focus Investment Areas**





**Semiconductors** 



**Power Sector** 



**Pharmaceutical Sector** 



**Petroleum Sector** 



**Textiles** 



**Aviation** 



Leather



**Meat & Poultry** 



Iron, Steel & Copper



ICT, Fintech & Software

Focus of this Presentation



Automotive: Electric Vehicles (EVs) and Traditional Automobiles



**Chemicals & Petrochemicals** 



**Solar Power** 

# Pakistan is rapidly growing into a digital hub with a thriving IT&T sector consisting of seven key segments





**Telecom** 

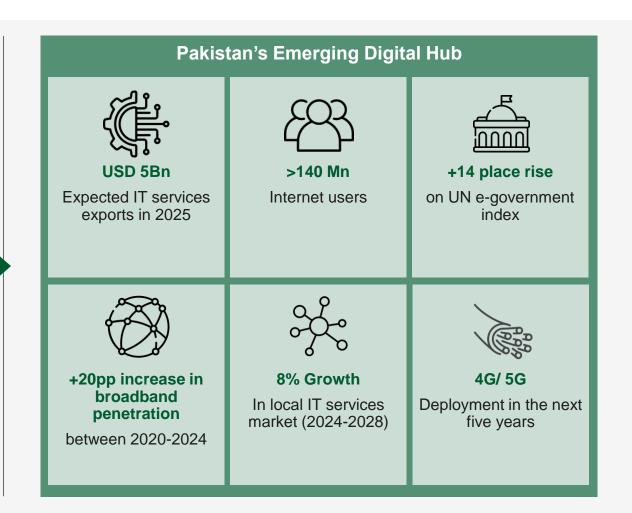


- Refers to the physical and virtual hardware, facilities, and networks that enable the seamless operation of end-toend information and communication systems
- Includes fiber optic cables, 4G/5G connectivity, data centers, and submarine cables

### **Technology**



- Refers to the tools and systems used to meet the digital economy's demand
- Includes software, hardware, IT services, and emerging technologies (e.g., AI, blockchain)



Source: Ministry of IT&T, P@SHA,

# The sector has a unique advantage due to its demographics, robust regulatory framework, competitive talent, and a strategic location





### **Demographic & Market Demand**

- 65% of the 220M population is under 30 — a young, growing consumer base and talent pool
- Expanding middle class driving demand for digital connectivity
- Rising demand from businesses, as only 15% of businesses use advanced ICT solutions
- 77 Mn unbanked in Pakistan, offering a catalyst for fintech services



### **Enabling Business Environment**

- Affordable, high speed internet connectivity in major tech hubs, such as Lahore, Karachi, and Islamabad
- Competitive incentives for R&D, exports, and technology transfer
- Dedicated SEZs and STZs offer tax breaks and infrastructure



### Cost Efficiency & Skilled Workforce

- Competitive IT&T salaries
   significantly below regional benchmarks
- ~75,000 IT&T graduates produced annually by Pakistani top universities
- Country-wide vocational initiatives providing additional educational opportunities
- 2.4M freelancers (4<sup>th</sup> largest globally) generated USD
   +500 Mn in revenues in 2024



### Strategic Location & Export Potential

- \$3.6 Bn in annual IT exports with 20% CAGR (2020–2024)
- Current projections estimating that Pakistan will capture achieve \$15 Bn in ICT exports by 2030
- Strategic proximity to GCC,
   China, and Africa positions
   Pakistan as a regional hub

Source: Ministry of IT&T, SIFC

# RISING PAKISTAN SPECAL INFORMATION

# As a matter of fact, Pakistan is home to multiple global and local large firms working across multiple ICT segments

Non-Exhaustive

### **Select Leading Players in Pakistan**



IBM, headquartered in Karachi, provides cutting-edge hardware, enterprise software, cloud/ Al solutions, and digital transformation consulting services through its offices across the country



Etisalat has a substantial presence in Pakistan through its **26% stake in Pakistan Telecommunications Company Limited** (PTCL) and **management control of its mobile subsidiary Ufone** 



**Oracle has a long-standing presence in Pakistan**, providing cloud infrastructure, database management, and enterprise software solutions to public and private sector clients through its regional partner network



Zong 4G (Pakistan local subsidiary of China Mobile) is **Pakistan's second-largest mobile and data network**, serving 51.7 Mn subscribers (~26% of national market share)



Systems Limited is Pakistan's **largest IT exporter**, and has major presence across multiple geographies; it is currently exploring the **acquisition of another IT services** company in Pakistan as it is looking to expand its capabilities both in strategic international & domestic markets



NETSOL, an American company with headquarters in California, has a strong presence in Pakistan (major operations, development & R&D center based in Lahore) and provides enterprise software solutions for the automotive and finance sectors

# Investors in the IT&T sector will be supported by a robust IT&T ecosystem that includes multiple existing local and multinational companies



### Ministry of Information Technology and Telecommunication (MoITT)

- Responsible for policy planning and implementation oversight of ICT sector
- Mandate spans digital infrastructure, software and hardware industry development, broadband expansion, digital governance and cyber regulation

### Pakistan IT Industry Association (P@SHA)

- Represents IT sector interests
- Focuses on working with the government to develop favorable policies and initiatives to attract IT companies to Pakistan





### **Local and Multinational Companies**

 Availability of multiple local, regional, and international partners already operating in Pakistan and offering services across all IT&T segments





### **Special Investment Facilitation Council (SIFC)**

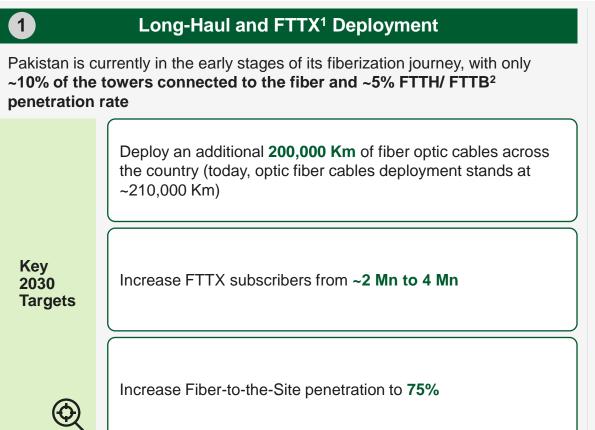
- Facilitates and fast-tracks foreign and domestic investments
- Provides a streamlined, one-window operation for investor support and coordination across government entities

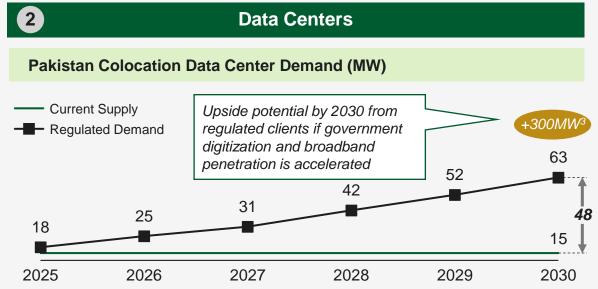




# Pakistan's IT&T sector will focus on developing four key areas given the country's needs and targets (1/2)





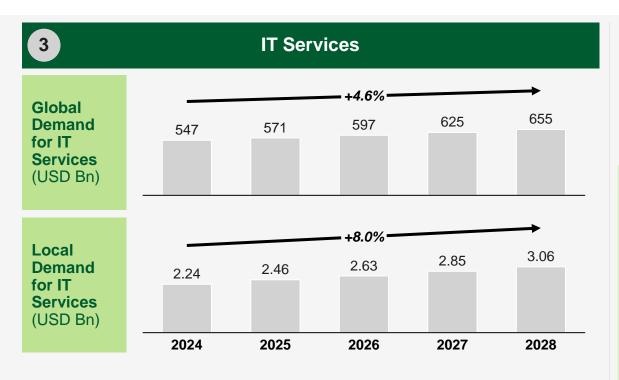


- The recent introduction of the Pakistan Cloud First Policy will ensure all government data is stored in data centers within Pakistan
- In addition, with the recent introduction of the Framework on Outsourcing to Cloud Service Providers by SBP, all major banks in Pakistan are expected to move to the local cloud to reduce operating costs
- Private companies will also drive the demand for data centers given their increasing IT sophistication

Active Chinese players (E.g., Alibaba, Huawei) in Pakistan are well-positioned to partner with local firms to establish green-powered hyperscale data centers and capture early share in high-growth government and banking demand







- Businesses around the world are aiming to improve operational efficiency and are increasingly turning to offshore destinations for cost-efficient services
- In addition, businesses are moving towards digitalization which increases the demand for IT services both globally and locally



Pakistan has a mature mobile phone manufacturing ecosystem; but, components are still largely imported and assembled phones are not ready for 4G/5G deployment

Achieve **USD 250 Mn** in smartphone exports

Key 2030 Targets

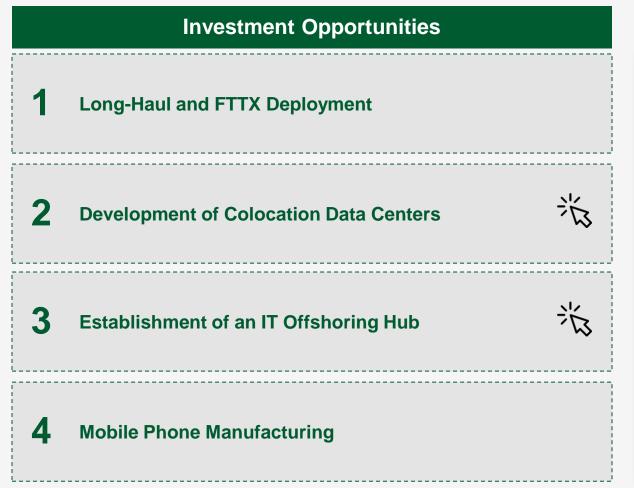
Phase-out 2G/ 3G, which translates to **68 Mn users** purchasing new **4G/ 5G-enabled phones** 



Increase **mobile phone manufacturing localization** across the value chain by locally manufacturing key components

# While multiple opportunities exist in the IT&T sector, Pakistan has identified and prioritized four opportunities with clear upsides to investors









# Pakistan offers an enabling environment to investors in the IT&T sector

### **Key opportunity enablers and incentives**



### **Ease of Doing Business**

- Ongoing review and simplification / deregulation across sectors
- One-stop licensing and digital registration
- Government intermediation with public entities

### **Demand Attractiveness**

 Work with government to be included in preferred vendor list for government entities

### Tax & Fiscal Incentives

- Income tax exemptions for 10 years
- Reduced corporate taxes
- Potential customs duty reductions on data server equipment, if classified as capital goods

#### Land Incentives

 Industrial plots offered at belowmarket prices

For residents of Special Economic Zones (SEZs)









Government in process of establishing technology parks and clusters across major cities, with state-of-the-art infrastructure and incentives for tech companies and investors

# **Thank You**





# **Appendix – Opportunity Teasers**



# **Development of Colocation Data Centers**

### Opportunity overview and key highlights







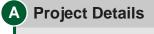
Develop and operate a medium-sized facility with 100-Rack Tier III Data Center in Pakistan (with an estimated total capacity of 6 MW)<sup>1</sup> focused on colocation services for local enterprise customers

### **High-Level Opportunity Facts**



### **Value Proposition**







Tier III Data Center



100 Rack (1,000 Cabinets)



6 MW capacity<sup>1</sup>



Supply-Demand Gap Data center demand from regulated customers is expected to surpass 60 MW by 2030, while in-country supply is c.a. 15 MW



Investment Model Private sector investment with strong government support

Return Profile<sup>2</sup>

IRR: >25%

Run-Rate Revenues<sup>3</sup>

a typical medium-sized facility within the Pakistani market

2. In local currency; over 30 years of operations; 70% financing (detailed in Business Case section)

USD 50-53Mn

**Estimated Project Cost** 

3.By year 10 of operations

USD 59-61Mn (USD 18-20Mn in equity)







**Strong Government Backing**: Policy support and potential incentives enhance project viability and investor returns



**Surging Digital Demand**: Pakistan's rapid digital transformation is driving robust demand for data center infrastructure



Presence of Credible Prospective Partners: Local champions active in the data center and cloud services space interested to partner with international investors (e.g., PTCL, subsidiary of Etisalat)



**Supportive Regulatory Environment**: Government mandates local cloud adoption for banks and public entities



**Power & Land Advantage**: 13 GW surplus power and abundant land availability ensure scalable deployment



### **Establishment of** an IT Offshoring Hub

### Opportunity overview and key highlights



**Opportunity** Description

**Project Details** 

Scalable

**Organization** 

Large and

Growing

**Demand** 

Model

Investment

**Cost Efficiency** 



Establish Pakistan as a hub for offshore and local delivery of IT services to cater the growing global and local demand

### **High-Level Opportunity Facts**







**Skilled and Large Workforce**: Pakistan is currently the fourth largest freelance provider in the world





Surging Digital Demand: Global and local rapid digital transformation is driving robust demand for IT services



#### **Affordable IT Offshoring Location:**

Pakistan has established itself as the most financially attractive destination for offshore software outsourcing



Strong Government Backing: Robust policies and incentives enhance project viability









Access to **Local Demand** 



Local and global demand for IT services is expected to grow at a CAGR of 8% and 4.5%, respectively

Private sector investment with strong government support

20-40% lower salaries compared to regional IT offshoring hubs (India, Philippines)1



# **Thank You**



