

ICT, Fintech & Software

Sector Pitch

August 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 3.3Tn¹

Expected GDP in 2050 (from USD >410Bn² today)



B-

Improved Credit Rating³ from CCC-



Top 10

In Business Entry Regulations ranking⁴



Stabilized Inflation

At lowest levels since 1968⁵



Stabilized Currency

Achieved since 2023 in coordination with IMF



10-Year Tax Holidays

and other fiscal and trade incentives in Special Economic Zones⁶



Vibrant Demographics and Talent



255 million

Large and growing population⁷



64%

Population younger than 30⁷



7th largest

Workforce globally⁸



2 million

University students enrolled every year⁹



1. 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

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



2 One-Window Investor Facilitation

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



3 Ease of Repatriation of Profits

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

1 Ensures investment protection

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

2 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**



2 Pak-China Trade Relations

- **China and Pakistan** have developed key treaties and agreements, including:
 - Bilateral Investment Treaty: China–Pakistan Economic Corridor (**CPEC**)
 - **China-Pakistan Free Trade Agreement (CPFTA)**

3 Enables global trade access

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



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

Key Articles

**Pakistan Isn't That Risky Anymore.
Its Economy Is a Mini-Miracle.**

**Pakistan Economy Grows Faster Than
Expected on IMF Aid Boost**














Pakistan economy moving in
'right direction' — IMF chief

PAKISTAN: Staying the Course on Implementing Structural Reforms Critical to Turn Economic Stabilization into Sustained, Inclusive Growth, says World Bank

International recognition highlights Pakistan's renewed economic attractiveness and stability

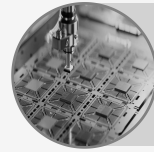
Multiple global and regional entities have announced recent FDI projects in Pakistan

Examples of Foreign Direct Investment (FDI) projects in Pakistan

FDI projects (non-exhaustive)		
<p>Sunwalk Group (China) USD 2 Bn</p>  <ul style="list-style-type: none"> - 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 project to date 	<p>AD Ports (UAE) USD 220Mn</p>  <ul style="list-style-type: none"> - 50-year concession agreement to manage, operate and develop the Karachi Gateway Terminal 	<p>Al Mirqab Capital (Qatar) Power Construction Corp. USD 2.09Bn</p>  <ul style="list-style-type: none"> - Construction of coal-powered power plant in Port Qasim  
<p>DP World (UAE) and National Logistics Corp. JV investment not public</p>  <ul style="list-style-type: none"> - Development of 50km freight corridor from Karachi Port to Pripri 	<p>Alibaba (China) Investment not public</p>  <ul style="list-style-type: none"> - Acquisition of Daraz from Alibaba in 2018 - Daraz became a whole owned unit of Alibaba 	<p>Other Announcements and MoUs (non-exhaustive)</p>   

Moving forward, Pakistan aims to propel domestic growth across 15 investment areas

Pakistan's Focus Investment Areas



Semiconductors



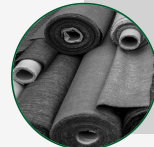
Power Sector



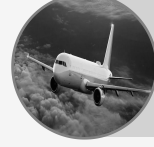
Pharmaceutical Sector



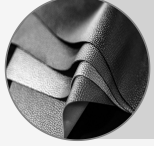
Petroleum Sector



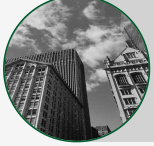
Textiles



Aviation



Leather: Tanned, Footwear,
Gloves and Garments



Real Estate



Food & Agriculture



Iron, Steel & Copper



ICT, Fintech & Software
Focus of this Presentation



Automotive:
Electric Vehicles (EVs) and
Traditional Automobiles



Chemicals & Petrochemicals





Solar Power









Agri-Tech

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

Key IT&T Segments

Telecom 	<ul style="list-style-type: none"> Refers to the physical and virtual hardware, facilities, and networks that enable the seamless operation of end-to-end information and communication systems Includes fiber optic cables, 4G/5G connectivity, data centers, and submarine cables
Technology 	<ul style="list-style-type: none"> 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)

Pakistan's Emerging Digital Hub

 USD 5Bn Expected IT services exports in 2025	 >140 Mn Internet users	 +14 place rise on UN e-government index
 +20pp increase in broadband penetration between 2020-2024	 8% Growth In local IT services market (2024-2028)	 4G/ 5G Deployment in the next five years

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 (4th 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

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

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

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



Local and Multinational Companies

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

Key Sector Players and Stakeholders

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



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)

1 Long-Haul and FTTX¹ Deployment

Pakistan is currently in the early stages of its fiberization journey, with only ~10% of the towers connected to the fiber and ~5% FTTH/ FTTB² penetration rate

Key 2030 Targets



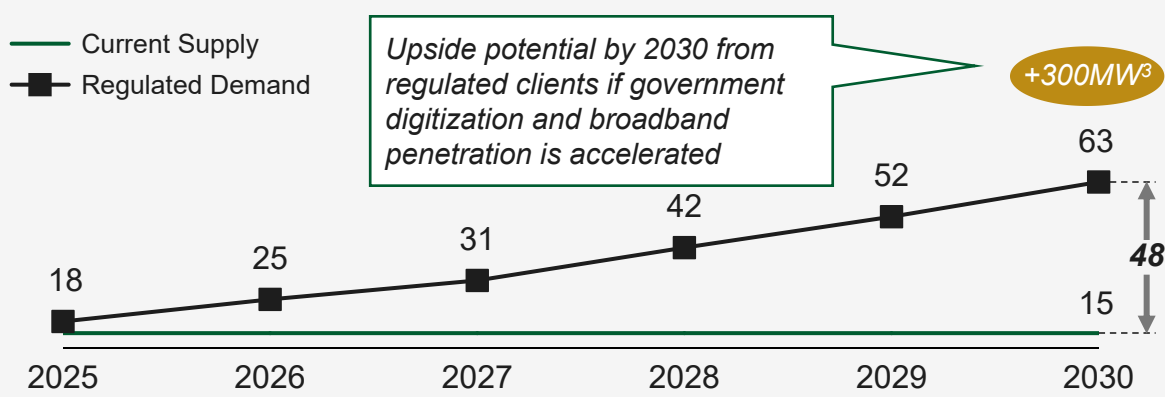
Deploy an additional **200,000 Km** of fiber optic cables across the country (today, optic fiber cables deployment stands at ~210,000 Km)

Increase FTTX subscribers from **~2 Mn to 4 Mn**

Increase Fiber-to-the-Site penetration to **75%**

2 Data Centers

Pakistan Colocation Data Center Demand (MW)

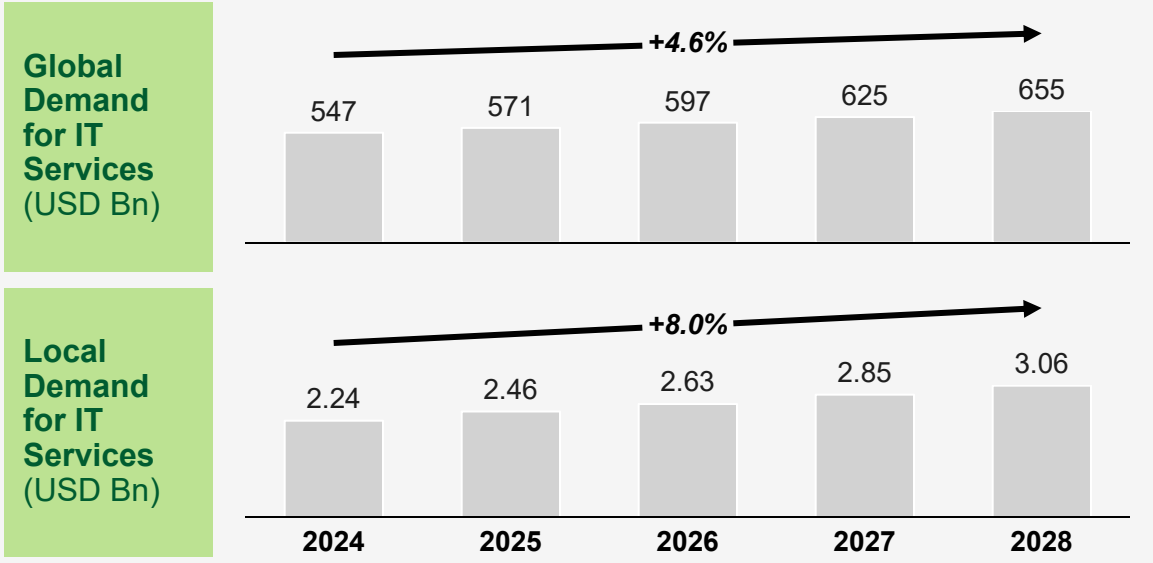


- The recent introduction of the **Pakistan Cloud First Policy** will ensure all government data is stored in data centers within Pakistan
- In addition, with the recent introduction of **the Framework on Outsourcing to Cloud Service Providers by SBP**, all major banks in Pakistan are expected to move 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

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

3 IT Services



- 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

4 Mobile Phones Manufacturing

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

**Key
2030
Targets**






Achieve **USD 250 Mn** in smartphone exports

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





Investment Opportunities	
1	Long-Haul and FTTX Deployment
2	Development of Colocation Data Centers 
3	Establishment of an IT Offshoring Hub 
4	Mobile Phone Manufacturing

 Opportunity Teasers

Potential Local Partners (<i>non-exhaustive</i>)	
	
	
	
	
	

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

Key opportunity enablers and incentives

Ease of Doing Business	Demand Attractiveness	Tax & Fiscal Incentives	Land Incentives
<ul style="list-style-type: none"> - SIFC — Investment escalation & support throughout the process - One-stop licensing, digital registration and approval - Access to STZA Network & Talent Infrastructure across Pakistan 	<ul style="list-style-type: none"> - Work with government to be included in preferred vendor list for government entities 	<ul style="list-style-type: none"> - Income tax exemptions for 10 years and minimum tax on turnover - Reduced corporate taxes, incl. dividend income and long-term capital gains of including for Venture Capital funds - Potential customs duty reductions on data server equipment, if classified as capital goods - Special Foreign Currency Accounts permitted facilitating smooth repatriation 	<ul style="list-style-type: none"> - Industrial plots offered at below-market prices 

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

Main Report

2

Opportunity overview and key highlights

Opportunity Description



Develop and operate a medium-sized facility with 1,000-Rack Tier III Data Center in Pakistan (with an estimated total capacity of 6 MW)¹ focused on colocation services for local enterprise customers

High-Level Opportunity Facts



A Project Details	
 Tier III Data Center	 1,000 Rack
	 6 MW capacity ¹
B 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
C Investment Model	Private sector investment with strong government support
Return Profile ²	IRR: 32-34%
D Run-Rate Revenues ³	USD 38-39Mn
Estimated Project Cost	USD 59-61Mn (USD 18-20Mn in equity)

Value Proposition



Strong Government Backing: Government mandates local cloud adoption for banks and public entities, while 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



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

1. Data center capacities are commonly built in multiples of 6 MW, with a 6 MW configuration representing 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)

3. By year 5 of operations (inflation adjusted)

Establishment of an IT Offshoring Hub

Main Report

3

Opportunity overview and key highlights

Opportunity Description	Invest in an IT offshoring operation in Pakistan to cater the growing global demand, either through brownfield investment in existing IT offshoring operator or greenfield operation.
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High-Level Opportunity Facts

A Project Details	
<p>Scalable organization</p>	<p>Access to local demand</p>
<p>Cost-efficient IT function offshoring</p>	
B Large and growing demand	Local and global demand for IT services is expected to grow at a CAGR of 8% and 4.5%, respectively
C Investment Model	Private sector investment with strong government support
D Cost Efficiency	20-40% lower salaries compared to regional IT offshoring hubs (India, Philippines) ¹

Value Proposition

	<p>Skilled and Large Workforce: Pakistan is currently the fourth largest freelance provider in the world</p>
	<p>Surging Digital Demand: Global and local rapid digital transformation is driving robust demand for IT services</p>
	<p>Affordable IT Offshoring Location Pakistan has established itself as the most financially attractive destination for offshore software outsourcing</p>
	<p>Strong Government Backing: Robust policies and incentives enhance project viability.</p>

1. Based on local reports / salary survey in Pakistan (P@SHA), India & Philippines (see section D)
Source: P@SHA, Straits Research, Cushman & Wakefield 2024, Statista

Compared to other IT offshoring hubs, Pakistan stands as the most financially attractive destination for offshore software outsourcing, highlighting the country's cost efficiency

Average Yearly Salaries for IT Professionals and Office Rents (USD)

(Figures provided are estimations based on available information)

Seniority Level	Pakistan ¹ 	India ² 	Philippines ² 	Poland ² 	China ² 	KSA ² 	UAE ² 
Entry Level (0-1 years)	~3,300	~6,200	~6,000	~36,000	~45,000	~51,000	~55,000
Junior Level (1-3 years)	~5,300	~9,000	~8,000	~40,000	~55,000	~65,000	~52,000
Middle Level (3-6 years)	~9,300	~14,500	~11,000	~45,000	~78,000	~85,000	~90,000
Senior Level (6+ years)	~16,700	~30,000	~14,200	~55,000	~90,000	~93,000	~110,000
Annual Office Rent ³	~350,000	~460,000	~590,000	~860,000	~1,100,000	~1,200,000	~1,600,000

Across all seniority levels, Pakistan stands as the most cost-effective IT offshoring hub, and also offers the lowest annual office rental costs

Thank You

