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ICMA Pakistan: How would you sum up the growth of the IT industry in Pakistan in the last two decades? What are the future potentials?

Barkan Saeed (BS): Pakistan, as a global outsourcing destination, has not been able to utilize its potential mainly because of the war on terror in the major parts of the country during the last two decades. From the benefits side to the sector, we mainly rely on just income tax exemption. Our competitors, mainly India and the Philippines, not only invested heavily in resources and skills development of their resources but also gave benefits like Special Technology Zones for IT in the last two decades with income tax exemption for both the local and exports sector. Some of their other benefits to the IT/ITeS sector include preference to local companies for government projects, discounted electricity rates, etc.

The future potential of this sector is huge from an exports and jobs perspective as we have a good young population that can be skilled in the IT sector. By focusing on policy interventions that equip around 100k youth per year with skills that are of shortage in the international market. We can increase our exports by 2-3 billion USD per year easily to a total of 10 billion USD in 5 years. We will need to work in parallel on physical infrastructure, Internet penetration, and ease of business.

Pakistan generally has a regulatory mindset where there is a tendency to regulate IT sectors via FBR, PTA, State Bank, and

other government departments. However, this industry operates differently – and we need to incentivize instead of regulating to expand the potential of growth.

ICMA Pakistan: What are your comments on the 'Digital Pakistan Policy' and how it is going to change the software industry landscape?

BS: The current Digital Pakistan policy 2018 provided a good base. It resulted in the setup of incubation centers, online skill training in low-end skills like WordPress, graphic designing, etc., and also benefits to the IT/ITeS sector like the continuation of exemption for the IT sector.

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A Zoom meeting of Mr. Awais Yasin, Chairman R&P Committee with Mr. Barkan Saeed, Chairman P@SHA. Mr. Shehzad Ahmed Malik, Vice President, Mr. Aamir Ijaz Khan, Executive Director and Mr. Shahid Anwar, Director R&P were also present.

The current revision process of the digital policy plans to work on taking this forward and giving a comprehensive policy for skill development of our youth, digitization of government, ease of business challenges for the tech sector.

The policy changes once put into execution will result in changing not only the industrial landscape but will also help to transform Pakistan into a digital economy. Policy execution and consistency will be the key to making it a success!

ICMA Pakistan: Your views on Digitalization in Pakistan: Opportunities and Challenges?

BS: Digitization of government departments gives a huge opportunity for the government of Pakistan to improve its services to its citizens. During Covid-19, some barriers that existed in many departments related to digitization have been addressed and many departments are moving towards it.

The main challenge related to digitization is little involvement of the private sector in making it happen! Government can take lead in involving and developing the capacity of small and medium IT companies which will not only complement the government's digitization effort but also develop the local IT industry and play a bigger role in the economy of Pakistan.

The second biggest issue is the non-existence of qualities and standards for digitization by government departments where most government departments continue to work in silos on their digitization and almost no connectivity and sharing of data between government departments. Improvement of government digitization departments like NITB is also a need of time as this will improve the government's ability to digitize its different functions. Integration of departments will avoid repetitive work and will streamline the different processes.

ICMA Pakistan: How the 'Special Technology Zones (STZ) can be a game-changer for the Tech Ecosystem of Pakistan?

BS: Special Technology Zones give a complete package to IT companies related to physical infrastructure development

and also an ecosystem where companies get the ease of business and better infrastructure. This will significantly improve Pakistan's global ranking on the ease of business, IT infrastructure and increase the competitiveness of Pakistan's IT sector globally.

ICMA Pakistan: What hindrances the IT Sector Companies are facing in software exports? What are suggestions to the Government?

BS: The biggest hindrance is over the activism of government departments especially FBR and provincial tax departments which see IT companies as an easy target. There are dozens of other government departments like EoBI, social security, WWF which were created with an industrial mindset and have been slowly imposed on knowledge workers. The labor laws of Pakistan are outdated as well and don't suit the knowledge workers in the IT and ITeS industry.

The government only had one benefit of income-tax exemption to companies till 2025 which was recently removed. This has resulted in distrust in IT companies on government policies and their continuity. The government needs to ensure that it provides an environment of business to its IT sector and doesn't create or change policies abruptly. IT industry, unlike other industries, can easily move to other global destinations if the ease of business in Pakistan is not improved and ensured.

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ICMA Pakistan: What is your viewpoint about the joint working of PASHA and ICMA Pakistan to organize training programs for the accounting professionals on 'digital solutions for Pakistani industry'?

BS: Absolutely! This can be a great initiative. Pakistan has a large pool of resources that can be trained in global accounting and Pakistan should capitalize on this opportunity. This will not only increase our exports globally but also become a source of providing jobs to our youth.

The Editorial Board thanks Mr. Barkan Saeed, Chairman, Pakistan Software Houses Association for IT & ITES (P@SHA) for giving his exclusive interview for Management Accountant Journal.