

Pakistan's IT Revenue Crossed USD 2 billion

Pakistan' total IT industry revenue crossed USD 2 billion in FY 05-06 and total exports crossed USD 1 billion in the same period measured using a methodology developed by WTO-IMF, which is also used by other countries like India in reporting the IT Industry size. Growth in exports each of the last three years has been around 50% while the domestic market has grown at 33% per year.

"The study shows that Pakistan is now on the world IT map and more international customers can feel comfortable in outsourcing work here" stated Mr. Ashraf Kapadia, President Pakistan Software House Association (PASHA) & MD of Systems Limited, a leading IT export company. These benchmarks were established following preliminary studies undertaken by PSEB and have been fully endorsed by the PSEB Board of Directors that includes President PASHA and another leading IT industry CEO and also by other leading companies. More exhaustive studies in collaboration with the Gartner Group, State Bank of Pakistan and Statistics Division are underway.

"Though the IT industry has made significant strides over the last few years, we are future-focused on the immense potential that yet needs to be realized. We must work hard with other Government departments to continue to support the IT industry in areas like Human Capital Development, IT Park Construction and Marketing" stated Mr. Yusuf Hussain, MD, PSEB. A breakdown of the IT industry is as follows:

Pakistan IT Exports

Mode	Description	IT Exports
1 Cross Border	Revenue from direct export	USD 150 million
2 Consumption Abroad	Revenue from sales to multinationals, multi-laterals and foreign missions within Pakistan	USD 200 million
3 Commercial Presence Abroad	Overseas revenue of Pakistani owned companies	USD 450 million
4 Temporary Movement	Annual salaries of non-immigrant IT workers	USD 250 million
Total IT Exports		USD 1.05 billion

Pakistan Domestic IT Market

Area	Revenue
PC/Laptop/Servers 1,000,000 new and used CPU @ USD 600 per CPU	USD 600 million
Peripherals 1/3 of computer sales	USD 200 million
International Software Vendors	USD 150 million
IT Services (Other than Foreign Entities)	USD 200 million
Total Domestic IT Revenue	USD 1.15 billion

PSEB Press Release

Country Comparison

A country comparison with India appears below. Fiscal year for Pakistan is taken as July 1, 2005 to June 30, 2006, while for India it is taken as April 1, 2005 to March 31, 2006. HR and bandwidth levels are for June 30, 2005. It may be noted that number of IT personnel employed are an indicator of IT service revenue. Salaries in Pakistan are 30% less than that of India. Also IT exports — including programs, documents, audio, video, data, and commands – pass over the Internet so international internet bandwidth usage is also an indicator of IT services exports.

Country	Estimated Global IT Revenue	IT Personnel	Internet Bandwidth Usage
Pakistan	USD 2 billion	75,000	600 MBS
India	USD 36 billion	965,250	6.21 GBS
Ratio	1: 18	1: 12.87	1: 10.35

Source: Pakistan Software Export Board (PSEB)

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