**Eight steps for better IT**

Dr Imran Batada

Monday, May 13, 2024

Pakistan aims for exponential growth in its IT exports, with the ambitious goal of reaching $15 billion in export earnings in the next few years. However, for this to be achieved, some strategies need to be implemented with a high emphasis on the promotion of the local industry to make it more lucrative.

There is also a need for reforms to ensure new trends are adopted and more preference is given to local industries, SMEs and startups. The continuous support of the government will play a huge role in achieving this dream.

First, it is essential to prioritize local IT vendors over international ones. Currently, the government often turns to international companies for IT support, either for hardware or software solutions. Instead of allocating funds to overseas entities, emphasis should be placed on boosting the local IT industry.

Second, authorities should consider amending procurement laws by the public procurement regulatory authority to help facilitate products made in Pakistan to reach a wider market. Locally made products need to be prioritized more than imported ones. There should be favourable laws about such manufacturing to ensure that local manufacturers do not feel disadvantaged.

Third, there should be the capability of technology transfer in which if certain IT products or services are not available, there should be an enabling environment to allow technology transfer (IP ownership) to locally registered partners. Therefore, an international company can bid with a local company to provide certain services. Joint ventures remain essential, especially for maintenance purposes.

However, certain conditions must be met. In cases where technology transfer is not feasible, the government should obtain certification from the IT association. If a project exceeds a market value of $2 million, the international vendor must collaborate with a local company.

Fourth, similar to the protective laws in place for local industries in other countries, Pakistan should enact similar measures to promote the participation of the SME sector. A minimum of 30 per cent of IT-related projects or services should be sourced from SMEs.

Fifth, since the government tends to form its in-house software development departments and also uses a lot of resources to perform certain functions, it leads to competition with the private sector which is not healthy. Therefore, there is a need to leverage public-private partnerships to commercialize IT products. This will be vital when projects need to be done and micro procurement carried out while in partnership with the private sector.

This strategy enables our local companies to demonstrate in their credentials that they have participated in significant projects within Pakistan. Such involvement can also draw interest from international clients seeking their services.

Sixth, public-private partnerships will go a long way in the development of IT products and services. The ministry should look for strategies to implement to ensure that the private and public sectors work hand in hand in the development of Pakistan.

The private sector has a lot of resources and manpower skills that are crucial for various projects. Opportunities also need to be openly shown for the right bidders to come forward.

Seventh, partnerships with the private sector must be created for the easy commercialization of products and services instead of creating government organizations-owned business ventures. This will make it easier to even tackle bigger projects.

Private and multinational corporations play a huge role in such partnerships. The government needs to trust local businesses and what they can offer in various capacities to boost development. Creating new ventures to undertake tasks that can be sourced from private companies would be a waste of resources. The resources could have been used elsewhere for more development.

Eighth, there is a need for more openness when it comes to tenders being offered to the public. This will help SMEs to want to procure the tenders and provide the IT services or products needed. With the vast amount of potential in Pakistan, you can be assured that small and medium-sized enterprises can play a huge role in providing the required items.

The government should also be more open to offering tenders to residents instead of always seeking international partnerships, leaving local manufacturers without a chance. Pakistan is a lucrative market, and with the right strategy implementation, many things will work out right. Additionally, there should be strict laws and right policies put in place to ensure that the IT import and export business is moderated in favour of local businesses.

To sum up, it is vital for the private sector and the government to cooperate in order to accomplish a mutual objective. Local IT SMEs should be provided with incentives to encourage them to do more.

It is equally important to provide an enabling environment for the private sector. If this is implemented, locally available IT companies will work towards making their IT products better. If the government strengthens local capabilities, enhances export competitiveness, fosters a collaborative ecosystem, and provides monetary support, all will be well. With this initiative, we can anticipate the emergence of a few unicorn companies in the near future.

The writer is the author of ‘Digital Pakistan’ and director of the Centre of Information Technology at IoBM. He tweets/posts @imranbatada and can be reached at: imran.batada@gmail.com