

Pakistan's silent revolution

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BRANDING PAKISTAN

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AN AMERICAN JOURNALIST RECENTLY visited Pakistan and wrote about the progress Pakistan is making in Information Technology. His tone in the piece was incredulous. Quietly, to the surprise of many, Pakistan has turned into one of the fastest growing cellular phone markets, out-performing the Karachi Stock Exchange which till recently was in the limelight with corporate managers worldwide.

The journalist's report was seconded by a Harvard Business School analysis report, "BPO (Business Process Outsourcing) opportunities in Pakistan" The report mentions that Pakistan offers costs that are 30 percent lower than India's along with high-speed connectiv-

ity in all major cities at competitive rates.

The report also mentions that real estate in the country is less expensive than other offshore destinations and premium commercial office space is available in major cities like Islamabad, Lahore and Karachi. The government has also designated specific areas for software and IT companies in the three major cities, following the example set by the United States and India.

This, along with attractive tax and regulatory incentives offered by the government to the IT/ITES sector, has sparked off the boom in the industry. The information technology ministry is advertising a 15 year corporate tax exemption for companies in related, 100 percent foreign equity in the IT sector along with 100 per cent repatriation of profits, zero per cent custom duties and tariffs on import and a seven year tax holiday for venture capital funds — all moves in the right direction.

So what is stopping Pakistan?

The answer is simple — its image. Just last year, in spite of the growth of the industry in Pakistan and the incentives, a major American textile giant pulled out from outsourcing in Pakistan, taking business to China. The reason? Senior managers felt uncomfortable about travelling to Pakistan. This is not limited to outsourcing but extends to all businesses. A few months ago, I attended a dinner in honour of rice exporters from Pakistan who had come to attend a rice trade fair. All of them were wondering why they were second to the

Indian rice exporters even though the quality of Pakistani rice was better? Unfortunate as it sounds, it is because of Pakistan's poor image in the West.

According to Rafi Shikoh of DinarStandard, an e-research site that focuses on Muslim businesses, "More than 100 Pakistani BPO service providers are making a run for this market." It is fair to assume that the number can be doubled if not trebled in coming years if we were to look at the logistics and rationale of the large supply of qualified labour, a better English accent, lower wages compared to other BPO destinations along with decent infrastructure — only if it was not about the perceptions of the environment! Branding Pakistan remains the biggest challenge not only for the government but also for Pakistani businesses. Engaging the Western media and corporate America proactively to help create a better understanding of Pakistan, its people and society is the biggest challenge we face as a nation. The onus is on us to present the Pakistan that is largely hidden from the Western public eye.

We have to take the Western media into account when talking about the poor image of Pakistan. Its prejudiced reporting on Pakistan creates the image of a country that is populated by men who beat women, children who are forced to work and general political insecurity and instability. Without doubt, religious extremism, misguided seminars and violence do exist in Pakistan but there is more to the country — a rich cultural heritage, architectural marvels, and a passion for sports.

Marketing this side will help the enormously talented Pakistanis in the technology sector and further business and industry.

The government and domestic IT industry deserve credit for the solid and viable infrastructure that now exists in the country. They now need to address the country's poor image to take advantage of the market that is up for grabs. Pakistani companies can have limitless opportunities in the \$131 billion global market that includes customer support, purchasing, credit and collection, accounts payable, accounting, help desk support, information technology support and other administrative and support functions.

I was at an IT seminar on Wall Street last month. Pakistan came up in a discussion and one participant said, "We are watching Pakistan closely, turning into a prosperous and vibrant place to do business and hope that it becomes safe and secure soon for us to start investing in what seems to be a goldmine for IT managers."

We already excel in labour and infrastructure. Let's work on improving and re-engineering the environment so we can eliminate the client's cynicism about Pakistan and Pakistanis.

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