



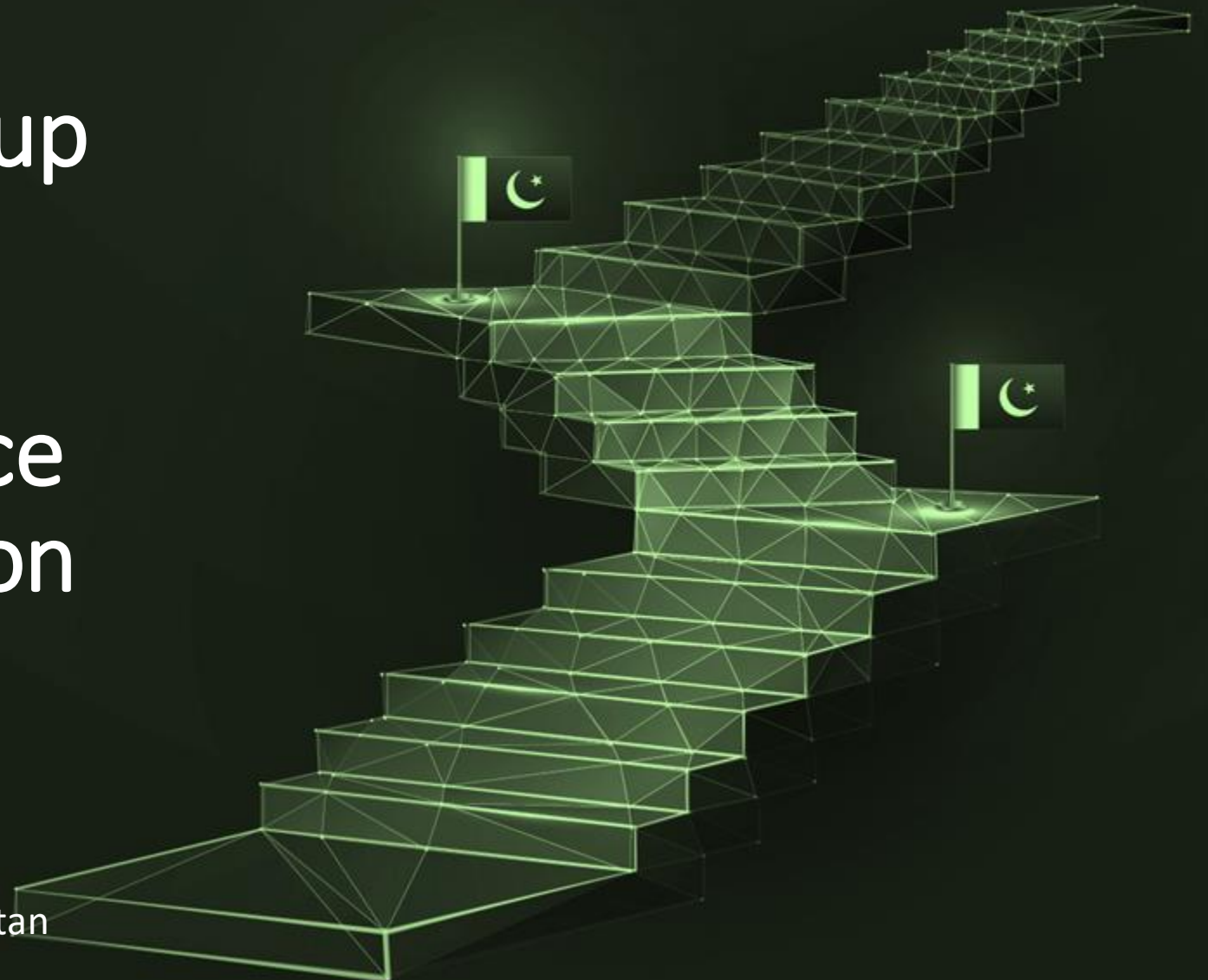
Ministry of IT & Telecom  
DIGITAL PAKISTAN

# Harmonizing Startup Ecosystem and Promoting Cross-border E-commerce in the CAREC Region

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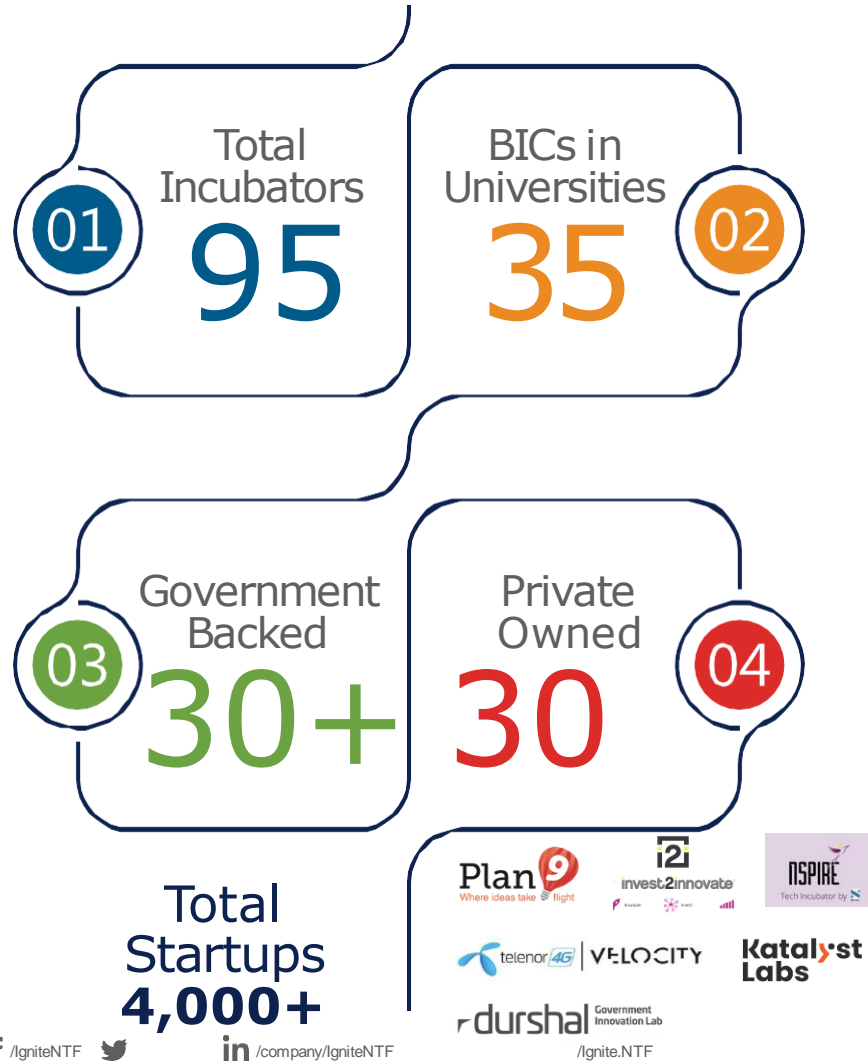
**NOVEMBER 2023**

Ms. Aisha Humera Moriani  
Additional Secretary  
Ministry of IT and Telecommunication, Pakistan



# STARTUP ECOSYSTEM OF PAKISTAN

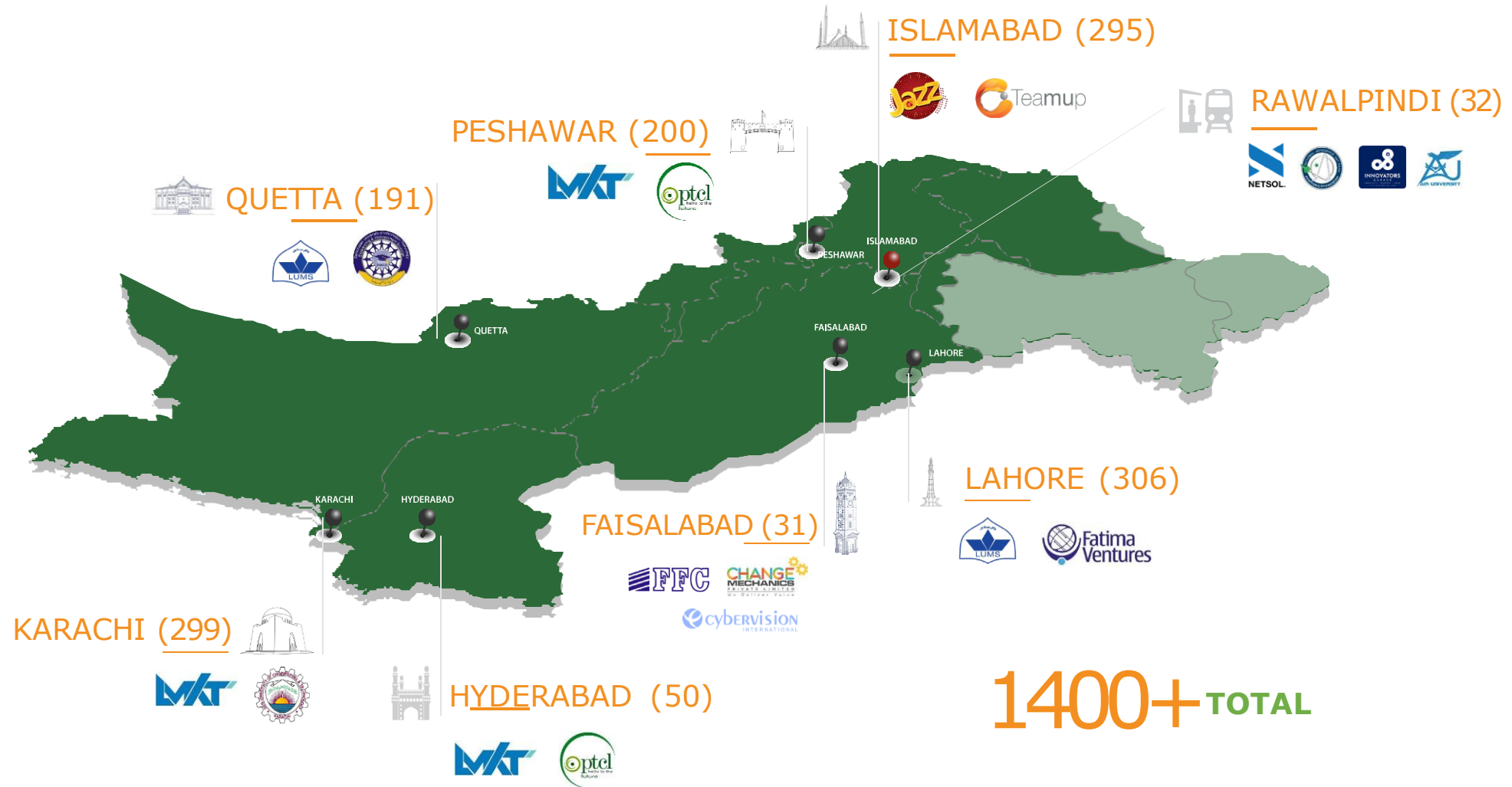
## Incubators/Accelerators



## Venture Capitalists

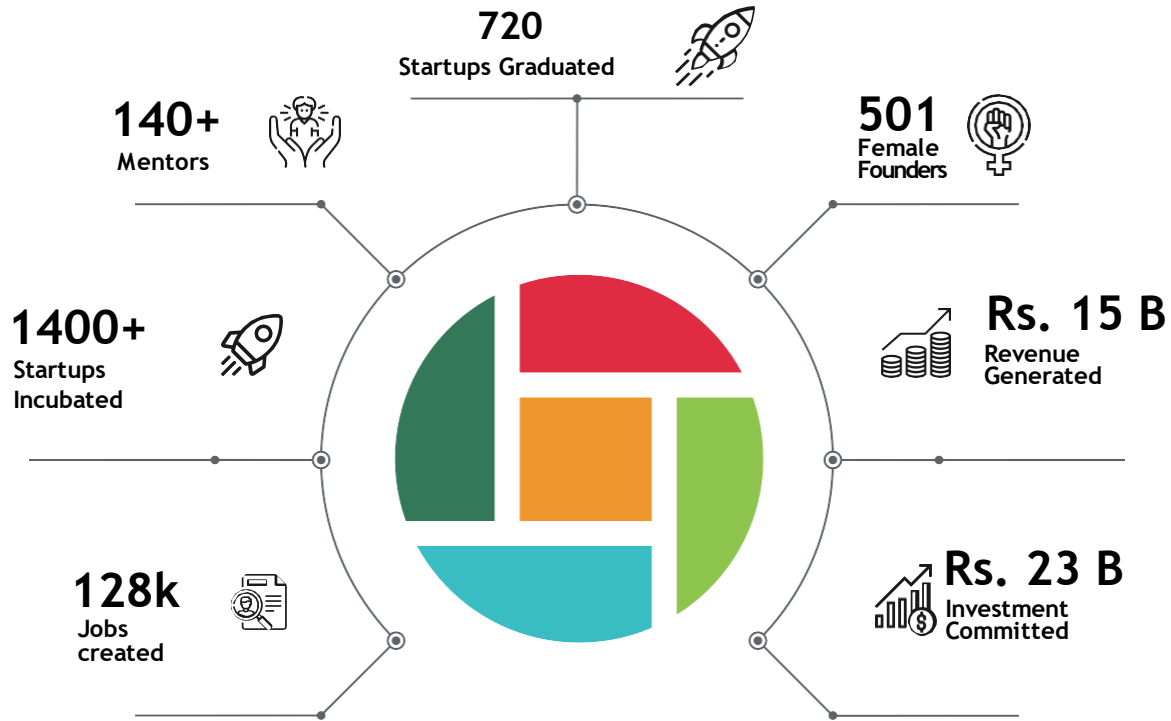


# NICs - LARGEST INCUBATION NETWORK IN PAKISTAN



1400+ TOTAL

# ACHIEVEMENTS OF NATIONAL INCUBATION CENTERS



## Some Successful NIC Startups

**BYKEA**

INVESTMENT

**\$30M**

**PakVita**  
Ready for tomorrow

INVESTMENT

**\$17M**

**EyeSmarty**

INVESTMENT

**\$5.7M**

**MY TM**

INVESTMENT

**\$7M**

**Integry**

INVESTMENT

**\$4M**

**Digi Khata**  
Pakistan ka digital khata

INVESTMENT

**\$2M**



**36% startups are led by female founders**

# WOMEN ENTREPRENEURSHIP IN PAKISTAN

## Women Leaders in Tech Sector of Pakistan



**Jehan Ara**  
CEO Katalyst Labs



**Kalsoom Lakhani**  
CEO i2i Ventures



**Maheen Rahman**  
Chief Executive, Alfalah Investment Mgt.

## Women Leaders in Tech Sector of Pakistan



**Aero Craft Engine**



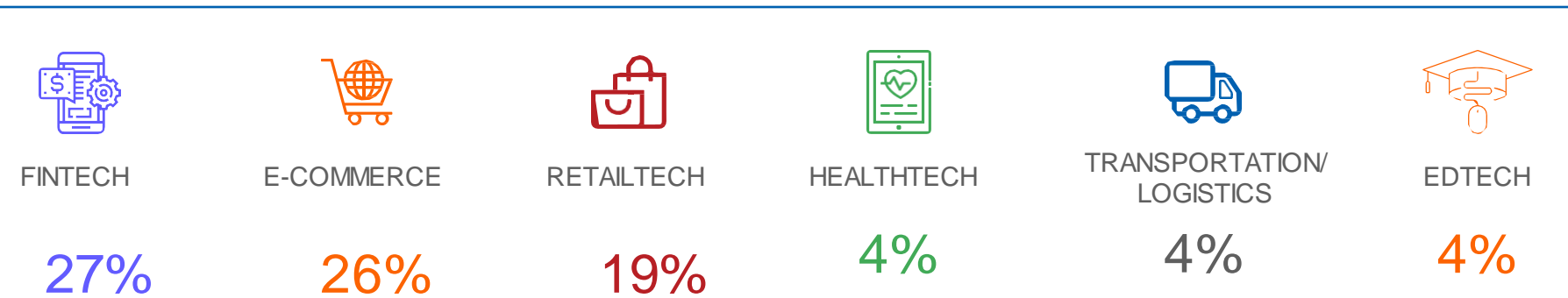
**Sehat Kahani**



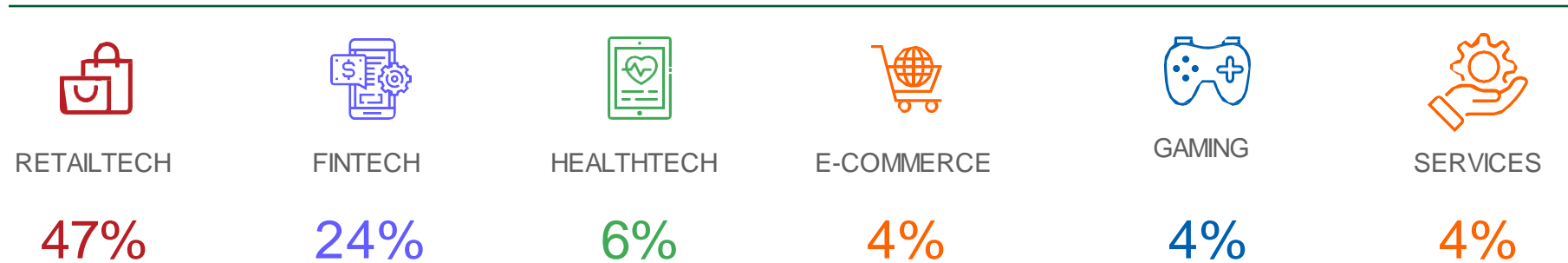
**BizB**

# SECTOR WISE INVESTMENTS IN PAKISTANI STARTUPS

## USD 373M IN 2021

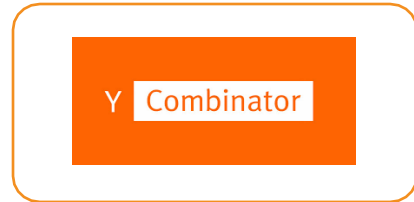


## USD 360M IN 2022



TOP SECTORS IN WHICH PAKISTANI STARTUPS RAISED INVESTMENT DURING 2021 & 2022

# Foreign VCs with investments in Pakistani Startups



# Harmonious and Prosperous Startup Ecosystem in the CAREC Region

- ❖ The CAREC region holds immense potential for cultivating a vibrant startup ecosystem that can drive innovation, economic growth, and regional collaboration.
- ❖ To achieve a harmonious and prosperous startup environment, a strategic combination of policies, initiatives, and collaborative efforts is essential. For this purpose, these are the steps that may be taken to foster such a startup ecosystem in the CAREC region:



# Harmonious and Prosperous Startup Ecosystem in the CAREC Region

## 1. Regional Collaboration and Knowledge Sharing

- The CAREC countries should foster collaborative initiatives to share insights, experiences, and best practices in nurturing startups. For this purpose, partnerships and collaboration initiatives may be taken in the form of MoUs.
- Moreover, establishing a regional platform for dialogue and knowledge exchange will definitely facilitate the cross-pollination of ideas, strategies, and lessons learned.
- Partnerships and collaborations can be developed between Ignite Pakistan and its counterpart organizations in CAREC region to foster regional collaboration and knowledge sharing.

# Harmonious and Prosperous Startup Ecosystem in the CAREC Region

## 2. Access to Funding

- It is proposed that CAREC countries can establish a regional fund of funds or encourage the creation of venture capital networks that can provide financial support to promising startups of each CAREC country. This initiative will ensure that innovative ideas have the necessary capital to grow and flourish.
- Creating a regional fund or network of VCs of CAREC region will provide opportunities to regional startups to grow and flourish. It is proposed that a regional VC fund may be created to nurture the startup ecosystem within the CAREC region with the focus on those countries where startup ecosystem is at nascent stage.

# Harmonious and Prosperous Startup Ecosystem in the CAREC Region

## 3. Cross-border collaboration

- In order to strengthen the startup ecosystem in CAREC regions, it is proposed that efforts should be made by each country to facilitate cross-border partnerships among startups, incubators and accelerators. Initiatives that support joint ventures and collaborative projects should be taken to stimulate innovation for overall economic development of the region.
- The Ministry of IT & Telcom in Pakistan may facilitate in creating G2G and G2B collaboration initiatives of Pakistan with other countries in the CAREC region. Such collaboration initiatives shall provide diverse market access and growing opportunities to CAREC based startups in the region. Furthermore, cross-border collaboration initiatives among incubators and accelerators may also be established among the CAREC countries.

# Harmonious and Prosperous Startup Ecosystem in the CAREC Region

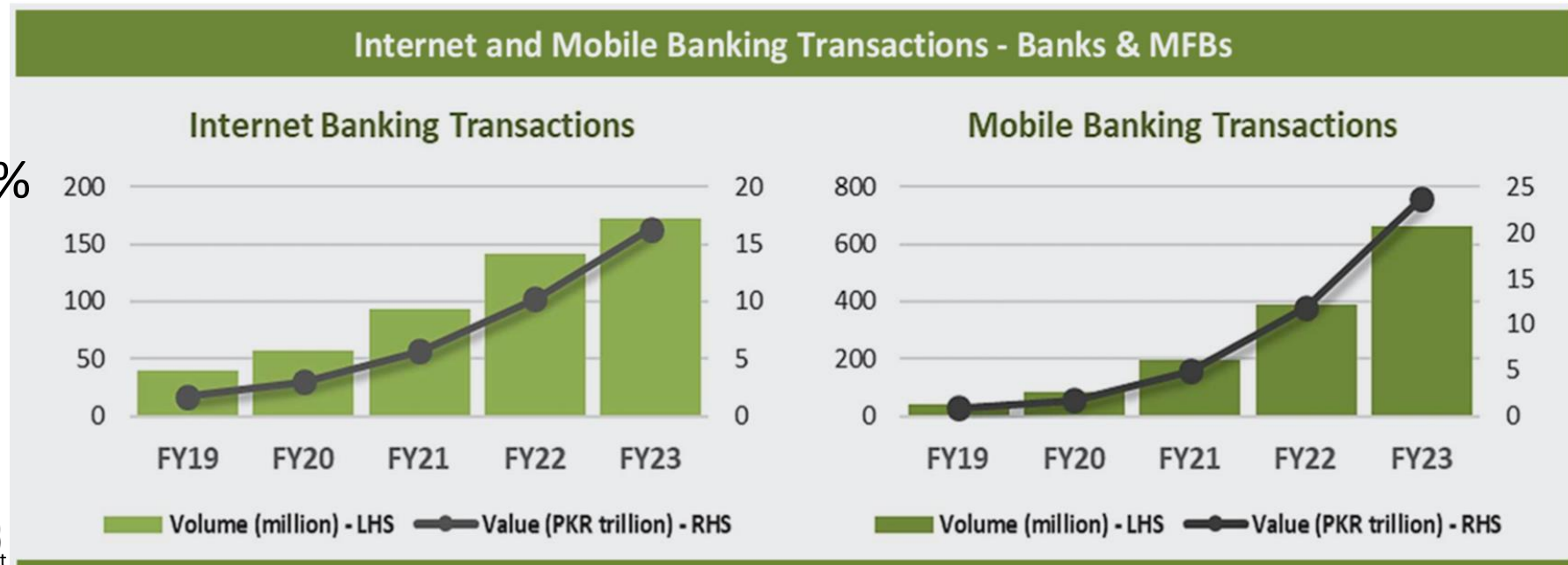
## 4. Startup events and Exchange Program

- In order to empower the startup ecosystem in CAREC regions, it is proposed that CAREC based regional startup platforms and forums are established. Various events for example conferences, seminars, competitions among the startups may be organized. A CAREC startup event may be held every year to provide opportunities to the regional startups to showcase their products and services to attract investors and other stakeholders.
- A startup exchange program among the incubators and accelerators of CAREC region may also be launched to provide diversified market access and access to funding opportunities for CAREC based startups.

# E-commerce landscape of Pakistan

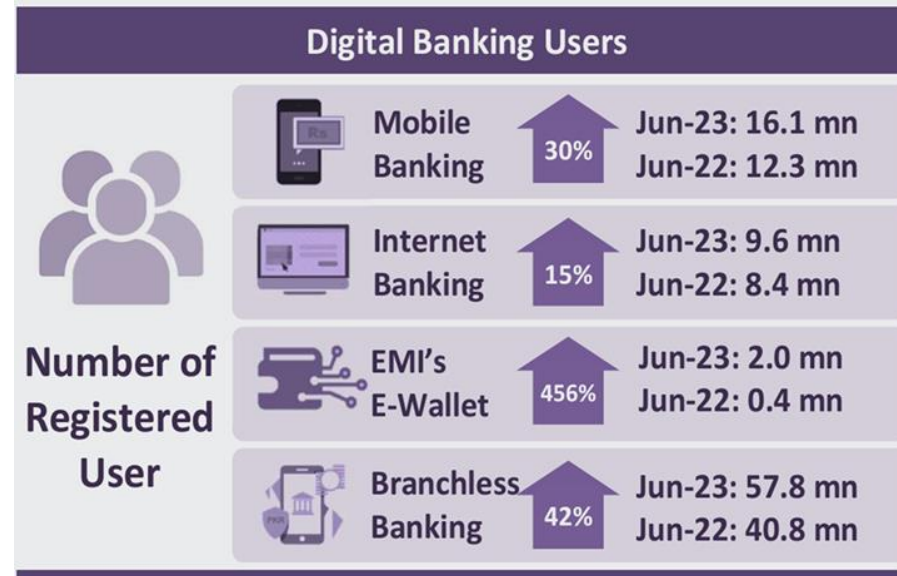
- A recent report, State of B2C E-commerce in Pakistan (2022), showed that Pakistan is the **47<sup>th</sup> largest market for e-commerce**, with forecasted revenue of \$6.4 billion for 2023, led by electronics and media (34%), furniture and appliances (29%), and fashion (20%).
- As per SBP report (Sep 2023) overall, mobile and internet banking transactions witnessed an annual growth of 57% by volume and 81% by value.
- E-Banking transactions through Banks and Microfinance Banks (MFBs) grew by 29% while value increased by 21% during the year.
- Similar growth pattern was also observed in Branchless Banking (BBs)

transactions with no. of transactions increasing by 28% and value by 45% during FY23.

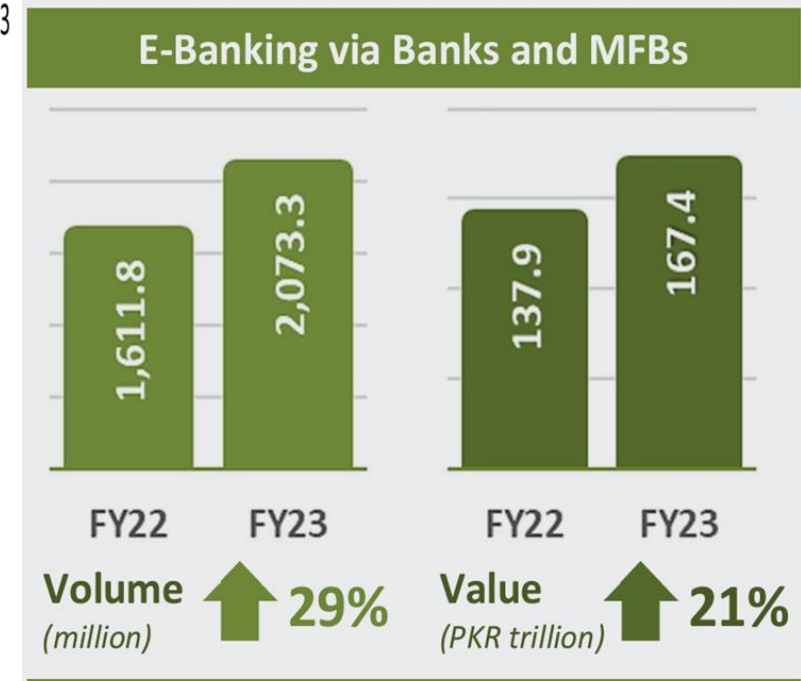


# E-commerce landscape of Pakistan

- The year saw an increase of 15% in internet banking users, 30% in mobile banking users and 42% in BB mobile app users. Electronic Money Institutions (EMIs) also contributed meaningfully to the inclusion of digital banking users by opening more than 2 million e-wallets since their inception.
- The e-banking is attracting more customers due to its efficient and instant payment solutions, and its transactions are growing at a steady pace over the years. In contrast, paper-based transactions have declined by more than 4% during FY23 and cumulatively around 20% in last five years.



Source: SBP Payment Systems Review For the Fiscal Year 2022-23



# E-commerce landscape of Pakistan

- During the year, Real-Time Gross Settlement (RTGS) processed 4.9 million transactions amounting to PKR 640.4 trillion, while 155 million transactions were processed on Raast amounting to PKR 3.2 trillion during this fiscal year.
- As of June 30, 2023, there were 6,889 e-commerce merchants for providing payments services to the customers.
- During the fiscal year, no. of transactions through POS (199.3 million) and ATMs (809.7 million) grew annually by 45% and 17% respectively. Domestic e-commerce transactions using payment cards were 31.8 million which amounted to PKR 142 billion during the year.

# Pakistan has...



**5,000<sup>+</sup>**

IT companies  
and call centers



**300,000<sup>+</sup>**

English-speaking  
expert IT professionals



**13**

Software technology  
parks

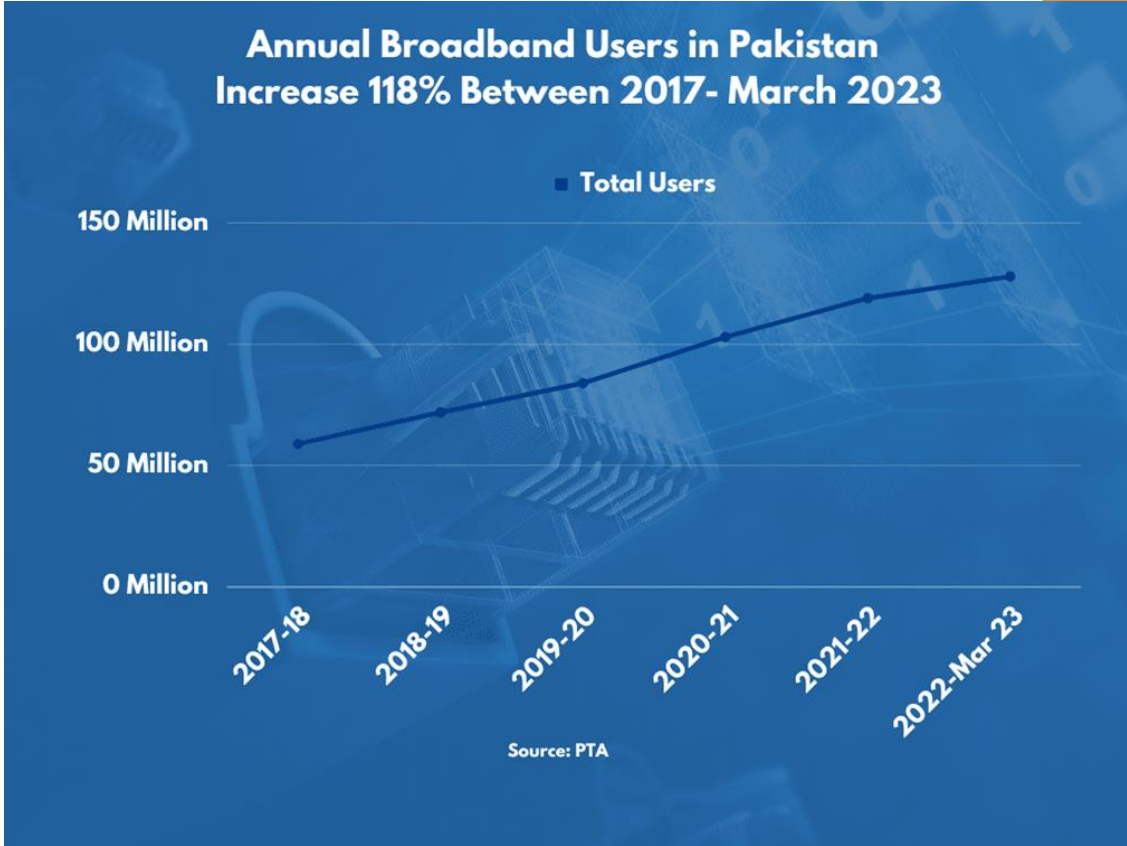
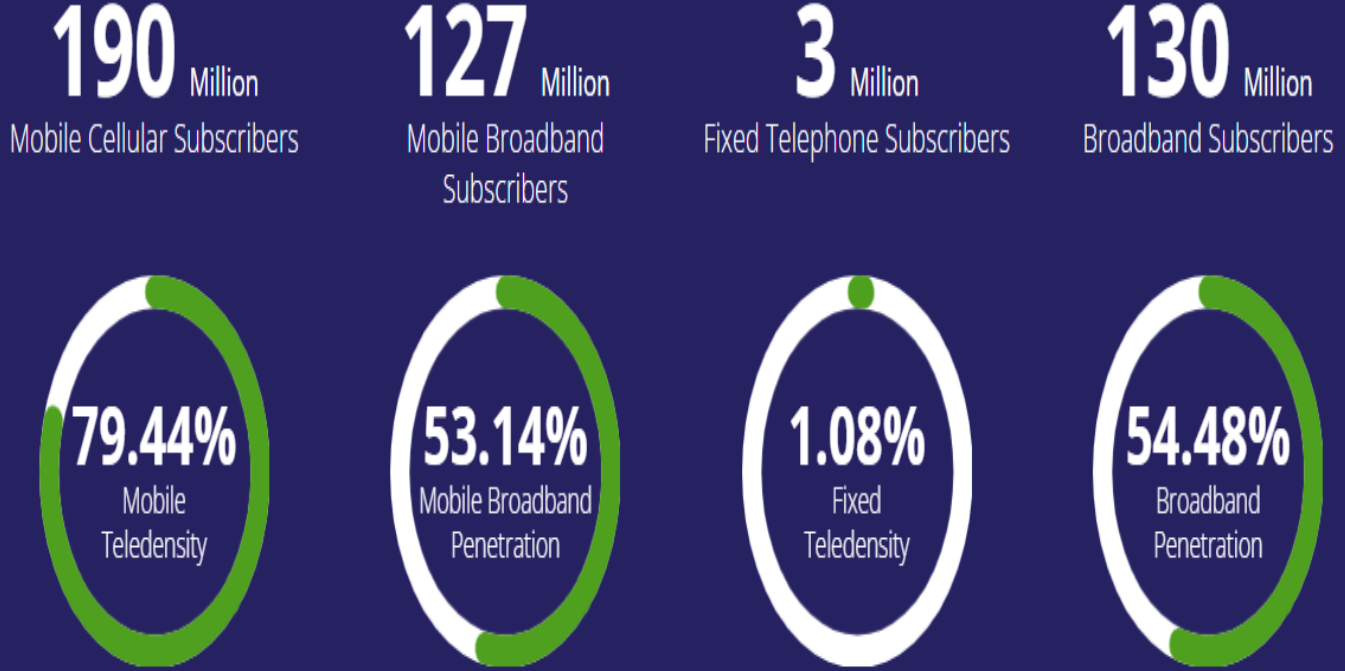


**20,000<sup>+</sup>**

IT graduates and  
engineers



# ICT Key Indicators



\* Figures are updated as of Sep 2023.

# E-commerce Verticals

ECOMMERCE VERTICALS					
	RETAIL MARKETPLACES	ETICKETING	RIDE HAILING	CLASSIFIEDS	TAKEAWAY
MARKETPLACES					
BRANDS					

# Pakistan's E-commerce Policy Focus

<b>01</b> 	<i>Regulatory and Facilitation Environment</i>	<b>06</b> 	<i>ICT Sector and Telecom Services in Pakistan</i>
<b>02</b> 	<i>Financial Inclusion &amp; Digitization through Payment Infrastructure Development</i>	<b>07</b> 	<i>Logistics</i>
<b>03</b> 	<i>Empowerment of Youth and SMEs through e-Commerce</i>	<b>08</b> 	<i>Data Protection and Investment</i>
<b>04</b> 	<i>Taxation Issues</i>	<b>09</b> 	<i>Global Connectivity and Multilateral Negotiations</i>
<b>05</b> 	<i>Consumer protection in the digital environment</i>		

# Key Challenges

- **Digital Infrastructure in Rural Areas** – Coverage to more than 15,000 rural/remote villages and 27.8 million people has been enabled under USF during the last 4 years
- **Digital Literacy-** DigiSkills Program, an online training program, surpassing 3.3 million enrolments
- **e-Consumer Protection**
- **Digital Payment and Logistics Infrastructure**

# Promoting Cross-border E-commerce in the CAREC Region

- Developing an effective multilateral mechanism/framework for promoting borderless E-commerce
- Aligning member states position on international rules of E-commerce
- Creating favorable environment for developing new business models such as cross-border e-commerce, live shopping, intelligent logistics and mobile payments etc.
- Enhancing digital literacy and bridge the digital divide
- Jointly developing and utilizing e-commerce logistics infrastructure such as logistics bases, warehousing centers, distribution centers
- Optimizing cross-border e-commerce logistics transport network and building efficient e-commerce supply chain in the CAREC Region.

**THANK YOU**