



## EXCLUSIVE INTERVIEW OF **Syed Amin Ul Haque** Federal Minister for IT & Telecommunication



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**ICMA Pakistan:** What is your vision about the digital transformation of Pakistan?

**IT Minister:** Our vision is to “become a strategic enabler for an accelerated digitalization ecosystem, aiming to expand the knowledge-based economy and spur socio-economic growth” and our accompanying Mission statement is to “improve Pakistani Citizen's quality of life and economic well-being by ensuring availability of accessible, affordable, reliable, universal and high-quality ICT services.

**ICMA Pakistan:** Please briefly tell us about the objectives of 'Digital Pakistan Policy 2021'?

**IT Minister:** One of the objectives of digital Pakistan policy is innovation and entrepreneurship. It is imperative to empower the youth of Pakistan to provide them relevant opportunities and an enabling environment to harness their potential and abilities. The future belongs to entrepreneurship where graduates and professionals will create new businesses and jobs using innovation and technology. For this purpose, Ignite which is a company associated with the Ministry of IT & Telecom has established a network of 5 national incubation centers in Islamabad,

Lahore, Karachi, Peshawar, and Quetta. The incubators have so far incubated more than 450 startups, out of which 272 startups have graduated. These startups have created more than 100,000 direct and indirect jobs, generated revenue of Rs. 3.1 billion and raised investment of Rs. 8 billion so far. So, this is the impact of incubators and startups on the economy and we plan on establishing specialized incubators in more cities of Pakistan in the future. Our startups have launched innovative products such as water filtration systems, smart helmets for miners, smart meters for reducing electricity theft, bloodless dialysis machines, and many other innovative products.

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**ICMA Pakistan:** How optimistic you are about the digital revolution in Pakistan and its impact on the economy and society?

**IT Minister:** We are already witnessing digital disruption in almost every vertical whether you talk about e-Commerce, agriculture, the financial sector, or any other sector. The principal beneficiary of this digital disruption is citizens and we believe that for improved governance this is an excellent tool for government. We are trying to enable an ecosystem that will help to bridge the gap between government and citizens.

**ICMA Pakistan:** Please share your perspective on prospects for increasing exports of IT-related services from Pakistan?

**IT Minister:** IT sector has witnessed 40% growth in the first eight months of the current financial year, posting USD 1.30 billion exports remittances, already surpassing last year's reported figure of USD 1.23 billion. We at MOIT believe that there is potential for manifold growth for IT exports in the country. Pakistani IT Companies are serving clients the world over with very good international feedback. THE global IT Sector stands at 5.2 trillion dollars and the figure itself explains the potential of our export growth.

**ICMA Pakistan:** What are the key issues of the IT export industry and how your Ministry is facilitating the industry?

**IT Minister:** Basically, I believe the key focus areas where government interventions can help are fiscal and non-fiscal incentives, human resource development, resolving infrastructure issues, improving brand Pakistan across the globe, and embarking on the digitalization initiatives in the country specifically in the public sector. Let me explain in detail.

IT sector is an unregulated sector worldwide as opposed to the telecom sector and the same is the case in Pakistan. What the government can do is to facilitate the sector and provide them an enabling environment by incentivizing the sector, removing red tape and other hurdles for the IT companies, which we commonly refer to as "ease of doing business". The sector is still in the nascent stage.

Over-taxation by tax authorities whether federal or provincial can hamper the growth. Foreign currency regime (both inward or outward remittances) also has a direct impact on the sector. We will have to make it easy for the IT companies to bring the money back to Pakistan and also be able to repatriate to fund offshore operations.

When this Government took office, it was brought to the notice by IT Sector that many challenges are currently being faced by IT entrepreneurs and software industry giants. Issues about tax-related matters, infrastructure readiness, and acknowledging the IT Sector as a potential revenue-generating industry were some of the key highlights.

Moreover, the industry is facing several issues like a lack of quality IT human resources, market access, and visa-related matters. MoIT wants to fill the industry-academia gap by improving ICT education quality. Ministry of Federal Education and Professional Training & MoIT has already been tasked by Federal Cabinet to work on the issue together. MoIT will also work with relevant quarters to facilitate IT businessmen for visa matters.

This Government has prioritized the growth of the IT sector and in this regard, a Prime Minister's task force has been notified in light of the approval granted by the Federal Cabinet. This Task Force consists of experienced public servants along with competent industry representation from the IT & Telecom Sector. The government believes in working closely with all the relevant stakeholders to ensure that all voices are heard.

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**ICMA Pakistan:** What steps IT Ministry is taking to update the digital infrastructure to bring it at par with advanced economies?

**IT Minister:** Due to the rapid growth of digital technology, the Ministry of IT and Telecommunication is taking lead in defining Information and Communication Technologies (ICTs) in a broader sense by bridging the digital divide. The main objective of using advanced technology lies in providing adequate infrastructure and services which refer to the gap in usage and access to digital infrastructure and services among citizens, the economy, and businesses. MoITT is taking vital steps to bring digital innovation to Pakistan by providing a strong infrastructure that would serve as a digital hub for the citizens, providing them ease and availability and transparency in the government services. We are working towards bringing processes like the government's own digital payment gateway and digital collaborative platforms for the ICT services which will result in good cash flows within the country. This will result in a good boost to the economy at all stake.

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**ICMA Pakistan:** What initiatives your Ministry is taking to expand the scope of broadband services across the country?

**IT Minister:** The Ministry believes in a progressive approach for the expansion and improvement of broadband services across the country. It is an honor for me to share that the following multiple strategic initiatives have been taken and have been completed.

**1) Broadband Availability in Un-served and Under-served in the country**

- a) USF has made contractual commitments of PKR 30 Billion subsidies since July 2018 to date.
- b) Telecom services in 11,000 mauzas have already been contracted from July 2018 to date, roughly serving 10 million people since July 2018.
- c) 2,225 km of Optical Fiber has already been laid and contracts have been signed for an additional 4,447 km of Optical Fiber.

**2) Spectrum Auction & Availability in AJK & GB** - For the first NGMS Spectrum Auction, AJK and GB regions have also been included in the scope of the Spectrum Advisory Committee after approval of the Federal Cabinet.

**3) Telecom Tax Rationalization** - Rationalization of Telecom sector taxes have been approved by the Federal Cabinet for the first time in the history of the sector. The highlights include

- a) Reduction of Advance Income Tax to 8% (2022-23)
- b) Harmonization of GST across all provinces to 16%
- c) Resolution of SIM Issuance Tax, PKR 250
- d) Section 147 - Ease of Doing Business

- e) Regulatory Duty on Import of Equipment
- f) Taxes on OFC Manufacturing Industry

**4) Industrial Undertaking for Telecom Sector** - Proposal for the Industrial Status for the Telecom Operators has also been approved by the Federal Cabinet.

**5) Improvement of Mobile Broadband Connectivity & Services** via Spectrum Auction in Pakistan in 1800 and 2100 MHz Band consultant hiring is complete in Pakistan (PTA) whereas Consultant report is in progress (PTA, April 2021). Next Spectrum Advisory Committee is in April 2021.

**a) Right of Way Policy Directive** - ROW Policy directive has been approved for the first time in the telecom sector history in Pakistan. The task was very challenging due to the involvement of multiple stakeholders like Cantonment Boards, Railway, NHA, DHA, Private Societies, Local Governments, etc. The objectives of the ROW Policy are as under:

- Promotion of the modern telecommunication services
- One Window Operation - Introduction of fast-track processes for the provision of Right of Way.
- Fee Determination Guidelines
- Dispute Resolution Mechanism
- Sharing of Right of Way Establishment of Common Service Corridors for Telecom
- National Security Requirements

**6) Spectrum Strategy 2020-2023** - The first Rolling Spectrum Strategy in the country has been published duly approved by the Federal Cabinet.

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Key highlights include:

- Future roadmap for spectrum allocation to help commercial operators for network planning investments.
- Global trends and challenges for wireless communications, spectrum managers, and spectrum administrations.
- Current utilization and future frequency spectrum outlook for mobile broadband services, broadcast services, fixed services, aeronautical and maritime services, public safety and land communication systems, satellite services, and unlicensed bands for short-range devices.
- The strategy includes the utilization of 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz and 3.5 GHz bands identified for deployment of 5G (IMT 2020) services.

7) Affordable smartphones- Recommendations for Mobile Device Manufacturing Policy- VIVO, OPPO, Transsion Techno, Airlink, Advance Telecom companies have planned operations in the country.

**ICMA Pakistan:** What scope exists for Management Accountants for digital transformation in public sector organizations?

**IT Minister:** Ministry of IT & Telecom is improving public sector governance through digitization which is having a positive impact on the businesses and new ideas to improve citizen engagement that signifies a progressive step towards economic growth. Digital transformation in the public sector is now taking a lead, keeping in mind the main issues that hindered change in the state of affairs of the public sector viz. lack of knowledge and trained personnel in the public sector.

The success of digital government depends much on knowledge management. The Ministry of IT & Telecom is altering organizational workflows through a digital transformation which would help in the government's understanding of knowledge management practices to address social needs and improve service delivery effectively. Digital governance will also help enhance government competence and promote healthy development in the public sector.

Understanding and predicting these changes is extremely important for policymakers, government executives, researchers, accountants, and all those who prepare, devise, implement, or evaluate digital government decisions. I believe that Management Accountants are the right professionals who can help the government in better public sector governance by improving systems and procedures through the use of digital technology. Ministry

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of IT & Telecom would welcome collaboration with ICMA Pakistan to provide qualified CMAs to act as Consultants to help in the process of digital transformation of public sector organizations in Pakistan.

**ICMA Pakistan:** What is your viewpoint on the proposal of organizing joint sessions on digitalization by ICMA Pakistan and MoITT?

**IT Minister:** I agree in principle with the idea of holding the joint sessions on digitalization and in this context, I would suggest signing an MoU between MOITT and ICMA Pakistan. These sessions could be held across the country and designed especially for finance professionals and corporate executives. I would like ICMA Pakistan may come up with a draft proposal in this regard for the consideration of MOITT so that it could be implemented as soon as possible. ICMA Pakistan collaboration would definitely bring unique value for MOITT.

**ICMA Pakistan:** Any message to our members and students for learning digital technologies to improve their professional skills?

**IT Minister:** Ignite i.e., National Technology Fund is one of the companies associated with the Ministry of IT & Telecom whose mandate is entrepreneurship and innovation. Ignite has launched a digital training platform called DigiSkills.pk which has provided more than 1.7 million online training so far in different courses such as freelancing, graphic design, digital marketing, e-commerce, creative writing, search engine optimization, etc. According to figures from SBP till January 2021, freelancers have generated exports of \$220 million in the first 7 months, and forecast by June of this year is \$375 million. Freelancers can even complete projects related to accounting and finance online. Hence, I would encourage members and students of ICMA to take these courses also so that they can build their professional skills and do freelancing work in their spare time.

*The Editorial Board thanks Syed Amin Ul Haque, Federal Minister for IT & Telecommunication for giving his exclusive interview for Management Accountant Journal.*