



Asian Forum on Information and Communication Technology Policies and e-Strategies

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Pakistan – Country Report



20-22 October 2003
Kuala Lumpur, Malaysia



The Asian Forum on ICT Policies and e-Strategies is organized by UNDP's Asia-Pacific Development Information Programme under the auspices of the United Nations ICT Task Force, with support from the Ministry of Energy, Communications and Multimedia, Malaysia, and the Government of Japan.



Information technology (IT) has assumed unprecedented importance in the global economic arena. Keeping in view the importance of Information Technology, the Federal Cabinet of Government of Pakistan approved IT Policy in August 2000. Since then we are following a focused National IT program. The ICT country report for Pakistan as per proposed format is discussed below:

ICT DEVELOPMENTS IN THE COUNTRY

Pakistan at the time of its inception in 1947 owned a meager telecom base with just 7000 telephone lines. Telecom service was meant just to meet the needs of country administration but the sector has seen significant growth in the past decade. Pakistan's Teledensity has grown at a reasonably steady pace during this decade. At present fixed line teledensity stands at 2.87% compared to less than 1% in 1991 and 2.2% in 1999. Mobile density has grown from about 0.25% in 1999 to 1% in 2002.

The Internet Services Providers (ISPs) became operational in the country in 1996. By June 30, 2000 the country had 0.1 million Internet Subscribers and coverage to only 29 cities. Now Internet access has spread to over 1700 cities throughout the country including some far flung remote areas and Internet usage has spread many folds. We are following a comprehensive e-Government program since 2000 and a number of Government functions are being automated. The focus of our e-Government program is on transparency, efficiency and services to the citizens.

ICT POLICY DEVELOPMENT

Under the auspices of IT Commission, eleven working groups were formulated to study and give proposals on specific areas related to I.T. and its development, promotion and application in Pakistan. The document IT Policy was developed in a participative process with input from over 250 experts in the public and private sector. The policy addressed the application of IT in the following areas.

- HR Development, Training and Education
- IT in Government and Databases



- IT Market Development and Support
- IT Fiscal Issues
- Telecomm, Convergence and Deregulation
- Cyber Laws, Legislation and IPR
- IT and Telecom Manufacture and R&D
- Internet
- Software Exports
- E-Commerce
- Incentives for IT investment

The implementation of the IT Policy and Action Plan is reviewed on a regular basis. The IT advisory board with representation from the private and public sector experts reviews the implementation and guides for adjustments. Recently a full-fledged E-Government Directorate has been established in the Ministry of IT to undertake automation of Government functions and promote It as an interactive tool in the hands of citizens in their interaction with Government.

WTO AND GLOBALISATION

Pakistan is a member of WTO / GATS and has actively participated in its deliberations. In 1997, Pakistan formally filed an offer for opening up of its telecom sector to full competition by the year 2002. The same was reflected earlier in the Pakistan Telecommunications (Re-organization) Act 1996. In line with the WTO offer, the Government is fully committed to opening up the telecommunication services sector to full competition. The Telecom Deregulation Policy has recently been approved and now Fixed line telephone Services are also open to the Private Sector.

Pakistan is fully supportive of Intellectual Property Rights Laws and has already amended its Copy Right Laws, Patent Ordinance and Trade Marks Laws to make them compliant with TRIPS. Pakistan, however, feels that the Asian Forum should highlight the difficulties and the heavy costs required to be borne by the developing



countries in the implementation of TRIPS. The Forum and UNDP should take up the issue with WTO to invoke special and differential (S&DR) rights available to the developing countries for special flexibilities in the implementation of IPR laws.

REGULATORY FRAMEWORK

The telecommunication sector is regulated under the Pakistan Telecommunications (Re-organization) Act 1996 under which re-structuring and reforms were initiated in the telecom sector to enable the paradigm shift from a monopoly regime towards full competition and market opening. Under this Act, all telecommunication operators including Internet service providers are required to be granted license by the industry regulator - the Pakistan Telecommunication Authority, which oversees and regulates the sector. Currently, there is an exclusive service provider for basic telecommunication & international services whose exclusivity has expired on 31st December 2002. The Telecom Deregulation was approved earlier this year. Telecommunication sector de-regulation is an important element of strategy for growth of ICT Sector given the importance of telecom networks as key elements of ICT infrastructure. In this regard, the Federal Cabinet of Pakistan has approved the telecom sector de-regulation policy in 2003.

The Electronic Transactions Ordinance has been promulgated in 2002 to enable development of a regime wherein electronic records and digital signatures become acceptable as legal documents in Pakistan. The Law enables legal recognition and acceptance of electronic documents / transactions in courts of law and would provide the basic framework for developing regulatory structure for electronic transactions. The ETO also addresses issues relating to Cyber Crime. Meanwhile to curb cyber crime, Electronic Crime Act 2003 is under preparation.



CONTENT AND APPLICATION

We are aware of the local content and there are a number of private sector initiatives to develop content in local language. The Government is also in the process of initiating projects for providing access to the Government portal in local languages as well as developing electronic services in local languages.

English has a huge content in science as well as humanities. We would like to provide access to this knowledge base to our people in Urdu language. For this purpose, Urdu language translation development program has been initiated. To date an immense amount of information has been produced in English and is being added upon by the Government every year. However, this information (printed or published on the internet) is not accessible to a vast majority of Pakistanis because they do not understand English. Due to the enormity of the task and resource requirement, it is not possible to regenerate the material in Urdu, our national language and the commonly understood all over Pakistan.

It is possible to bring all this information to the general masses of Pakistan by making a Machine Translation System. Government of Pakistan has initiated a project titled “Lexicon, Machine Translation & Text- to – Speech Software for Urdu- Extendable to Regional Languages”. The project will enable to develop a computer program that will take English text and convert it and display it in Urdu on the fly, enabling most Pakistanis to have access to English language material.

PUBLIC PRIVATE PARTNERSHIPS

Presently the Public Private Partnership program is its infancy, however some components of the main program have been started on Public–Private Partnership basis. One of the biggest initiatives of the Government, pertaining to “Distance Learning (Virtual University)” is an example of such an initiative. Under this program the classrooms for the virtual university have been set up all over the country in a public private partnership.



After the overwhelming response of the Public Sector Information Technology Parks (ITPs), Government has undertaken the task to establish such parks as public-private sector partnership, where the Government will provide optical fiber infrastructure and data connectivity up to the building, and the private sector operator will manage the ITP, pay for the bulk bandwidth and re-distribute the bandwidth within the ITP. The ITP operator will be free to set the rental rates but will have to guarantee a satisfactory level of data and allied services like lifts, security and backup power to the tenants, and ensure that the tenants are IT companies.

The long-term objective of our IT policy is to develop the private sector so that it can drive the ICT development as is happening in the developed countries.

CONCLUSION

The Government of Pakistan has been taking key measures to encourage Foreign Direct Investment (FDI) in the country. The aim is to make the proposition financially attractive and simplify the FDI process to open up the opportunities in Pakistan's IT sector. In this regard, several policy measures have been taken over the last 3 years that include, reduction in bandwidth rates from US\$ 96,000 per month per E 1 to US\$ 5,400 per month per E 1, thus making bandwidth costs in Pakistan the lowest among developing countries.

IT companies have been allowed a 15-year income tax exemption. Software exporting companies are allowed to retain 35% of their earnings in foreign currency accounts.

ISPs intending to start business in the under developed province of Balochistan get a reduction of 50% in their license fee for 5 years, commencing March 1, 2001. 0% import duty on computers and computer parts. Full repatriation allowed for capital gains, dividends and profits. Processing period for license applications in the deregulated sector has been reduced from 12 months to 7 days only.



Our ICT policies and strategies have played a catalytic role in the development of ICT in Pakistan. We have been successful in strengthening the ICT education and infrastructure. Now we are concentrating our efforts in e-government and ICT industry development.