

Unlocking the Potential of Pakistan's Other Business Services Exports

Accounting, Auditing, Bookkeeping
and Tax Consulting Services



June 2026

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The Pakistan Business Council: An Overview

The Pakistan Business Council (PBC) is a research-based business advocacy platform established in 2005. It is now supported by over 100 private sector local and multinational businesses with significant investment in, and long-term commitment to sustainable growth of the country. They come from 14 countries, have leading roles in 17 major sectors of the formal economy, generate 40% of annual exports, contribute a third of Pakistan's total tax revenues and employ three million. Their combined sales represent every 6th Rupee of Pakistan's GDP.

PBC's major objectives are to advocate policies that lead to creation of jobs, value-added exports and reduction in import reliance through improved competitiveness of manufacturing, services and the agriculture sectors. It also promotes formalization of the economy.

PBC's over-arching theme, "**Make-in-Pakistan**" consists of three pillars: "**Grow More/Grow Better**", "**Make More/Make Better**" and "**Serve More/Serve Better.**" Its evidence-based advocacy is backed by over a hundred studies to date through its full-time research team, supplemented by collaborative research with renowned industry experts and economists. Through its Centre of Excellence in Responsible Business (CERB), PBC works to build capacity and capability of businesses beyond its membership, to adopt high environmental, social and governance standards. PBC holds conferences, seminars and webinars to facilitate the flow of relevant information to all stakeholders in order to help create an informed view on the major issues faced by Pakistan. Through its presence in Islamabad and Karachi, it works closely with relevant government departments, ministries, regulators and institutions, as well as other stakeholders including professional bodies, to develop consensus on major issues impacting the economy.

PBC is a pan-sectoral, not-for-profit, Section 42 entity. It is not a trade body; therefore, it does not advocate for any specific business sector. Rather, its key advocacy thrust is on easing barriers that thwart competitiveness of businesses in Pakistan. Further information on the PBC is available on: www.pbc.org.pk. The PBC's founding objectives are:

- To provide for the formation and exchange of views on any question connected with the conduct of business in and from Pakistan.
- To conduct, organize, set up, administer and manage campaigns, surveys, focus groups, workshops, seminars and fieldwork for carrying out research and raising awareness in regard to matters affecting businesses in Pakistan.
- To acquire, collect, compile, analyze, publish and provide statistics, data analysis and other information relating to businesses of any kind, nature or description and on opportunities for such businesses within and outside Pakistan.
- To promote and facilitate the integration of businesses in Pakistan into the World economy and to encourage in the development and growth of Pakistani multinationals.
- To interact with governments in the economic development of Pakistan and to facilitate, foster and further the economic, social and human resource development of Pakistan.

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List of Acronyms

ACCA	Association of Chartered Certified Accountants	IFRS	International Financial Reporting Standards
ADB	Asian Development Bank	ITC	International Trade Centre
AI	Artificial Intelligence	ITES	Information Technology Enabled Services
BPM	Business Process Management	KPO	Knowledge Process Outsourcing
BPO	Business Process Outsourcing	MNCs	Multinational Corporations
CA	Chartered Accountant	NASSCOM	National Association of Software and Service Companies
CAGR	Compound Annual Growth Rate	OECD	Organization for Economic Co-operation and Development
CMA	Certified Management Accountant / Cost and Management Accountant	PBS	Pakistan Bureau of Statistics
ERP	Enterprise Resource Planning	PEZA	Philippine Economic Zone Authority
FAO	Finance and Accounting Outsourcing	RCA	Revealed Comparative Advantage
FBR	Federal Board of Revenue	SBP	State Bank of Pakistan
GBS	Global Business Services	SEZ	Special Economic Zone
GCC (Business)	Global Capability Centre	SSC	Shared Services Center
GCC (Region)	Gulf Cooperation Council	U.K.	United Kingdom
GDP	Gross Domestic Product	U.S. / U.S.A.	United States / United States of America
GIC	Global In-House Centres	UNCTAD	United Nations Conference on Trade and Development
I.P.	Intellectual Property	WBG	World Bank Group
ICAP	Institute of Chartered Accountants of Pakistan	WTO	World Trade Organization
ICT	Information and Communication Technology		



Executive Summary

Executive Summary

In 2024, the Other Business Services were the most exported services in the world with its exports reaching \$2.1 trillion in 2024, contributing 24.2% to the total global services exports. According to the BPM6¹ (EBOPS 2010) classification, the Classification 10, Other business services have sub-classifications 10.2 Research and development services, 10.3 Professional and management consulting services, and 10.3 Technical, trade-related, and other business services. Accounting, auditing, bookkeeping, and tax consulting services are the sub-category of Sub-Classification 10.2, Professional and management consulting services.

Pakistan's Classification 10, Other business services exports amounted for \$1,573.0 million in 2024, where these services were Pakistan's second most exported commercial service, Assessing Pakistan's relative competitiveness amongst its services, Pakistan has a comparative advantage only in Classification 9, Telecommunications, computer and information services with an RCA of 3.2, while Other Business Services come close to having an RCA of 0.8.

Pakistan remains a relatively small player in global business services trade, accounting for only 0.1% of global Other Business Services exports and ranking 67th globally in 2024. However, within professional and management consulting services, exports grew at a CAGR of 11.4% between 2019 and 2024, significantly outperforming broader business services growth. Competitiveness indicators reveal a mixed picture. Pakistan's market share declined slightly, but the country demonstrates strong domestic value addition, reflected in a Greenaway and Milner RCA of 1.39 for Other Business Services and an exceptionally high 4.92 for Professional and Management Consulting Services.

The global accounting services market was valued at US\$646.1 billion in 2024 and is projected to reach US\$986.5 billion by 2032, growing at a CAGR of 5.4%. Core accounting functions remain the largest segment of the industry, with bookkeeping (29.6%), financial auditing (16.7%), and tax preparation (12.5%) collectively accounting for more than three-quarters of the market. Pakistan's accounting sector benefits from a technically qualified, and tech savvy workforce operating under IFRS-based standards.

Within Pakistan's services exports, Accounting, Auditing, Bookkeeping, and Tax Consulting services generated approximately US\$69.2 million in FY25, recording a high growth rate of 15.0% CAGR between FY20 and FY25. The sector also maintains a strong and persistent trade surplus, reflecting its potential as a source of foreign exchange earnings and higher-value services exports.

Pakistan also benefits from highly competitive labor costs, with mid-level accounting and consulting professionals earning substantially less than peers in developed markets while maintaining alignment with international accounting standards, however Pakistan lags behind aspiring competitors such as India and the Philippines. Across successful peer economies, common success factors include strong policy support, export promotion, industry-academia collaboration, technology adoption, reliable infrastructure, and a focus on higher-value professional services. These experiences demonstrate the potential benefits of moving beyond transactional outsourcing towards integrated, knowledge-intensive service delivery models.

¹ The BPM6 (Balance of Payments and International Investment Position Manual, Sixth Edition), developed by the IMF, provides the global standard for recording economic transactions between residents and non-residents.

Main Findings

Current Market Trends and Future Projections

- **Strong Growth Momentum and Expanding Global Demand**
The sector is experiencing strong export growth, supported by rising international demand across major markets. Increasing business volumes and improving confidence levels reflect growing recognition of Pakistan's technical expertise and cost competitiveness.
- **Trends in the Global Market**
Global demand is shifting from routine accounting services towards higher-value advisory, compliance, risk management, and finance transformation services. While North America, Europe, Australia, and the Gulf offer significant opportunities, success increasingly depends on expertise, quality, client trust, and the ability to deliver specialized solutions rather than cost alone.
- **Challenging Domestic Market**
The domestic market is characterized by lower fee levels, limited demand for outsourced professional services, and a relatively burdensome tax environment. These factors make it difficult for firms to scale locally and strengthen the incentive to pursue export markets.
- **Demand Exists for Entry-Level Finance and Accounting Services**
Despite the shift towards higher-value services, significant international demand remains for bookkeeping, payroll processing, accounting support, compliance support, and other entry-level finance functions. However, the availability of job-ready talent with practical skills remains limited, creating a gap between industry demand and workforce readiness.
- **The AI Impact**
Artificial intelligence is expected to automate many routine accounting functions, increasing pressure on firms focused on transactional work. Future growth will depend on developing higher-value advisory, compliance, risk management, and strategic finance capabilities that are less vulnerable to automation.

Human Capital and Talent Retention Challenges

- **Academia–Industry Disconnect**
While Pakistani accountants are widely regarded as technically competent, graduates often lack practical exposure, communication skills, client management capabilities, and familiarity with modern accounting technologies, creating significant retraining requirements.
- **Visa and Mobility Restrictions Affect International Service Delivery**
Visa challenges and mobility restrictions hinder secondment arrangements, client engagement, and the ability of firms to respond quickly to international business opportunities.
- **High Tax Burden Contributes to Talent Migration**
Although export-oriented firms benefit from preferential tax treatment, these incentives do not extend to employees. High personal income tax rates encourage skilled accountants and finance professionals to seek employment abroad, particularly in Gulf markets.

Market Access, Visibility, and International Positioning Constraints

- **Restrictive Marketing Regulations Limit International Visibility**
Restrictions on advertising and business development activities limit firms' ability to build international visibility, promote their services, and compete effectively in global markets.
- **Pakistan Lacks International Visibility and Branding as a Professional Services Destination**
Pakistan remains relatively unknown as a destination for professional services exports and continues to be perceived primarily as a low-cost outsourcing destination rather than a provider of high-quality professional expertise.
- **Client Acquisition and International Market Access Remain the Largest Constraints to Growth**
Most international business is generated through referrals, personal networks, and diaspora connections, making client acquisition and market access particularly difficult for new entrants.

Technology, Infrastructure, and Digital Competitiveness Constraints

- **Infrastructure Gaps Increase Costs and Reduce Client Confidence**
Internet disruptions, connectivity issues, and power outages increase operational costs and undermine confidence in Pakistan as a reliable destination for outsourced professional services.
- **Weak Data Protection Frameworks Undermine International Trust**
Gaps in data protection and cybersecurity frameworks create concerns regarding confidentiality, regulatory compliance, and the security of sensitive client information.
- **Banking and Foreign Exchange Procedures Create Significant Operational Challenges**
Complex banking procedures, foreign exchange restrictions, and payment delays increase business costs and reduce the ease of serving international clients.
- **High Cost of Professional Software Reduces Competitiveness**
High subscription costs for accounting software, ERP systems, cloud platforms, and cybersecurity tools limit technology adoption and reduce the competitiveness of professional services firms, particularly SMEs.

Regulatory, Taxation, and Business Environment Challenges

- **Challenging Environment for Foreign Investment and International Business Expansion**
Regulatory complexity, lengthy approval processes, and administrative burdens discourage foreign investment and limit opportunities for international partnerships and expansion.
- **Declining Presence of International Firms**
The exit of major international accounting networks reduces opportunities for knowledge transfer, professional development, international exposure, and integration with global markets.
- **Taxation and Regulatory Complexity Reduce Competitiveness**
Fragmented provincial tax regimes, high taxation on businesses and professionals, and regulatory complexity reduce competitiveness and discourage investment and expansion.

Weak Institutional Support and Commercial Facilitation

- **There is No Unified Institutional Framework Supporting Professional Service Exporters**
The absence of a centralized accreditation, promotion, and facilitation platform limits international visibility, trust-building, and coordinated export promotion efforts.
- **Commercial Attachés and Diplomatic Missions are not Effectively Supporting Services Exporters**
Limited engagement by embassies, commercial attachés, and trade missions reduces opportunities for market facilitation, client connections, and international business development.
- **Lack of Sector Data and Market Intelligence**
The absence of reliable sector-level data and market intelligence constrains policy formulation, industry planning, and targeted export promotion efforts.
- **Accounting and Professional Services Have Not Been Recognized as a Strategic Export Sector**
Despite its export potential, the sector receives limited policy attention and remains grouped within broader IT-enabled services classifications, limiting access to dedicated support and incentives.

Recommendations

Develop Human Capital and Retain Talent

- **Modernize Human Capital Development**
Strengthen collaboration between industry, academia, professional bodies, and government to modernize curricula, improve practical training, and align skills with market requirements.
- **Support Talent Retention and Workforce Competitiveness**
Consider targeted tax concessions or preferential tax treatment for employees working in export-oriented professional services to improve talent retention and reduce outward migration.
- **Develop Industry-Oriented Certification and Workforce Development Programmes**
Develop industry-led certification and training programmes in bookkeeping, payroll processing, accounting software, ERP systems, and compliance support services to create job-ready talent and meet growing international demand for finance and accounting support services.

Enhance International Market Access and Commercial Diplomacy

- **Strengthen International Branding and Market Access**
Enhance Pakistan's global visibility through targeted branding campaigns, participation in international events, and promotion of the country's pool of qualified professionals.
- **Improve Commercial Diplomacy and Professional Mobility**
Leverage embassies and commercial missions to promote Pakistani firms abroad while addressing visa and mobility barriers that affect client engagement and service delivery.
- **Leverage Strategic Market Opportunities**
Prioritize expansion into the Gulf, UK, Australia, and selected European markets while supporting firms through targeted market access and business development initiatives.

Accelerate Technology Adoption and Digital Competitiveness

- **Facilitate Access to Professional Software and Digital Tools**
Reduce barriers to software adoption through streamlined foreign exchange procedures and targeted support mechanisms such as subsidies, tax incentives, or concessionary financing for export-oriented firms.
- **Accelerate Technology Adoption and AI Readiness**
Promote the adoption of AI, automation, cloud accounting, and digital tools to improve productivity and support the development of technology-enabled professional services.
- **Enable Data Protection and Cybersecurity Frameworks**
Enable data protection legislation and cybersecurity standards to improve international trust and facilitate access to higher-value service segments.

Strengthen the Business Ecosystem

- **Encourage Domestic Demand for Professional Services**
Promote the adoption of outsourced accounting, compliance, and advisory services among domestic businesses to support firm growth and export readiness.
- **Transition Towards Higher-Value Service Delivery Models**
Encourage a shift from staff augmentation and secondment models towards BPM, SSC, and GCC models that deliver end-to-end business processes and higher-value services.
- **Develop a Professional Services Export Ecosystem**
Develop dedicated business services hubs supported by reliable infrastructure, connectivity, cybersecurity, and coordinated stakeholder collaboration to strengthen export competitiveness.

Improve the Regulatory and Business Environment

- **Rationalize Taxation and Foreign Exchange Procedures**
Reduce tax complexity, harmonize provincial tax regimes, and streamline foreign exchange procedures to improve competitiveness and ease of doing business.
- **Improve Conditions for International Professional Services Networks**
Address regulatory, taxation, and investment barriers to attract international firms and encourage greater knowledge transfer, skills development, and global integration.

Provide Institutional Support for Professional Services

- **Recognition of Accounting and Professional Services as a Distinct Export Sector**
Recognize accounting and professional services as a standalone export sector and provide dedicated policy support, incentives, and export promotion measures tailored to its specific needs.
- **Establish a Dedicated Professional Services Export Framework**
Create a dedicated institutional mechanism to coordinate sector development, collect market intelligence, support exports, and improve industry representation.
- **Create a National Professional Services Portal/Directory**
Develop a centralized platform to connect international clients with verified Pakistani firms and improve the sector's visibility, credibility, and market access.

Chapter 1

The Global Services Sector

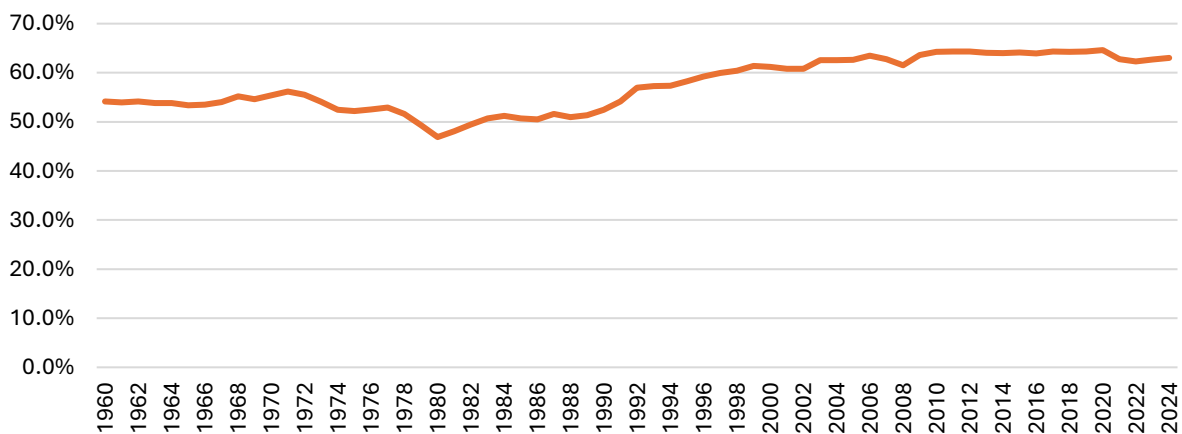


Chapter 1

The Global Services Sector

Services sector, also known as the tertiary sector, plays an important role in the global economy. Unlike the primary (agriculture) sector and the secondary (manufacturing) sector, the tertiary (services) sector produces intangible goods instead of physical goods. The services sector drives the global economy, making up more than half of world GDP and attracting most foreign investments in developed countries. It is also the biggest source of jobs and supports the flow of information, skills, and technology in a digital world (OECD, 2026; The World Bank, 2026). The Services contributed about 57.4% of the world's GDP from 1960 to 2024, as shown by the trend displayed in Figure 1-1.

Figure 1-1: The Global Services (Value Added) to GDP Ratio from 1960 to 2024



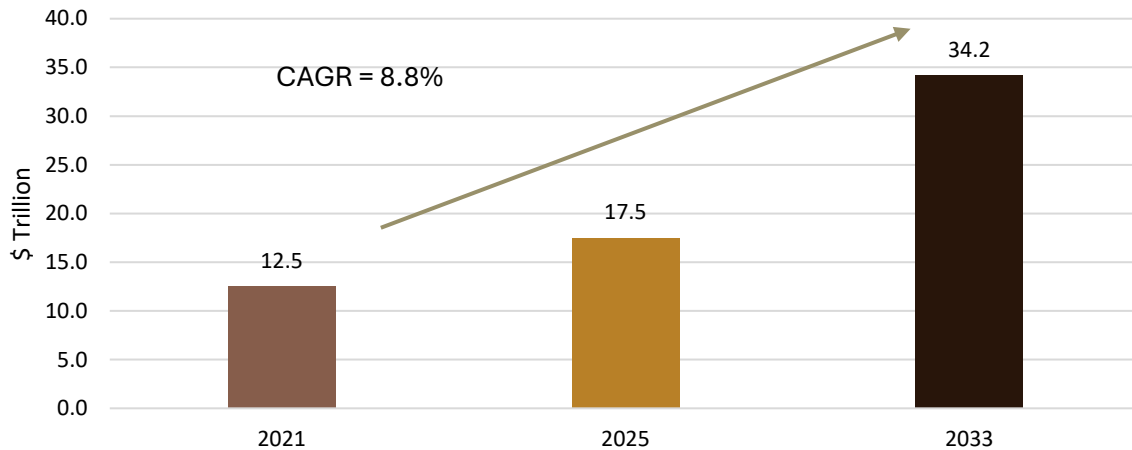
Source: The World Bank (2026)

In the 1960s, services made about 54.1% of the world's GDP. The governments in the Western countries were spending money on public services such as healthcare, education, and infrastructure. This led to majority of the population having disposable incomes which led to the rise of tourism and retail. In the 1970s, many countries began de-industrializing, factories closed in the U.S. and the U.K., however high inflation still restricted the services sector from growing as purchasing power was limited. In the 1980s, services made about 50.1% of the GDP on average due to the manufacturing sector in Asia growing at a record speed. South Korea, Taiwan, Singapore and China shifted from the agriculture sector to the manufacturing sector and as a result the manufacturing sector outpaced the services sector (Felipe, 2018). Services became a higher part of the GDP from the 1990s, when Software, telecommunications, and financial services suddenly became global products. India and the Philippines displayed the success of I.T. call centers in the 90s. In the 2000s, banking and financial services made a huge part of the GDP in the developed countries. In the 2010s most developed countries saw services make up 70% to 80% of their GDPs, it was mostly due to the rise of digital services and apps. Services made about 64.2% of the GDP in the 2010s. In the COVID-19 pandemic in 2020, due to being restricted at home, services spending on both goods and services fell. Tourism saw the most decline while ICT and Business services saw a huge surge in demand (The World Bank & WTO, 2023).

1.1 The Global Services Market

In 2021, the global services market sales were estimated to be \$12.5 trillion. By the end of 2025, it was estimated to have increased with a CAGR (Compound Annual Growth Rate) of 8.8%. Estimating the same increase of 8.8% by 2033, services sales are estimated at \$34.2 trillion in 2033.

Figure 1-2: Global Services Market Sales from 2021 to 2033

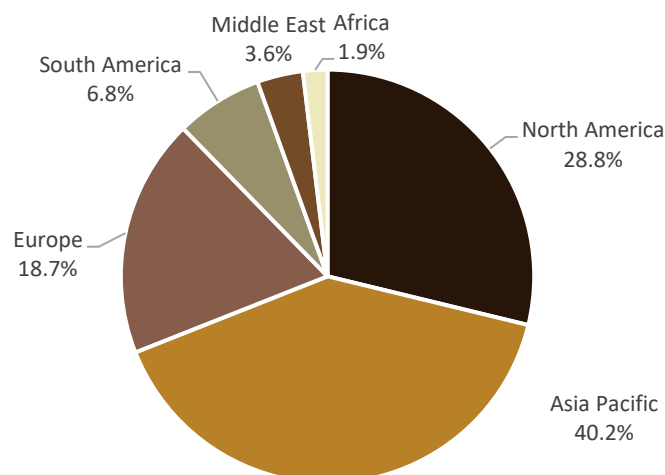


Source: Bagekari (2026)

The global services market is changing as companies deal with crowded markets and high employee turnover. To stay ahead, many are using AI and automation to speed up work and lower their costs. They are also focusing more on personalizing the customer experience to stand out from competitors. By moving toward subscription and platform models, these companies are building steadier, more scalable growth models for the future.

Even though this trend is global, Asia has been recognized as the key region for the rapidly growing AI operations and is a key player in the global, high-growth, service-led automation market. In 2025, Asia Pacific's Services market constituted 40.2% of the global services market as shown in Figure 1-3.

Figure 1-3: Region Wise Share in the Services Market in 2025



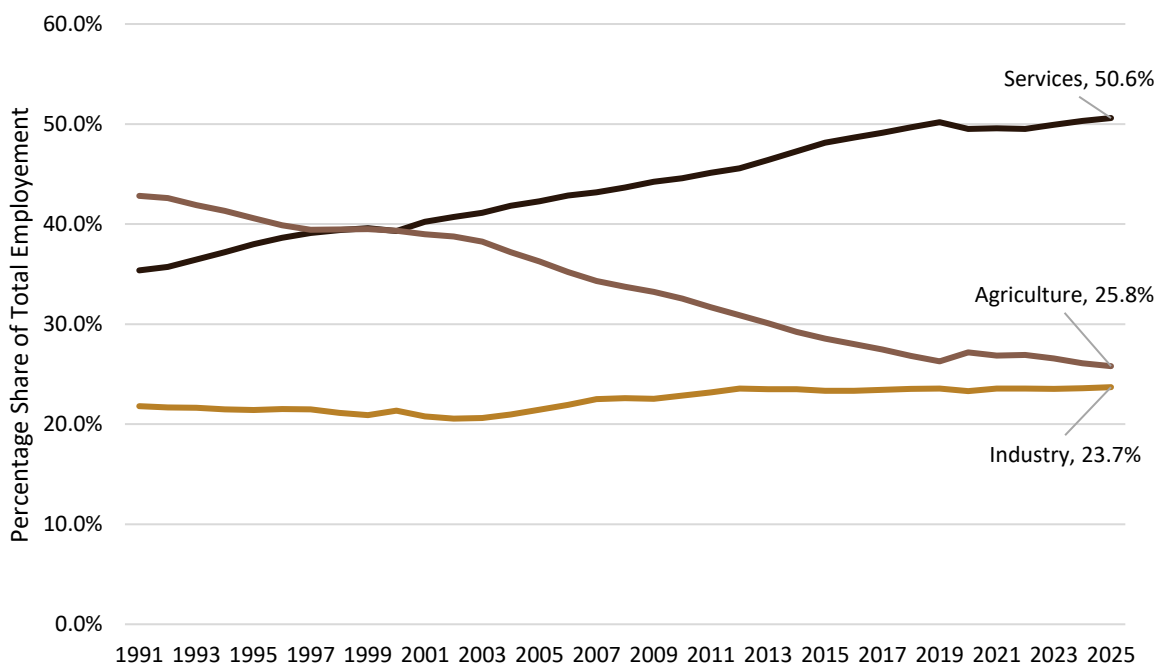
Source: Bagekari (2026)

In 2025, Asia Pacific's services market amounted for \$7,021.4 billion, while North America's stood at \$5,027.3 billion followed by Europe's services market of \$3,263.6 billion. Meanwhile, the footprint is growing in South America (\$1,189.16 billion), the Middle East (\$626.88 billion), and Africa (\$333.522 billion), even though their markets make a small proportion of the total services market, it highlights how even emerging markets are navigating complexity to build steadier, long-term growth (Bagekari, 2026).

1.2 Employment

As evident by the world employment trends, there has been a significant shift in the world sector structures in the past 3 decades. In 1991, employment in the agriculture sector was 42.8% of all the sectors' employment and the services sector employed about 35.4%. Fast forward to 2025; agriculture sector's employment is 25.8%, while services employ 50.6% as shown in Figure 1-4.

Figure 1-4: Global Sector Wise Percentage of Employment from 1991 to 2024



Source: The World Bank (2026)

Automation and urbanization have fundamentally changed the global workforce, moving labour away from traditional farming toward urban service hubs. The industry sector's employment has remained stable and achieved a slight growth between the 21.8% in 1991 and 23.7% in 2025. Despite automation and robots taking over low-skill jobs in the factories, there became a rising need for high skill jobs such as technicians, engineers, etc. to manage these robots. The industry sector also constructs of the construction sector, As the world continues to urbanize, especially in emerging markets, the demand for builders, electricians, and infrastructure workers has skyrocketed (ParkerBeth 2026). This growth in construction ended up soaking up labour even in areas where manufacturing may have slowed down.

1.3 Global Services Exports

In the modern trade landscape, the value of a product is increasingly determined by the intangible services embedded within it. While goods trade stands at \$26.3 trillion, the \$8.9 trillion services sector provides the essential intellectual infrastructure that makes global trade possible and constitute about 25.3%.

Services are divided into 12 categories as shown in Table 1-1. Aside from Classification 12. Government goods and services, all of the other categories are commercial services which are profit oriented and market driven. Classification 12. Government goods and services, covers all government-related goods and services transactions (e.g., embassies and military bases) not classified elsewhere, specifically involving non-resident governments and international organizations.

Table 1-1: Total Services and their Categories' Exports from 2015 to 2024

Services Categories	2015	2024	CAGR (2015-2024)
	\$ Billion		
Services (Total)	5,073.2	8,852.2	6.4%
1. Manufacturing services on physical inputs owned by others	93.2	151.5	5.5%
2. Maintenance and repair services, n.i.e.	76.5	147.4	7.6%
3. Transport	898.6	1,483.0	5.7%
4. Travel	1,216.4	1,740.4	4.1%
5. Construction	96.3	118.6	2.3%
6. Insurance & pension services	128.9	240.0	7.1%
7. Financial services	459.4	781.6	6.1%
8. Charges for the use of intellectual property	341.2	550.1	5.5%
9. Telecommunications, computer, and information services	477.5	1,252.8	11.3%
10. Other business services	1,117.6	2,131.7	7.4%
11. Personal, cultural, and recreational services	73.1	127.5	6.4%
12. Government goods and services	74.5	90.7	2.2%

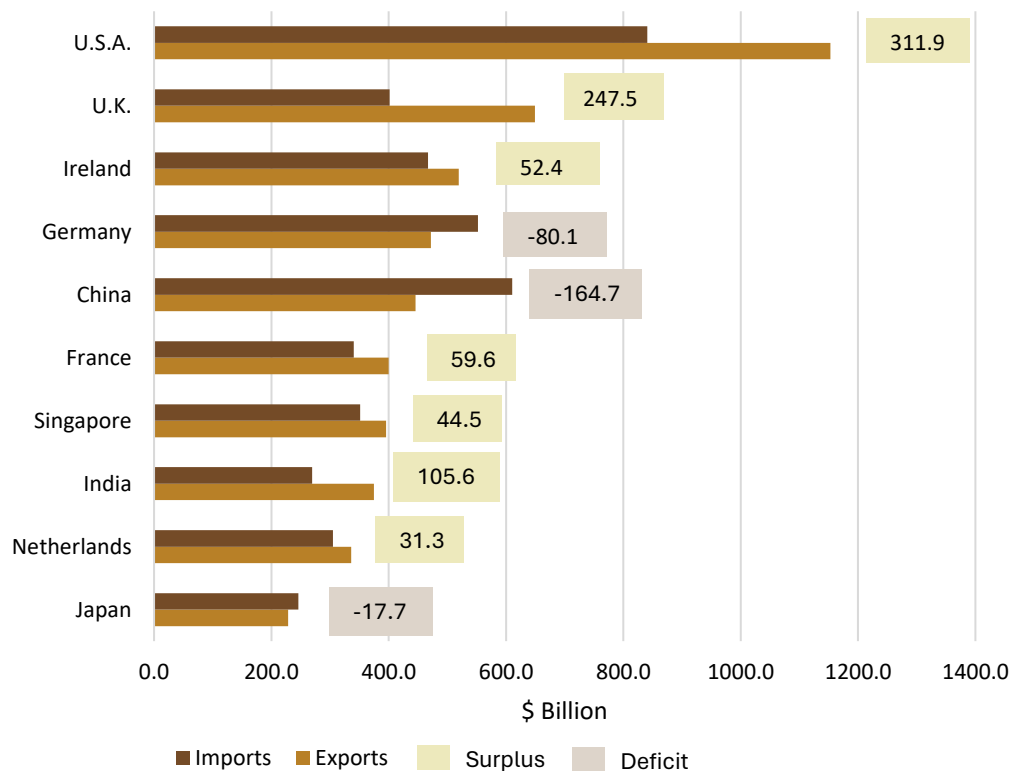
Source: UNCTAD (2025)

The world has seen Classification 9. Telecommunications, computer, and information Services increase the most in the 10-year span of 2015 to 2024 amounting to about \$1.3 trillion in 2024. Classification 10, Other business services were the most exported globally with its exports reaching \$2.1 trillion in 2024. Amongst all the services, the most exported were Classifications 3. Transport, 4. Travel, 7. Financial services, 9. Telecommunications, computer and information services, and 10. Other business services.

1.4 Leaders in Global Services Trade

The top 3 exporters of services are the U.S.A., U.K., and Ireland, collectively contributing to 26.2% of the world's services exports in 2024. Figure 1-5 shows the exports, imports, and their trade balances of the top 10 exports of services in 2024. All countries that appear in the top 10 for exports also appear in the top 10 for imports, highlighting their roles as central hubs in the global economy. Amongst the top ten exporters of services in 2024, the U.S., U.K., and India have the largest services trade surpluses, amounting to \$311.9 billion, \$247.5 billion, and \$105.6 billion, respectively.

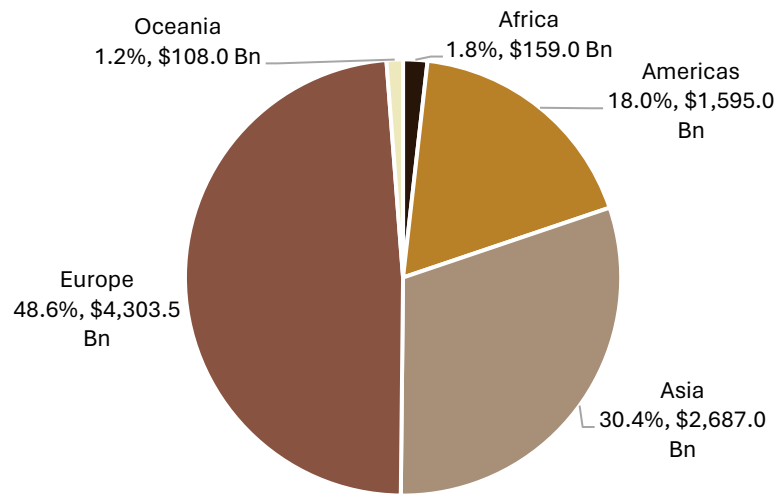
Figure 1-5: The Exports and Imports of the Top 10 Services Exporters in 2024



Source: ITC Trade Map (2026)

The top 10 exporters of services contributed 56.2% of the world's services exports in 2024, displaying a high geographic concentration of these exports. The global services trade is dominated by western countries such as the U.S., U.K., Ireland, France, Germany and Netherlands among top exporters but there is also significant representation from Asia (China, Singapore, India, Japan), showing the globalized nature of modern trade. Figure 1-6 further displays this geographical concentration in 2024.

Figure 1-6: Share of Region Wise Exports in 2024



Source: UNCTAD (2025)

This report is a part of the Pakistan Business Council's (PBC) series on the services sector. The first report on Other Business Services was published in June 2022.² This is the second report on Classification 10, Other Business Services and specifically focus on 10.2.1.2, Accounting, auditing, bookkeeping, and tax consulting services. The sections of this report will focus on Global Other Business Services, Pakistan's Services and Other Business sector, the Accounting, Auditing, Bookkeeping, and Tax consulting services, Pakistan's competitors, Industry's insights and Recommendations.

² PBC's 2022's report: Enhancing the Competitiveness of Pakistan's Services Exports – Other Business Services can be assessed through this link: <https://www.pbc.org.pk/research/enhancing-the-competitiveness-of-pakistans-services-exports-other-business-services/>

Chapter 2



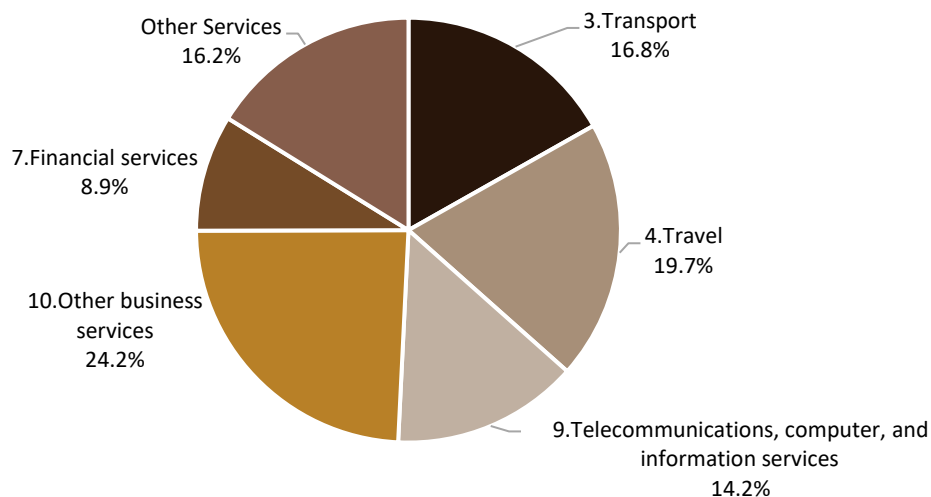
Global Other Business Services Sector

Chapter 2

Global Other Business Services Sector

Classification 10, Other business services were the most exported services in the world with its exports reaching \$2.1 trillion in 2024 as discussed in Chapter 1. Before the Covid-19 pandemic (until 2019) Classification 4, Travel was consistently the most exported service followed by Classification 10, Other business services. Since 2020, Classification 10, Other business services consistently held the title of the most exported service. In 2024, Classification 10, Other business services' exports made 24.2% of the total services exports as shown in Figure 2-1. Classification 4, Travel held 19.7% share in the world's exports in 2024. However, with Classification 4, Travel's venerable nature to global uncertainties, Classification 10, Other business services may continue to outperform Classification 4, Travel and similar services like Classification 3, Transport and Classification 7, Financial Services.

Figure 2-1: Proportion of Services Categories' Exports as a Total of Services in 2024

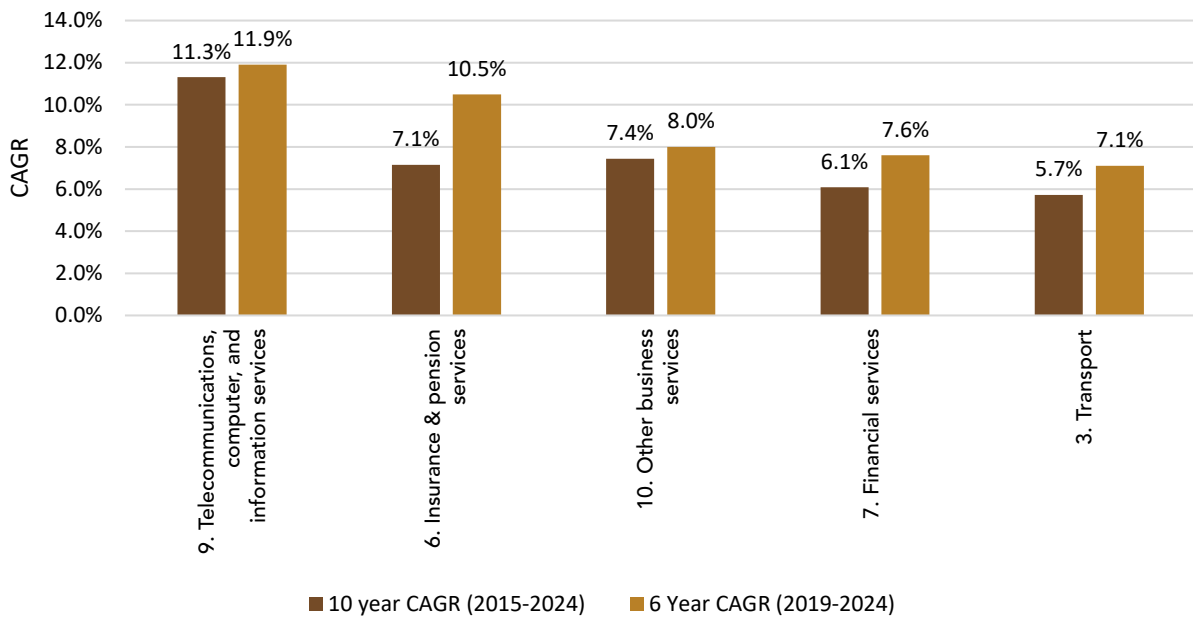


Source: UNCTAD (2025)

This dominance of Classification 10, Other business services isn't just a twist of fate, but a reflection of how the modern global economy is physically and digitally structured. The reason for this lies in its broad categorization, it encompasses almost every corporate function that can be outsourced or provided remotely, its total volume naturally outweighs more specific categories like Classification 6. Insurance and pension services or Classification 9, Telecommunications, computer and information services. Unlike the travel and transport sectors—which are currently hindered by the global crises, Classification 10, Other business services are largely delivered through digital channels, making it resilient to physical trade disruptions and airspace closures. Furthermore, the expansion of Global Value Chains (GVCs) has caused manufacturing to seek more services, as corporations increasingly outsource specialized professional tasks to global hubs to maintain competitiveness (Miroudot and Cadestin, 2017). This structural shift towards knowledge-intensive, intangible trade ensures that the Classification 10, Other business services remain the largest and most stable component of global services, even when geopolitical volatility suppresses physical movement.

Figure 2-2 shows the world's top 5 fastest growing services by 10- and 6-year Compound Annual Growth Rate (CAGR). 6-year CAGR has been taken to neutralize the special circumstances of 2020 (start of COVID-19). The Classification 10, Other business services maintained a healthy 7.4% CAGR over the 10-year period (2015–2024), its growth surged to 8.0% during the 6-year period (2019–2024). This indicates that rather than plateauing, the sector gained significant speed during and after the global pandemic.

Figure 2-2: The World's Top 5 Fastest Growing Services by 10 - and 6 – Year CAGR



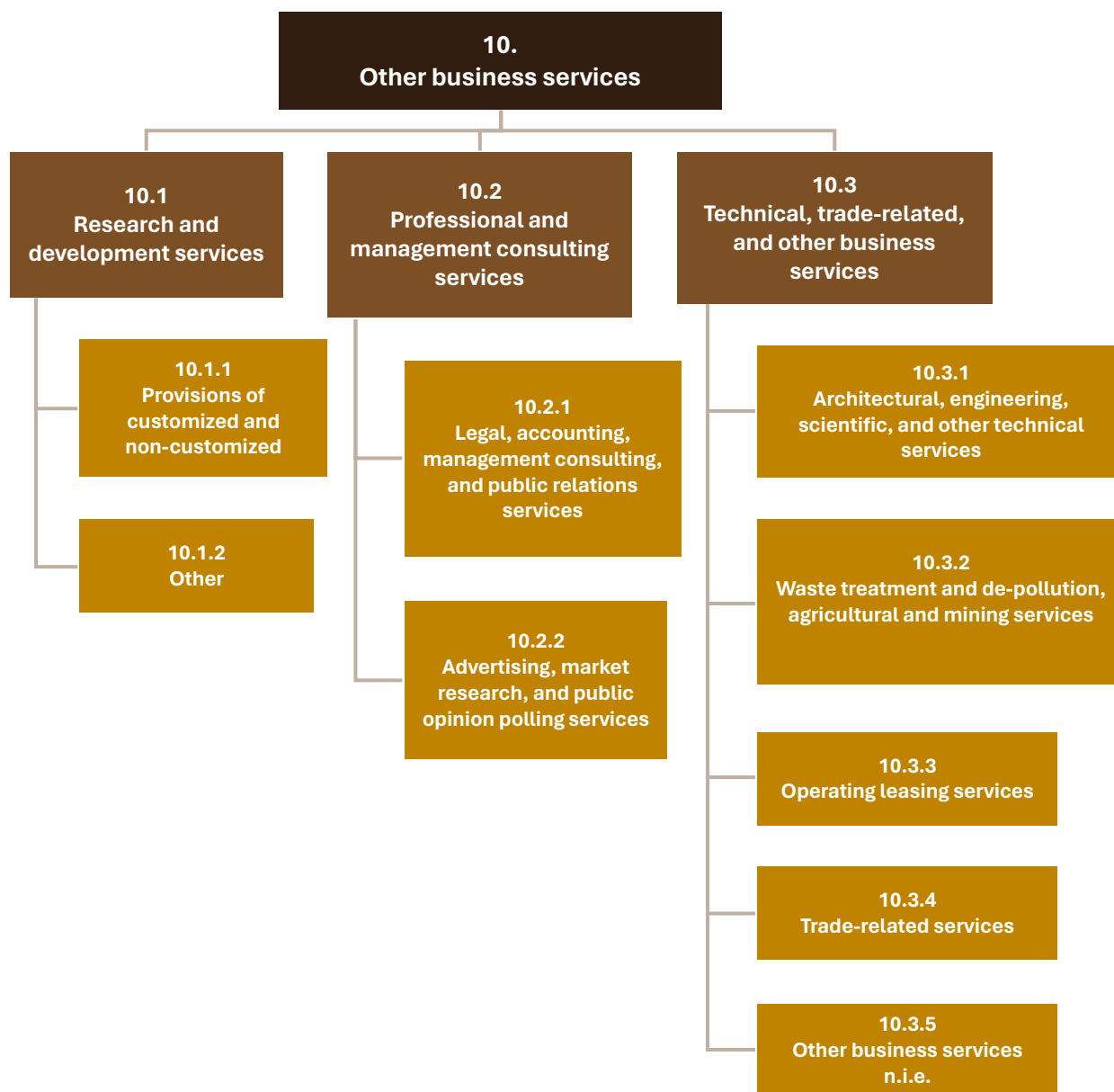
Source: Authors' Calculations based on UNCTAD Data (2025)

Unlike Classification 3, Transport, which saw a growth jump from 5.7% to 7.1% largely due to post-pandemic recovery and supply chain surges, the growth in Classification 10, Other business services are driven by structural shifts in how companies operate globally. While Classification 9, Telecommunications, computer, and information services remain the fastest-growing amongst all services, Classification 10, Other business services are the broad-based engine of the services economy. Its double-digit growth in the recent 6-year window confirms its role as a vital component of Global Value Chains (GVCs).

2.1 Components of Other Business Services

According to the BPM6 (EBOPS 2010) classification, the Classification 10, Other business services have sub-classifications 10.2 Research and development services, 10.3 Professional and management consulting services, and 10.3 Technical, trade-related, and other business services. Accounting, auditing, bookkeeping, and tax consulting services are a sub-category of Sub-Classification 10.2, Professional and management consulting services. The division is presented in Figure 2-3.

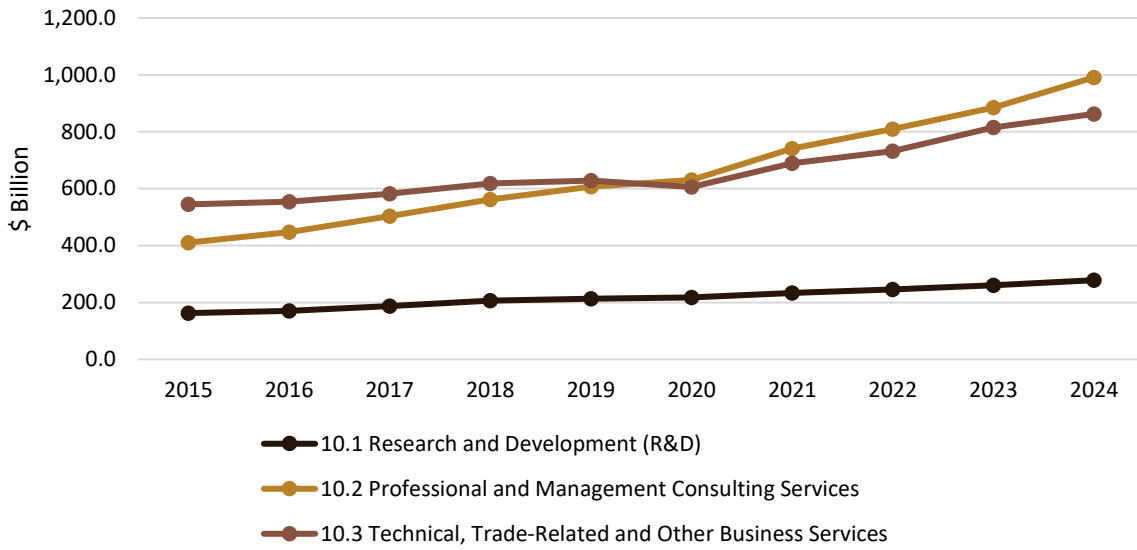
Figure 2-3: Classification 10, Other business services and its further sub-categories



Source: United Nations (2012)

Figure 2-4 shows the exports of Classification 10, Other business services' sub-categories from 2019 to 2024. Sub-classification 10.2, Professional and management consulting services is the primary engine of this category, nearly doubling in value over the last five years (2020 to 2024).

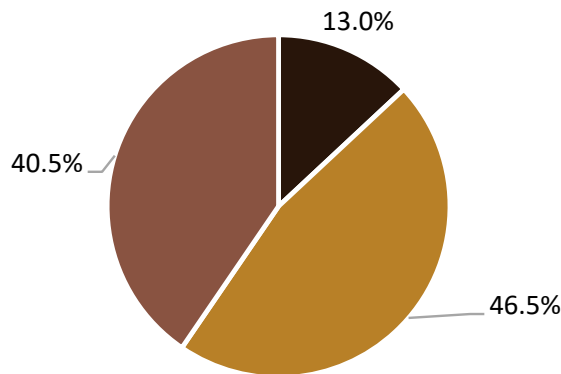
Figure 2-4: Exports of Other Business Services' Sub-Categories from 2015 to 2024



Source: UNCTAD (2025)

The dominance of Classification 10.2, Professional and management consulting services identifies a global shift toward knowledge-intensive outsourcing where companies are paying for high-level strategy and management expertise across borders much more than they are for technical or R&D tasks. This further proves that value added in global trade is now evolving at a management/consulting level rather than the technical/assembly level (Miroudot and Cadestin, 2017). As further seen in Figure 2-5, 10.2, Professional and management consulting services and 10.3, Technical, trade-related, and other business services contribute 46.5% and 40.5%, respectively, to the total other business services' exports.

Figure 2-5: Other Business Services' Categories Share in its Total Exports in 2024

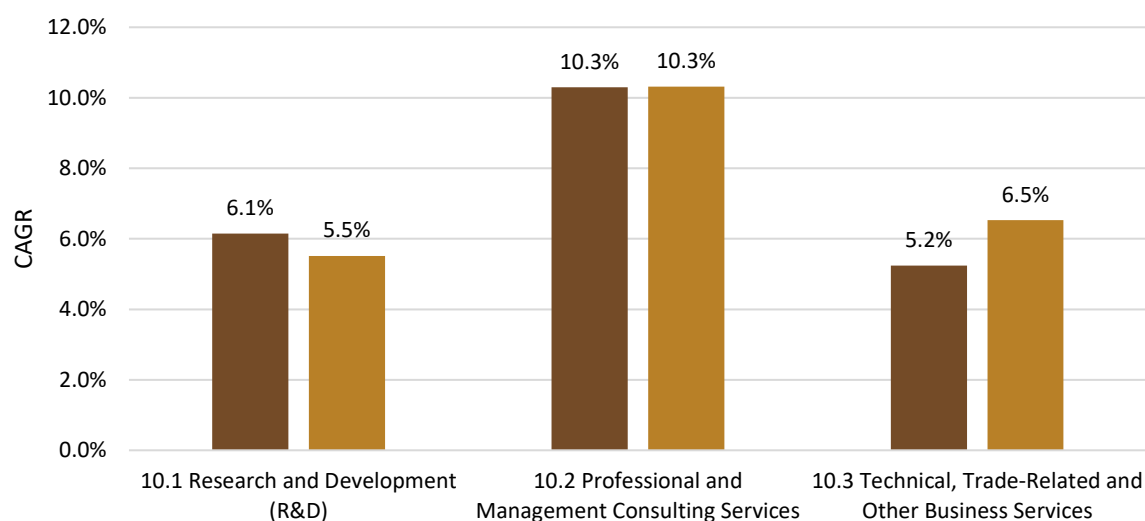


- 10.1, Research and development services
- 10.2, Professional and management consulting services
- 10.3, Technical, trade-related, and other business services

Source: UNCTAD (2025)

During the 10 years (2015-2024) and the recent 6 years (2019-2024), the sub-classification 10.2, Professional and management consulting services consistently recorded the highest CAGR of 10.3%.

Figure 2-6: Other Business Services' Sub-Categories' 10- and 6-Year CAGRs



Source: Author's Calculations based on UNCTAD data (2025)

Even though all three sub-categories are recording a reasonable CAGR of above 5%. The almost double CAGR of the sub-category 10.2, Professional and management consulting services highlights the global shift towards knowledge intensive outsourcing, where companies are paying for high-level strategy and management expertise across borders at a much higher rate than they are for technical or R&D tasks.

2.2 Top Exporters and Importers of Other Business Services

The U.S.A. is the top exporter of Classification 10, Other business services in 2024, exporting a value of \$263.9 billion and having a market share of 12.5%. Both the U.S.A. and the U.K. hold about 23.6% of the market share in 2024 as shown in Table 2-1.

Table 2-1: Top 10 Exporters of Other Business Services

Rank	Exporters	2019	2020	2021	2022	2023	2024	Share	CAGR
		\$ Billion							
1st	U.S.A.	186.9	190.6	211.7	235.2	243.4	263.9	12.5%	7.1%
2nd	U.K.	149.7	154.2	179.2	185.8	216.8	234.0	11.1%	9.3%
3rd	India	44.5	47.3	55.5	74.9	137.4	155.3	7.4%	28.4%
4th	Germany	99.5	95.4	101.8	104.4	116.3	127.6	6.1%	5.1%
5th	Singapore	62.0	65.2	80.5	91.5	108.1	114.8	5.5%	13.1%
6th	France	93.0	82.6	96.9	99.5	106.6	113.1	5.4%	4.0%
7th	China	73.2	75.4	93.6	99.8	104.5	112.7	5.4%	9.0%
8th	Ireland	54.8	77.0	67.8	75.5	74.9	104.4	5.0%	13.8%
9th	Netherlands	78.3	68.0	75.9	85.6	99.9	98.7	4.7%	4.7%
10th	Belgium	47.2	46.6	53.0	51.9	56.2	51.9	2.5%	1.9%

Source: ITC Trade Map (2026)

Sub-classification, 10.2, Professional and management consulting services constituted about 60.6% of the U.S.A.'s Classification 10, Other business services exports in 2024. Amongst the top 10 exporters, India's Classification 10, Other business services have seen the highest CAGR of 28.4% between 2019 to 2024. Ireland's exports showed an impressive CAGR of 13.8% from 2019 to 2024, which might be mostly due to its status as a European hub for

multinational corporations (IDA Ireland, 2026). Even though Ireland is the largest importer of Classification 10, Other business services with imports of about 165.9 billion in 2024, its imports CAGR was -5.8% between 2019 to 2024 as shown in Table 2-2.

Table 2-2: Top 10 Importers of Other Business Services

Rank	Country	2019	2020	2021	2022	2023	2024	Share	CAGR
		\$ Billion							
1st	Ireland	223.2	228.4	147.3	144.4	162.1	165.9	8.6%	-5.8%
2nd	U.S.A.	114.4	113.4	130.1	138.9	145.7	159.7	8.2%	6.9%
3rd	Germany	102.5	100.6	113.5	115.2	131.8	150.5	7.8%	8.0%
4th	U.K.	89.0	97.1	105.7	110.7	123.3	141.5	7.3%	9.7%
5th	Singapore	63.3	68.3	84.5	95.8	107.6	111.5	5.8%	12.0%
6th	Netherlands	86.1	79.4	90.1	92.6	103.9	110.4	5.7%	5.1%
7th	France	82.4	74.3	82.4	87.4	100.8	103.1	5.3%	4.6%
8th	Japan	74.6	72.1	75.7	78.3	78.5	80.9	4.2%	1.7%
9th	Switzerland	53.0	56.3	65.1	62.0	73.4	78.7	4.1%	8.2%
10th	India	46.1	48.6	50.7	57.3	59.3	66.8	3.5%	7.7%

Source: ITC Trade Map (2026)

This rise in Ireland's imports was mostly due to increased Research and Development (R&D) service imports related to Intellectual Property (IP) (CSO, 2020). The drop in Irish imports between 2019 and 2021 was primarily driven by the unpredictability of multinational corporation (MNC) activity, specifically the sharp decline in onshoring Intellectual Property (IP) assets and related capital investment. Unlike the export side of Classification 10, Other business services, where the exports are concentrated, the import of the Classification 10, Other business services are growing steadily across the U.S.A., Germany, and the U.K.

Germany's imports of Classification 10, Other business services are catching up with the U.S.A., with a CAGR of 8.0% during 2019 to 2024, which is mostly due to Germany's outsourcing to large industries outsourcing technical and management services. With a higher CAGR of 9.7%, the U.K. is buying more and more of Classification 10, Other business services than before, which could be to support their expanding exports of the same.

Singapore, premier regional headquarters (RHQ) acts as a strategic intermediary, importing high-value management, financial, and professional services from global parent firms and redistributing them in ASEAN markets. Singapore has leveraged its extensive FTAs, robust infrastructure, and low tax environment, where Singapore facilitates cross-border operations and talent, acting as a critical, central node in regional value chains (Brooks and Hummels, 2009). India is appearing to be a massive net exporter of Classification 10, Other business services of \$88.5 billion. Where India is mostly known for its IT services exports, its Classification 10, Other business services exports are showing its expertise in providing remote business services abroad.

Chapter 3

Pakistan's Other Business Services



Chapter 3

Pakistan's Other Business Services

The services sector has evolved into the most significant component of Pakistan's macroeconomic landscape, acting as a critical buffer during periods of industrial and agricultural volatility. By 2026, the sector has not only solidified its role as the primary contributor to the national GDP but has also emerged as the nation's leading source of employment and a promising landscape for international trade. The following are the main indicators of the services sector in Pakistan.



50.7% of GDP in 2024 (Source: The World Bank, 2026)

According to a report published by the Asian Development Bank (ADB) in April 2026, expansion in services accelerated to 3.1% from 2.3% in FY2024.

As per statistics from the Pakistan Bureau of Statistics (PBS), the services sector contributed the most to Pakistan's GDP, accounting for 58.2% in 2024-25



38.5% of Employment in 2025 (Source: The World Bank, 2026)

According to World Bank data, the services sector has emerged as the leading employer in Pakistan. It is followed by the agriculture sector, which accounts for 36.2% of employment, and the industrial sector at 25.3%.



17.8% of Total Trade in 2024 (Source: ITC Trade Map, 2026)

As per the UNCTAD data, Pakistan's services' exports contributed 2.1%, while its imports contributed 2.9% to the GDP in 2024.

While the services sector is a powerhouse for the domestic economy, its role in international trade presents a more complex picture. It is important to acknowledge that Pakistan currently maintains a services trade deficit, with services imports (mainly in Classification 3, Transport and Classification 4, Travel) consistently exceeding services exports. Regardless, surging exports in Classification 9, Telecommunication, computer, and information services and Classification 10, Other business services continue to provide foreign exchange and much needed diversification from its concentrated textiles exports.

3.1 FDI in the Services Sector

The analysis of FDI into Pakistan's services sector from FY20 to FY25 as shown in Table 3-1, reveals a distinct shift in investor priorities, favoring financial business over physical infrastructure like construction.

Table 3-1: FDI into Pakistan Highlighting the Services Sector from FY20 to FY25

Sector	FY20	FY21	FY22	FY23	FY24	FY25	CAGR	Percentage of Total FDI (FY25)
	\$ Million							
Total FDI into Pakistan	3,322.1	3,061.4	2,692.5	2,568.0	3,166.3	4,267.9	5.1%	–
Construction	31.0	53.5	53.9	38.2	23.1	18.7	-9.6%	0.4%
Trade	77.1	180.9	114.7	86.9	63.2	45.5	-10.0%	1.1%
Transport	18.8	27.5	102.4	30.9	9.1	43.8	18.4%	1.0%
Tourism	0.0	14.5	18.8	16.2	20.2	23.2	382.7%	0.5%
Communications	807.9	284.4	326.6	107.2	93.4	162.0	-27.5%	3.8%
1) Telecommunications	763.3	204.4	174.9	57.7	46.1	99.4	-33.5%	2.3%
2) Information Technology	44.6	80.0	151.7	49.6	47.3	62.6	7.0%	1.5%
I) Software Development	14.1	15.9	45.8	14.8	8.4	10.1	-6.6%	0.2%
II) Hardware Development	1.0	0.4	1.3	0.4	0.0	0.0	-100.0%	0.0%
III) I.T. Service	29.5	63.7	104.6	34.4	38.9	52.6	12.2%	1.2%
Financial Business	315.1	366.8	436.8	323.4	668.6	769.5	19.6%	18.0%
Social Services	8.5	35.8	8.1	5.1	0.7	7.2	-3.3%	0.2%
Personal Services	78.5	59.4	91.9	65.4	22.2	125.4	9.8%	2.9%

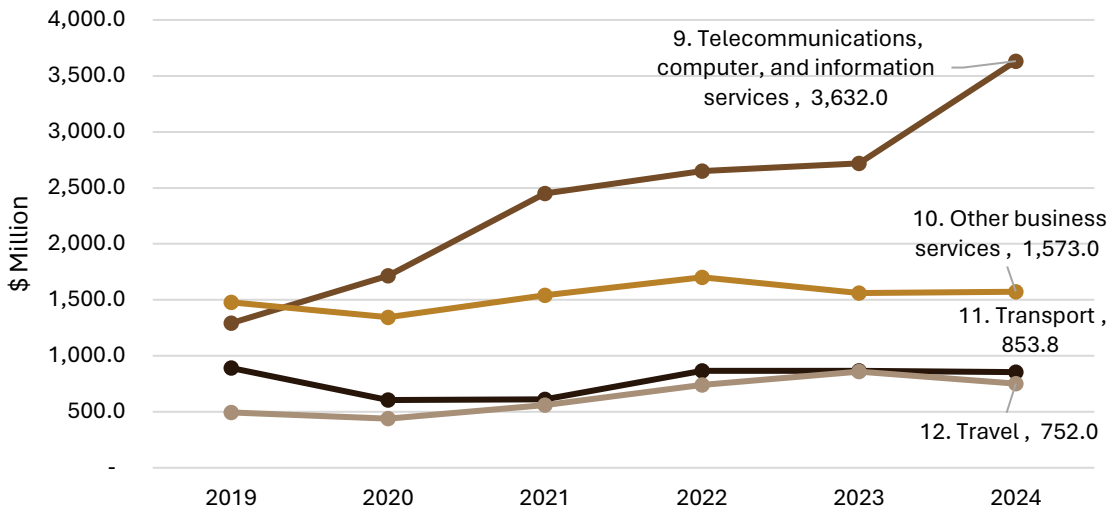
Source: SBP (2026 a)

Financial Business sector has pulled in about \$769.5 million in FY25, which constituted about 18.0% of the total FDI in FY25. Between FY20 to FY25, the Financial Business sector witnessed an FDI surge of 19.6%. This growth of inflow into finance almost certainly creates a pull effect for specialized accounting, auditing, and tax advisory services to manage these newly capitalized foreign entities.

3.2 Other Business Services in Pakistan's Services Exports

Pakistan's Classification 10, Other business services exports amounted to \$1,573.0 million in 2024. Classification 10, Other business services were Pakistan's second most exported commercial services in 2024, following Classification 9, Telecommunications, computer and information services having exports of \$3,632.0 million as shown in Figure 3-1.

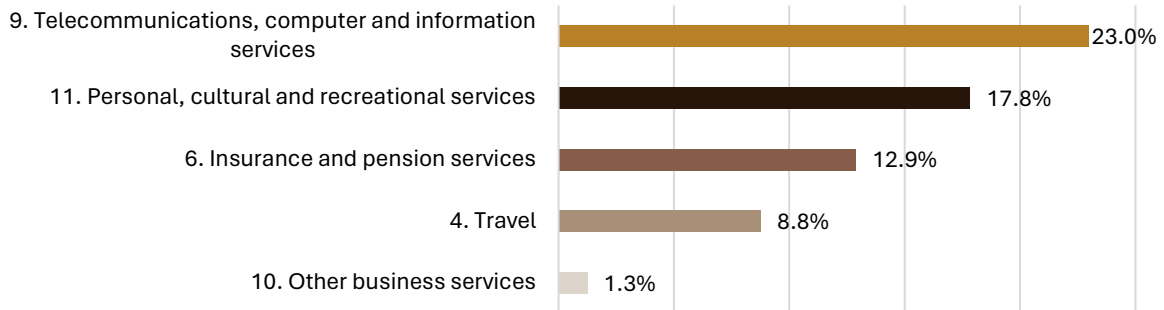
Figure 3-1: Pakistan's Top 4 Commercial Services Exports from 2019 to 2024



Source: ITC Trade Map (2026)

Classification 10, Other business services make about 19.4% of Pakistan's total services trade. Classification 10, Other business services also provide a viable option for diversification of services exports for Pakistan. Figure 3-2 shows Pakistan's fastest growing exports from 2019 to 2024.

Figure 3-2: Pakistan's Fastest Growing Exports from 2019 to 2024



Source: UNCTAD (2025)

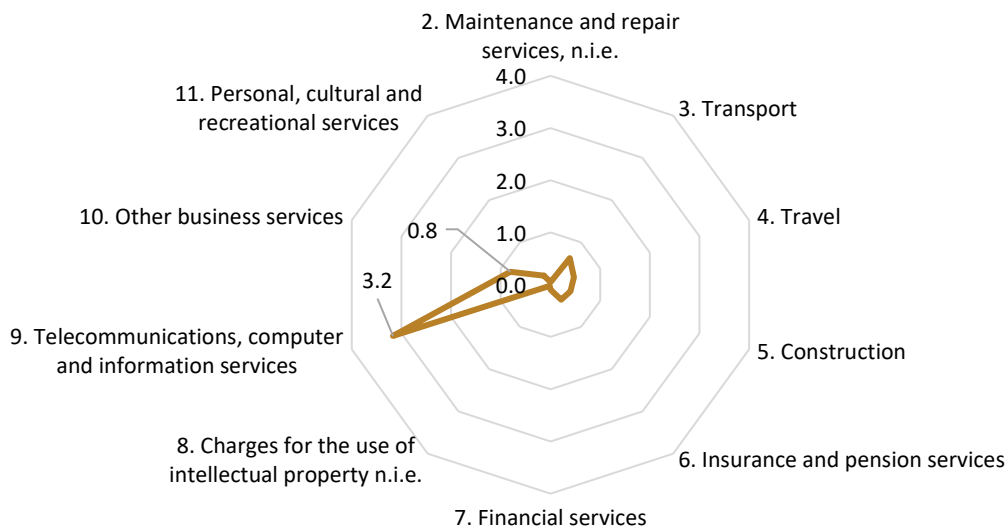
Aside from the export categories shown in Figure 3-2, Pakistan's all other services export categories have shown a decline during 2019 to 2024. Classification 9, Telecommunications, Computer, and Information Services is the undisputed leader, growing at a massive 23.0%. This rapid expansion confirms that digital infrastructure and remote software services are currently the most scalable exports for Pakistan. Classification 11 (Personal, Cultural, and Recreational Services) shows surprisingly strong growth at 17.8%, likely driven by the rise of global freelance platforms and digital content creation.

Classification 10, Other business services have a CAGR of 1.3% and there is a striking 18-fold difference between the CAGR of Classification 9, Telecommunications, computer and information services exports and Classification 10, Other business services exports. This suggests that while Pakistan has successfully digitized its tech exports, it has yet to fully capitalize on its business services like consultancy, legal work, and R&D. While it provides a surplus, it is not yet catching up with the global wave of outsourcing in the same way the tech sector has.

Based on the Ricardian Comparative Advantage concept, the revealed comparative advantage (RCA) shows the comparative advantage or disadvantage that a country/region might have in the export of a commodity. A common and widely used version has been proposed by Balassa (1965). RCA of more than 1 indicates that the country has a comparative advantage in the category.³ While the metric can be used to provide a general indication and first approximation of a country's competitive export strengths, it should be noted that applied national measures which affect competitiveness such as tariffs, non-tariff measures, subsidies and others are not taken into account in the RCA metric (UNCTAD, 2026).

Pakistan's RCA⁴ shown in Figure 3-3 shows a highly concentrated spike profile towards Classification 9, Telecommunications, computer and information services with an RCA of 3.2. This is the only sector where Pakistan possesses a significant, world-class comparative advantage.

Figure 3-3: Revealed Comparative Advantage (RCA) for Pakistan's Commercial Services Exports in 2024



Source: UNCTAD (2025)

Classification 10, Other business services come close to having an RCA, compared to all other commercial services. An RCA of 0.8 reveals that Pakistan does not yet have a comparative advantage in Classification 10, Other business services on the global stage. Having no RCA in Classification 10, Other business services match the low CAGR of 1.3% shown in Figure 3-2. It suggests that while Pakistan possesses the human capital, Pakistan is not packaging these business services in a way that competes effectively with global leaders like India or the Philippines. This gap further identifies a critical strategic opportunity where policy interventions can move the RCA of Classification 10, Other business services above the 1.0 threshold and thus, Pakistan could tap into a massive global market for professional services that remains largely unexplored.

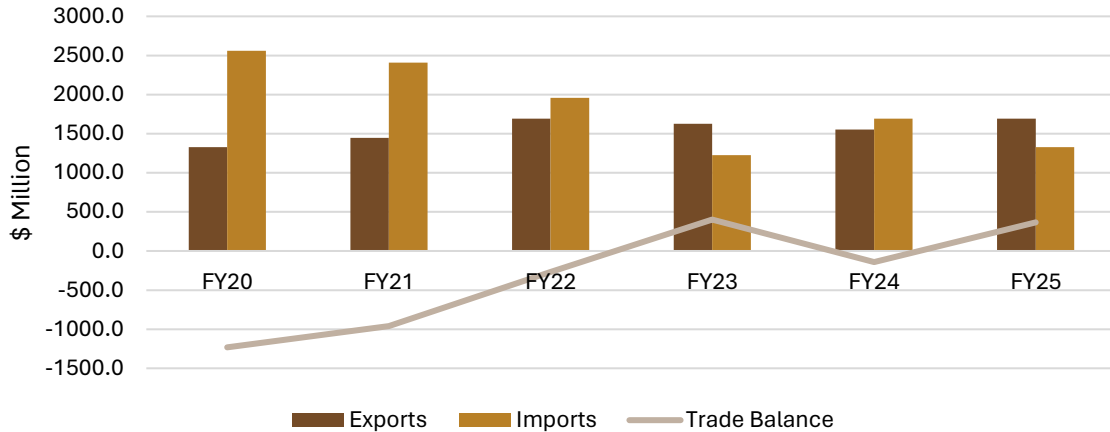
³ Formulae of these indices are present in the Annexure

⁴ RCA estimates are based on Pakistan's share of world exports in a given service category relative to its share in total services exports, rather than total trade exports. This allows for a sector-specific assessment of services competitiveness.

3.3 Pakistan's Other Business Services Trade

In FY25, Classification 10, Other business services constituted 20.1% of Pakistan's total services exports. There was a surplus of \$401.5 million in FY23 after three continuous years of deficits. In FY25, a surplus of \$367.8 million was recorded.

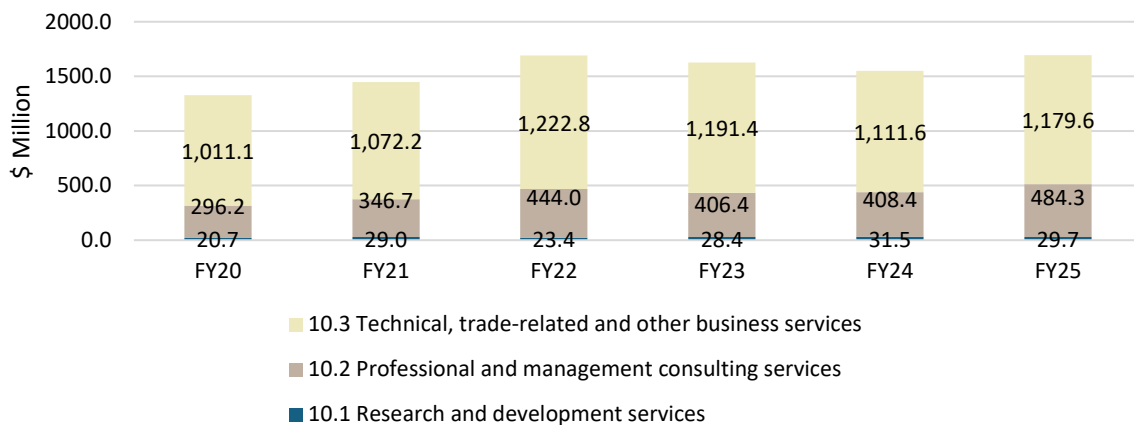
Figure 3-4: Pakistan's Other Business Services Trade Scenario from FY20 to FY25



Source: SBP (2026 b)

Classification 10, Other business services' exports have shown a steady upward trajectory, growing from \$1,340 million (FY20) to \$1,693.5 million (FY25). The primary reason for this improved balance is the dramatic reduction in the Classification 10, Other business services imports, which fell from over \$2,560.0 million (FY20) to \$1,325.7 million (FY25). The fact that exports now consistently exceed imports in Classification 10, Other business services proves that Pakistan has successfully shrunk the expertise gap. Pakistan is no longer as dependent on foreign consultants and accountants; instead, Pakistan's own professionals are now earning more from the world than they are spending. Classification 10, Other business services is broken into its three primary categories in Figure 3-5 from FY20 to FY25.

Figure 3-5: Pakistan's Classification 10, Other Business Services Sub-Classifications' Exports from FY20 to FY25



Source: SBP (2026 b)

Pakistan's Classification Other Business Services export profile remains heavily skewed toward Technical and Trade-related services (10.3), which accounted for 69.7% of the sector's total exports in FY25. In contrast, Professional and Management Consulting (10.2) contributed only 28.6%. This represents a significant disconnect from global norms, where sub-classification 10.2, Professional and Management Consulting (46.5%) actually outnumbers sub-classification 10.3, Technical Services (40.5%). This concentration risk suggests that Pakistan has yet to fully capitalize on the high-value consultancy, accounting, and auditing opportunities that drive the global professional services trade.

3.4 Pakistan's Other Business Services Top Markets

Pakistan's market for Classification 10, Other business services is dominated by 4 countries which make about 55.4% of the total share as shown in Table 3-2. U.S.A. is Pakistan's biggest market, having a 23.7% share in Pakistan's exports of Classification 10, Other business services. While growth was slightly stagnant in the middle years, the jump to \$393.9 million in FY25 shows a strong post-pandemic recovery and the U.S. market's continued reliance on Pakistani professional services. The U.K. has shown an impressive CAGR of 13.2% between FY20 and FY25, this growth is particularly important as U.K. is an important market for Pakistan because both follow the same IFRS Accounting Standards⁵, ensuring seamless professional alignment (Chawla, 2026).

Table 3-2: Pakistan's Top 15 Export Markets for Classification 10, Other Business Services from FY20 to FY 25

Rank	Markets	FY20	FY21	FY22	FY23	FY24	FY25	CAGR	Percentage of Total
		\$ Million							
	World	1,328.0	1,418.9	1,690.3	1,549.0	1,551.5	1,665.0	4.6%	-
1st	U.S.A.	332.7	339.9	365.7	310.9	319.8	393.9	3.4%	23.7%
2nd	U.K.	109.6	138.2	216.9	223.9	173.1	203.8	13.2%	12.2%
3rd	U.A.E.	111.3	136.0	145.3	150.5	191.7	191.1	11.4%	11.5%
4th	China	81.1	131.4	177.3	130.1	130.7	133.6	10.5%	8.0%
5th	Hong Kong	80.8	83.2	85.6	54.6	69.6	102.7	4.9%	6.2%
6th	Singapore	89.8	106.0	169.2	141.8	117.9	101.7	2.5%	6.1%
7th	Saudi Arabia	28.9	23.7	33.1	36.9	47.5	47.9	10.6%	2.9%
8th	Germany	71.8	55.8	61.3	46.7	49.5	46.4	-8.4%	2.8%
9th	Sweden	17.2	56.3	64.0	56.2	54.3	44.6	21.0%	2.7%
10th	Switzerland	27.3	31.7	38.4	39.7	55.6	34.7	4.9%	2.1%
11th	Canada	20.5	23.6	26.7	23.5	24.2	27.2	5.8%	1.6%
12th	Italy	16.9	21.8	26.3	32.7	37.8	25.5	8.6%	1.5%
13th	Thailand	30.5	5.9	7.8	5.6	17.2	23.7	-4.9%	1.4%
14th	Japan	21.8	20.9	20.7	14.6	16.6	22.2	0.4%	1.3%
15th	Türkiye	14.7	10.8	20.0	14.7	17.7	21.1	7.6%	1.3%

Source: SBP (2026 c)

Pakistan's exports to the U.A.E. in FY25 amounted to \$191.1 million with a 11.5% share in Pakistan's total exports of Classification 10, Other business services. Out of the exports to the U.A.E., about 87.1% are exported to Dubai on average in the 6 years analyzed. What is to be noted is that there has been a jump in Pakistan's exports to Dubai of about 37.4% from FY23 to FY24. This sharp increase highlights a fundamental shift in the bilateral trade relationship,

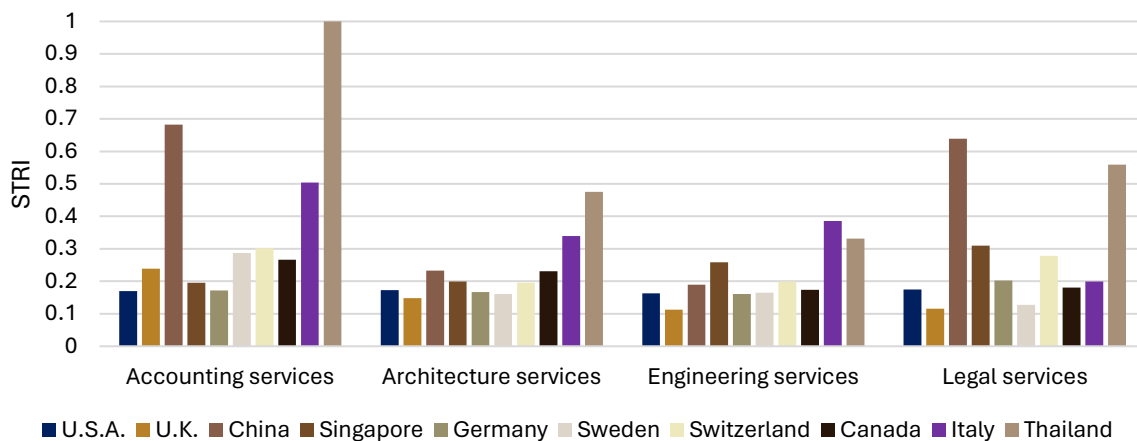
⁵ The IFRS Conceptual Framework sets the fundamental concepts, principles, and objective of financial reporting to ensure consistency, transparency, and comparability in financial statements. It guides the International Accounting Standards Board (IASB) in setting standards and assists preparers in developing policies when no specific standard applies.

driven primarily by Dubai’s 2023 regulatory reform (effective from June 2023). The introduction of Federal Corporate Tax of 9% created an immediate mandate for IFRS-compliant reporting, driving Dubai-based SMEs to seek Pakistan’s affordable technical expertise. Pakistan has been following IFRS for decades and thus, its professionals were able to manage U.A.E. books immediately with zero retraining, providing a seamless offshore compliance solution.

With Pakistan entering a decisive stage of CPEC, a 10.5% of CAGR of Classification 10, Other business services exports to China signify enhanced Business to Business partnerships (Butt, 2026). Between the same time period, Pakistan’s exports of Business services to Saudi Arabia had a CAGR of 10.6%. This reflects the “Vision 2030” effect, where Saudi Arabia’s massive infrastructure and economic diversification are pulling in Pakistani professional expertise.

Pakistan’s exports of Business services to Germany had a CAGR of -8.4% during FY20 and FY25. The steady decline from \$71.8 million to \$46.4 million suggests that Pakistani exporters might be facing increased competition or non-regulatory barriers as the STRI for Germany remain between 0.161 and 0.202 for Accounting, Architecture, Engineering, and Legal services. Figure 3-6 highlights the STRI- 2025 of Various Business Services for Pakistan’s Top Markets.

Figure 3-6: STRI⁶ - 2025 of Various Business Services for Pakistan's Top Markets



Source: OECD (2025)

The U.K. and the U.S.A. being Pakistan’s top markets for Business services exports is further supported by the low STRI scores. In case of China, the high STRI OF 0.682 in accounting and 0.639 in legal services, shows that Pakistan’s export of business services to China have either excelled in Architecture and Engineering services (with lower STRI scores of 0.233 and 0.19, respectively) or have benefitted from the CPEC ties. Sweden, which has the highest export growth rate of 21.0% CAGR, also has one of the lowest STRI scores across all sectors (approximately 0.15).

6 The OECD Services Trade Restrictiveness Index (STRI) methodology is specifically designed to reflect that regulatory environments are often more restrictive in total than the sum of their parts, particularly due to horizontal, cross-cutting measures.

3.5 Pakistan's Other Business Services Top Import Partners

There has been an overall contraction in the imports of Classification 10, Other business services of about 12.7% between FY20 and FY25. This is a good sign for the long-standing deficit of the services trade balance. In FY20, Pakistan faced a substantial deficit in the OBS category, importing \$2.56 billion while exporting only \$1.32 billion. By FY25, the aggressive -12.7% CAGR contraction in imports reduced the outflow to \$1.29 billion. Because exports grew to \$1.66 billion during the same period, Pakistan has effectively flipped its OBS trade balance from a \$1.24 billion deficit to a \$368 million surplus.

Table 3-3: Pakistan's Top Import Partners for Classification 10, Other Business Services from FY20 to FY25

Rank	Import Partners	FY20	FY21	FY22	FY23	FY24	FY25	CAGR	Percentage of Total
		\$ Million							
	World	2,560.0	2,379.0	1,956.9	1,152.9	1,691.6	1,296.9	-12.7%	–
1st	China	812.1	694.7	408.9	269.5	537.5	247.1	-21.2%	19.0%
2nd	U.S.A.	395.6	337.6	325.1	236.7	294.8	207.8	-12.1%	16.0%
3rd	U.A.E.	305.7	284.9	255.5	202.7	219.4	146.9	-13.6%	11.3%
4th	U.K.	155.0	122.4	150.6	72.5	134.0	90.1	-10.3%	6.9%
5th	Other Countries	39.3	106.3	55.4	15.8	72.9	86.0	17.0%	6.6%
6th	Ireland	14.0	15.5	20.2	31.9	83.2	82.5	42.5%	6.4%
7th	Hong Kong	260.4	189.7	315.4	133.4	66.0	76.9	-21.7%	5.9%
8th	Singapore	184.2	208.1	23.8	14.7	35.1	57.1	-20.9%	4.4%
9th	Australia	17.4	18.6	20.1	3.3	11.9	52.1	24.5%	4.0%
10th	Mauritius	0.0	0.1	0.7	0.8	7.0	36.0	395.9%	2.8%
11th	Japan	11.4	10.9	16.4	4.0	31.2	34.2	24.5%	2.6%
12th	Türkiye	6.9	17.2	20.2	17.2	20.2	17.2	20.1%	1.3%
13th	Switzerland	10.0	17.2	12.8	15.5	12.8	15.5	9.1%	1.2%
14th	France	14.0	19.9	31.2	26.0	28.7	15.0	1.5%	1.2%
15th	Germany	105.0	31.7	58.3	26.3	36.3	13.9	-33.2%	1.1%

Source: SBP (2026 c)

China is Pakistan's biggest import partner constituting 19.0% of Pakistan's total Classification 10, Other business services imports, but its exports of business services to Pakistan have shrunk with a CAGR of -21.2% from FY20 to FY25. U.S.A. and U.A.E. are Pakistan's 2nd and 3rd largest import partners with \$207.8 and 146.9 million in FY25.

Ireland's exports of business services to Pakistan have shown a CAGR of 42.5% from FY20 to FY25, which is likely driven by the tech sector. Major software and consulting giants such as Google, Amazon, PayPal have their headquarters in Ireland and the consulting payments by Pakistani companies might be reflected here (CDP.Center, 2025). The growth of imports from Ireland, Australia, and Japan shows that while overall volume is down, there is a specialized shift toward high-tech and OECD-standard expertise.

Chapter 4



The Global and Pakistani Accounting Services Sector

Chapter 4

The Global and Pakistani Accounting Services Sector

The accounting services sector includes accounting and bookkeeping, auditing, tax preparation, and advisory services. Traditionally focused on recording and verifying financial information, the industry has expanded significantly into consulting, corporate finance, and strategic advisory services over the past few decades.

GLOBAL ACCOUNTING STANDARDS

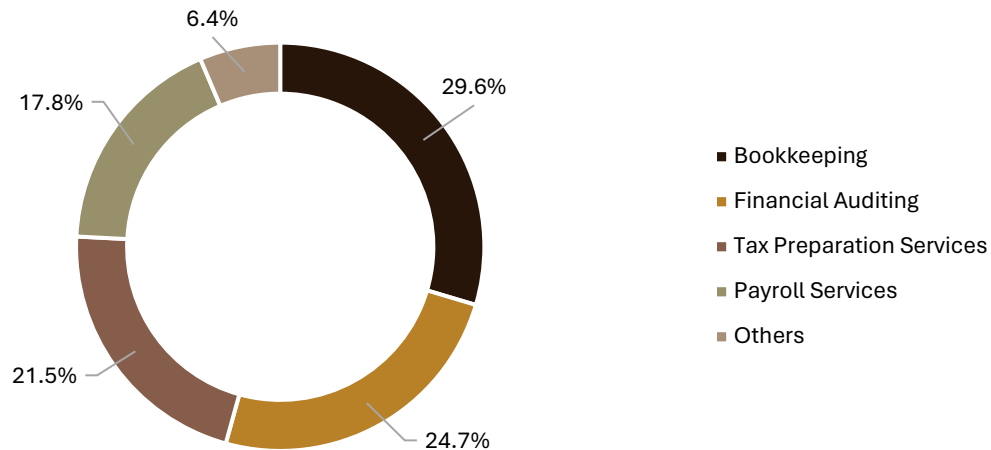
IFRS International Financial Reporting Standards	IFRS International Financial Reporting Standards	IFRS International Financial Reporting Standards
Developed by the International Accounting Standards Board (IASB)	U.S. Specific Accounting Framework	Chinese Standards – IFRS Aligned
For Global Use	Primarily Followed in the U.S.	Used in China

4.1 Global Accounting Services Market

According to the Fortune Business Insights' report (2026), the global accounting services market size was valued at \$646.1 billion in 2024. The market is projected to grow from \$682.7 billion in 2025 to \$986.5 billion by 2032, exhibiting a CAGR of 5.4% during the forecast period. North America dominated the global accounting services market with a market share of 34.6% in 2024.

By the type of service, the primary compliance and operational functions which are Bookkeeping, Financial Auditing, and Tax Preparation together have over 75% of the entire global accounting market as shown in Figure 4-1.

Figure 4-1: Global Accounting Services' Market Share by Type - 2024⁷



Source: Fortune Business Insights (2026)

The high market shares for Bookkeeping (29.6%) and Payroll Services (17.8%) highlight a massive global reliance on outsourced, repeatable processes. This represents a significant opportunity for developing service-export hubs (like Pakistan) to capture market share by offering cost-effective, high-quality Business Process Outsourcing (BPO) and accounting solutions.

In the Accounting Services world, the Big Four are the world's largest professional services networks, dominating global accounting, auditing, tax advisory, and corporate consulting. Operating as vast international networks of locally owned partnerships, these four giants audit the vast majority of publicly traded corporations globally, providing the institutional trust essential to international financial markets. Beyond traditional compliance and bookkeeping, they have evolved into multidisciplinary powerhouses that drive global corporate strategy, digital transformation, and talent development, serving as the primary architects of international business standards.

Table 4-1: The Big Four's Revenue, Number of Employees and Number of Countries of Operation in 2025

The Big Four	Annual Revenue in \$ Billion	Workforce Size	Global Presence (Number of Countries)
Deloitte	70.5	470,000+	150+
PwC	56.9	364,000+	137
EY	53.2	400,000	150+
KPMG	39.8	276,000+	142

Source: Kenton (2026)

The Big Four have a combined workforce of 1.5 million, each has its distinct strategic advantages and a total revenue of \$220.4 billion in 2025 (PrepLounge, 2026).

⁷ Fortune Business Insights identified bookkeeping services as accounting for 29.5% of the global accounting services market. The remaining segment shares were not explicitly disclosed in the source and have been estimated using AI-assisted visual interpretation of the chart.

4.2 Pakistan's Accounting Services

Pakistan's accounting services market is a rapidly expanding sector driven by a high demand for BPO and strict regulatory compliances. Leveraging a tech-savvy and technically competent workforce, local firms offer global cost savings of up to 50% through IFRS-compliant services, bookkeeping, and tax preparation.

Pakistan follows IFRS-based accounting standards, approved under the Companies Act 2017. The Securities and Exchange Commission of Pakistan (SECP) oversees the framework, while the Institute of Chartered Accountants of Pakistan (ICAP) is responsible for adoption and implementation of standards. The national and international accounting bodies operating in Pakistan have been highlighted in Table 4-2.

Table 4-2: National and International Accounting Bodies Operating in Pakistan

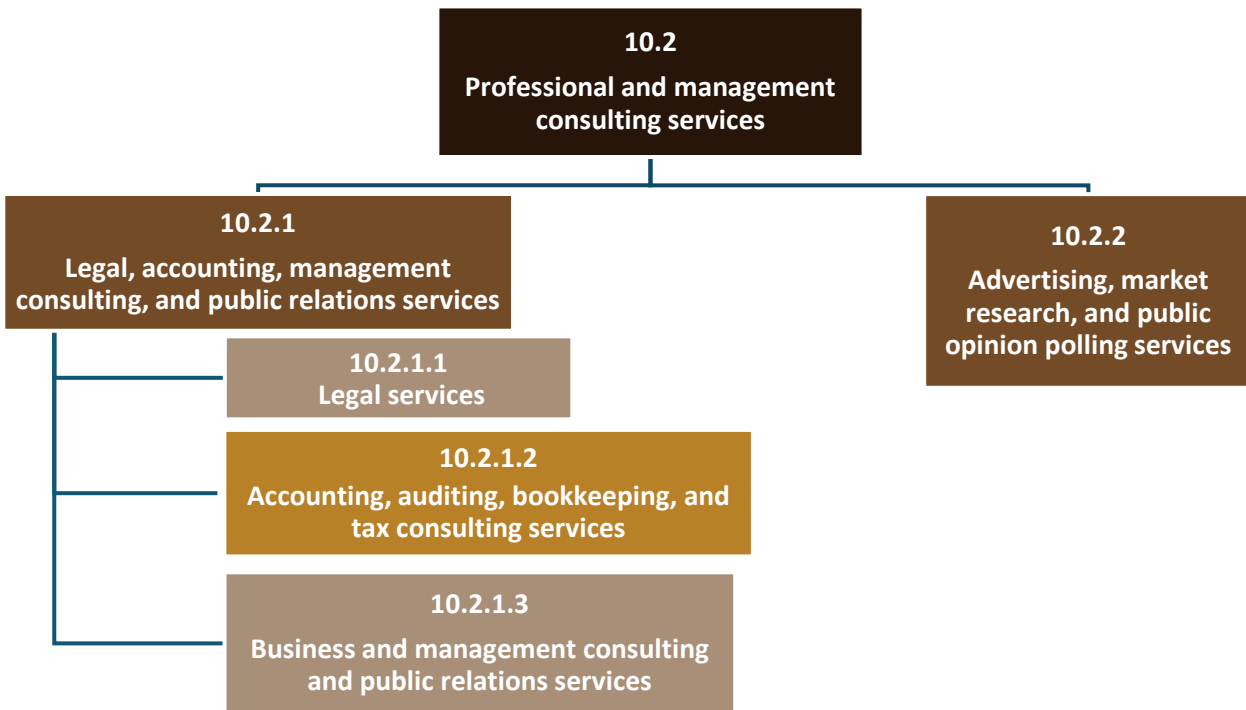
Institution	Full Form	Role
National Professional Bodies		
ICAP	Institute of Chartered Accountants of Pakistan	Regulates Chartered Accountants in Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan	Regulates Cost & Management Accountants
PIPFA	Pakistan Institute of Public Finance Accountants	Public finance and accounting qualifications
International Professional Bodies		
ACCA Pakistan	Association of Chartered Certified Accountants	International accounting qualification and export promotion
CIMA Pakistan	Chartered Institute of Management Accountants	Management accounting training and certification

Sources: ICAP, ICMAP, PIPFA, ACCA, and CIMA websites

4.3 Pakistan's Accounting, Auditing, Bookkeeping and Tax Consulting Trade

The BPM6 (EBOPS 2010) classification classifies Sub-Classification 10.2.1.2, Accounting, auditing, bookkeeping, and tax consulting services under the Sub-Classification 10.2.1, Legal, accounting, management consulting, and public relations services. The division is present in Figure 4-2.

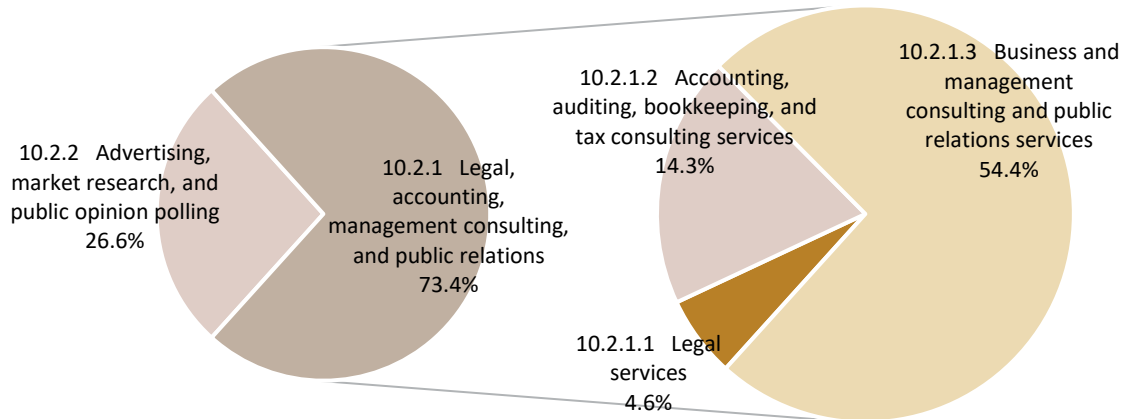
Figure 4-2: Accounting, Auditing, Bookkeeping, and Consulting Services Categorization in the BPM6 (EBOPS 2010) Classification



Source: United Nations (2012)

In FY25, Sub-Classification 10.2, Professional and management consulting services amounted to \$484.3 million, this division further consists of \$355.4 million of 10.2.1 Legal, accounting, management consulting, and public relations making 73.4% of the Sub-Classification 10.2.

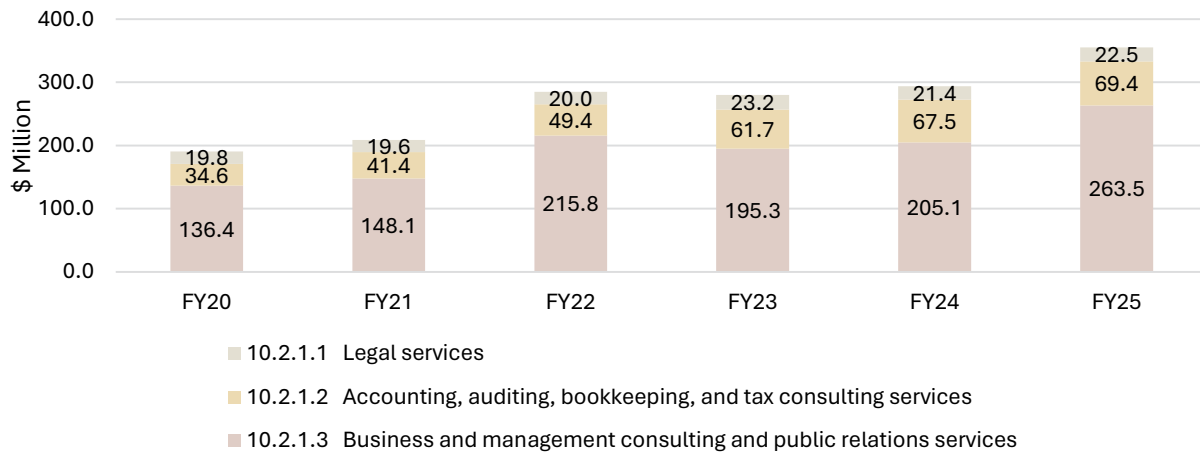
Figure 4-3: Pakistan's Classification 10.2, Professional and Management Consulting Services' Sub-Classifications in FY25



Source: SBP (2026 b)

The Sub-Classification 10.2.1.3, Business and management consulting public relations services make 54.4% of the Legal, Accounting, Management Consulting, and Public Relations services. Accounting, auditing, bookkeeping, and tax consulting constitute a modest share of 14.3%, while Legal Services make up only 4.6% of the total Legal, Accounting, Management Consulting, and Public Relations services' exports.

Figure 4-4: Pakistan's Classification 10.2.1, Legal, Accounting, Management Consulting, and Public Relations' Sub-Classifications from FY20 to FY25



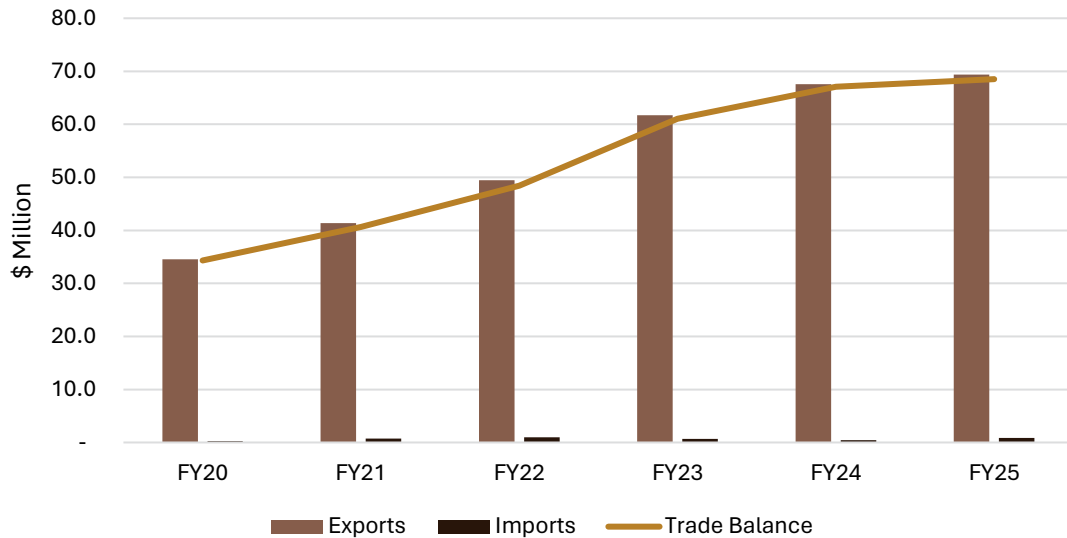
CAGR (FY20 – FY25)	10.2.1.1 Legal services	10.2.1.2 Accounting, auditing, bookkeeping, and tax consulting services	10.2.1.3 Business and management consulting public relations services
	2.6%	15.0%	14.1%

Source: SBP (2026 b)

Sub-Classification 10.2.1.3, Business and management consulting public relations services were the largest in volume amongst Legal, Accounting, Management Consulting, and Public Relations, amounting to \$263.5 million in FY25. Accounting, Auditing, Bookkeeping, and Tax Consulting services achieved the highest growth rate within this cluster, posting a remarkable CAGR of 15.0% between FY20 and FY25.

The Accounting, Auditing, Bookkeeping, and Tax Consulting services have maintained a stable trade surplus from F20 to FY25, with imports almost non-existent as shown in Figure 4-5.

Figure 4-5: Accounting, Auditing, Bookkeeping and Tax Consulting Services Trade Scenario from FY20 to FY25



Source: SBP (2026 b)

Export receipts grew consistently from approximately \$34.5 million in FY20 to peak at \$69.2 million by FY25, effectively doubling in value. Domestic corporate entities rarely import foreign accounting services and thus, import expenditures remain negligible at less than \$1.0 million annually across the entire period. This trend shows a highly profitable, net-positive channel for foreign exchange, where every dollar earned goes directly toward improving Pakistan's services balance. However, while this growing surplus proves that Pakistan's financial talent is highly cost-competitive, a total export volume of under \$70.0 million shows the sector is operating far below its true potential. It highlights an urgent need for government policies that help local firms step out from behind the scenes as hidden subcontractors and build direct, high-value brands globally.

Chapter 5

Pakistan's Competitiveness in Other Business Services



Chapter 5

Pakistan's Competitiveness in Other Business Services

In context of International Trade, services trade competitiveness refers to a nation's ability to export services and improve export performance through policy, driven by factors like price, quality, and technological capability. Among regularly quoted indicators of competitiveness for services, the most frequently used include a positive balance of payments in services, rapid export growth compared to peers, and the reduction of trade-restrictive regulations (WBG and WTO, 2025).

This section will measure Pakistan's competitiveness in Other Business Services through global market shares, growth in exports and comparative advantages. The aim is to assess Pakistan against its competitors through different competitiveness measures.

5.1 Global Competitiveness

In 2024, Pakistan was the world's 77th exporter and 68th importer of services. In 2024, Pakistan's total exports of services were about \$8.1 billion. In the case of Classification 10, Other business services, Pakistan's exports rank 67th and its imports rank 68th in the world.

Table 5-1: Pakistan's Standing Amongst the Exporters and Importers of Other Business Services

Rank	Exporters	2019	2024	CAGR (2019-2024)	Global Export Share	Rank	Importers	2019	2024	CAGR (2019-2024)	Global Import Share
		\$ Billion						\$ Billion			
1st	United States of America	186.9	263.9	7.1%	12.5%	1st	Ireland	223.2	165.9	-5.8%	8.6%
2nd	United Kingdom	149.7	234	9.3%	11.1%	2nd	U.S.A.	114.4	159.7	6.9%	8.2%
3rd	India	44.5	155.3	28.4%	7.4%	3rd	Germany	102.5	150.5	8.0%	7.8%
4th	Germany	99.5	127.6	5.1%	6.1%	4th	U.K.	89.0	141.5	9.7%	7.3%
5th	Singapore	62.0	114.8	13.1%	5.5%	5th	Singapore	63.3	111.5	12.0%	5.8%
6th	France	93.0	113.1	4.0%	5.4%	6th	Netherlands	86.1	110.4	5.1%	5.7%
7th	China	73.2	112.7	9.0%	5.4%	7th	France	82.4	103.1	4.6%	5.3%
8th	Ireland	54.8	104.4	13.8%	5.0%	8th	Japan	74.6	80.9	1.7%	4.2%
9th	Netherlands	78.3	98.7	4.7%	4.7%	9th	Switzerland	53.0	78.7	8.2%	4.1%
10th	Belgium	47.2	51.9	1.9%	2.5%	10th	India	46.1	66.8	7.7%	3.5%
67th	Pakistan	1.5	1.6	1.6%	0.1%	68th	Pakistan	2.6	1.6	-9.5%	0.1%

Source: ITC Trade Map (2026)

As per the last PBC's report on Other Business Services in 2022⁸, Pakistan's ranking was 57th in exports and 48th in imports in 2020. The export rank has declined from 57th to 67th, which might also be impacted by reporting lags in the

⁸ PBC's 2022's report: Enhancing the Competitiveness of Pakistan's Services Exports – Other Business Services can be assessed through this link: <https://www.pbc.org.pk/research/enhancing-the-competitiveness-of-pakistans-services-exports-other-business-services/>

2020 data. However, what is to be noted in Pakistan's decline of rank as an importer from 48th to 68th, which is a major improvement for the balance of trade.

The sharp -9.5% contraction in imports indicates that Pakistan is successfully localizing professional services, achieving a balanced trade profile in the Other Business Services category for the first time in recent years. Moving forward, the challenge is to move Pakistan's 0.1% global share closer to the double-digit growth rates by leveraging specialized expertise in Accounting and I.T. services.

Pakistan's standing amongst the global exporters and importers of the Sub-classification 10.2, Professional and management consulting services appears to be better than its global position in Other Business Services as shown in Table 5-2.

Table 5-2: Pakistan's Standing Amongst the Exporters and Importers of Professional and management consulting services

Rank	Exporters	2019	2024	CAGR (2019-2024)	Global Export Share	Rank	Importers	2019	2024	CAGR (2019-2024)	Global Import Share
		\$ Billion						\$ Billion			
1st	United States of America	102.3	160.0	9.4%	17.6%	1st	United States of America	55.6	88.6	9.8%	12.2%
2nd	India	19.5	125.7	45.2%	13.9%	2nd	Singapore	33.4	62.5	13.3%	8.6%
3rd	United Kingdom	64.5	104.6	10.2%	11.5%	3rd	Netherlands	45.2	61.9	6.5%	8.6%
4th	Singapore	42.9	86.8	15.1%	9.6%	4th	Germany	38.3	57.1	8.3%	7.9%
5th	France	28.3	43.6	9.1%	4.8%	5th	Ireland	28.0	56.7	15.1%	7.8%
6th	Germany	34.3	43.6	4.9%	4.8%	6th	United Kingdom	27.6	44.5	10.0%	6.1%
7th	Netherlands	31.2	39.4	4.8%	4.3%	7th	France	24.8	41.0	10.6%	5.7%
8th	Ireland	11.9	35.2	24.4%	3.9%	8th	Belgium	28.8	32.2	2.2%	4.4%
9th	Belgium	29.8	31.9	1.4%	3.5%	9th	Japan	18.3	24.9	6.3%	3.4%
10th	Luxembourg	10.0	30.0	24.4%	3.3%	10th	Canada	15.3	24.3	9.7%	3.4%
60th	Pakistan	0.2	0.3	11.4%	0.0%	74th	Pakistan	0.1	0.1	4.9%	0.0%

Source: ITC Trade Map (2026)

Due to lack of data availability on Sub-Classification, 10.2.1.2, Accounting, auditing, bookkeeping, and tax consulting services, the Sub-Classification 10.2, Professional and management consulting services is examined which includes Accounting, Auditing, Bookkeeping, and Tax consulting services.

The "Professional and Management Consulting" market is heavily dominated by the U.S.A. (17.6% share) and India (13.9% share). India's performance skyrocketed from \$19.5 billion to \$125.7 billion with a staggering 45.2% CAGR between 2019 and 2024.

Pakistan's low import growth of 4.9% CAGR in Sub-Classification, 10.2.1.2, Accounting, auditing, bookkeeping, and tax consulting services relative to its export growth of 11.4% in the same category suggests that Pakistan is increasingly relying on its own professional consulting base rather than importing expensive management expertise from abroad.

5.2 Competitiveness Amongst Developing Countries

Amongst developing countries, Pakistan ranked 31st with India in the lead as shown in Table 5-3.

Table 5-3: Exports of Other Business Services from 2019 to 2024

Ranking Amongst Developing Countries	Ranking in the World	Developing Countries	2019	2024	CAGR (2019-2024)	Global Export Share
			\$ Billion			
1st	3rd	India	44.5	155.3	28.4%	7.4%
2nd	5th	Singapore ⁹	62.0	114.8	13.1%	5.5%
3rd	7th	China	73.2	112.7	9.0%	5.4%
4th	18th	Poland	17.0	33.0	14.2%	1.6%
5th	21st	Philippines	17.5	24.7	7.2%	1.2%
6th	23rd	Brazil	15.8	19.9	4.7%	0.9%
7th	25th	Thailand	11.7	18.4	9.6%	0.9%
8th	30th	Romania	6.4	10.0	9.1%	0.5%
9th	33rd	Malaysia	7.1	9.3	5.5%	0.4%
10th	34th	Indonesia	6.6	8.8	5.8%	0.4%
31st	67th	Pakistan	1.5	1.6	1.3%	0.1%

Source: ITC Trade Map (2026)

While Pakistan's 1.3% CAGR indicates stability, it looks pale in comparison to the aggressive expansion of peers like India (28.4%) and Poland (14.2%). The Philippines has used its large-scale Business Process Outsourcing (BPO) to achieve exports over 15 times that of Pakistan. The Philippines has become a top western outsourcing source with key drivers including high English proficiency, strong cultural alignment with the U.S.A./ Australia, and government backed infrastructure (KMC, 2026). With a 0.1% Global Export Share, Pakistan is currently a niche player in a market where the top three developing country exporters (India, Singapore, & China) now control significant portions of the global trade volume.

Amongst exporters of Sub-Classifications 10.2, Professional and management consulting services, Pakistan's 11.4% CAGR is nearly nine times higher than its general Other Business Services growth rate as shown in Table 5-4. This high CAGR shows the expansion of knowledge-intensive advisory services are expanding significantly more.

⁹ Despite its high-income status and advanced economy ranking by the IMF, Singapore retains a "developing country" classification under certain multilateral frameworks like the WTO through self-declaration, and remains grouped with the G77 due to historical institutional alignments and structural vulnerabilities as a city-state.

Table 5-4: Exports of Professional and Management Consulting Services from 2019 to 2024

Ranking Amongst Developing Countries	Ranking in the World	Developing Countries	2019	2024	CAGR (2019-2024)	Global Export Share
			\$ Billion			
1st	2nd	India	19.5	125.7	45.2%	13.9%
2nd	4th	Singapore	42.9	86.8	15.1%	9.6%
3rd	11th	Poland	9.1	18.7	15.4%	2.1%
4th	16th	Thailand	6.3	8.6	6.2%	0.9%
5th	20th	Brazil	4.4	7.1	10.1%	0.8%
6th	22nd	Costa Rica	3.4	5.8	11.1%	0.6%
7th	24th	Mexico	3.8	5.2	6.7%	0.6%
8th	26th	Malaysia	3.1	4.5	8.1%	0.5%
9th	27th	Romania	2.8	4.1	7.5%	0.4%
10th	29th	Hungary	3.0	3.8	5.2%	0.4%
26th	60th	Pakistan	0.2	0.3	11.4%	0.0%

Source: ITC Trade Map (2026)

India has a 13.9% market share, followed by Singapore of 9.6%. India stands as the undisputed global benchmark among developing nations, ranking 1st regionally and 2nd in the world. Singapore ranks 2nd among developing nations with a 9.6% global share (\$86.8 billion in 2024), utilizing its position as a regional financial center to anchor high-end management consultancies. Similarly, Poland (Rank 3rd in developing markets) has transformed into continental Europe's premier nearshoring hub, capturing 2.1% of the world market (\$18.7 billion) through a highly integrated 15.4% CAGR. Even though Pakistan ranks 26th amongst developing countries, its low market share of 0.035% reflects constraints which limits Pakistan from reaching its potential despite possessing the technical capabilities.

5.3 Pakistan's Key Competitors

When benchmarked against other developing economies, Pakistan's performance in services displays a significant gap in absolute volume but shows competitive potential in high-value specialized niches. The TS4D Peer-grouping framework is used to classify and identify Pakistan's competitors for further analyses. The Trade in Services for Development (TS4D) Competitiveness is a joint initiative by the World Trade Organization (WTO) and the World Bank capacity program.

The framework structures its peer-grouping into three clear analytical categories:

- **Aspirational Peers:** High-scale, top-performing frontier economies that establish long-term strategic benchmarks for export diversification.
- **Structural Peers:** Economies with matching macroeconomic features and per capita income levels, used to analyze core cost-of-doing-business dynamics.
- **Regional Peers:** Geographic or institutional neighbors competing for the same trade corridors and premium regional client bases.

Source: The WBG and WTO (2026)

Table 5-5: Competitor Classification and Frame Work Rationale for Pakistan

Competitor Tier	Countries	Strategic Rationale for Inclusion
Aspirational Peers	India, Philippines	To Benchmark Scale Dynamics: These are global giants dominating the outsourcing landscape. India leads in high-end financial and professional services (\$125.7B in consulting), while the Philippines dominates mass-scale BPO.
Structural Peers	Egypt, Vietnam, Bangladesh	To Evaluate Cost and Cost-of-Doing-Business Pressures: These Lower-Middle-Income Countries (LMICs) share tight macroeconomic constraints, similar savings-to-investment gaps, and comparable Economic Complexity Index (ECI) curves ¹⁰ —with Egypt, Pakistan, and Bangladesh ranking closely at 76, 89, and 97 respectively in 2024. They compete directly on price and labor arbitrage; Egypt leverages currency devaluations to lower its wage floor, Bangladesh offers 10-year tax holidays in massive Hi-Tech Parks, and Vietnam is rapidly pivoting from manufacturing to digital services.
Regional Peers	Sri Lanka	To Assess Institutional and Framework Rivalry: As a geographic neighbor operating under shared Commonwealth legal origins and mutual IFAC accounting guidelines, Sri Lanka is a direct, head-to-head competitor. They track closely with Pakistan's open professional regulatory environment, targeting the exact same premium corporate advisory clients in the U.K. and the GCC markets.

Source: Groupings and macroeconomic classifications adapted from the WBG-WTO Trade in Services for Development (TS4D) Framework (2025); World Bank Country Income Classifications; Economic Complexity Index (ECI) and Qualitative Interviews

5.4 Measuring Competitiveness

The term “competitiveness” has been widely used as something that is naturally understood; however, it remains vague conceptually and can be interpreted differently. Some economists believe that competitiveness is limited at a firm level while other consider competitiveness at a national level. On an international level, competitiveness refers to the ability of a country to sell good/ services in the global markets (OECD, 2005). This section explores Pakistan's competitiveness against its key competitors through comparing the outcomes through revealed competitiveness and the drivers through assessing structural competitiveness.

5.4.1 Revealed Competitiveness – The Outcomes

There are several measures for measuring a country's competitiveness in trade. This study concentrates on the following measures of trade competitiveness for services: Market Share, change in the Market Share, Revealed Comparative Advantage Indices (Balassa, 1965 and Greenaway and Milner, 1993), and Vollrath's Indices for Competitiveness. The methodology is given in detail in the annexure. Their brief interpretations are shared below:

Change in Market Share: On an international level, economies do not intentionally compete for a market share in the international market of exports, however, how much of their exports constitute the world's exports provide an idea of the country's competitiveness.

Revealed Comparative Advantage (RCA)- Balassa 1965 & Greenaway and Milner, 1993: RCA- Balassa has been discussed in Section 3.2. While the popular Revealed Comparative Advantage by Balassa (1965) has been widely used to assess the competitiveness of a country's exports with the rest of the world or a set of countries, the Revealed Comparative Advantage (RCA)- Greenaway and Milner, 1993 considers imports into assessing its competitiveness. This makes it more efficient and gives a more in-depth understanding of competitiveness. The interpretation is the same for both, RCA of more than 1 indicates that the country has a comparative advantage in the category.

¹⁰ The Economic Complexity Index (ECI) is a holistic measure of a society's productive capabilities, based on the diversity and sophistication of the products it successfully exports. It evaluates the underlying know-how embedded within an economy rather than just its total wealth.

Vollrath's Indices for Competitiveness:

There are three alternative approaches for measuring a country's Revealed Comparative Advantage proposed by Vollrath (1991) which are the Logarithm of the Relative Export Advantage (RXA), Relative Trade Advantage (RTA), and Revealed Competitiveness (RC). These indices are interpreted as the positive values show a revealed comparative advantage and negative values show a revealed comparative disadvantage.

Note: These indexes are calculated by concentrating only on services and not the whole trade; to eliminate the structural distortion caused by large physical commodity balances (such as textiles and agricultural goods), the trade competitiveness indices are calculated using strictly total services as the denominator.

Using the TS4D peer-grouping framework, evaluation of the performance of the Baseline Case (Pakistan) against its Aspirational (India, Philippines), Structural (Vietnam, Egypt, Bangladesh), and Regional (Sri Lanka) peers is shown in Table 5-6. This evaluation is across three core dimensions: trade volume dynamics (Exports and Market Share), revealed comparative advantage (RCA) variations, and net structural competitiveness (RXA, RTA and RC).

Table 5-6 displays the revealed competitiveness of Classification 10, Other business services and its Sub-Classification 10.2, Professional and management consulting services, containing three dimensions: trade volume dynamics, revealed comparative advantage and net structural competitiveness. Owing to the unavailability of empirical data for Vietnam and Sri Lanka under Sub-Classification 10.2, these countries are omitted from the Professional and Management Consulting Services evaluation.

Table 5-6: Competitiveness of Classification 10, Other Business Services¹¹

Peer Group	Countries	Exports for 2024 \$ Billion	Market Share		Percentage Change in Market Share	Balassa 1965 RCA	Greenway & Milner 1993 RCA	RXA	RTA	RC
			2023	2024						
Other Business Services										
Baseline Case	Pakistan	1.57	0.08%	0.07%	-6.32%	0.81	1.39	0.52	-0.14	-0.23
Aspirational	India	155.27	7.03%	7.37%	4.95%	1.73	1.67	1.12	-0.06	-0.05
	Philippines	24.67	1.19%	1.17%	-1.62%	1.98	1.95	2.72	1.57	0.86
Structural	Vietnam	1.82	0.12%	0.09%	-28.87%	0.32	1.75	0.21	0.00	-0.01
	Egypt	1.34	0.07%	0.06%	-4.60%	0.19	0.34	0.12	-0.50	-1.63
	Bangladesh	1.16	0.06%	0.06%	-6.56%	0.73	2.18	0.47	0.09	0.22
Regional	Sri Lanka	0.54	0.02%	0.03%	61.78%	0.33	0.67	0.21	-0.34	-0.96
Professional and Management Consultation Services										
Baseline Case	Pakistan	0.32	0.04%	0.04%	-3.17%	0.39	4.92	0.52	-0.03	-0.25
Aspirational	India	125.68	13.76%	13.86%	0.78%	3.26	4.40	1.12	-0.18	-0.15
	Philippines	0.20	0.02%	0.02%	18.53%	0.04	0.39	2.72	2.55	2.72
Structural	Egypt	1.30	0.13%	0.14%	5.98%	0.42	2.09	0.12	-0.23	-1.11
	Bangladesh	0.23	0.04%	0.03%	-33.53%	0.33	1.61	0.47	0.10	0.26

Source: Author's calculations based on ITC Trade Map Data

¹¹ For analytical clarity, the values in Tables 5-6 and 5-7 have been rounded to two decimal places.

5.4.1.1 Trade Volume Dynamics

The market is heavily dominated by a few giant players, leaving the remaining countries far behind.

Aspirational Competitors: India dominates the landscape with an absolute export volume of \$155.27 billion in 2024, commanding a global market share of 7.37%. Moreover, India continues to expand its footprint with a positive 4.95% growth in market share. The Philippines anchors the mass-scale corporate BPO front with \$24.67 (1.17% market share), showing stable maturity despite a minor contraction of -1.62%.

Structural Competitors: Pakistan sits precisely in the middle of its structural peers - Vietnam (\$1.82 billion), Egypt (\$1.34 billion), and Bangladesh (\$1.16 billion).

The Warning Signals for Pakistan: While Pakistan's volume is comparable to its structural peers, its global market share contracted by -6.32% between 2023 and 2024 (dropping from 0.08% to 0.07%). This indicates that while the global market for cross-border professional services is expanding, Pakistan is failing to capture its proportional share of new contracts. Vietnam experienced an even sharper market share collapse of -28.87%, confirming its structural pivot back toward industrial goods and electronics manufacturing. Conversely, regional peer Sri Lanka achieved an explosive market share growth of +61.78%, proving it is aggressively capturing the premium, low-latency corporate advisory corridors in the UK and the GCC markets.

The Professional and Management Consulting Dimension:

When narrowing the analytical lens from broad business services to the Professional and Management Consulting services sub-category, the scale polarization becomes vastly more acute. India's absolute dominance escalates to an extraordinary \$125.7 billion export volume, capturing a commanding 13.86% of the global service-bound market with a positive growth trajectory (+0.78%). Outside of India, this specialized knowledge sector shrinks drastically into highly concentrated niche segments. Egypt anchors the structural tier at \$1.26 billion (0.14% market share).

Meanwhile, Pakistan (\$321.00 million), Bangladesh (\$228.69 million), and the Philippines (\$219.92 million) operate within a tight, low-volume cluster. However, their strategic trajectories diverge sharply: while the Philippines expanded its market share by an impressive 18.53%. This reflects a successful structural shift up the value chain from basic call centres to premium consultation. Pakistan's market share contracted by -3.17%, and Bangladesh's collapsed by -33.53%. This signals that Pakistan is hitting an operational wall, struggling to scale its high-value accounting and consulting setups despite expanding global demand.

5.4.1.2 Revealed Comparative Advantage (RCA)

Under the Balassa 1965 RCA, only the Philippines (1.98) and India (1.73) possess a structural comparative advantage of an RCA of more than 1. Pakistan has an RCA of 0.81, indicating that on a gross export basis, Other Business Services are underrepresented in Pakistan's total services export mix. When switching toward the lens of Greenaway & Milner index which adjusts for trade balances within the sector, Pakistan's score surges to 1.39 and Bangladesh's goes up to 2.18.

This dramatic upward shift proves that Pakistan possesses a strong, inherently competitive domestic talent asset base. When netting out the import of foreign services, Pakistan's local accounting, legal, and consulting exporters operate with very low import leakages. The services they export are highly intensive in domestic value-add, meaning that every dollar of OBS exported yields a high net-retention rate for the local economy.

The Professional and Management Consulting Services' Surge in Greenway & Milner Index:

This structural disparity is magnified even further within this sub-sector. Pakistan's service-bound Balassa score drops to a low 0.39, closely matching Egypt (0.42) and Bangladesh (0.33). Because this calculation isolates the services ecosystem, a score well below 1 mathematically demonstrates that Professional and Management Consultation remains heavily under-prioritized within Pakistan's service mix, which continues to be overshadowed by IT and software exports.

However, when adjusting for the trade balances via the Greenaway & Milner index, Pakistan's score explodes to an extraordinary 4.92, surpassing even India (4.40). The structural anomaly that keeps Pakistan's Greenaway & Milner score so high lies in how these contracts are commercially structured. Qualitative insights from industry participants reveal that because Pakistani exporters primarily operate through white-label or subcontracting arrangements, foreign clients routinely absorb these software provisioning costs on the front end, granting secure cloud credentials directly to the teams in Pakistan (Stakeholder's Insights, 2026). Consequently, while specialized software is integral to daily service delivery, the actual cross-border import drainage under this specific trade code bypasses Pakistan's balance of payments entirely.

5.4.1.3 Net Structural Competitiveness (RCA, RTA and RC)

The Philippines remains the clear structural leader, maintaining strongly positive scores across RXA (2.72), RTA (1.57), and RC (0.86). This indicates a massive structural surplus where Other Business Services (OBS) dominate their service trade balance. Bangladesh also maintains positive net competitiveness (RTA = 0.09, RC = 0.22), proving that it successfully retains value within its local digital service corridors.

A negative RTA and RC mean that Pakistan is a net importer of premium corporate services relative to its own service export baseline. While local firms successfully export low-to-mid-tier, white-label bookkeeping, tax preparation, and basic back-office services, the broader Pakistani economy is heavily dependent on importing high-end corporate advisory, specialized international tax structures, and expensive management consulting from foreign-headquartered firms. This internal service imbalance erodes the net dollar gains generated by local accounting and consulting exporters.

The Competency Deficiency in Professional and Management Consulting Services:

The Philippines maintains its outlier status as a net exporter of premium consultancy, posting a robust RTA of 2.55 and an RC of 2.72, while Bangladesh sustains a minor positive net footprint (RTA = 0.10, RC = 0.26). In contrast, despite its elite domestic value-add profile, Pakistan remains trapped in negative territory with a Relative Trade Advantage (RTA) of -0.03 and a Revealed Competitiveness (RC) score of -0.25.

Pakistan is displaying a competency deficiency at the high-end of the corporate value chain. While local firms are highly efficient at executing back-office white-label tax preparations and outsourced bookkeeping contracts, Pakistan's domestic corporate sector and public infrastructure bodies remain structurally dependent on importing expensive, front-end strategic management consulting, corporate restructuring, and specialized financial advisory from multinational firms (Stakeholder's Insights, 2026).

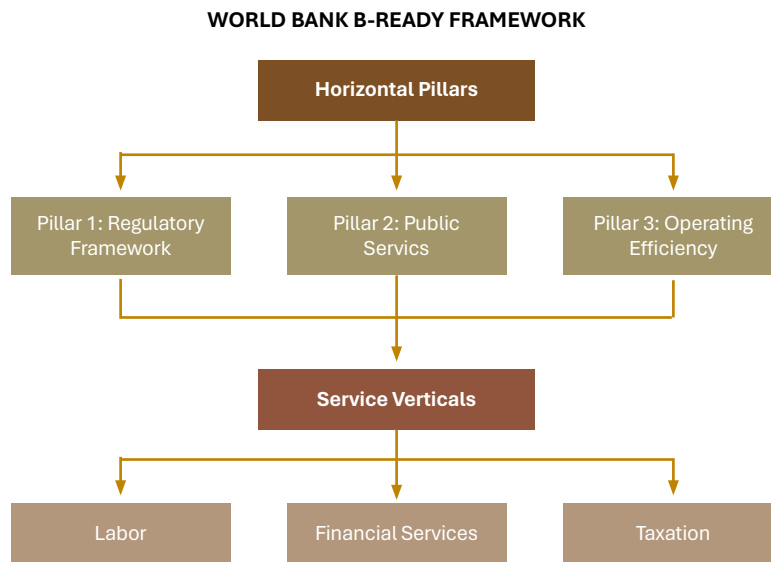
5.4.2 Structural Competitiveness – The Drivers

The institutional dimensions of the World Bank's B-READY (2025) framework deals with the empirical realities of the Digital Infrastructure Cost & Agility Benchmarks (2026) and Professional Human Capital & Wage Arbitrage Matrix (2026). It explicitly links regulatory and technical friction directly to the cost of exporting professional services under the WTO GATS' Mode 1 - Direct Cross-Border Services.

5.4.2.1 Institutional & Regulatory Drivers

To assess Pakistan’s competitiveness amongst institutional and regulatory environment, World Bank’s B-READY dataset has been used. The World Bank’s B-READY dataset provides a lifecycle evaluation of the business environment across three horizontal pillars (Regulatory Framework, Public Services, and Operational Efficiency). Out of the verticals given by the B-READY dataset, three sector-specific verticals (Labor, Financial Services, and Taxation) have been analyzed.

Figure 5-1: B-Ready Framework Used in the Study



Source: Authors’ illustration using World Bank’s B-Ready Framework

The B-READY 2025 Indicators are presented in Table 5-7 following the TS4D peer-grouping framework. India and Sri Lanka have been excluded from the analysis due to unavailability of data.

Table 5-7: Business Ready (B-READY) 2025 – Selected Indicators for Services

Peer Group	Country	Pillar 1 Regulatory Framework	Pillar 2 Public Services	Pillar 3 Operational Efficiency	Labour	Financial Services	Taxation
Baseline Case	Pakistan	62.31	54.58	59.64	63.92	66.79	50.07
Aspirational	Philippines	73.86	57.82	51.45	70.42	73.22	60.46
Structural	Bangladesh	53.01	45.14	57.77	72.89	62.70	48.03
	Viet Nam	67.03	53.93	70.44	69.63	80.32	59.22

Source: World Bank (2026)

Top Quintile
Second Quintile
Third Quintile
Fourth Quintile
Fifth Quintile
Bottom Quintile

B-READY and its Pillars: None of the countries explored have a score that can be placed in the Top, Fifth, and Bottom quintiles. Pakistan’s baseline profile exhibits a distinct structural paradox. The state achieves a relatively stable score in Pillar 1: Regulatory Framework (62.31), outperforming its structural peer Bangladesh (53.01) and closely chasing

Vietnam (67.03). This indicates that Pakistan's laws, statutory provisions, and formal frameworks governing business entry and commercial operations are largely mature.

However, this formal regulatory foundation fails to translate into smooth field operations. Pakistan's performance is weaker in Pillars 2: Public Services (54.58) and 3: Operational Efficiency (59.64). While formal rules exist, the institutional infrastructure required to implement them, such as digital single-windows, e-government registries, and rapid dispute resolution, is missing or fragmented.

In sharp contrast, Vietnam presents an optimized operational matrix. While its formal regulations (67.03) are only slightly ahead of Pakistan's, its Operational Efficiency (Pillar 3) stands at a third quintile of 70.44. Vietnam minimizes the bureaucratic touchpoints required to run a business, giving local export firms a major advantage in transactional speed.

Labor Flexibility Variation: In the labor vertical, Pakistan's score of 63.92 sits on a comparable tier with Vietnam (69.63), though it is behind Bangladesh's highly flexible framework (72.89) and the Philippines' mature outsourcing labor pool (70.42). From a purely labor standpoint, Pakistan is on a level playing field; its regulatory framework does not overly penalize service firm operations or talent acquisition.

Financial Services Constraints: Pakistan's score of 66.79 slightly exceeds Bangladesh (62.70), reflecting key structural upgrades in banking digitization and credit registry accessibility. However, it lags significantly behind the Philippines (73.22) and Vietnam (80.32). For Mode 1 (Direct Cross-Border Services) exporters, this gap becomes a systematic hurdle in cross-border payment processing, and foreign exchange repatriation.

The Taxation Compliance Drag: The most severe institutional bottleneck identified for Pakistan is Taxation (50.07). It is marginally above Bangladesh (48.03) but falling far short of the Philippines (60.46) and Vietnam (59.22). This low score captures the heavy administrative burden of tax compliance. For Pakistani professional service exporters, this gap is worsened by fragmented provincial jurisdictions. Corporate entities must continuously clear compliance hurdles across multiple revenue boards (e.g., FBR -Federal Board of Revenue, SRB – Sindh Revenue Board, PRA - Punjab Revenue Authority) to reconcile fragmented sales taxes on services. This creates an administrative compliance drain that absorbs hundreds of hours of management focus every year (Ansari, 2026).

5.4.2.2 Physical & Digital Infrastructure Drivers

The physical & digital infrastructure drivers are measured using digital infrastructure cost and agility benchmarks and professional human capital & wage arbitrage matrix. Out of the broader infrastructure and talent metrics available, these specific indicators (Average Broadband Cost, Download Speed, Cloud Agility, Average Salary, and Technical Alignment) have been analyzed because they directly dictate the cost, reliability, and international compatibility required for cross-border professional service delivery.

In Table 5-8, digital infrastructure cost and agility benchmarks are shown, Average Broadband Cost, Download Speed, Cloud Agility, and Technical Alignment have been analyzed.

Table 5-8: Digital Infrastructure Cost & Agility Benchmarks (2026)

Peer Group	Country	Avg Fixed Broadband Cost (USD per Month)	Avg Download Speed (Mbps)	ICT Export Infrastructure & Cloud Agility Rating	Assessment
Baseline Case	Pakistan	\$12–18	18 – 40 Mbps	Moderate	Low consumer broadband pricing, but corporate-grade reliability remains inconsistent due to power continuity issues, international bandwidth concentration, and connectivity inconsistencies.
Aspirational	India	\$9–15	60 – 160 Mbps	High	Extremely low-cost broadband at scale supported by competitive broadband market, hyperscale investment, and mature IT/BPO infrastructure ecosystems.
	Philippines	\$25–40	50–90 Mbps	Moderate–High	Costs remain relatively high, but major outsourcing hubs benefit from reliable telecommunications infrastructure and mature BPO support systems.
Structural	Egypt	\$10–18	35–55 Mbps	Moderate	Rapid fibre expansion and improved affordability, although network quality remains uneven between urban and rural areas.
	Vietnam	\$10–15	70–110 Mbps	High	One of the best broadband value propositions in Asia, supported by aggressive fiber expansion and strong export-oriented digital infrastructure policies.
	Bangladesh	\$14–22	25–40 Mbps	Emerging–Moderate	Urban broadband access is improving rapidly, but reliable high-capacity connectivity remains uneven across the country.
Regional	Sri Lanka	\$10–18	30–50 Mbps	Moderate	A relatively stable broadband ecosystem supported by favorable submarine cable connectivity to South Asia and the Gulf.

Sources: Author compilation based on Venditti (2025); World Population Review (2026); Ookla (2026); Synthesized by cross-referencing WBG-WTO TS4D Framework (2025) and ITU-T Rec. Y.3510 cloud guidelines with empirical performance data from the Ookla Speedtest Global Index (2026), World Population Review (2026), and data compiled by Venditti (2025) for Visual Capitalist pricing indices.

Pakistan’s digital infrastructure presents a structural paradox characterized by highly competitive baseline pricing (\$12–18 per month) but face severe operational speed and reliability constraints (18–40 Mbps) compared to its peer groups. While regional competitors like India (\$9–15 per month; 60–160 Mbps) and Vietnam (\$10–15 per month; 70–110 Mbps) offer significantly superior cost-per-megabit efficiencies, Pakistan’s export capacity remains constrained by a moderate” cloud agility ecosystem. This lag is caused by internet routing bottlenecks, gateway delays, and the high cost of running backup generators. These problems disrupt real-time cloud operations and erase much of Pakistan’s raw cost advantage.

Using average annual salary of a mid-level account/ consultant, relative labor arbitrage advantage, and core technical and institutional alignment profile shown in table 5-10, Pakistan’s competitiveness in professional human capital and wage arbitrage is analyzed.

Table 5-9: Professional Human Capital & Wage Arbitrage Matrix (2026)

Peer Group (TS4D)	Country	Average Annual Salary: Mid-Level Accountant / Consultant (USD)	Relative Labor Arbitrage Advantage vs. UK/ US Markets	Core Technical and Institutional Alignment Profile
Baseline Case	Pakistan	\$7,000 – \$15,000	Very High	Strong grounding in IFRS and ISA through ICAP, ACCA, and CA ecosystems; comparatively high technical credibility in audit and assurance functions but lower international commercial visibility than India.
Aspirational	India	\$14,000 – \$22,000	High	Global benchmark for outsourced financial and professional services with deep specialization across audit support, analytics, compliance, and financial operations.
	Philippines	\$10,000 – \$16,000	High	Strong US-oriented accounting (US GAAP) and compliance alignment supported by extensive BPO experience, high English fluency, and mature client-service integration.
Structural	Egypt	\$6,000 – \$11,000	Extremely High	Cost competitiveness strengthened by currency depreciation and expanding outsourcing ecosystem targeting Europe and the GCC markets.
	Vietnam	\$8,000 – \$15,000	High	Rapidly advancing professional-services workforce with strong quantitative capability and improving international accounting integration, though English-intensive advisory functions remain comparatively limited.
	Bangladesh	\$5,000 – \$8,000	Extremely High	Highly cost-competitive for transactional finance, bookkeeping, and process outsourcing, though advanced advisory and audit-service ecosystems remain less mature.
Regional	Sri Lanka	\$7,000 – \$11,000	Very High	Strong English proficiency and established accounting tradition under Commonwealth institutional frameworks; recognized for relatively high-quality finance and audit talent pools.

Sources: Author compilation based on HRBS (2026), 6figr (2026), Davenport (2026) and Paylab (2026). Salary ranges reflect estimated urban market rates for mid-level accounting and finance professionals within the export sector.

Pakistan is offering mid-level accounting and consulting talent at an average annual salary of \$4,500–\$7,000, which grants it a very high cost-advantage relative to Western markets. While structural competitors like Egypt (\$3,500–\$5,500) and Bangladesh (\$3,000–\$5,000) match or undercut Pakistan on raw pricing, Pakistan distinguishes itself through strong institutional alignment with international standards (IFRS and ISA) via established ICAP and ACCA networks.

Despite strong technical capabilities and integration potential, Pakistan remains underrepresented in global markets. Unlike peers such as India (\$9,000–\$15,000) and the Philippines (\$7,000–\$11,000), which have built strong international visibility and established outsourcing brands, Pakistan’s skilled workforce is still concentrated largely in lower-margin subcontracting roles due to limited global market presence.

Chapter 6

A document with a table of data and a pie chart, representing financial data. The table has multiple columns and rows of numbers. A pie chart is visible below the table. The document is held by a black clip.

Inputs From Stakeholders



Chapter 6

Inputs From Stakeholders

To assess the opportunities, constraints, and future growth potential of Pakistan’s Accounting, Auditing, Bookkeeping, and Tax Consulting services sector, in-depth interviews were conducted with representatives from 18 firms, professional service providers, and industry institutions operating within the sector.

The findings are organized into two broad areas: current market conditions and emerging trends shaping the sector’s future development, and the key constraints affecting competitiveness and export growth.

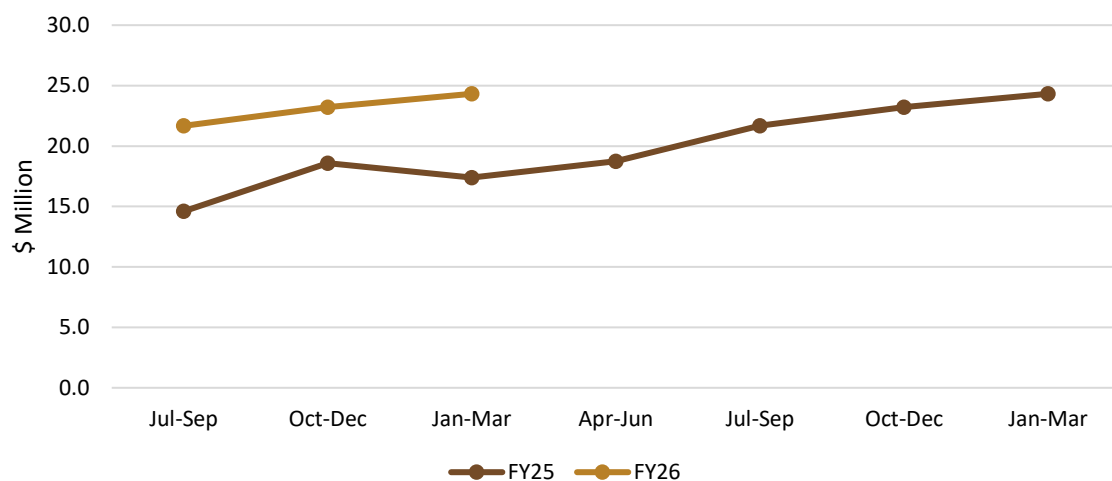
6.1 Current Market Trends and Future Projections

The accounting, auditing, bookkeeping, and tax consulting services sector is undergoing significant transformation as global demand increasingly shifts towards higher-value, technology-enabled, and advisory-oriented services. Industry stakeholders reported strong growth in international demand, evolving client expectations across key export markets, and the growing influence of artificial intelligence and automation on service delivery models. This section examines the sector’s current growth momentum, emerging market opportunities, and the key trends likely to shape its future development.

6.1.1 Strong Growth Momentum and Expanding Global Demand

Pakistan’s Accounting, Auditing, Bookkeeping, and Tax Consulting services sector is demonstrating strong growth momentum, supported by rising international demand for outsourced finance and professional services. Industry consultations indicate that firms are experiencing increasing business volumes across key export markets, particularly in the Gulf countries, North America, and the United Kingdom. Figure 6-1 show Pakistan’s Sub-Classification 10.2.1.2, Accounting, auditing, bookkeeping, and tax consulting services’ exports FY26 vs FY25.

Figure 6-1: Quarterly Exports of Sub-Classification 10.2.1.2, Accounting, Auditing, Bookkeeping and Tax Consulting Services FY26 vs FY25



Source: SBP (2026 b)

In the quarter of July – September FY26, Pakistan's exports of Accounting, Auditing, Bookkeeping and Tax Consulting services were about \$14.6 million which is 48.4% higher than the exports for the same quarter in FY25. Similarly, the exports in this Sub-Category showed an increase of 25.0% in Oct-Dec and 39.9% in Jan-Mar in FY26 compared to FY25.

This positive trajectory is reflected in steadily improving business confidence levels throughout FY25 and FY26, suggesting that the sector is benefiting from growing recognition of Pakistan's technical expertise and cost competitiveness. The sustained upward trend highlights the sector's considerable export potential and reinforces its position as an emerging contributor to Pakistan's services exports.

6.1.2 Trends in the Global Market

Global demand for accounting and professional services is shifting away from routine transactional work towards higher-value services that require industry knowledge, professional judgment, and advisory capabilities. Clients are increasingly seeking providers that can offer strategic support, compliance expertise, risk management, and finance transformation services rather than basic bookkeeping and data-processing functions. As a result, competition is becoming less dependent on cost and more dependent on expertise, quality, and the ability to deliver specialized solutions.

6.1.2.1 The North American Markets

In mature markets such as North America, firms often face greater scrutiny regarding credibility, reputation, and client assurance, making local representation, partnerships, and market presence increasingly important for business development. Trust remains a critical factor in securing clients, with many buyers preferring firms that maintain an on-ground presence or local point of contact. The time-zone difference presents both an opportunity and a challenge, allowing Pakistani firms to provide extended service coverage while requiring adjustments in staffing and operations.

The North American market presents additional technical barriers. The United States follows Generally Accepted Accounting Principles (US GAAP), which differ from the IFRS framework commonly used in Pakistan. This requires firms to develop specialized knowledge and market-specific expertise. Furthermore, certain accounting, taxation, and advisory activities require professional licensing or collaboration with locally licensed practitioners, increasing the complexity of market entry. Despite these barriers, the market remains highly attractive due to its size and demand for outsourced accounting services.

6.1.2.2 The Australian Market

Australia also presents a sizeable opportunity but is characterized by intense competition from established outsourcing destinations, particularly the Philippines. Similar to North America and Europe, Australian clients place a strong emphasis on quality, communication, trust, and professional standards. Firms seeking to expand into Australia must therefore compete on expertise and service quality rather than solely on cost advantages.

6.1.2.3 European Markets

Europe is generally a more conservative and highly regulated market. Regional competitors such as Poland and Romania have established strong positions in the European shared and professional services space. Poland and Romania benefit from a strong regional advantage arising from their geographic proximity, regulatory alignment, cultural familiarity, and workforce mobility within Europe.

The U.K. places significant emphasis on professional qualifications, quality standards, and regulatory compliance, creating opportunities for Pakistan's internationally qualified accountants.

Opportunity for Pakistan in the North American and European Markets:

The major competitor, India, has already established a strong foothold in the North American and European markets, allowing Indian firms greater flexibility in working within their own time zones while maintaining client relationships. This creates an opportunity for Pakistani firms to differentiate themselves through responsiveness, quality, and alignment with client working hours.

6.1.2.4 The GCC Markets

The GCC markets continue to present strong opportunities due to geographic proximity, cultural familiarity, and time-zone alignment, although relationship-building and on-ground engagement remain important components of market entry and expansion. These trends indicate that future growth will increasingly depend on Pakistan's ability to establish trusted market presence, build long-term client relationships, and develop expertise in higher-value service segments.

While the Gulf remains one of the most accessible markets, firms are increasingly monitoring developments such as nationalization policies, including Saudization, which may gradually reduce opportunities for traditional secondment models and accelerate the shift toward offshore and back-office service delivery. There is also strong and severe competition from India in the GCC markets, especially because of the time-zone alignment.

6.1.3 Challenging Domestic Market

Despite the sector's growing export potential, the domestic market remains relatively less attractive for accounting and professional services firms. Large multinational corporations often maintain in-house finance, accounting, tax, and compliance functions, reducing demand for outsourced professional services.

At the same time, fee levels in the local market are generally lower than those available internationally, limiting profitability and the ability of firms to invest in expansion, technology, and talent development. The business case for focusing on export markets is further strengthened by a relatively burdensome domestic tax environment, including provincial sales taxes on professional services. As a result, firms seeking to expand internationally often face the challenge of first establishing a sustainable domestic client base in a market characterized by lower margins and limited demand for high-value advisory services.

Table 6-1: Sales Tax on Services and Accounting, Auditing, Taxation and Related Professional Services by Territory as of FY26

Province/ Territory	Sales Tax on Services	Concessions for Accountancy, Auditing, Taxation and Related Professional Services
Punjab	16%	5% for Accountancy, audit, tax and corporate law consultancy services.
Islamabad Capital Territory (ICT)	16%	No specific reduced rate identified for accounting and auditing services. Standard rate generally applies unless covered under a separate exemption or notification.
Sindh	15%	8% for Accountants and Auditors The reduced rate applies only to accounting and auditing services provided by accountants and auditors.
Balochistan	15%	8% for Accountants and Auditors The reduced rate specified, shall apply only in relation to accounting and auditing services provided or rendered by accountants and auditors.
Khyber Pakhtunkhwa (KPK)	15%	5% for Financial, accountancy, cost accountancy, audit, tax management or tax affairs and similar other fields or disciplines. The reduced rate does not apply to corporate entities, subsidiaries, branches, or entities operating in collaboration with foreign service providers.

Sources: Lloyds Bank Trade (2026); Sindh Revenue Board (2024); Chaudhary (2026); Khyber Pakhtunkhwa Revenue Authority (2024); TaxSupportHub (2025)

Under the standard sales tax regime, businesses are generally permitted to claim input tax adjustments against the sales tax collected on taxable supplies, provided the purchases are directly attributable to the provision of taxable services. However, this benefit is typically not available under concessional or reduced-rate regimes, where input tax adjustment or credit is either restricted or disallowed.

Under the Income Tax Ordinance, payments for most general and non-specified services are subject to a withholding tax of 15% under Section 153 as per FY26. In contrast, IT and IT-enabled services benefit from a significantly lower withholding tax rate of 4% (8% for non-filers), providing a more favorable tax treatment for technology-enabled service providers (Tariq Abdul Ghani & Co., 2025).

6.1.4 Demand Exists for Entry-Level Finance and Accounting Services

Despite the shift towards higher-value professional services, stakeholders noted that significant international demand continues to exist for bookkeeping, payroll processing, accounting support, compliance support, and other entry-level finance functions. However, many graduates lack the practical skills required to enter these roles immediately, creating a gap between labor market demand and workforce readiness.

6.1.5 The AI Impact

Artificial intelligence (AI) is expected to significantly transform routine accounting functions such as bookkeeping, reconciliations, invoice processing, and data management. As automation capabilities continue to advance, many transactional and rules-based activities are likely to become increasingly automated, reducing demand for traditional entry-level accounting work. Pakistan's current competitive positioning remains heavily concentrated in lower-value service segments, with much of the outsourced work flowing into the country focused on bookkeeping, back-office processing, and other transactional activities. This reliance on cost competitiveness creates long-term vulnerability as these services become increasingly automated.

However, services requiring professional judgment, strategic thinking, client interaction, risk assessment, advisory expertise, and decision-making are expected to remain comparatively less vulnerable to automation as shown in Table 6-2.

Table 6-2: Relative Vulnerability of Accounting Service Functions to AI

Most Vulnerable	Vulnerable	More Resilient
<ul style="list-style-type: none"> ▪ Data Entry ▪ Bookkeeping ▪ Bank reconciliation ▪ Invoice processing 	<ul style="list-style-type: none"> ▪ Financial statement preparation ▪ Costing ▪ Basic financial ratios ▪ Fixed assets register maintenance 	<ul style="list-style-type: none"> ▪ Tax advisory and planning ▪ Merger and acquisition ▪ Fraud and forensic investigation ▪ Internal control evaluation ▪ Pricing/ transfer pricing ▪ Risk assessment ▪ Investment appraisal ▪ Hedging ▪ Cost optimization ▪ ERP planning and designing ▪ Budget preparation ▪ Cash flow requirement ▪ Projections ▪ Internal audit ▪ Bank loan processing

Source: Qualitative Interviews

Consequently, future growth will depend on the sector’s ability to move up the value chain towards higher-value services such as financial advisory, risk consulting, internal audit, compliance, virtual CFO services, and finance transformation. This transition will require significant investments in workforce development, AI readiness, and specialized expertise to ensure that Pakistan competes on quality and knowledge rather than cost alone.

6.2 Constraints Affecting Sector’s Competitiveness

Despite the sector’s strong growth potential and competitive advantages, a number of structural and operational challenges continue to constrain its development. These constraints affect firms’ ability to scale operations, attract international clients, move up the value chain, and compete effectively against regional peers. This section highlights the key challenges identified during industry interviews.

6.2.1 Human Capital and Talent Retention Challenges

Professionals often lack practical exposure, communication skills, client management capabilities, and familiarity with industry-standard technologies. This gap between academia and industry results in significant retraining requirements and constrains workforce readiness for international markets.

6.2.1.1 Academia–Industry Disconnect

A Pakistani human resource has strong technical talent but lacks soft skills and work ethics. Table 6-3 contains the strengths and weaknesses of a Pakistani human resource compared to top competitors India and the Philippines.

Table 6-3: The Strengths and Weaknesses of a Pakistani Accountant in an International Market

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Pakistani accountants are viewed as technically competent and often superior to competitors in India, the Philippines, and Bangladesh. ▪ International qualifications (CA, ACCA, CMA) are highly respected. ▪ Strong foundation in accounting, taxation, auditing, and compliance. 	<ul style="list-style-type: none"> ▪ Communication and business writing skills. ▪ Client management and stakeholder engagement. ▪ Professional conduct and workplace discipline. ▪ Time management and commitment to deadlines. ▪ International exposure and business etiquette. ▪ Limited practical English proficiency.

Source: Qualitative Interviews

Fresh graduates often require extensive retraining (3 months to a year) before becoming client-ready, reflecting a persistent disconnect between academic preparation and industry requirements. The Curricula has an insufficient emphasis on industry-relevant technologies and digital tools that are increasingly becoming standard in accounting and advisory services. Key skill gaps exist in areas such as Enterprise Resource Planning (ERP) systems, QuickBooks, Xero, advanced Excel, cloud accounting platforms, data analytics, and AI-enabled accounting tools.

Curricula remain heavily focused on theoretical concepts, while practical exposure to real-world business scenarios and industry applications remains limited. Where case studies are incorporated into teaching, they are often based on foreign companies and business environments, providing limited exposure to the regulatory, commercial, and operational realities faced by Pakistani businesses. As a result, graduates may possess strong theoretical knowledge but lack familiarity with the practical challenges encountered in professional practice.

6.2.1.2 High Tax Burden Contributes to Talent Migration

While export-oriented professional services firms benefit from a reduced income tax rate, these incentives do not extend to employees. As a result, highly qualified accountants, auditors, and finance professionals continue to face comparatively high personal income tax rates despite contributing to export earnings. This creates dissatisfaction among employees and strengthens incentives to seek employment in overseas markets, particularly in GCC countries where personal income taxes are generally absent. The resulting outflow of skilled professionals poses a growing challenge for talent retention and sector growth.

6.2.1.3 Visa and Mobility Restrictions Affect International Service Delivery

Visa and cross-border mobility constraints present a growing challenge for firms operating through secondment and staff augmentation models. Many international accounting, advisory, and professional services engagements require personnel to spend time at client locations for onboarding, training, relationship management, project implementation, and specialized assignments.

Pakistani professionals often face greater difficulties in obtaining business and work visas compared to competitors from other outsourcing destinations especially in Saudi Arabia and the U.S. Lengthy processing times, visa refusals, and restrictive mobility requirements can limit firms' ability to deploy talent where needed and respond quickly to client demands. These constraints are particularly significant given the sector's continued reliance on secondment and resource augmentation arrangements, where physical presence remains an important component of service delivery.

6.2.2 Market Access, Visibility, and International Positioning Constraints

Pakistan remains largely unknown as a destination for professional services exports and relies heavily on referrals, diaspora networks, and personal connections for client acquisition. Restrictive marketing regulations, weak international branding, and limited participation in global promotional activities further constrain international visibility and market access.

6.2.2.1 Restrictive Marketing Regulations Limit International Visibility

The regulatory framework governing the accounting profession in Pakistan remains comparatively restrictive with respect to marketing and business development activities. Professional conduct requirements administered by ICAP, operating within a framework rooted in the Chartered Accountants Ordinance, 1961 and related ethical regulations, place limitations on advertising, sponsorships, direct client solicitation, and other forms of promotional activity (ICAP, 1961, 1983).

While such restrictions were originally designed to safeguard professional ethics and auditor independence, they have become increasingly difficult to reconcile with the realities of a highly competitive global services market where visibility, branding, and international business development are essential for growth.

Compared to many competing markets, where firms can engage in sponsorships, industry events, digital marketing, and international branding within ethical guidelines, Pakistani firms face greater restrictions on business development activities. Consequently, client acquisition relies heavily on referrals and personal networks, limiting the visibility of Pakistani accounting and professional services firms in international markets. Greater flexibility for non-audit services could strengthen the sector's global competitiveness while preserving audit independence requirements.

6.2.2.2 Pakistan Lacks International Visibility and Branding as a Professional Services Destination

Pakistan remains largely unknown as a destination for accounting and professional services exports. Despite strong technical capabilities, the country suffers from weak international branding and an overreliance on cost-based positioning. Pakistan has developed a reputation as a low-cost outsourcing destination rather than a provider of high-quality professional expertise.

Compared to competitor countries, Pakistan has limited participation in international exhibitions, trade fairs, and industry roadshows, resulting in weak global visibility. There are also insufficient government-led lobbying, investment promotion, and international marketing to showcase Pakistan's service delivery capabilities. The country's strengths are rarely highlighted through international industry publications, business forums, or targeted promotional campaigns.

6.2.2.3 Client Acquisition and International Market Access Remain the Largest Constraints to Growth

International business is largely obtained through personal networks, referrals, diaspora connections, or affiliations with overseas firms. New entrants face considerable barriers in accessing foreign markets, particularly in North America and Europe, where trust and visibility are critical factors in purchasing decisions. Competition from India is particularly intense across major export markets, supported by well-established business networks, strong market presence, and referral ecosystems that often favor Indian firms.

6.2.3 Technology, Infrastructure, and Digital Competitiveness Constraints

Reliable infrastructure and technology adoption are increasingly critical to competitiveness. However, internet disruptions, power outages, high software costs, foreign exchange restrictions, and weak data protection frameworks limit productivity, client confidence, and digital transformation efforts.

6.2.3.1 Infrastructure Gaps Increase Costs and Reduce Client Confidence

Reliable digital infrastructure remains critical to the competitiveness of accounting and professional services exports. Frequent internet disruptions, connectivity issues, and power outages increase operational costs by necessitating investments in backup connectivity solutions, alternative power sources, and specialized office infrastructure. Beyond increasing the service delivery costs, these disruptions can affect productivity, business continuity, and client confidence, particularly in an industry where uninterrupted access to digital platforms and real-time communication is essential. As competing destinations continue to offer more reliable infrastructure, these challenges reduce Pakistan's attractiveness as a location for internationally outsourced professional services.

6.2.3.2 Weak Data Protection Frameworks Undermine International Trust

Data protection and cybersecurity are becoming increasingly important determinants of competitiveness in the global professional services market. The handling of sensitive financial, tax, payroll, and corporate information require strong safeguards to ensure confidentiality, integrity, and client trust. While firms are increasingly adopting internal security

protocols and internationally recognized standards, the broader legal and regulatory framework for data protection remains underdeveloped relative to competing destinations. This can create concerns among international clients regarding data security, regulatory compliance, and the protection of sensitive business information, particularly in higher-value service segments that involve extensive access to financial and corporate data.

6.2.3.3 Banking and Foreign Exchange Procedures Create Significant Operational Challenges

The financial and regulatory environment governing international transactions remains a constraint to sector growth. Complex banking procedures, foreign exchange restrictions, payment processing delays, and limitations on the retention and utilization of foreign currency earnings increase the cost of doing business and create operational inefficiencies. These challenges are particularly significant for export-oriented firms that rely on international software subscriptions, overseas marketing activities, and cross-border business operations, placing them at a competitive disadvantage relative to firms operating in more facilitative business environments.

6.2.3.4 High Cost of Professional Software Reduces Competitiveness

Professional services firms increasingly depend on international accounting software, ERP systems, cloud platforms, cybersecurity tools, and productivity applications to meet client requirements and remain competitive. Stakeholders noted that the cost of these software subscriptions is often high relative to local operating costs and is further amplified by exchange rate pressures. For small and medium-sized firms, these expenses can represent a significant barrier to technology adoption, reducing their ability to improve productivity, compete internationally, and transition towards higher-value service delivery models.

6.2.4 Regulatory, Taxation, and Business Environment Challenges

The sector's competitiveness is constrained by complex regulatory procedures, fragmented provincial taxation regimes, foreign exchange restrictions, and a broader business environment that increases the cost and complexity of operations. Stakeholders highlighted challenges relating to business expansion, mergers and acquisitions, foreign investment, overseas market entry, and the establishment of international offices. These constraints not only discourage investment and firm growth but have also contributed to the declining presence of international professional services firms in Pakistan.

6.2.4.1 Challenging Environment for Foreign Investment and Business Expansion

Professional services firms face difficulties scaling through mergers, acquisitions, partnerships, and foreign office establishment due to regulatory complexity, taxation concerns, and the absence of institutional support.

Pakistan's business and regulatory environment have several challenges for foreign investors and international firms seeking to establish or expand operations in the country. Complex regulatory procedures, extensive documentation requirements, lengthy approval processes, and multiple institutional clearances increase the cost and uncertainty associated with investment. Difficulties in obtaining approvals for foreign directors and navigating regulatory investigations and clearances can further discourage international participation. These challenges not only affect foreign investment inflows but also limit opportunities for international partnerships, joint ventures, and the establishment of multinational professional service operations within Pakistan.

6.2.4.2 Declining Presence of International Firms

The broader investment climate has also contributed to a reduced presence of major international accounting networks in the country. International firms have historically served as important channels for knowledge transfer, global best practices, professional development, and exposure to international clients. Their

presence plays a critical role in developing highly skilled accounting professionals and strengthening the sector's integration with global markets.

Deloitte's 2020 exit and KPMG's scheduled departure by September 2026 leaves Pakistan as a stark anomaly, being the only country in the top 5 globally by population (India, China, United States, Indonesia and Pakistan) without the full Big Four network (Nizami, 2021; Mala, 2026).

A combination of low revenue potential, adverse tax policies, and high market volatility has prompted these exits. This dwindling global footprint risks stunting the sector's long-term viability, as it drastically reduces opportunities for talent incubation, global cross-border exposure, and the knowledge transfer vital to local professionals.

6.2.4.3 Taxation and Regulatory Complexity Reduce Competitiveness

The taxation and regulatory complexity across different taxation regimes leads to reduced competitiveness for Pakistani services exporters.

Inconsistent tax policies, provincial disparities in sales tax treatment, and a broader perception of regulatory uncertainty does not create a favorable business environment. Sales Tax on services in Pakistan is under provincial jurisdiction, even though sales tax on exports of Accounting, Auditing and certain advisory services is mostly exempt in all provinces, there are differences in general treatment as shown in Table 6-4.

Table 6-4: General Treatment of Exported Professional Services across Provinces

Jurisdiction	General Treatment of Exported Professional Services
Islamabad Capital Territory (ICT)	Exported services are generally exempt from sales tax.
Punjab	Exported services are generally exempt, subject to prescribed conditions and documentation requirements.
Sindh	Exported accounting, auditing, bookkeeping, and certain consultancy services may qualify for exemption subject to conditions relating to foreign exchange realization, banking channel requirements, and regulatory compliance. However, the province is often associated with greater compliance complexity, documentation requirements, and implementation uncertainty relative to some other jurisdictions. Where exemption conditions are not fulfilled, the standard Sindh Sales Tax on Services rate of 15% may apply.
Khyber Pakhtunkhwa	Export-oriented services generally benefit from exemption/refund mechanisms, although implementation issues may arise.
Balochistan	Tax treatment forms part of the broader issue of provincial fragmentation and varying compliance requirements.

Source: Balochistan Revenue Authority, 2024; KPMG Taseer Hadi & Co., 2025; Qualitative Interviews.

The broader business tax environment also affects the sector's competitiveness. Professional services firms face multiple layers of taxation, including corporate income tax, minimum taxes, and super taxes, resulting in effective tax burdens that can exceed 50% in some cases. High taxation reduces profitability, discourages reinvestment and expansion, and weakens Pakistan's attractiveness as a destination for both domestic and foreign investment.

6.2.5 Weak Institutional Support and Commercial Facilitation

The sector lacks a dedicated institutional framework, centralized promotion mechanism, and coordinated export support structure. In addition, commercial diplomacy efforts remain limited, reducing opportunities for international business development and market facilitation.

6.2.5.1 There is No Unified Institutional Framework Supporting Professional Service Exporters

Unlike several other export-oriented sectors, the accounting and professional services industry lacks a centralized support and facilitation mechanism through which international clients can identify, verify, and engage with Pakistani service providers. The absence of a unified accreditation, promotion, and outreach platform limits the sector's international visibility, constrains trust-building efforts, and reduces opportunities for coordinated industry development and export promotion.

6.2.5.2 Commercial Attachés and Diplomatic Missions are not Effectively Supporting Services Exporters

The effectiveness of embassies, commercial attachés, and trade missions in supporting professional services exports remains limited. Weak engagement with the private sector, insufficient market facilitation, and missed opportunities to connect Pakistani firms with prospective international clients especially in the European markets reduce the effectiveness of commercial diplomacy efforts. Challenges in the planning and coordination of international promotional activities have further constrained the sector's ability to build visibility and develop business relationships in key export markets.

6.2.5.3 Lack of Sector Data and Market Intelligence

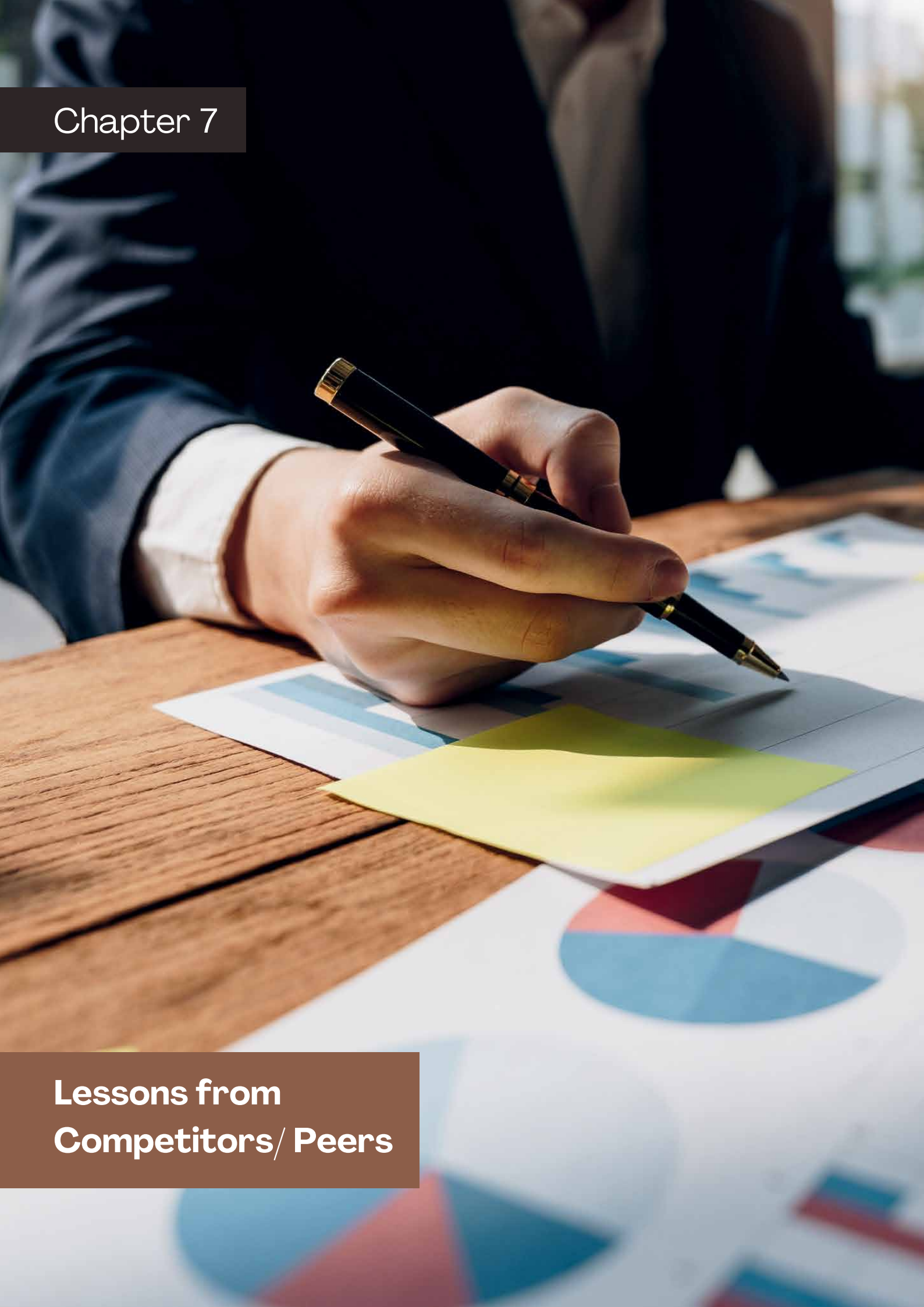
A major constraint facing the Professional services segment is the absence of reliable sector-level data and market intelligence. The lack of a centralized database of firms, export earnings, service categories, and market trends makes it difficult to quantify the sector's size, monitor its performance, and assess its contribution to national exports. This information gap hinders strategic planning, weakens policy formulation, and limits the sector's ability to advocate for targeted support measures.

6.2.5.4 Accounting and Professional Services Have Not Been Recognized as a Strategic Export Sector

Despite its growing export potential, the accounting and professional services sector receives comparatively limited policy attention and support. The sector is often grouped under the broader category of IT Enabled Services (ITES), despite having distinct characteristics, regulatory requirements, and workforce needs. This limits its visibility within government planning and export promotion initiatives, resulting in the absence of dedicated policies, targeted incentives, and sector-specific support mechanisms. Recognizing the sector as a distinct export industry could help unlock its growth potential and improve its contribution to services exports.

Chapter 7

Lessons from Competitors/ Peers



Chapter 7

Lessons from Competitors/ Peers

The experiences of leading competitors and peer economies provide valuable insights into the factors that have enabled the growth of accounting and professional services exports. The global trends and the lessons that can be learnt from them is discussed in this chapter.

7.1 Global Shift from Staff Augmentation to Business

Process Management

The global professional services industry is increasingly moving beyond traditional Business Process Outsourcing (BPO) towards Business Process Management (BPM) and other higher-value service delivery models. Unlike conventional outsourcing arrangements that focus on performing discrete tasks at lower cost, BPM emphasizes process ownership, strategic involvement, client engagement, and end-to-end service delivery.

This shift has also contributed to the growth of Shared Services Centres (SSCs) and Global Capability Centres (GCCs). SSCs are centralized units that perform common business functions, such as accounting, payroll, finance, procurement, and human resources for multiple business units or countries from a single location. GCCs represent a more advanced model, delivering not only operational support but also higher-value services such as financial planning and analysis, tax advisory, internal audit, risk management, technology development, and business consulting. As a result, clients are increasingly seeking partners capable of managing entire business functions rather than simply providing manpower.

Pakistan vs. Global Trends

Pakistan's current export model remains heavily concentrated in staff augmentation, resource outsourcing, and secondment arrangements, whereby professionals are deployed to support specific client functions or fill temporary resource gaps. While these models have facilitated market entry and generated employment opportunities, they generally capture lower margins and provide limited opportunities for developing direct client relationships, proprietary processes, or specialized service offerings. In contrast, leading competitors have increasingly transitioned towards SSCs, GCCs, and integrated service delivery centres that manage end-to-end accounting, finance, compliance, tax, risk management, and advisory functions on behalf of clients. This evolution has enabled them to move up the value chain, strengthen client relationships, and capture a larger share of the value generated through professional services exports.

7.2 Key Features of Successful Competitors/ Models Bottom of Form

Several competitor and peer economies have successfully developed globally competitive accounting and professional services sectors. Their experiences offer useful insights into the strategies, ecosystems, and enabling factors that have supported export growth. The key characteristics of these models are presented in the Table 7-1.

Table 7-1: Key Features of the Competitor Models

Country	Competitor Model Identified by the Industry	Key Features of the Model
India	Global Capability Centres (GCCs) and Professional Services Offshoring	<ul style="list-style-type: none"> Large-scale offshore delivery centres Strong industry-academia linkages Deep professional talent pool Extensive international client networks Transition from staff augmentation and secondment model to higher-value services
The Philippines	Government-Supported BPO Ecosystem (PEZA Model)	<ul style="list-style-type: none"> Dedicated economic zones (PEZA) Tax incentives and investment facilitation Reliable infrastructure Strong English proficiency Mature accounting and shared services industry
Egypt	Regional Services Hub	<ul style="list-style-type: none"> Strategic location between Europe and the GCC Multilingual workforce Government-led investment promotion Strong time-zone alignment Growing shared services sector
Sri Lanka	Reputation-Based Professional Services and Shared Services Hub	<ul style="list-style-type: none"> Strong CA, ACCA, CIMA, and internationally recognized professional qualifications Focus on quality, specialization, and service excellence rather than scale Strong international reputation and client trust Established Finance and Accounting Outsourcing (FAO) industry Growth in Knowledge Process Outsourcing (KPO) and shared services Expansion into higher-value advisory, analytics, and professional services
Vietnam	Technology-Enabled Business Services	<ul style="list-style-type: none"> Digital transformation policies Technology adoption and automation Workforce development initiatives Investment promotion Technology-enabled service delivery
Bangladesh	Export-Oriented Services Development	<ul style="list-style-type: none"> Export promotion measures Competitive operating costs Policy incentives Support for outsourcing services Stable export-oriented framework

Sources: Chaudhry (2025); Dhruva Advisors (2025); De Ramos (2026); Philippine Economic Zone Authority (2026); Miller (2025); Melamed (2025); World Bank (2024); Bangladesh Investment Development Authority (2026).

Common characteristics across all competitors/ peers are strong government support, targeted export promotion, international branding, industry-academia collaboration, investment facilitation, reliable infrastructure, and a gradual shift from low-cost outsourcing towards higher-value, technology-enabled professional services.

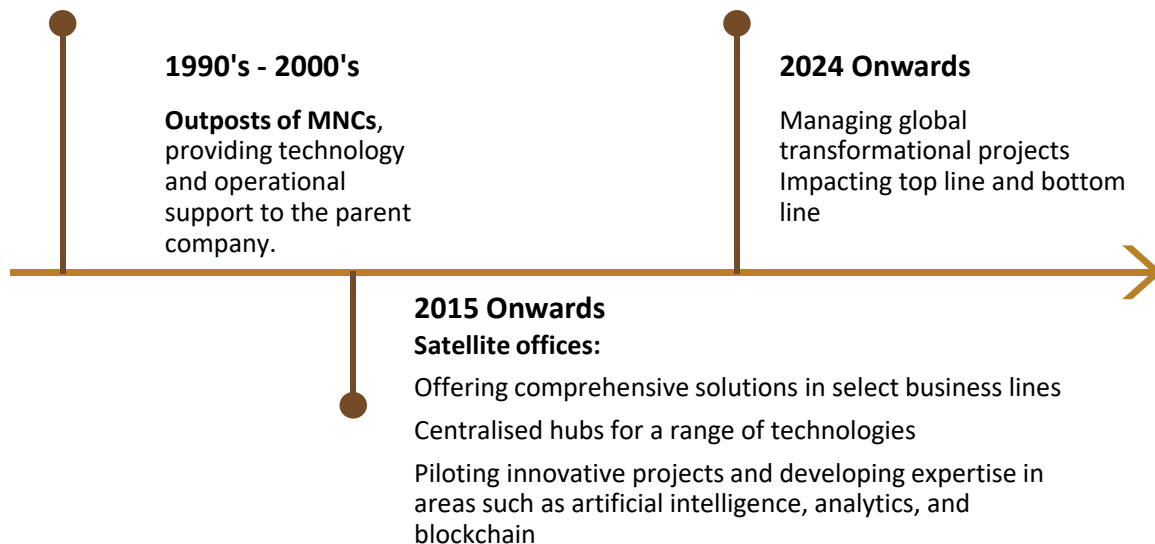
The main three strategies are:

- (i) Developing large-scale delivery and capability centers (India, Poland),
- (ii) creating supportive ecosystems through infrastructure and policy incentives (Philippines, Bangladesh), and
- (iii) building a reputation for specialized expertise and service quality (Sri Lanka, Egypt). Increasingly, technology adoption and digital transformation have become common features across all successful models (Vietnam).

7.3 India's Global Capability Centre (GCC) Model

India's Global Capability Centres (GCCs) have transformed from traditional back-office support units into strategic drivers of global value creation. Increasingly, they lead innovation, technology development, and research and development activities for multinational corporations. Emerging from the Global Business Services (GBS) model, GCCs occupy an evolving position within shared services structures and are also referred to as Global In-House Centres (GICs), second headquarters, or enterprise innovation hubs. In India, GCCs play a central role in managing global operations and collaborating with teams across multiple geographies.

Figure 7-1: Timeline of GCC Development



Source: Chaudhry (2025)

India GCC Sector: Key Highlights

- Contributed an estimated **US\$64.6 billion in export revenue in FY24**, up from **US\$46 billion in FY23**.
- Projected to reach **USD 105 billion** by 2030.
- Expected to contribute approximately **2% of India's GDP by 2030**.
- Projected to generate **2.8 million jobs by 2030**.
- Growth of GCCs has been identified as a key factor behind the expansion of India's services exports since 2022.
- Around **20,000 global leadership roles** are expected to be based in India by 2030.
- GCCs have evolved from back-office support centres into **global hubs for innovation, technology development, and R&D**.
- Increasingly function as **strategic centres managing global operations and business functions** for multinational corporations.

India's Global Capability Center (GCC) ecosystem has evolved into a strategic enterprise hub for over 1,800 GCCs and this number is expected to reach 2,400 by 2030. India's emergence as a global hub for Global Capability Centres (GCCs) has been driven by a combination of favorable structural conditions and deliberate policy interventions. While factors such as a large skilled workforce, cost competitiveness, a mature business services ecosystem, and the presence of multinational corporations laid the foundation for growth, targeted government measures and investments in talent development, infrastructure, and innovation helped accelerate the sector's evolution.

Table 7-2 summarizes the key historical drivers and policy enablers that contributed to the expansion of India's GCC ecosystem and its transition towards higher-value business and professional services.

Table 7-2: Historical Drivers and Policy Enablers behind the Growth of GCCs in India

Historical Drivers	Policy Enablers
Large pool of skilled and English-speaking talent	Tax incentives and investment facilitation measures (e.g., Special Economic Zones (SEZs), state-level investment incentives)
Strong finance, accounting, engineering, and technology workforce	Streamlined regulatory and compliance processes (e.g., single-window clearances, business process simplification)
Cost competitiveness relative to developed markets	Faster approvals and business facilitation mechanisms (e.g., dedicated GCC policies in Karnataka, Telangana, and Tamil Nadu)
Early adoption of outsourcing and offshoring models	Infrastructure development and support for GCC operations (e.g., IT parks, technology corridors, digital infrastructure investments)
Presence of multinational corporations establishing captive centres	Policies aimed at improving access to skilled talent (e.g., expansion of higher education and technical institutions)
Mature IT and business services ecosystem	Promotion of innovation and digital transformation (e.g., Digital India, Startup India, AI and emerging technology initiatives)
Strong international reputation as an outsourcing destination	Industry-academia collaboration initiatives (e.g., NASSCOM-led university partnerships and curriculum alignment programmes)
Availability of high-quality office and digital infrastructure	Internship, upskilling, and workforce development programmes (e.g., corporate internships, professional certification programmes, industry-led training)
Evolution from BPO and staff augmentation towards GCCs	Support for innovation, incubation, and emerging technologies (e.g., incubators, innovation hubs, startup accelerators, Centres of Excellence)
Expansion into higher-value services such as finance, tax, compliance, analytics, and advisory	Partnerships between industry, academia, and government to develop GCC-focused skills (e.g., National Education Policy 2020 initiatives, joint skill development programmes)

Sources: Chaudhry (2025); Press Information Bureau (2025); Startup India Website; DSP Asset Managers (2025)

Chapter 8

Recommendations



Chapter 8

Recommendations

Based on the challenges identified by stakeholders and the experiences of successful competitor and peer economies, the following recommendations are proposed to support the development and international competitiveness of Pakistan's professional services sector.

8.1 Develop Human Capital and Retain Talent

Address skills gaps, strengthen workforce readiness, and improve retention of skilled professionals through targeted training, certifications, and talent-focused policies.

8.1.1 Modernize Human Capital Development

Addressing skills gaps will require closer collaboration between academia, professional bodies, the government and industry. Accounting and finance curricula should be modernized to incorporate practical training, locally relevant case studies, internships, and greater exposure to ERP systems, cloud accounting platforms, data analytics, artificial intelligence, QuickBooks, Xero, and advanced Excel. Greater emphasis should also be placed on communication, client management, and problem-solving skills to ensure graduates are equipped for international service delivery environments.

8.1.2 Support Talent Retention and Workforce Competitiveness

Consider targeted income tax concessions or preferential tax treatment for employees working in export-oriented professional services sectors. Such measures would improve talent retention, reduce outward migration, and ensure that firms can maintain the skilled workforce necessary to support export growth.

8.1.3 Develop Industry-Oriented Certification and Workforce Development Programmes

Establish industry-led certification and workforce development programmes focused on practical accounting and finance operations, including bookkeeping, payroll processing, reconciliations, cloud accounting platforms, QuickBooks, Xero, ERP systems, and compliance support services. Such programmes would create a larger pool of job-ready talent, improve employability, and enable Pakistan to capture growing international demand for finance and accounting support services without requiring all workers to pursue advanced professional qualifications.

This framing aligns much more closely with the Philippines/BPO model, where large numbers of workers are trained for finance and accounting operations roles rather than all progressing through professional accounting qualifications.

8.2 Enhance International Market Access and Commercial Diplomacy

Improve Pakistan's international visibility, strengthen market access efforts, and facilitate business development through stronger diplomatic and trade promotion support.

8.2.1 Strengthen International Branding and Market Access

Pakistan's professional services sector requires a more proactive international branding and market development strategy. Government agencies and trade promotion organizations should support participation in international exhibitions, roadshows, professional services conferences, and industry forums to increase the sector's global visibility. A coordinated branding initiative should showcase Pakistan's pool of internationally qualified professionals and position the country as a trusted destination for accounting, taxation, finance, and advisory services. The establishment of a credible platform or directory of verified service providers could further improve international visibility and facilitate market access.

8.2.2 Improve Commercial Diplomacy and Professional Mobility

Pakistan's embassies, consulates, and commercial missions should play a more active role in supporting professional services exports by promoting Pakistani capabilities in overseas markets, facilitating commercial connections, and identifying business opportunities. In addition, greater attention should be given to addressing professional mobility constraints.

Difficulties in obtaining business visas, work permits, and short-term travel authorizations can hinder client engagement, secondment arrangements, and business development activities, especially for Saudi Arabia and the U.S. Strengthening engagement with key destination markets to facilitate professional mobility would support firms in building client relationships and expanding their international presence.

8.2.3 Leverage Strategic Market Opportunities

Pakistan should prioritize markets where it possesses natural competitive advantages, particularly the GCC region, where geographic proximity, cultural familiarity, and alignment with international accounting standards create favourable conditions for growth. At the same time, firms should be supported in expanding into Australia, the United Kingdom, and selected European markets through targeted market-entry strategies, international certifications, and strengthened business development support. Diversification across markets will reduce concentration risks and create new opportunities for long-term export growth.

8.3 Accelerate Technology Adoption and Digital Competitiveness

8.3.1 Facilitate Access to Professional Software and Digital Tools

Simplify foreign exchange procedures for software purchases and allow greater flexibility in the retention and utilization of export earnings. This could include targeted subsidies, tax credits, concessionary financing, or other support mechanisms aimed at encouraging technology adoption, improving productivity, and strengthening the sector's international competitiveness.

8.3.2 Accelerate Technology Adoption and AI Readiness

Technology is becoming a key determinant of competitiveness in professional services. Firms should be encouraged to adopt automation, artificial intelligence, cloud accounting solutions, data analytics, and digital workflow systems.

Collaboration between accounting firms and Pakistan's technology sector should be promoted to develop integrated financial technology solutions and technology-enabled service offerings.

8.3.3 Enable Data Protection and Cybersecurity Frameworks

Accelerate the development and implementation of modern data protection legislation and strengthen cybersecurity frameworks to align with international standards. This will improve client confidence, facilitate access to higher-value service segments, and support Pakistan's positioning as a trusted professional services destination.

8.4 Strengthen the Business Ecosystem

Create an enabling ecosystem that supports firm growth, attracts international players, strengthens domestic demand, and fosters knowledge transfer.

8.4.1 Encourage Domestic Demand for Professional Services

Encourage greater adoption of outsourced accounting, compliance, advisory, and finance services among domestic businesses, particularly SMEs. A stronger domestic market would provide firms with the scale, experience, and financial resources needed to compete internationally.

8.4.2 Transition Towards Higher-Value Service Delivery Models

The sector should gradually move beyond staff augmentation, secondment, and task-based outsourcing models towards higher-value Business Process Management (BPM), Shared Services Centres (SSCs), and Global Capability Centre (GCC) models. This transition would enable firms to manage end-to-end business processes and offer more sophisticated services such as tax advisory, financial planning and analysis, risk management, compliance, forensic accounting, ERP advisory, and virtual CFO services. Such a shift would strengthen client relationships, improve profit margins, and increase export earnings.

8.4.3 Develop a Professional Services Export Ecosystem

Drawing lessons from successful peer economies, Pakistan should explore the development of dedicated professional services clusters and export-oriented business services hubs supported by reliable infrastructure, high-speed connectivity, cybersecurity capabilities, and one-window facilitation services. Stronger collaboration between government, professional bodies, academia, and the private sector will be critical to creating an ecosystem capable of attracting international clients and, over time, supporting the establishment of shared services centres, finance outsourcing operations, and higher-value professional services activities.

8.5 Improve the Regulatory and Business Environment

Several regulatory and administrative barriers continue to constrain sector growth. Professional services regulations should be reviewed to allow greater visibility and marketing flexibility for non-audit services while maintaining appropriate independence requirements for audit and assurance work. Simplifying regulatory procedures, reducing administrative burdens, and modernizing outdated provisions would improve the ease of doing business and facilitate international expansion by Pakistani firms.

8.5.1 Rationalize Taxation and Foreign Exchange Procedures

The taxation and foreign exchange framework should be reviewed to improve competitiveness and reduce compliance complexity. Greater harmonization of provincial sales tax regimes, simplified procedures for exported services, and improved foreign exchange regulations would lower transaction costs and support export growth. Consideration should also be given to addressing tax-related disincentives affecting highly skilled professionals and service exporters. Improving the efficiency of international payment systems and facilitating overseas business operations would further strengthen the sector's international competitiveness.

8.5.2 Improve Conditions for International Professional Services Networks

Address regulatory, taxation, and investment-related barriers that discourage multinational professional services firms from operating in Pakistan. The presence of international firms supports knowledge transfer, workforce development, exposure to global clients, and integration into international professional networks.

8.6 Provide Institutional Support for Professional Services

Recognize accounting and professional services as a distinct export sector and establish dedicated institutional mechanisms, market intelligence systems, and a national professional services portal to improve policy support, international visibility, client access, and export promotion.

8.6.1 Recognition of Accounting and Professional Services as a Distinct Export Sector

Accounting, auditing, bookkeeping, taxation, and advisory services should be recognized as a distinct export industry rather than being subsumed under the broader IT Enabled Services (ITES) category. Dedicated policy attention, sector-specific incentives, and tailored export promotion measures would better reflect the sector's unique characteristics and growth potential.

8.6.2 Establish a Dedicated Professional Services Export Framework

The accounting, auditing, bookkeeping, taxation, and advisory services sector requires a dedicated institutional framework that recognizes its distinct characteristics and export potential. At present, the sector receives limited visibility and is often subsumed within broader IT-enabled services classifications. A dedicated platform should be established to coordinate sector development, collect industry data, facilitate international market access, and provide a centralized directory of verified Pakistani firms. Improved market intelligence and stronger institutional representation would support evidence-based policymaking and increase the sector's visibility among international clients.

8.6.3 Create a National Professional Services Portal/Directory

Develop a government-supported platform through which international clients can identify, verify, and engage with Pakistani accounting, taxation, advisory, and professional services firms. The platform should include firm profiles, certifications, service offerings, and contact information to improve international visibility and trust.



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Annexure

Annexure

A.1 Formulae of Revealed Competitiveness Measures

The formulae used in calculating Revealed Competitiveness measures for this report are given below:

- **Market Share (% share in World Services Exports):**

Market Share is a measure of the share a country's exports have in world exports. It is calculated as:

$$\text{Market Share} = \left(\frac{X_{ij}}{X_{wj}} \right) \times 100$$

Where X represents exports, i represents country, j represents the commodity and w represents the world.

- **Change in the Market Share:**

$$\text{Change in Market Share} = \left\{ \frac{(X_{ijt}/X_{wit}) - (X_{ijt-1}/X_{wjt-1})}{(X_{ijt-1}/X_{wjt-1})} \right\} \times 100$$

Where X represents the exports, i represents country, j represents the commodity, w represents the world, and t is the period.

- **Revealed Comparative Advantage (RCA) - Balassa 1965:**

The formula for RCA is as follows:

$$\text{RCA} = \frac{\frac{X_{ij}}{X_j}}{\frac{X_{iw}}{X_w}}$$

Where X is exports, i is the commodity, j is the country, and w is the world.

RCA of more than 1 indicates that the country has a comparative advantage in the category.

- **Revealed Comparative Advantage (RCA)- Greenaway and Milner, 1993:**

It is calculated as follows:

$$\text{RCA} = \frac{\frac{X_{ij}}{X_j}}{\frac{M_{ij}}{M_j}}$$

Where X stands for exports, M for imports, i for the commodity, and j for the country. An RCA exceeding 1 show that the country has a competitive advantage in the trade of the commodity.

■ **Vollrath's Indices for Competitiveness:**

It includes three indices for calculating competitiveness: RXA, RTA and RC.

- Relative Export Advantage (RXA):

This index is a logarithm of the Relative Export Advantage and is calculated as follows:

$$RXA = \ln(RXA) = \frac{\frac{X_{ij}}{X_{it}}}{\frac{X_{nj}}{X_{nt}}}$$

Where X stands for exports, i for the country, j for the commodity, n for a set of countries, and t for a set of commodities.

- Relative Trade Advantage (RTA):

This index accounts for exports as well as imports to attain the Relative Trade Advantage (RTA). The formula is as follows:

$$RTA = RXA - RMA = \left(\frac{\frac{X_{ij}}{X_{it}}}{\frac{X_{nj}}{X_{nt}}} \right) - \left(\frac{\frac{M_{ij}}{M_{it}}}{\frac{M_{nj}}{M_{nt}}} \right)$$

Where X stands for exports, i for the country, j for the commodity, n for a set of countries, and t for a set of commodities.

- Revealed Competitiveness (RC):

This index is obtained by subtracting the logarithm of relative import advantage from the logarithm of the relative export advantage.

$$RC = \ln(RXA) - \ln(RMA)$$

■

A.2 List of Interviewees

Company/ Institute	Interviewee	Designation
A.F. Ferguson & Co.	Taha Baqai	Partner
ACCA	Assad Hameed Khan	Head of ACCA Pakistan
	Taimur Beiram Khan	Employer Relationships Lead
Assirience Consulting	Ali Asghar Mazahir	Partner
BDO Global	Zulfikar Ali Causer	Managing Partner
	Iftikar Ali	Director- Business Services and Outsourcing
EY Ford Rhodes	Haider Ali Patel	Country Service Line Leader -Tax
FAMCO Associates (Pvt) Ltd.	Muhammad Noman Siddiqui	Chief Executive Officer & Managing Partner
	Irfan Hafeez	Manager - Business Processes Outsourcing
GCS	Shafiq Ijaz	Controller
Gerry's Group	Muhammad Hanif Idrees	Group Financial Controller
KPMG Taseer Hadi & Co.	Rana Nadeem Akhtar	Advisory - Partner
Liberty Mills Limited	Adil Hussain	G.M. Accounts
Moore Shekha Mufti - Chartered Accountants	Raheel Khawaja	Manager - Accounting Services
Premier NX	Usman Malik	Head of Strategy
Riaz Ahmad, Saqib, Gohar & Co. Chartered Accountants (RASG)	Muhammad Kamal Gohar	Partner
Systems	Laique Ahmad	Senior Vice President BPO & Shared Services
	Ahmed Kamran	Assistant Vice President BPO F&A Shared Services
theBPO	Bilal Khanani	Director
	Hashsham Tawwab	Director
Yousuf Adil Chartered Accountants	Shoaib Ghazi	CEO
	Muhammad Shahzad Hussain	Partner - Business Process Solutions


Note: Information relating to 2 participating organizations has been withheld at their request.



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