



National Incubation Center



NIC LAHORE



NIC Peshawar
Funded by Ignite, MOITT



NIC KHI



NIC GUETTA



SCO Knowledge Bank



Islamic Republic of Pakistan
Startup Ecosystem

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Pakistan Startup Ecosystem

111,000 jobs created by National Incubation Centers startups

469 startups inducted in 5 National Incubation Centers in past 4 years

USD 319 Mn Startup Funding¹

80+ Incubators/Accelerators

15 Local VC Funds

Institutional support to startups

The evolution of Pakistan's entrepreneurial ecosystem since 2012 can best be described as a complex amalgamation of regulatory challenges, uplifting trends, increasing institutional support, and an ever-growing business opportunity. Pakistan's entrepreneurship ecosystem has become increasingly active in the past nine years. In 2012, aside from a handful of university incubation spaces, there were just two major business incubators and accelerators in the country, with almost no investors and few funding sources like Ignite. In comparison, in 2021, there are now over **80 major incubators and accelerators** who are acting as key players in the ecosystem. The number of investors and funding sources has also increased significantly since 2012. Currently there are approximately **20 formal investors** in the Pakistan

¹ 2021



ecosystem and many of these funders cater to startups ranging from pre-seed to pre-Series. In 2021, Pakistani startups have raised **around \$ 310 million of investments** from local and foreign investors which is a growth of more than 4 times over 2020. This indeed is a very positive sign and shows the potential Pakistan has in innovation and entrepreneurship. The prime focus of Government is to create an enabling environment providing opportunities to youth and talent so that they can bring positive improvements to society. We intend to empower them by providing them relevant opportunities so that they could opt for entrepreneurship as a valid career option in future.

Initiatives to foster innovation and entrepreneurship

Government of Pakistan, being cognizant of the fact that startups are the building block of knowledge-based economies, have taken key initiatives to promote the startup ecosystem in Pakistan. Ministry of IT & Telecom, through its organization **Ignite-National Technology Fund** has established **5 National Incubation Centres (NICs)** all across Pakistan. Due to innovative interventions and cogent policies, Pakistan's government has played a significant role in support, and development of Pakistan's entrepreneurial ecosystem. Since 2016, the Federal Government through its entity Ignite has established the largest network of National Incubation Centers (NICs) comprising of 5 NICs across the country as public-private partnerships. Within a short span of four (4) years, NIC startups have demonstrated remarkable achievement and created significant impact on Pakistan's startup ecosystem. Till date, 469 startups have graduated from these NICs. Startups of NICs have **generated \$ 27 million of cumulative revenue**, have received **investment commitment of \$ 57 million**. In addition, **103,391 jobs** have also been created by these startups.



Government and International Market Access

There are many national & international VCs and angels approaching Pakistani startups. Government is also providing support and funding to startups.

Incubation and Acceleration Support

These incubators/accelerators in Pakistan provide some essential tools and services such as business skills development, legal guidance, mentorship, access to investors, guidance related to product development, provision of access to both horizontal and vertical mentors etc. to new startups.

The detail of various kind of support provided are as following but not limited to:

- **Coworking Space**
 - Inspirational state of the art space
 - Makerspace lab
 - Basic: Office, Meeting rooms, Wifi, Security, Janitorial support, Electricity backup
 - Each startup is provided space for 3 to 5 team members
- **Curriculum**
 - 360 degrees curriculum covering all key aspects of startups with premier content focused on learning by doing.
 - Industry speakers are invited to give lectures on various topics
- **Mentorship & Coaching**
 - Vertical (Industry) & Horizontal (Tech) mentors and coaches enable and guide startup in various aspects of business. These mentors are professionals and industry experts of their fields.
- **Special Services**



- Legal
- Marketing & Branding
- Design
- Financial

- **Connectivity with Investors for raising funds**

In addition to this, some of the incubators/accelerators do provide tailored and rigorous guidance as per the requirements of startups but still there few gaps in it which needs to be filled.

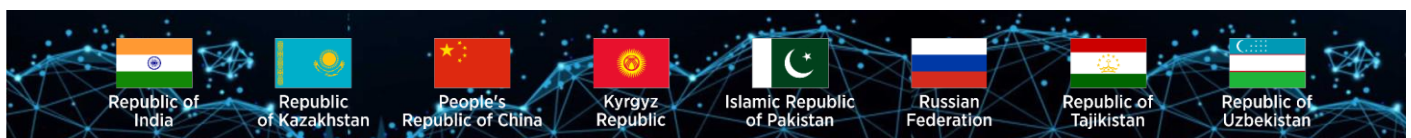
This gap can be filled through development of specialty incubators or vertical based incubators in areas like healthtech, edtech, fintech, etc. to have programs tailored to catering the need of these verticals.

Funding Support

Following are key types of funding bodies that are providing funding opportunities to startups in Pakistan:

- Corporate Investors (*TPL Ventures, Planet N etc.*)
- VC Funds (*e.g Lakson Investments, 47 Ventures, Sarmayacaar, Fatima Vetures etc.*)
- Angel Investors
- Local Funding Agencies
- Public Sector Agencies (*HEC Technology Development Fund, Ignite*)
- National & International Development/Donor Agencies (*USAID SMEA, Karandaaz etc*)
- International Funding Agencies (*Islamic Development Bank*)

Currently there are **approximately 30 formal investors** in the Pakistan ecosystem and many of these funders cater to startups ranging from pre-seed to pre-Series A stages.



Meanwhile, in past few years in general, and in 2021 in particular, Pakistani startups has also attracted funding to the tune of around \$320 million from various foreign investors as well. Some of the reknown investors includes:

Kleiner Perkins, Prosus, 20VC, Buckley Ventures, Y Combinator, 500 Startups, Next Billion Ventures, SparkLabs, Golden Gate Ventures, Hustle Fund, First Round Capital, Draper Associates, Global Founders Capital, Raptor Group, MSA Capital, Shorooq Partners, Visa, and Stripe.

Mentorship Support

Each incubator and accelerators have renown expert on their panel who provide mentorship to startups inducted in these spaces. Similarly, there are many hackathons, innovation challenges, etc. wherein startups are also latched with mentors to have access to guidance of professionals.

Contact Details

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