



EDITORIAL

We Have the Talent. So Where Is the Technology?

Pakistan just ranked 16th out of 193 countries for tech talent, ahead of Germany, France, and China. On the same index, its infrastructure score is 30 out of 100 — tied with Nigeria. That 67-point gap between what our people can do and what our institutions give them to do it with is the real story of Pakistani technology in 2026.

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By **Dr. Hassan Tariq** | Editorial Desk | Published: September 2026

✉ hassantariq9@hotmail.com | Position: Assistant Professor

Introduction

Ataraxis Management's 2026 Global Outsourcing Talent Index ranked Pakistan 16th out of 193 countries — ahead of the United Kingdom, Germany, France, and China. The country scored 80 out of 100 on talent availability, 8th globally, and a striking 97 out of 100 on cost competitiveness, marginally beating even India. This is a genuinely remarkable result for a country of Pakistan's income level, built on self-taught skill in AI, blockchain, and digital services and a young workforce that has learned to compete globally with minimal institutional support. It is the kind of ranking that should be a national talking point for months.

The same report scores Pakistan's digital infrastructure at 30 out of 100 — tied with Nigeria, and among the widest cost-infrastructure gaps of any country measured. That is the number that should actually be the talking point. A country cannot convert 16th-ranked talent into technological capability while running on 30th-percentile infrastructure, any more than a factory with the best machinists in the world can produce anything without reliable power. And infrastructure is only the most visible half of the gap: Pakistan spends 0.16 percent of GDP on research and development, against 0.65 percent in India, 2.43 percent in China, and 4.93 percent in South Korea. The Global Innovation Index has no Pakistani research cluster in its worldwide top rankings at all, while India has four and China has twenty-six.

"A factory with the best machinists in the world still produces nothing without reliable power. Pakistan has the machinists. It still hasn't built the factory."

Where the Talent Actually Goes

Pakistan produces more than 25,000 IT graduates a year from universities including NUST, LUMS, FAST-NUCES, and COMSATS, many holding AWS, Google, or Microsoft certifications and international project experience. That pipeline is real, and this magazine's own coverage of the country's staff-augmentation-dominated software industry has already shown exactly where most of that talent ends up: renting engineering hours to foreign clients at a steep discount, rather than building products Pakistan owns. Qasim Asad Salam, founder of the Lahore-based Remotebase, put the industry's own diagnosis plainly when his company raised \$3.5 million specifically to help Pakistani developers shift from outsourced service delivery toward product ownership — a goal notable precisely because so few companies are pursuing it deliberately.



There are genuine green shoots. Pakistan now counts more than 800 startups worth a combined \$4 billion in enterprise value, National Incubation Centers have graduated hundreds of ventures into revenue and jobs, and the FY2026-27 federal budget allocated Rs19.5 billion to IT — up 20 percent year-on-year — while restoring venture capital fund incentives through the Pakistan Startup Fund under Ignite. The country deployed 1,136 5G sites across 23 cities in five months this year alone. None of this is nothing. But a \$4 billion startup ecosystem and a Rs19.5 billion annual IT allocation are rounding errors next to what a 0.16 percent-of-GDP R&D budget actually requires to close a gap this wide.

Why Talent Alone Was Never Going to Be Enough

Every strand of this magazine's coverage over the past several months has, in retrospect, been describing pieces of the same underlying gap. Our reporting on the data centre deficit showed a country generating world-class software talent while renting almost all of its compute from abroad. Our reporting on the AI export debate found engineers being trained for a sovereign AI sector with no infrastructure or retention plan to keep them building it here. Our reporting on institutional fragmentation found no single ministry with the authority to close any of these gaps in a coordinated way. None of these are separate problems with separate causes. They are the same 67-point infrastructure gap showing up in compute, in capital, in governance, and in R&D funding — everywhere except in the one place Pakistan has never had a shortage: its people.

The consequence shows up starkly in Pakistan's innovation output. The country's score on The Global Economy's composite innovation index sits at 22.1 out of 100, well below the 31.5 world average, and independent analyses this year describe Pakistani researchers and engineers producing disproportionately strong results from disproportionately weak inputs — talent consistently outperforming the system built around it, rather than the reverse. That is not a compliment to the system. It is a description of a country running on the goodwill and improvisation of individuals because the institutions meant to multiply their output simply are not there yet.

What's Next?

Closing a 67-point cost-infrastructure gap and a fifteen-fold R&D spending shortfall relative to China is not a single-budget-cycle fix, and no honest editorial should pretend otherwise. But the direction is not mysterious: R&D spending needs to move from a rounding error toward even the developing-world average of 0.43 percent of GDP before it can meaningfully approach India's 0.65 percent, compute and power infrastructure need investment treated as seriously as the roads and grid this magazine has already argued for elsewhere, and the Rs19.5 billion IT allocation and restored VC incentives need to compound year over year rather than arriving as a single announced increase.

Pakistan's 16th-place talent ranking is not a fluke and it is not going away — it reflects something real and durable about a young, resourceful, self-taught workforce that has learned to compete globally with almost no institutional help. The question this country has been avoiding is not whether the talent exists. It plainly does, and the data has now said so in a language international observers respect. The question is how much longer Pakistan intends to let a generation of world-class engineers build other countries' technology before it decides to build the infrastructure that would let them build our own.

About the Author

Dr. Hassan Tariq is an Assistant Professor of Computer Science, where his research focuses on technology ecosystem development in South Asia. She can be reached at hassantariq9@hotmail.com.