

Investment Opportunities in the Higher Education Sector in Pakistan

We are all aware today that industries today rely more on knowledge for value addition to their product. With the changing shape of society from resource-based to knowledge based, it is the educated young person today who therefore represents the single most important resource of a country. These people can then ensure competitiveness of a nation going forward. The information age has created a new environment in which we can talk about a global workforce with “research and development anywhere” capability.

Pakistan, geographically placed at the intersection of the most dynamic regions (India, China, Central Asia and Middle East) of the world, blessed with 100 million young people below the age of 25 has therefore the potential to be a major player in the global economy. Recognizing that higher education will be key differentiator, the Government of Pakistan initiated a higher education reform process in 2002 that has transformed this sector into a dynamic and innovative sector which is ready for foreign investments to take it to new heights. The strong ever increasing demand for higher education by the school leavers ensures that this sector represents a major growth area and investment opportunity.

Six specific projects have been identified in the higher education sector for investment under the public-private and private-private models. The first project is for the establishment of a campus of a foreign university in Pakistan with land provided by the Provincial Government as well as support for faculty training, student scholarships and research grants for university faculty. Strong interest for this proposal has already been shown by a Consortium of universities in Sweden as well as a Consortium of universities in Germany. The second project also involves the establishment of a campus of a foreign university, however, in this case land, and in some cases infrastructure, is provided by local real estate development investors. Government of Pakistan would provide additional support in the form of scholarships and research grant support.

The third and fourth project refer to development of infrastructure (student as well as faculty/staff housing) on Build-Operate-Transfer basis at local universities with land provided by the local university and guaranteed payback over fixed term by the university through long-term lease arrangements. The fifth project is for universities services management including, catering transportation and sports. The sixth project is for the establishment and operation of a university technology park as well as venture capital fund to lead commercialization of university innovation portfolio. Publications from Pakistan in the world’s recognized journals are growing at one of the fastest rates in the world which has resulted in an enviable innovation portfolio for the country that is ready for foreign investment.