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UNLOCKING GROWTH

SEASON 04

From Outsourcing Studios to Globally Scalable Products

GAME DEVELOPMENT IN PAKISTAN

Unlocking Growth series produced by Pakistan & Counting with Accelerate Prosperity, funded by BMZ (Federal Ministry for Economic Cooperation and Development) through KfW (Kreditanstalt für Wiederaufbau).
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PAKISTAN &COUNTING

TABLE OF CONTENTS

01 Introducing the Opportunity

02 The Local Picture

03 What's the Gap? Why Now?

04 Why Pakistan Can Enter This

05 Business Models & Economics

06 Who Should Enter?

07 Useful Resources

01

INTRODUCING THE OPPORTUNITY

The global gaming market, and the scale of mobile demand

THE GLOBAL GAMING MARKET

Gaming is a fully digital export product: built once, distributed to players worldwide through app stores, with no shipping. The size of the market depends on what is counted.

2026 MARKET SIZE (REVENUE)	WHAT IT COVERS
Newzoo — Games Market Intelligence Report 2026	Software, mobile and subscriptions (narrow)
USD 205B	
Statista	Broadest definition
USD 578B	

EITHER WAY

Mobile is the largest and most accessible slice.

WHY TWO NUMBERS

There is no single authoritative figure. The gap between the two estimates comes from scope and methodology.

Source: Newzoo; Statista (2026).

DOWNLOADS: THE SCALE OF GLOBAL DEMAND

Mobile downloads worldwide, 2025.

ALL APPS DOWNLOADED

149B

Every app, every category

GAMES DOWNLOADED

52B

Total mobile games downloaded

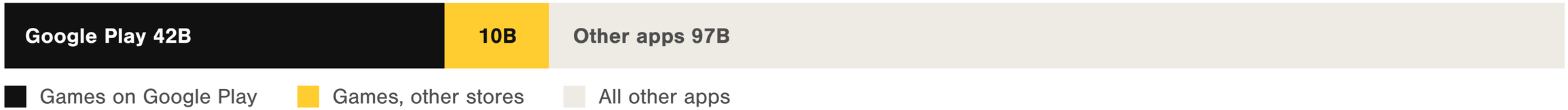
…OF WHICH ON GOOGLE PLAY

42B

Android dominates download volume

Games are roughly a third of all downloads

149B apps



Source: Sensor Tower, State of Mobile 2026.

02

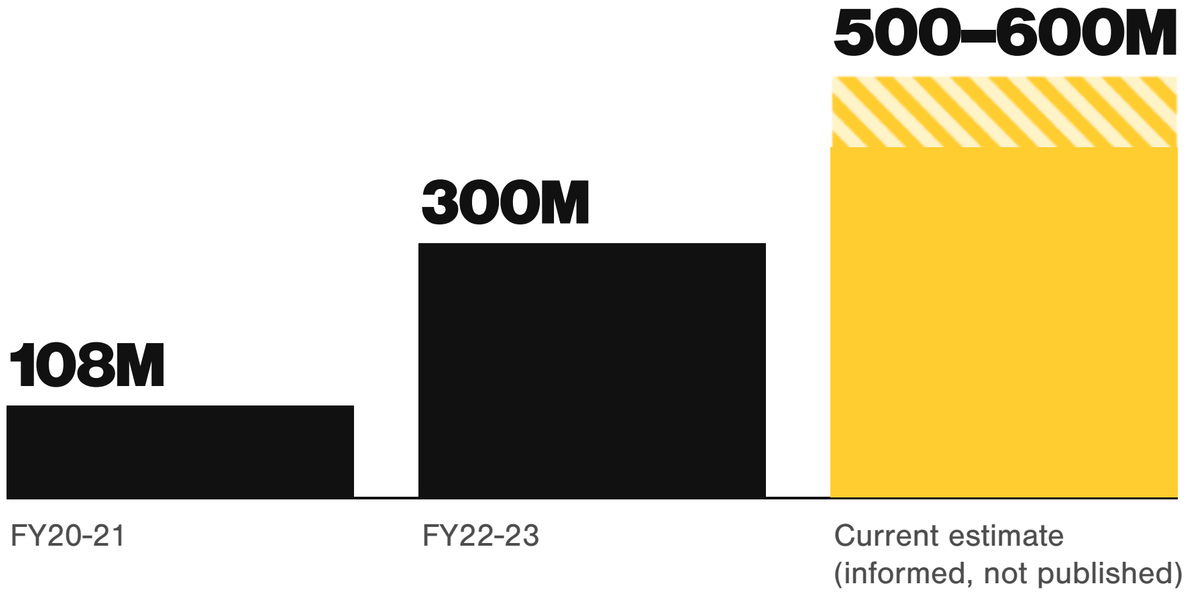
THE LOCAL PICTURE

A fast-growing sector, a growing player base, and one Lahore studio that outdownloads most of the country

PAKISTAN TODAY

A fast-growing sector with no current official count. The most recent hard figure comes from the P@SHA and Mindstorm report on animation, graphics and gaming (AGG) for FY22-23. Industry experts estimate the sector is considerably larger now.

AGG SECTOR REVENUE, USD



AGG SECTOR, FY22-23

$157.9M
Exports

12,057
People employed

257
Companies

$36M
Investment

Source: P@SHA and Mindstorm, AGG Sector Report FY22-23; industry expert estimate (Yaser Awan, Games Collective, interview).

PAKISTAN HAS PLAYERS, AND IS GROWING ITS AUDIENCE

GAMERS IN PAKISTAN



1 in 5 Pakistanis is a gamer

PLATFORM SPLIT



Console ~10%

Source: Statista; Government of Pakistan (MoITT) projections.

ONE LAHORE STUDIO VS. THE WHOLE COUNTRY

Downloads in 2025.

Game District downloads (one Lahore-based company) **2.2B**



All app downloads in Pakistan (games, social media, everything) **3.8B**



Source: Game District; Pakistan app download data (Data Darbar).

03

WHAT'S THE GAP? WHY NOW?

Pakistan builds for others, not for itself, and the conditions for building its own products have changed

THE MISSING LAYER

Pakistan builds for others, not for itself. It has strong engineering and creative talent, but most of it works on other people's products. That is the gap.

SHARE OF REVENUE



OUTSOURCING

A good training ground: it teaches teams to ship, on someone else's budget.

THE STEP STILL TO TAKE

Converting that experience into products built for a global market, not just a local one.

WHY NOW: ACCESS TO GLOBAL PLAYERS

Four changes have lowered the cost of reaching players worldwide.

01 **Mobile removes gatekeepers**

You no longer need a console licence or a publisher. A phone, an engine and an app-store account are enough to reach global players.

02 **Free engines**

Unreal Engine is free until a product earns USD 1M in revenue. Unity has a free tier.

USD 1M revenue before Unreal charges

03 **App stores**

Google Play and the Apple App Store give any studio worldwide distribution from day one.

04 **Demand at record scale**

~52B mobile game downloads globally, 2025

Source: Epic Games; Unity; Sensor Tower.

WHY NOW: POLICY AND PAYMENTS

Government support, a fixed tax regime and simpler export payments.

05 · CEGA (GOVERNMENT-BACKED)

20+

startups in the first cohort

Centre of Excellence in Gaming and Animation: a public-private partnership of MoITT, Ignite and HUM Network, with the LUMS Centre for Entrepreneurship as knowledge partner. Already past announcement, with workstations, labs and rendering studios.

06 · TAX REGIME LOCKED TO 2029

0.25%

Section 154A final tax on export proceeds

Section 65F income-tax exemption and the 154A final tax extended to June 2029 (Budget 2026-27). Export Development Surcharge abolished.

Export-proceeds withholding ~~2%~~ → **1.25%**

07 · EASIER EXPORT PAYMENTS

1 day

required processing time

State Bank rules (FECL6/FECL7, April 2026) removed the per-transaction Form R and require one-day processing.

Source: Ignite / MoITT (CEGA); Finance Bill and Budget 2026-27; State Bank of Pakistan FE Circulars.

WHAT CEGA OFFERS

BUDGET

PKR 2.52B

FIVE-YEAR TARGETS

200
startups incubated

10,000
people trained

FEATURE	DETAIL
Programme	Six-month incubation. **Free, and equity-free:** CEGA takes no stake in the startup.
Facilities	Labs, workstations, virtual machines, rendering studios, mentorship
Locations	Karachi and Lahore
Where it stands	Cohort 1: 20+ startups (Nov 2025). Cohort 2 applications opened in 2026

Source: Ignite (National Technology Fund); MoITT; LUMS Centre for Entrepreneurship.

04

WHY PAKISTAN CAN ENTER THIS

Payroll cost, outsourcing experience, and studios that have already reached global scale

PAKISTAN'S ADVANTAGE

Two things make Pakistan competitive.

01

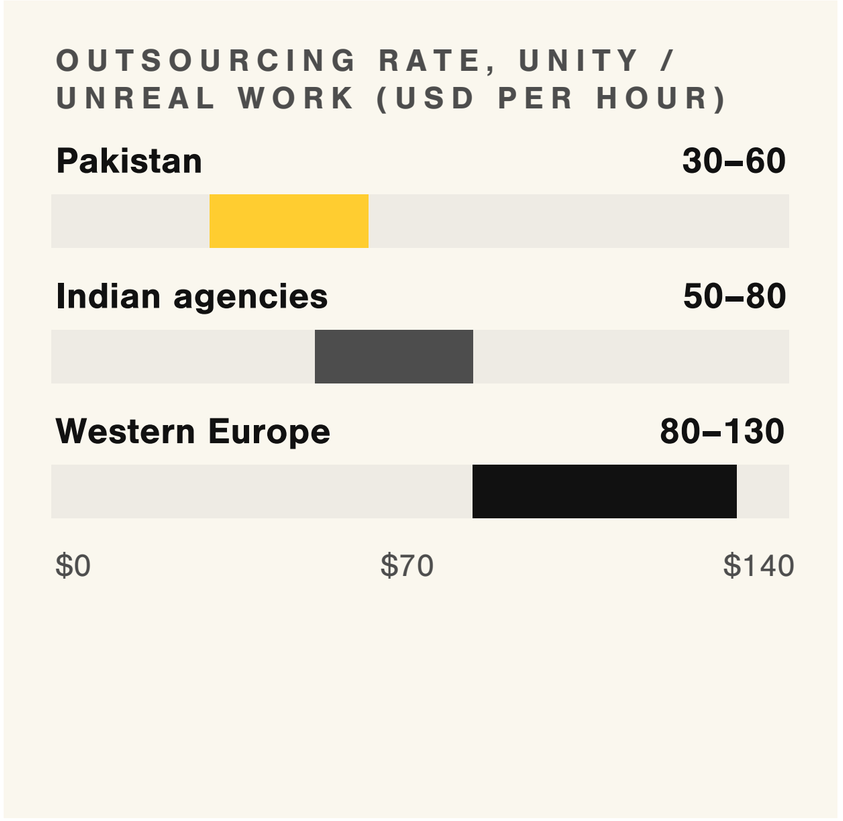
Payroll cost

A game studio's biggest expense is people, and Pakistani salaries are far lower than in the markets it sells to.

02

Accumulated experience

Years of outsourcing work on global titles.



Source: PhantomCave and RocketBrush guides; Saad Zaeem and Yaser Awan interviews.

LOCAL SUCCESS STORIES — GLOBAL SCALE

Game District (Lahore)

CEO: Saad Hameed Khan

2.2B
downloads in 2025

22M
peak daily active users

+55%
revenue, year on year

Funded largely from operating cash flow (bootstrapped). Studios in Lahore, Istanbul and Dubai.

Proof that a Pakistani-founded studio can reach global scale with no big VC cheque.

Finz Games (Lahore)

1B+
reported downloads

100+
staff

Casual sports and fighting games.

A second Lahore studio operating at global scale.

Source: Game District public reporting and CEO interviews; PocketGamer.biz (Finz Games). Finz's 1B figure is from LinkedIn.

LOCAL SUCCESS STORIES — CAPABILITY AND TALENT

COMPANY	WHAT THEY HAVE DONE	WHY IT MATTERS
Caramel Tech	Teams have worked with Halfbrick and Kabam on Fruit Ninja and Jetpack Joyride.	**Outsourcing on world-famous IP builds capability**
Mindstorm	Independent studio, established 2006 in Lahore; built commercial games distributed internationally.	**One of the earliest local proof points**
Frag Games (Lahore)	Working since 2013; 60 staff; joined Remote Control Productions' developer network. CEO: Ali Ihsan.	**An established studio plugged into an international partner**
Revolving Games	Founded by Saad, Ammar and Shayan Zaeem. Sarmayacar-led seed round in 2020 (~USD 12M); builds 4X strategy games.	**Shows the deeper, capital-intensive end of the market, and its constraints**
Quixel (Waqar Azim)	Co-founded Quixel, acquired by Epic Games. He says most of its technical team stayed in Pakistan after the acquisition.	**Epic's own acquisition shows global studios value Pakistani talent**

● Source: PocketGamer.biz (Frag Games); ProPakistani (Revolving Games 2020; Waqar Azim 2020); Mobidictum (Revolving Games 2022); PITB (Mindstorm); P@SHA AGG report; Saad Zaeem interviews. Quixel claims are Waqar Azim's own.

WHAT PRACTITIONERS SAY

ON TALENT AND WHERE TO START

Talent availability, not talent quality, is the real constraint.

Start with outsourcing, then build your own IP, and always ask first what the total addressable market (TAM) for your game is.

— Saad Zaeem, Revolving Games

ON LOCAL VS GLOBAL AUDIENCES

WORKED

Ludo Stars, Teen Patti

Light and fun

DID NOT

Cricket games

Technically complex; small local paying audience

— Saad Zaeem, Revolving Games

Source: Saad Zaeem interviews.

05 BUSINESS MODELS & ECONOMICS

CapEx, OpEx and unit economics across three studio tiers — from a two-person home studio to a 30-person production studio

WHERE TO START

Mobile is the accessible entry point. Within mobile, the genres that fit a small Pakistani studio are hyper-casual and hybrid-casual: small, fast to build, cheap to test. Making a game and scaling it are often confused. Scaling needs performance marketing.

	ENTRY MODEL **Hyper-casual / Hybrid-casual**	CAPITAL-INTENSIVE **4X Strategy Games**
Development budget	**Small. Prototype in weeks**	**~USD 5M**
Marketing budget	**Test with USD 5–10 runs**	**USD 5–10M**
Cost to acquire one player	**Low, tested before committing**	**USD 50–60**
Fit for a new studio?	**Yes: the realistic first move**	**No: capital-intensive**

Source: Saad Zaeem interview.

TEST BEFORE YOU BUILD

A testing mindset is cheaper than a failed launch.

01

Make a few icons or a short concept video

AI can help

USD 5–10

Run an ad test on Meta

03

Split-test two or three icons

04

See what players actually tap

THE RESULT **This tests the idea and shows where your users really are.**

Source: Saad Zaeem interview.

TIER 1 — CAPEX, HOME STUDIO

ITEM	COST (PKR)	NOTES
Two workstation PCs	**200,000–250,000 each (400,000–500,000 total)**	Capable of running the engine and art tools
PSEB registration	**1,000 (freelancer) 5,000–30,000 (company)**	Needed for the IT-export tax benefits
Assets and plugins	**20,000–50,000**	Engine assets, art packs, SDKs
Google Play developer account	**~7,000**	One-time
Apple developer account	**~27,500 (per year)**	Annual fee
2–3 test phones	**60,000–100,000**	Real devices for testing
Contingency	**15%**	Added on top of the above

TOTAL SET-UP COST

PKR 600–800K

PKR 600,000–800,000 to equip a two-person, home-based studio.

Source: PSEB; Google Play Console and Apple Developer Program fee schedules; market prices for hardware.

TIER 1 — OPEX, LEAN FOUNDER-RUN STUDIO

ITEM	MONTHLY RANGE, PKR 0–60K	PKR / MONTH
Internet and electricity		**8,000–15,000**
Cloud services		**2,000–5,000**
User-acquisition (UA) testing Ad spend on test runs		**40,000–60,000**
Optional freelancer Art or one-off tasks		**30,000–50,000**

TOTAL MONTHLY COST

~PKR 80–130K

Per month, including the optional freelancer.

TIER 1 — WHO PAYS, AND HOW MUCH

Most revenue in casual mobile games comes from ads, not purchases. That shapes everything that follows.

REVENUE MIX, HYPER-CASUAL / HYBRID-CASUAL



For hybrid games, roughly 80–90% ads and 10–20% in-app purchases (IAP).

Where local spending does happen: in-app spending on global titles such as Free Fire and PUBG.

LIFETIME VALUE OF A PLAYER (LTV), HYPER-CASUAL



Why Pakistan is lower: advertisers pay very little to reach Pakistani users (low CPMs); Pakistan is a "tier 4–5" market.

QUESTIONS EVERY FOUNDER MUST ANSWER BEFORE BUILDING

1. **What market am I targeting?**
2. **What is the genre I am developing?**
3. **How much does it cost me to acquire a new user?**

Source: Yaser Awan, Games Collective, interview.

TIER 2 — CAPEX, SMALL STUDIO

The step up from a two-person home studio: a small office-based team shipping hybrid-casual games (ads plus light in-app purchases).

ITEM	COST (PKR)	BASIS
8–12 workstation PCs	**1.6M–3.0M**	Derived: Tier 1 price of PKR 200–250K per PC. 3D-heavy seats cost more
Test phones (about 5)	**150,000–250,000**	Scaled up from Tier 1 (PKR 60–100K for 2–3)
PSEB company registration	**5,000–30,000**	Sourced
Google Play + Apple developer accounts	**~34,500 first year**	Sourced: ~PKR 7,000 one-time + ~PKR 27,500 a year
Assets, plugins and SDKs	**100,000–300,000**	Scaled up from Tier 1
Contingency	**15%**	Same assumption as Tier 1
TOTAL	**~PKR 2.2M–4.2M**	**Excludes office fit-out**

Source: PSEB; Google Play Console and Apple Developer Program fee schedules; market prices for hardware.

TIER 2 — OPEX, PER MONTH

ITEM	MONTHLY COST (PKR)	BASIS
Payroll, 8–12 people	**1.4M–3.3M**	Annual salary bands of PKR 2.08M (entry), 2.85M (mid) and 3.3M (senior), divided by 12
Office, internet, electricity	**100,000–250,000**	Estimate
Cloud services	**10,000–30,000**	Scaled up from Tier 1
Engine licences (optional)	**0–125,000**	Sourced: Unity Pro ~USD 150 per seat per month; about 3 seats shown. Free tier or Blender can keep this at zero
User-acquisition (UA) testing	**400,000–2.1M**	Derived: 500–1,500 test installs a month at USD 3–5 per install
TOTAL	**~PKR 1.9M–5.8M**	**Per month**

Source: Research brief (SalaryExpert salary bands; Unity pricing); Saad Zaeem interview (CPIs). Salary figures are survey-based and directional, not audited payroll.

TIER 2 — UNIT ECONOMICS

COST TO BUILD ONE GAME

USD 35–75K

About PKR 9.8M–21M. Hybrid-casual benchmark, ads plus light in-app purchases.

REVENUE MIX, AVERAGE HYBRID GAME



Roughly 10–15% in-app purchases. About 80% ads across the category.

VALUE OF ONE PLAYER (LTV), HYPER-CASUAL

$1 US **$0.04** Pakistan

Design for the global player.

AD REVENUE PER DAILY USER (ARPDAU)



Global blended baseline, not Pakistan-specific. Scale USD 0–0.10.

COST TO ACQUIRE ONE PLAYER (CPI)

<$1 → USD 3–5

Today, up from under USD 1.

GO / NO-GO GATE BEFORE SCALING

50–70%

Day-1 return on ad spend (ROAS) in soft launch.

Source: PhantomCave and RocketBrush outsourcing-cost guides; CAS.ai publishing guide; Yaser Awan and Saad Zaeem interviews.

TIER 3 — CAPEX, MID-CORE STUDIO

A full production studio building mid-core or multiplayer games that earn mostly from in-app purchases. It needs outside capital and senior talent (product, monetisation and systems design).

ITEM	COST (PKR)	BASIS
20–30 high-performance workstations	**8.4M–21M**	Sourced: USD 1,500–2,500 per seat for 3D and Unreal / Unity work
Test device library	**500,000–1.0M**	Estimate
PSEB registration and store accounts	**~65,000**	Sourced (script and fee schedules)
Assets, plugins, servers and tools set-up	**1.0M–3.0M**	Estimate
Contingency	**15%**	Same assumption as Tier 1
TOTAL	**~PKR 11M–29M**	**Excludes office fit-out**

● Source: Research brief (workstation cost per seat, citing PhantomCave and RocketBrush guides).

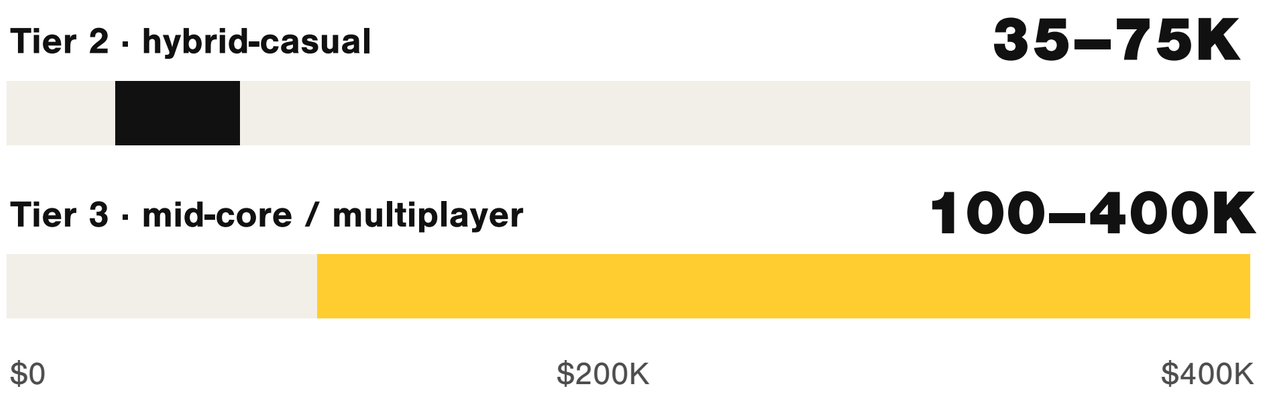
TIER 3 — OPEX, PER MONTH

ITEM	MONTHLY COST (PKR)	BASIS
Payroll, 20–30 people	**3.5M–8.3M**	Derived from salary bands. Cross-check: 20 people at USD 150–250K a year is PKR 3.5–5.8M a month
Software licences	**~520,000–545,000**	Sourced: Unity Pro ~USD 150 per seat per month (8 seats) plus Autodesk Maya USD 1,545–1,785 a year (5 seats). Unreal charges 5% royalty only above USD 1M revenue. Blender is free
Office, internet, electricity	**300,000–800,000**	Estimate
Servers and cloud (multiplayer)	**100,000–500,000**	Estimate
User acquisition and marketing	**2.0M–5.0M**	Illustrative
TOTAL	**~PKR 6.4M–15M**	**Per month**

Source: Research brief (salary bands, Unity and Autodesk pricing, Unreal royalty terms). Estimate rows need an operator quote.

TIER 3 — UNIT ECONOMICS

COST TO BUILD ONE GAME, USD



Tier 3: about PKR 28M–112M per game, heavy in-app-purchase model.
Revenue mix: mostly in-app purchases.

SERVICE REVENUE WHILE BUILDING OWN IP

USD 30-60

per hour for Unity / Unreal outsourcing work

Indian agencies	**USD 50–80**
Western Europe	**USD 80–130**

Source: PhantomCave and RocketBrush guides; Saad Zaeem and Yaser Awan interviews.

ALL THREE TIERS AT A GLANCE

	TIER 1 Home studio	TIER 2 Small studio	TIER 3 Production studio
Team	2 people, home-based	8–12 people, small office	20–30 people, studio
Game type	Hyper-casual / hybrid-casual prototypes	Hybrid-casual (ads + light IAP)	Mid-core / multiplayer (heavy IAP)
Set-up cost (CapEx)	**PKR 600–800K**	**~PKR 2.2M–4.2M**	**~PKR 11M–29M**
Monthly cost (OpEx)	**~PKR 80–130K**	**~PKR 1.9M–5.8M**	**~PKR 6.4M–15M**
Cost to build a game	Weeks; test with USD 5–10 ads	**USD 35–75K**	**USD 100–400K**

06
WHO SHOULD ENTER?

Four profiles that fit, the weakest fit, and what Pakistan needs to do next

WHO SHOULD ENTER

Playing games and making games are two different skills. Being a lifelong gamer does not make you a developer, in the same way watching movies does not make you a filmmaker. The opportunity is not limited to engineers or hardcore gamers.

PROFILE	WHY THIS FITS
Developers and engineers already doing outsourced game work	Have shipped products; the step up is owning IP and the revenue it earns
Artists, animators and designers	Visual quality drives installs; art style is tested in icon split-tests
Product-minded founders and marketers	Scaling a game is a performance-marketing problem as much as a technical one
Students and young people with a testing mindset	A two-person home studio costs PKR 600–800K to set up (Tier 1), and CEGA offers free incubation

WEAKEST FIT Someone who wants to make a local-market cricket game first. The audience that pays is small, and the technical complexity is high.

34M → **50.9M**

gamers, 2022

gamers, 2026

Every one of them is a potential player, designer or developer, and the global audience is far larger.

WHAT PAKISTAN NEEDS TO DO NEXT

01	**Gaming is a global digital product**	The market is USD 205B–578B, and 52B games were downloaded in 2025	**$205–578B**
02	**Pakistan has proven it can win**	Game District alone reached 2.2B downloads in 2025	**2.2B**
03	**The gap is ownership**	Gaming earns mostly from its own products (~70–80%), but most Pakistani studios still sell services	**~70–80%**
04	**The entry cost is low**	A two-person studio starts at PKR 600–800K, and every idea can be tested for USD 5–10	**PKR 600–800K**
05	**The support is real**	The tax regime is locked to 2029, payments are easier, and CEGA incubates studios free of equity	**2029**

07 USEFUL RESOURCES

Sector reports, market data, government sources, fee schedules and practitioner interviews

USEFUL RESOURCES

01 **P@SHA and Mindstorm** — Animation, Graphics and Gaming (AGG) Sector Report, FY22-23

02 **Newzoo** — Global Games Market Report (2026)

03 **Statista** — Video Games, Pakistan and Worldwide

04 **Sensor Tower** — State of Mobile 2026

05 **Data Darbar** — Pakistan app download data

06 **Game District** — company site and CEO interviews (Saad Hameed Khan)

07 **Ignite (National Technology Fund) and MoITT** — CEGA, Centre of Excellence in Gaming and Animation

08 **LUMS Centre for Entrepreneurship** — CEGA knowledge partner

09 **Finance Bill and Budget 2026-27** — Section 65F, Section 154A, export proceeds withholding

10 **State Bank of Pakistan** — FE Circulars FECL6 and FECL7 (April 2026)

11 **PSEB** — registration fee schedule

12 **Epic Games** — Unreal Engine licensing; **Unity** — Personal / free tier

13 **Google Play Console and Apple Developer Program** — fee pages

14 **Interview:** Yaser Awan, Games Collective

15 **Interview:** Saad Zaeem, Revolving Games

UNLOCKING GROWTH · GAME DEVELOPMENT IN PAKISTAN

PAKISTAN HAS 50.9 MILLION GAMERS AND BUILDS GAMES FOR THE WORLD, BUT IT OWNS VERY FEW OF THEM.

UNLOCKING GROWTH
SEASON 04

The talent is proven. The support has finally arrived. The products are still missing.

pakistanandcounting.com/unlocking-growth

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