



Education

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Education

Introduction

- Education encompasses all institutions, processes, and systems involved in providing learning experiences and disseminating knowledge and plays a crucial role in the social, economic, and cultural development of individuals and societies. United Nation's Sustainable Development Goal (SDG) 4 focuses on ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all.
- Primary Education** is typically defined for children aged ~6-12 years, aimed at providing basic literacy and numeracy skills, along with a fundamental understanding of subjects such as science and social studies.
- Secondary Education** covers ages ~12-18 and prepares students for higher education/vocational training. It often includes more specialized subjects and may be divided into lower-secondary (middle school) and upper-secondary (high school).
- Tertiary Education** includes universities, colleges, and vocational schools offering undergraduate, graduate, and postgraduate programs. It focuses on advanced knowledge and skills in specific fields.
- Global literacy rate for adults (~15 years and older) in CY24 stood at ~69.0%. Sub-Saharan Africa and Central and South Asia recorded the literacy rates, at ~77.0%, with global literacy rates settling at ~88.0%.
- As of CY24, learning poverty in low and middle-income countries was estimated at ~63.0. %, which is lowest among South Asian countries.

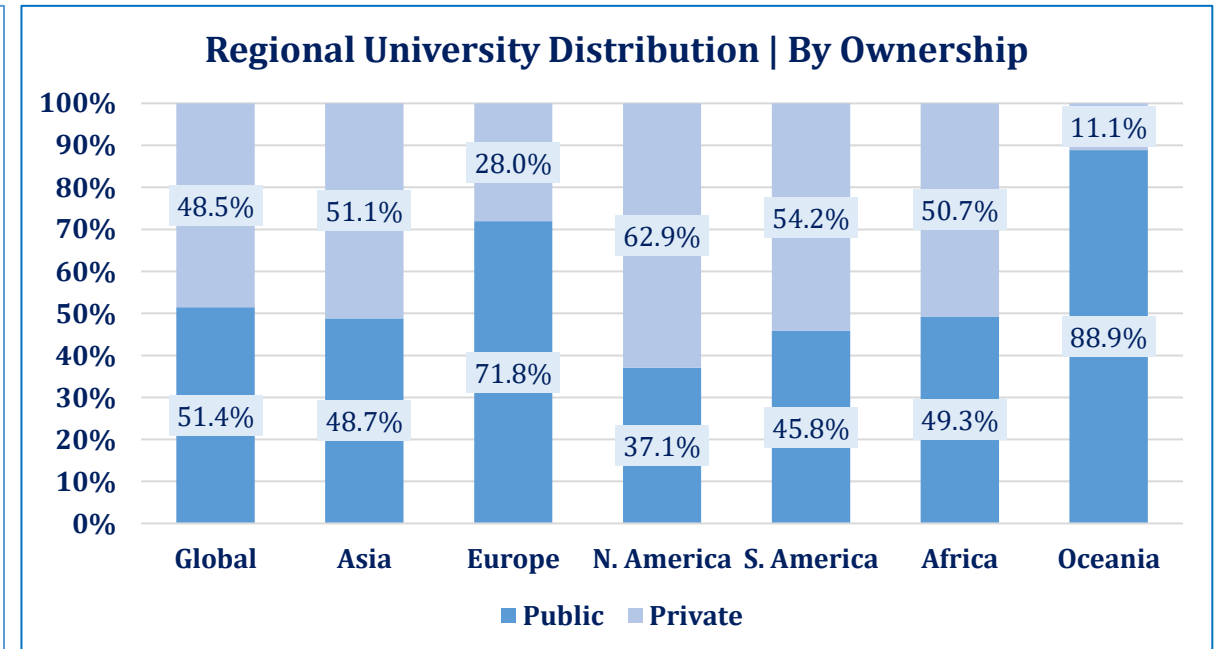
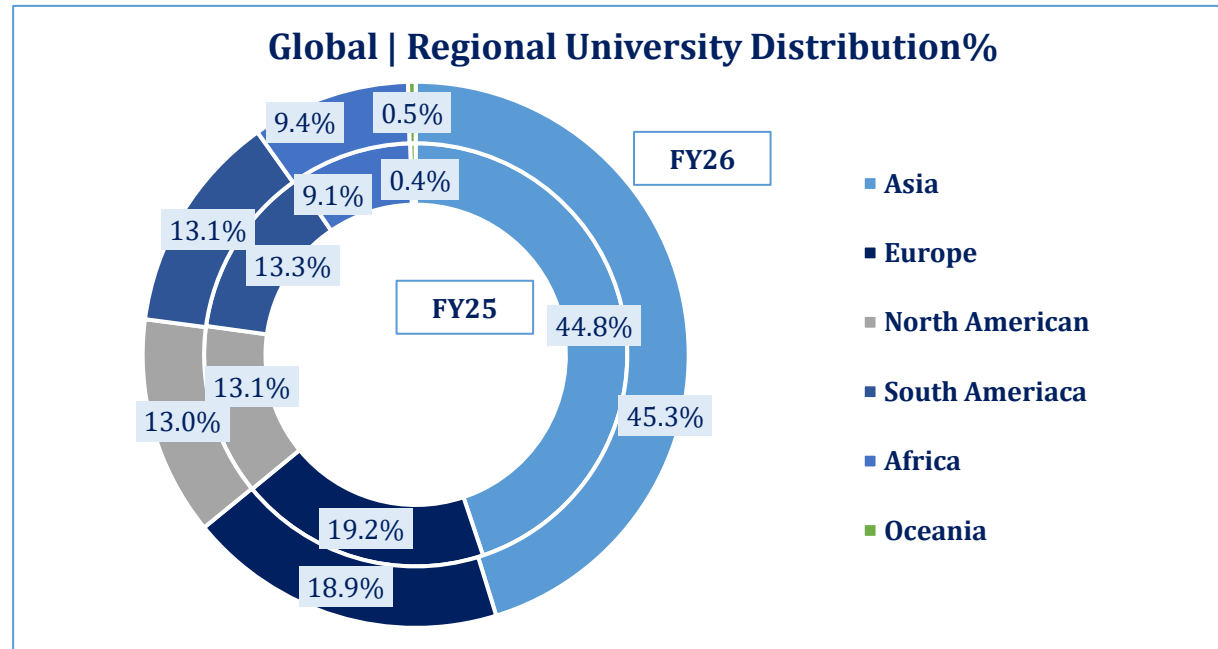
The scope of this report shall focus largely on Tertiary Education.



Education

Global | Region-wise University Distribution

- The total number of universities around the globe, as of July'25, stood at ~14,103 (SPLY: ~13,723). Region-wise, Asia accounted for ~45.3% of the global total at 6,350.
- During the period under review, ~48.2% of universities worldwide were public universities while ~51.8% were privately-owned. In Asia, the ownership mix was skewed towards private universities, with ~42.8% public universities and ~57.2% private universities, with majority private universities concentrating in India, Indonesia and Japan.
- North America, meanwhile, recorded ~36.8% public universities and ~63.2% private universities during the period under review. Additionally, ~13.0% of the world's universities were centered here. In contrast, Oceania recorded ~89.5% public and only ~10.5% private universities during the period. The region formed ~0.5% of the global total, with ~62 universities recorded in July'25.

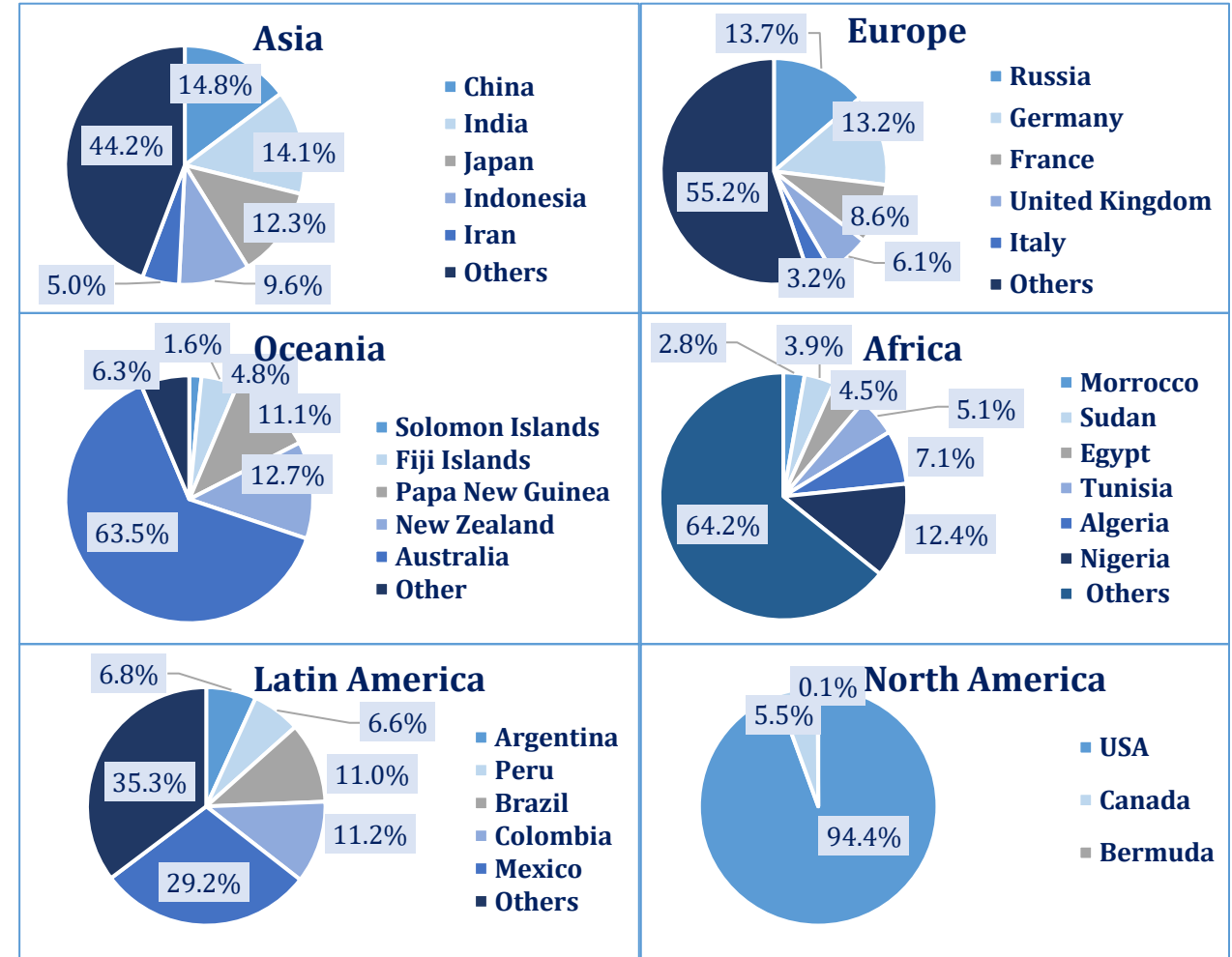


Note: Charts pertain to data as of July'25.

Education

Global | Region & Country-wise University Distribution

- North America is US-dominated (~94.4%), while Oceania is led by Australia (~63.5%) with New Zealand and Papua New Guinea as secondary hubs.
- Latin America has no single dominant power, Mexico leads (~29.2%) the way but Colombia (~11.2%), Brazil (~11.0%), Argentina (~6.8%) and Peru (~6.6%) are relatively close secondary tier, with ~35.3% spread across remaining nations.
- Asia shows a multi-polar structure with China (~14.8%) and India (~14.1%) statistically tied for the lead, followed by Japan (~12.3%) and Indonesia (~9.6%), yet nearly half (~44.2%) of the region's universities are distributed across the remaining dozens of Asian countries.
- Europe, similar to Latin America, is uniquely fragmented with Russia and Germany leading but no country holding an outsized share.
- Africa is the most dispersed. Nigeria leads at just ~12.4%, with nearly two-thirds of institutions spread across the continent. Algeria follows at ~7.1%, yet a striking ~64.2% of institutions are spread across the continent's many sovereign states.



Education

Education Levels

ISCED 0: Early & Pre-Primary Education	This level of education includes early childhood education, for 0 to 2 years age group and pre-primary education aimed at children aged 3, till start of ISCED 1.
ISCED 1: Primary Education	This level of education provides students with basic reading, writing and mathematical skills with an objective of preparing them for secondary education. This level has basic complexity, with little to no specialization. (grade 1-5)
ISCED 2 & 3: Secondary Education (Lower & Upper)	This level aims to lay the foundation for lifelong learning, is typically specialized and designed in preparation for tertiary education and/or provide skill for employment. (usually grades: 6-10 & 11-12)
ISCED 4: Post-secondary non-tertiary Education	This level provides individuals who completed ISCED level 3 with non-tertiary qualifications required for progression to tertiary education or for employment, however it's not sufficiently complex to be regarded as tertiary education.
ISCED 5: Short-cycle tertiary Education	These are designed to provide students professional skills, knowledge and competencies and typically are occupationally specific and prepare students for the labor market.
ISCED 6: Tertiary education (Bachelors or equivalent)	Bachelor's or equivalent level, are often designed to provide students with intermediate academic and/or professional knowledge, skills and competencies. They are offered by Universities and equivalent Tertiary educational institutions.
ISCED 7: Tertiary education (Masters or equivalent)	These are typically designed to provide students with advanced academic and/or professional knowledge, skills and competencies. Programs at this level may have a substantial research component but do not lead to a doctoral qualification.
ISCED 8: Tertiary education (Doctoral or equivalent)	These are designed primarily to lead to an advanced research qualification. Programs at this level are devoted to advanced study and original research and are typically offered only by research-oriented tertiary educational institutions.

Education

Global | Demand

- Global population recorded at ~8,162mn in CY24 (CY23: ~8,092mn), up ~1.4% YoY. Tertiary enrollments in CY24 accounted for ~47.9% of the global population, while global per capita GDP was recorded at USD~13,842 (CY23: USD~13,138).
- Asia and Africa collectively constituted ~77.5% of the global population in CY24 (SPLY: ~77.2%). Moreover, these regions (combined) recorded ~49% of the population falling in the ~15-29 years age group (assumed tertiary education age). However, tertiary enrollments remained below those recorded in Europe, the Americas, and Oceania (depicted below).
- Oceania, representing ~0.6% of the global population in CY24, boasted the highest tertiary education enrollments at ~108.5%, largely due to a high number of foreign student enrollments in Australia.

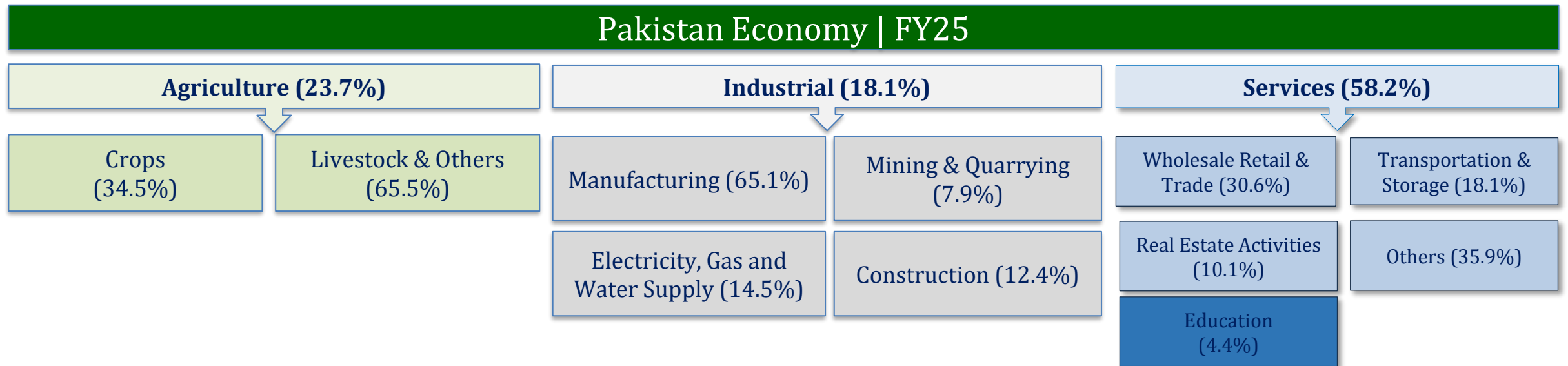
Region CY24	Region-wise Population (mn)	Share in Global Population (%)	(15-29) Age Group (mn)*	(15-29) Age Group (% Population)	% age Tertiary Enrollments
Asia	4,807	58.9%	1,089	22.6%	44.8%
Africa	1,743	18.6%	404	26.4%	17.2%
Europe	745	9.2%	120	16.1%	78.5%
South America	436	5.3%	101	23.1%	60.1%
North America	385	4.7%	75	12.2%	88.2%
Oceania	46	0.6%	10	21.7%	108.5%
Global	8,162	100.0%	1,799	22.1%	47.9%

*~15-29 age group across countries have been estimated using CY23 share

Education

Local | Overview

- In FY25, Pakistan’s GDP (nominal) stood at PKR~113.8tn (FY24: PKR~105.2tn) and grew, in real terms, by ~3.1% YoY (FY24: ~2.6% growth). The country’s nominal GDP during FY26 is forecasted to grow by ~3.6% YoY, as per the IMF, depicting improved economic activity.
- During FY25, the Education Sector held ~2.4% share in GDP (FY24: ~2.3%), and contributed ~4.4% to overall services segment (SPLY: ~4.3%). In 2QFY26 The education sector witnessed a growth of ~5.7% YoY (SPLY: ~4.1% YoY).



Education

Local | Snapshot

- Pakistan’s population grew by ~2.6% YoY in FY25, recording at ~242.0mn. During the year, ~25.9% of the population comprised the age group ~15-29 years, was recorded at ~69.0mn (FY23: ~63mn). Meanwhile, income per capita stood at USD~1,812, up ~8.6% YoY.
- In FY25, Pakistan’s literacy rate stood at ~61%, whereas gender-wise, ~68.0% of males and ~52.8% of females were classified as literate. With respect to the rural-urban split, only ~51.6% of the country’s rural population was literate, whereas the literacy rate in urban centers was recorded at ~74.1%.
- Province-wise, literacy rate in ICT was the highest at ~84.0%, followed by Punjab (~66.3%), Sindh (~57.5%), KPK (~51.1%), and Balochistan (~42.0%). Meanwhile, only ~2.0% of the country’s total population is enrolled in bachelor's and above-level programs, while ~40.6% have never attended school.
- Out of a working-age population of ~179.6mn, about ~83.1mn individuals participated in the labour force, while ~96.5mn were outside it including students, homemakers, and discouraged workers.
- Within the labour force, ~77.2mn people were employed, whereas ~5.9mn were unemployed.

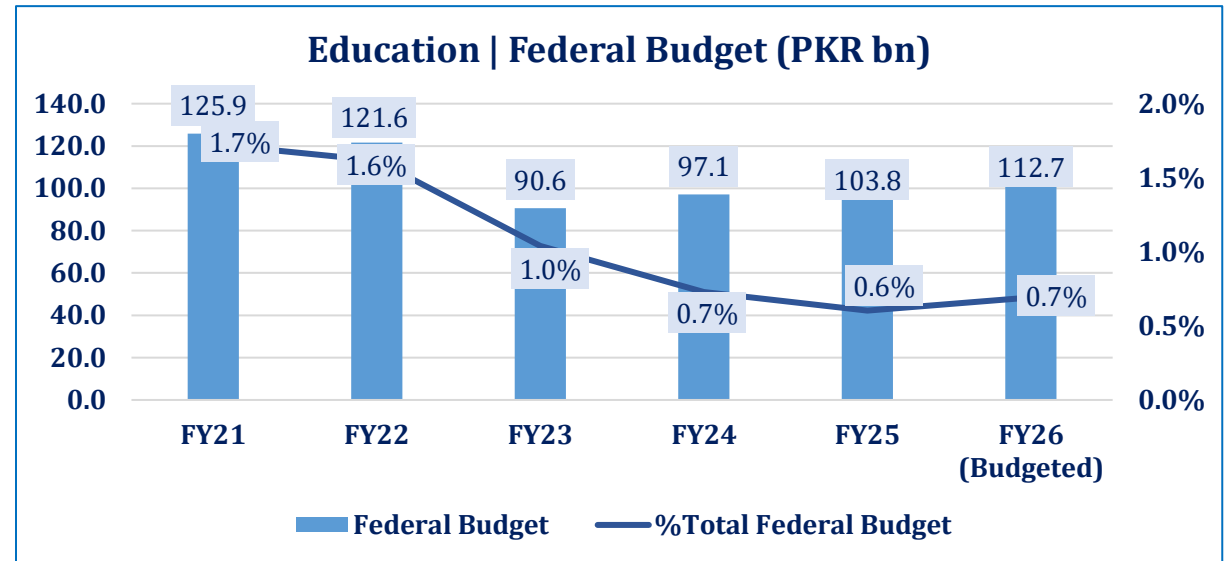
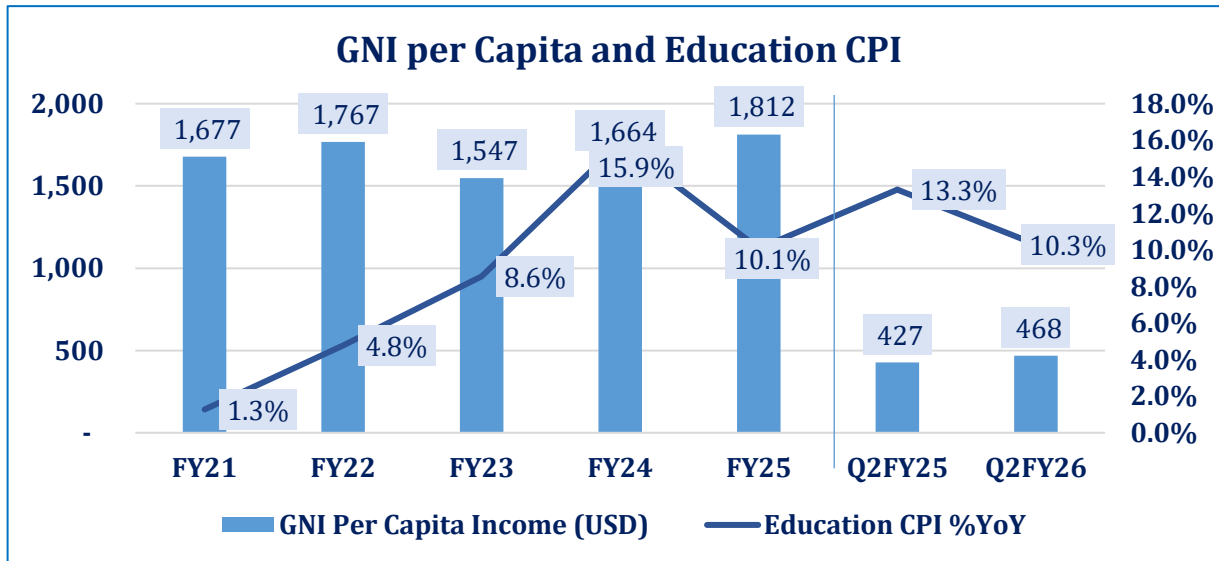
Particulars	Unit	FY23	FY24	FY25
Sector Size	PKR bn	1,886	2,269	2,557
Total Population	mn No.	231	236	242
Population Growth Rate	(%)	1.8%	2.2%	2.6%
Population (15-29 years)*	(mn No.)	56	63	69
GNI per Capita	(USD)	1,552	1,669	1,812
Literacy Rate*	%	62.8	60.7	60.6
Tertiary Institutes	No.	7,226	7,348*	
Tertiary Level Teachers	(‘000’ No.)	199	202*	
University Teachers	(‘000’ No.)	70	98	102
Tertiary Enrollments	(‘000’ No.)	3,050	3,060	
Universities	No.	228	269*	
Association	Higher Education Commission			

*FY22-23 data reflects LFS '25, while FY24 figure pertains to 7th population census. FY25 data updated as available. **Note:** UNESCO defines literacy as the ability to identify, understand, interpret, create, communicate, and compute using printed and written materials associated with varying contexts.

Education

Local | Socioeconomic Indicators

- GNI per capita income recovered steadily, rising from USD 1,547 in FY23 to USD 1,812 in FY25. On a quarterly basis, GNI per capita rose to USD ~468 in Q2FY26, a ~9.6% QoQ improvement, signaling continued income recovery.
- Education CPI (YoY) moderated from its peak of 15.9% in FY24 to 10.1% in FY25, easing further to 10.3% in Q2FY26, suggesting inflationary pressures in the education sector, while still elevated, are stabilizing relative to the FY24 peak.
- Federal education budget grew from PKR ~97.1bn in FY24 to PKR ~103.8bn in FY25, marking a ~6.9% YoY increase. For FY26, the federal education budget has been set at PKR ~112.7bn, representing a further ~8.6% YoY increase, indicating continued but small increase in federal allocation.
- The federal education budget as a share of the total federal budget has averaged ~0.6%–0.7% during FY24–FY26, down from a peak of ~1.2% in FY22, reflecting a narrowing federal contribution relative to overall education financing, as provincial allocations have grown at a faster pace.

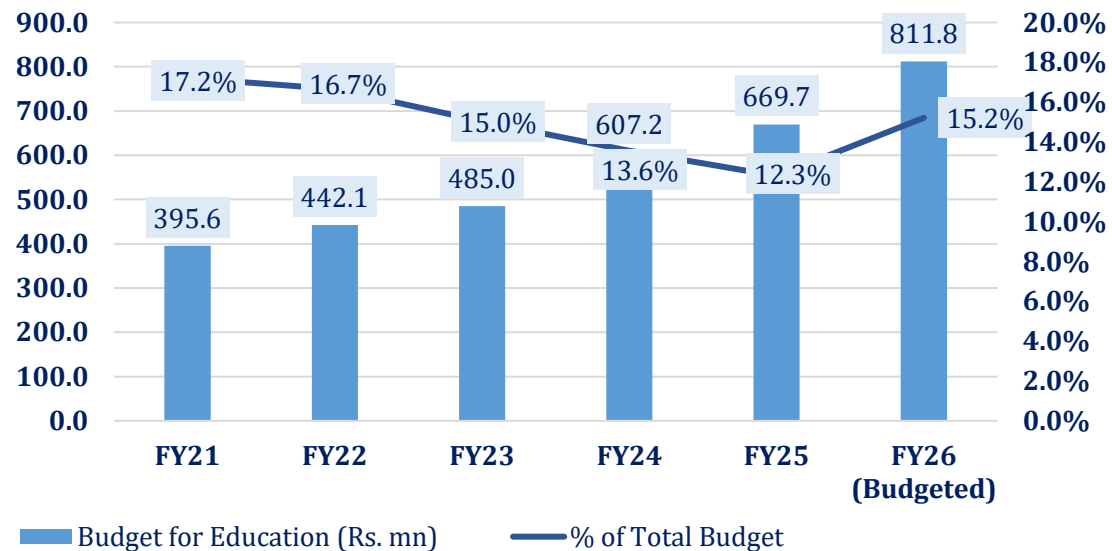


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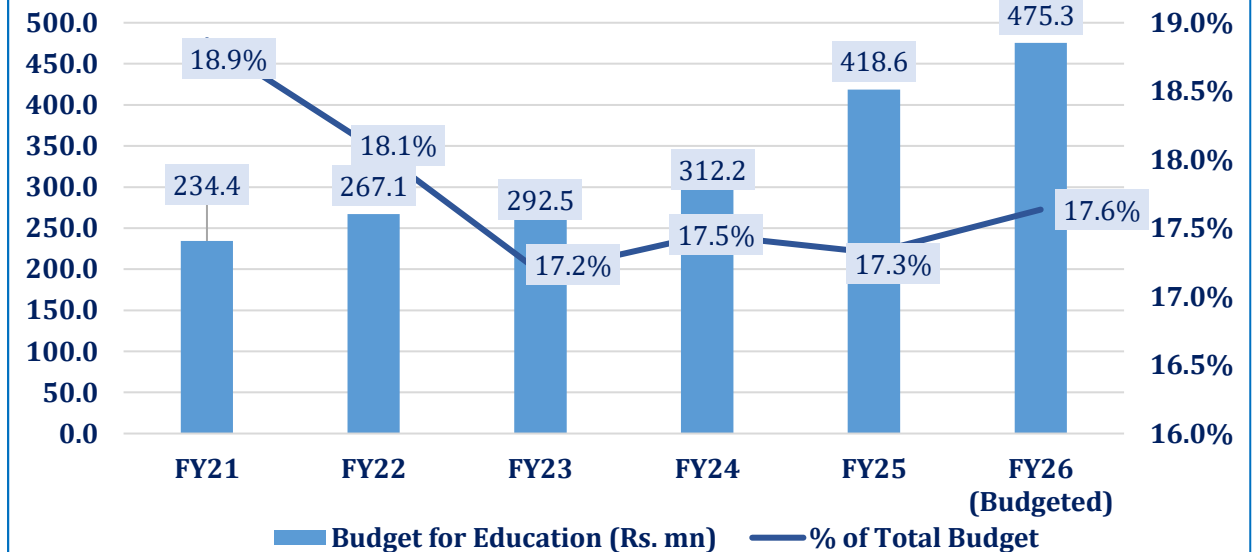
Local | Provincial Expenditure

- Punjab's education budget increased to PKR 669.7bn in FY25 from PKR 607.2bn in FY24, reflecting a YoY growth of ~10.3%.
- For FY26, it has been budgeted at PKR 811.8bn, up ~21.2% YoY, comprising of ~15.2% of the allotted budget to budget. Education's share of Punjab's total provincial budget peaked at ~17.2% in FY21, declining to ~12.3% in FY25, before recovering to ~15.2% in the FY26 budget.
- Sindh's budget for education has risen from PKR 312.2bn in FY24 to PKR 418.6bn in FY25. For FY26, it has been budgeted at PKR 475.3bn, up ~13.5% YoY. Education's share of Sindh's total provincial budget stood at ~17.3% in FY25, and rising sharply to ~11.5% in the FY26 budget, reflecting an increased provincial commitment to education financing.

Expenditure for Education | Punjab (PKR bn)



Expenditure for Education | Sindh (PKR bn)



Education

Local | Tertiary Institutes

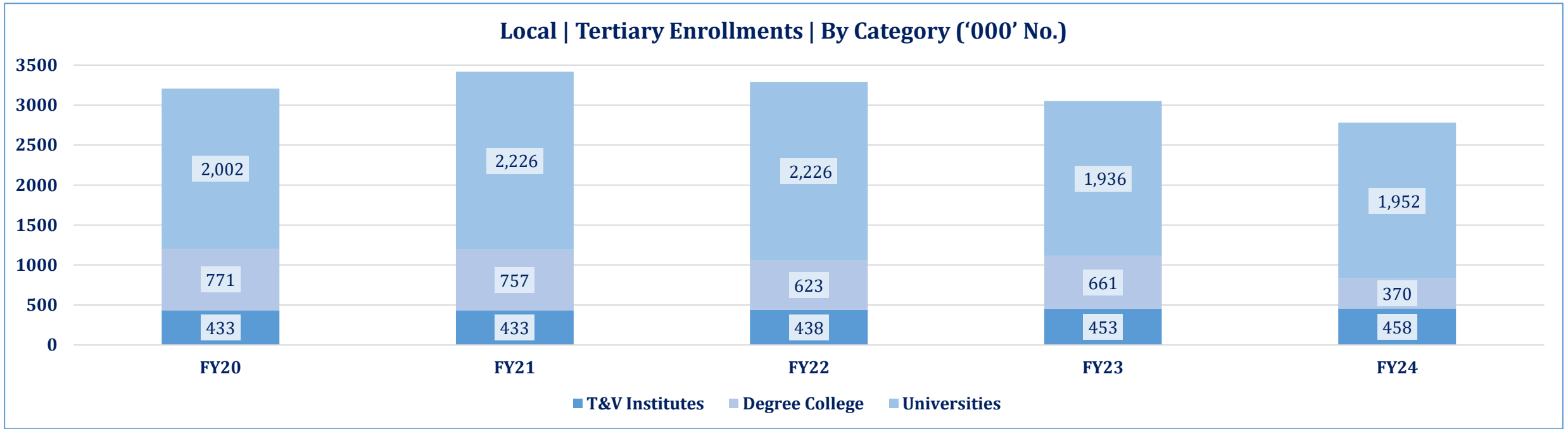
- In FY25, 47 Pakistani universities featured in the Times Higher Education (T.H.E.) World Rankings (Top 1,000), up from 39 in FY24, reflecting continued improvement in research output and institutional quality metrics.
- Pakistan had 2 universities in the QS World Rankings (Top 500) in FY25, unchanged from FY24, indicating limited representation at the most competitive tier of global rankings.
- On the T.H.E. Asia Rankings (Top 500), Pakistani universities declined slightly to 26 in FY25 from a peak of 31 in FY24, suggesting increased competition from regional peers, particularly from China, India, and Southeast Asia.
- In the QS Asia Rankings (Top 500), Pakistan's representation increased to 32 universities in FY25 from 28 in FY24, the highest in the five-year period, pointing to improving performance on QS-specific metrics such as academic reputation and employer perception across the region.

Ranking Among World's Top Universities						
Ranking	FY20	FY21	FY22	FY23	FY24	FY25
Times Higher Education (THE) World Ranking (Top 1000)	7	8	11	20	39	47
Quacquarelli Symonds (QS) World Ranking (Top 500)	2	3	3	3	2	2
Times Higher Education (THE) Asia Ranking (Top 500)	14	16	19	27	31	26
Quacquarelli Symonds (QS) Asia Ranking (Top 500)	25	27	29	29	28	32

Education

Local | Tertiary Enrollments

- Pakistan's tertiary education landscape comprises ~7,348 institutes as of FY24, predominantly Technical & Vocational (T&V) institutes (~62.1% of total), followed by Degree Colleges (~34.2%), with Universities holding the smallest share (~3.7%). Yet universities dominate enrollment, accounting for ~70.2% of all tertiary enrollments.
- Overall, tertiary enrollments declined to ~2,780k in FY24 (FY23: ~3,050k), down ~8.9% YoY. Degree Colleges saw the sharpest contraction (~-16.8% CAGR), while T&V institutes were the only growth segment (~1.4% CAGR), reflecting a gradual shift toward skills-based education. University enrollments were broadly flat (~-0.6% CAGR).
- On the supply side, total tertiary institutes grew at a 5-year CAGR of ~1.2%, led by T&V institutes (~2.7%) and universities (~2.5%), suggesting institutional capacity is expanding even as enrollment demand softens. Research output remains modest, PhDs produced stood at ~3,035 in FY23 (FY22: ~3,271), while PhD faculty grew to ~23,398 (FY22: ~21,702), indicating improving academic depth despite declining PhD output.

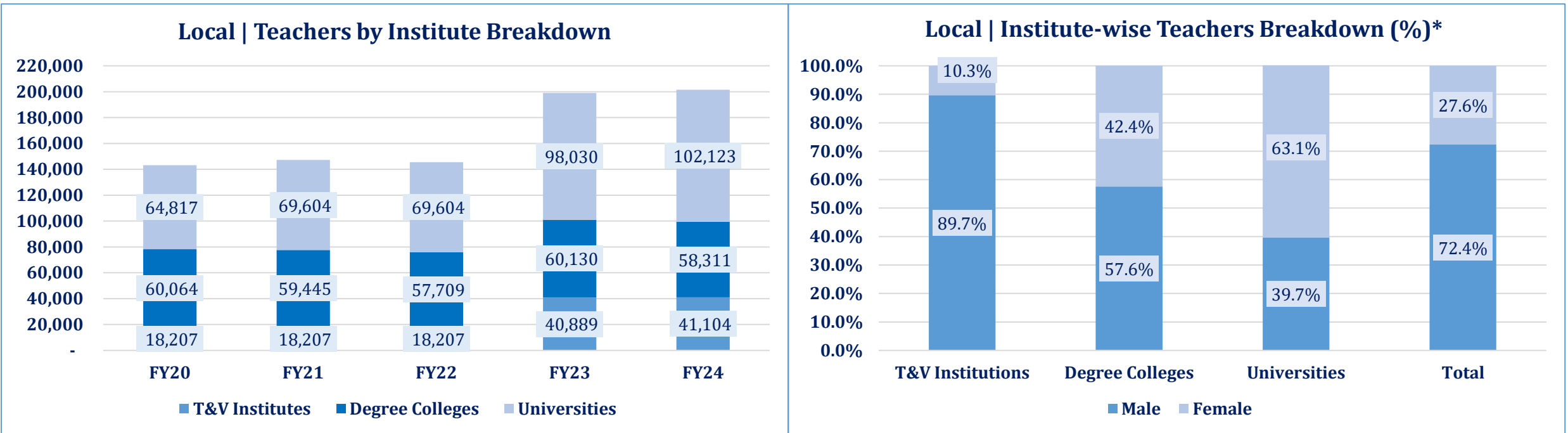


Note: FY24 data is based on estimated data and is the latest available.

Education

Local | Tertiary Teachers

- The total number of teachers employed at tertiary level stood at ~ 201,538 in FY24 (FY23: ~199,049), up ~1.3% YoY. Of the available FY24 figures, the share of teachers employed at degree colleges stood at ~28.9% (FY23: ~30.2%), while those employed in technical & vocational institutions formed ~20.4% (FY23: ~20.5%), for universities this was ~50.7% (FY23: ~49.2%)
- The gender distribution among tertiary teachers in degree colleges recorded a females-to-males ratio of ~42:58 (SPLY: ~44:56). In contrast, technical and vocational institutes have the lowest female representation, with a females-to-males ratio of ~10:90 (SPLY: ~26:74).



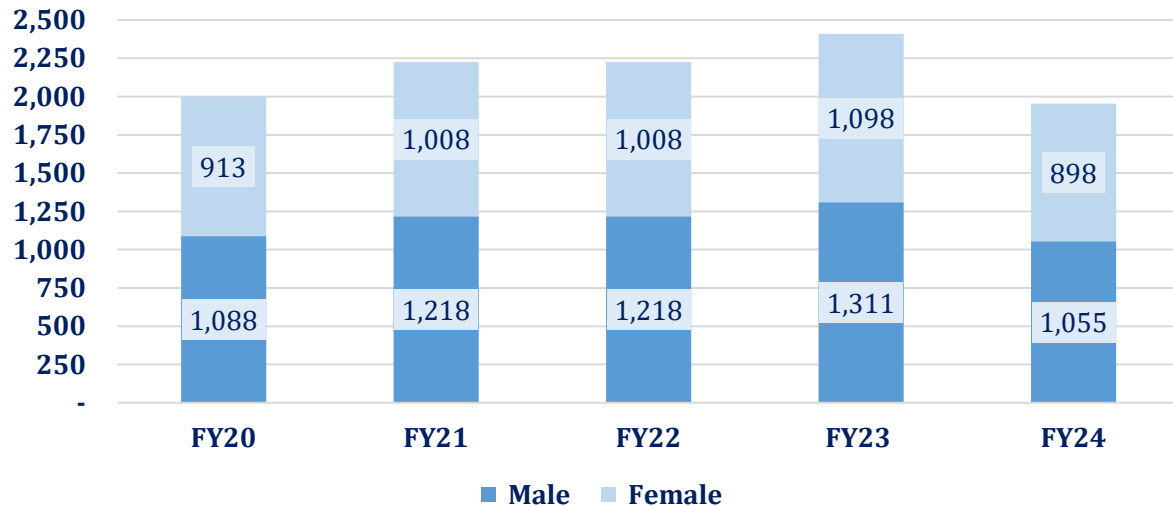
Note: FY24 data is based on estimated data. University numbers based on FY23 data, rest on FY24 data. All data is latest available.

Education

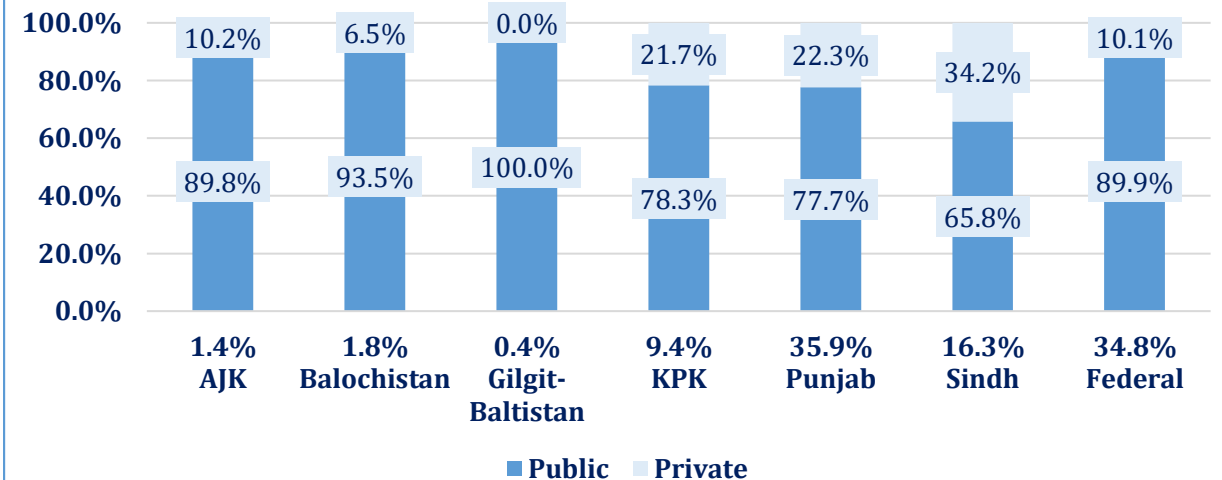
Local | Annual University Enrollments

- In FY24, ~1,953k students were enrolled in universities across Pakistan (FY23: ~2,409k), down ~19.0% YoY. Of these, ~46.0% (FY23: ~45.6%) were females while ~54.0% (FY23: ~54.4%) comprised male students.
- The 5-year (FY20-24) CAGR for female student enrollments in universities clocked in at ~-0.4%, while that for male student enrollments stood at ~-0.8% in the same period.
- During the year, public-to-private university enrollments mix stood at ~78:22, while universities affiliated with Punjab had the highest share in total enrollments at ~35.9%.
- The highest portion of private enrollments were recorded in Sindh government-affiliated universities which had a public-to-private enrollments mix of ~66:34 while recording ~16.3% share in total enrollments.

Local | University Enrolment by Gender ('000)



Local | Province and Ownership-wise Enrollments (%)*

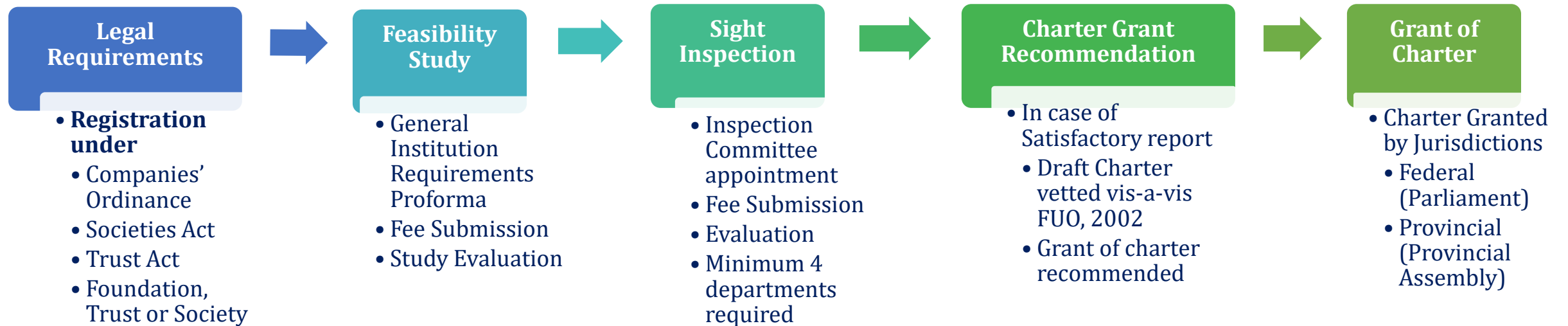


Note: FY24 data is based on data and is latest available.

Education

Local | University Setup

- The Sponsoring body of a University is required to be a Society, Trust or Foundation, registered under the relevant regulations of a Societies Registration Act, Trust act and/or Companies Ordinance.
- Monitoring of Universities under Federal jurisdiction is overseen by HEC and Universities under provincial jurisdictions are monitored by the respective education departments.
- As per HEC’s “Guidelines for the establishment of a new University or an Institution of higher education”, following procedure is followed.



Education

Local | HEC Vision 2025

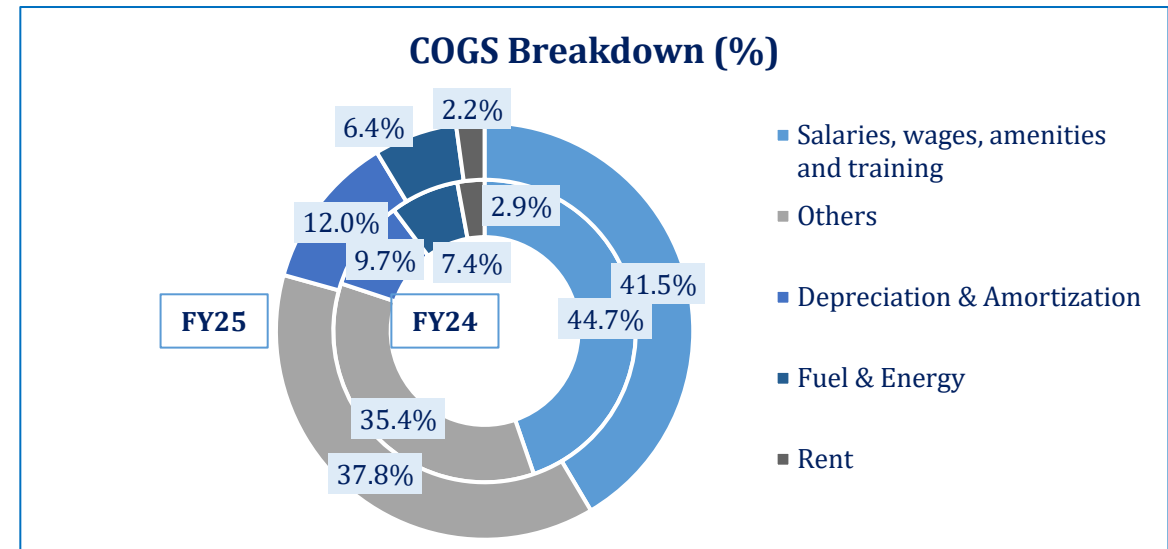
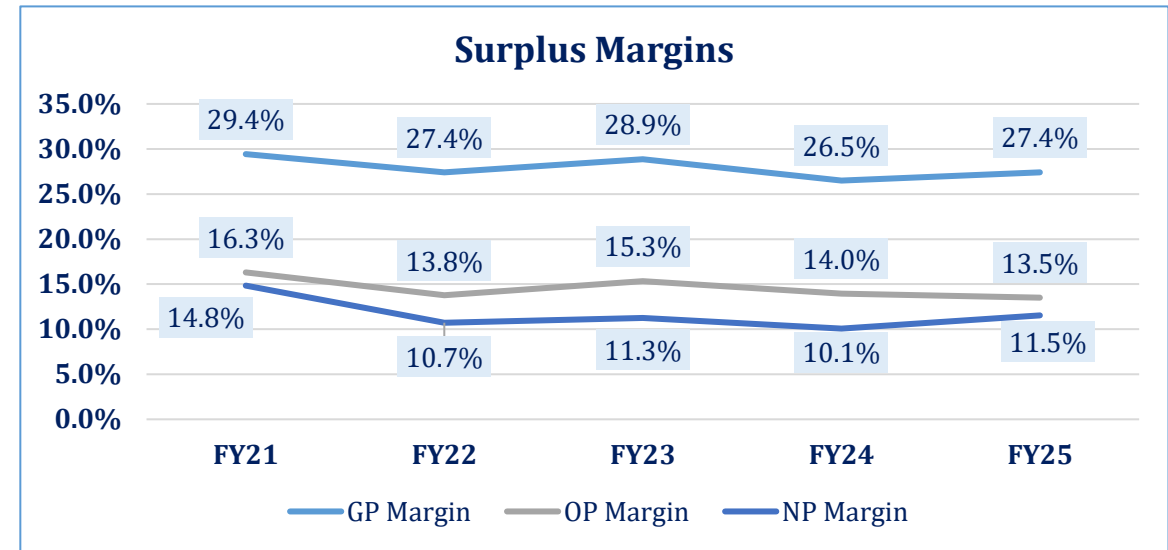
- The HEC plans to transform Pakistan's higher education sector to align with global standards by increasing research and innovation and by promoting academia-industry linkages. Furthermore, in their vision for CY25, it has highlighted the goal of taking higher education enrollment to ~15.0% by CY30, which stands at a meagre ~6.9% as of FY24. As part of its Vision 2025, the commission is implementing several key measures to drive progress. These are as follows:
 - **Centers of Excellence:** Established Centers of Advanced Studies focusing on STEM, agriculture, healthcare, and business to promote specialized education and research.
 - **Research & Industry Collaboration:** Increased funding for research grants and strengthened partnerships between universities and industries to encourage innovation and commercialization.
 - **Applied Research Expansion:** Expanded Offices of Research, Innovation, and Commercialization (ORICs) across universities to drive applied research and technology development.
 - **Digital Access & Knowledge Sharing:** Improved access to digital libraries and research journals, including the upgraded PERN (Pakistan Education & Research Network), ensuring widespread availability of academic resources.
 - **Intellectual Property & Innovation:** Encouraged patenting of university research and facilitated the commercialization of innovative projects to create economic impact.

- Furthermore, there are various projects led by the World Bank to improve education levels in Pakistan. These include:
 - **Higher Education Development in Pakistan (HEDP):** HEDP aimed to support research excellence in strategic sectors, improve teaching and learning quality, and strengthen governance within the higher education sector. The project was formally concluded in Oct'25 with a total disbursement of USD~375.7mn (~93.9% of total budget) as of Jun'25. Key achievements included establishment of two Tier-3 data centers, deployment of the Maktab ERP system, funding of 142 research projects, and training of over 1,600 faculty members and ~1,400 university managers.
 - **Punjab Education Sector Project:** This initiative focuses on enhancing access, equity, and the quality of education in Punjab province. Key components include providing stipends to ~380,000 female students in grades 6-8 and distributing free textbooks to all students in public schools.
 - **Getting Results Access and Delivery of Quality Education Services in Punjab Project (GRADES):** Approved in Jun'24, with a USD~150.0mn budget, GRADES aims to improve learning outcomes, recover from learning losses during the COVID-19 pandemic, strengthen school management, and increase school participation levels in Punjab. The project is expected to directly benefit ~5mn children, 7,000 headteachers, and 165,000 teachers.

Education

Local | Business Risk

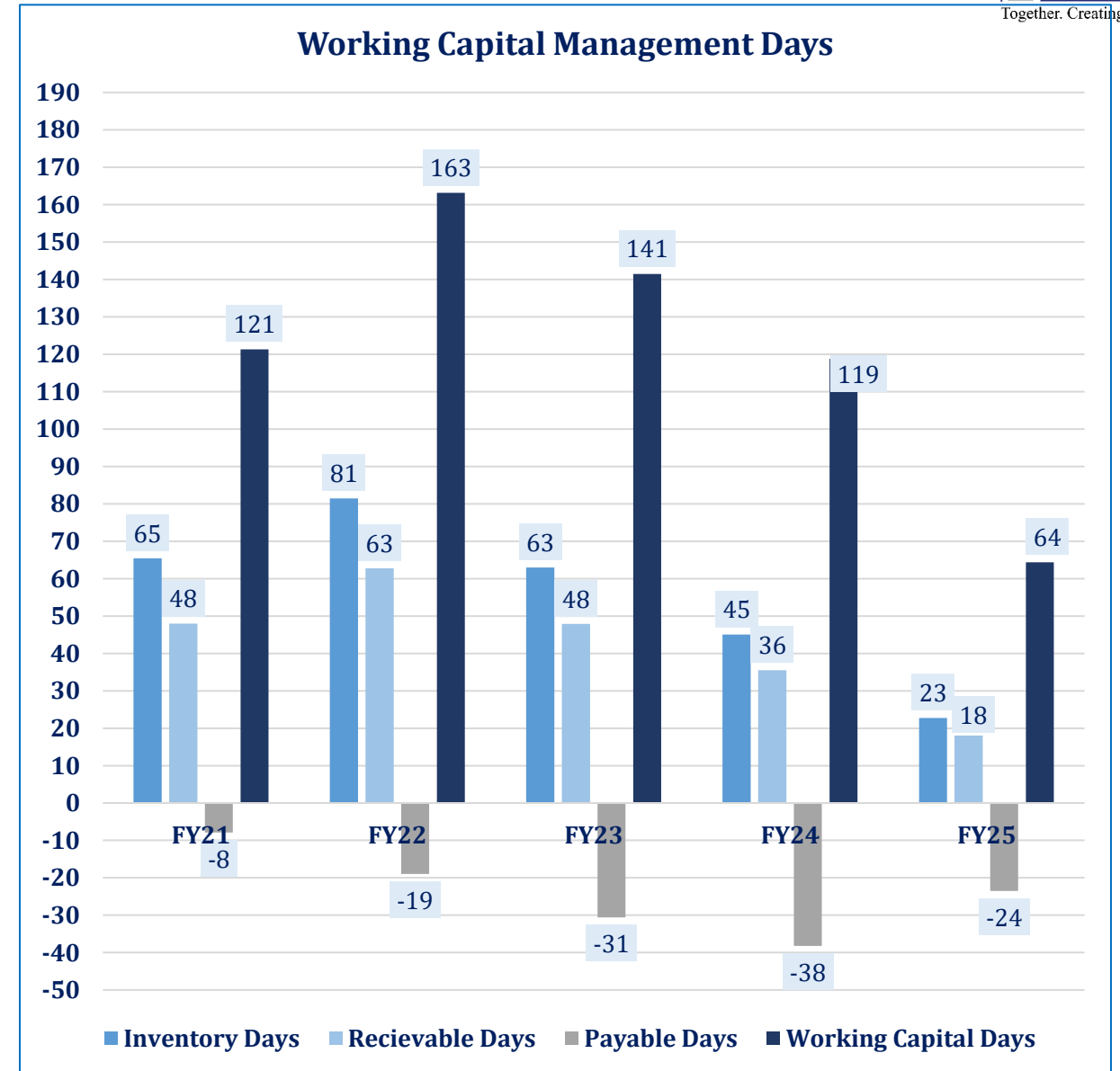
- The Sector’s revenue is majorly driven by tuition fees, while some portion also comprises hostel and transport fees. Higher student intake and fee adjustments observed across Sector players have kept the Sector's Gross Surplus Margin relatively stable at ~27.4% in FY25,
- Surplus for the year across key levels remained largely range-bound during the period, reflecting a mixed trend. The Operating Surplus Margin stood at ~13.5% in FY25 (FY24: ~14.0%), indicating slight compression, while the Net Surplus Margin improved to ~11.5% (FY24: ~10.1%), supported by lower finance costs and the tax-exempt status of constituent entities within the Sector.
- The cost of sales (COGS) in the Sector primarily includes expenses directly associated with delivering educational services. Salaries, wages, amenities, and training moderated to ~41.5% in FY25 from ~44.7% in FY24.
- Other operational costs showed varying trends within the COGS breakdown. The share of Depreciation and Amortization increased to ~12.0% (FY24: ~9.7%), while Fuel and Energy costs saw a slight decrease in their relative share to ~6.4% (FY24: ~7.4%). Capacity expansions along with revaluation of assets led to increase in the share of depreciation.
- The "Others" category, which includes printing, stationery, and research expenses, continues to constitute a major portion of the cost of sales, representing ~37.8% of the total breakdown in FY25, up from ~35.4% in the previous year.



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Local | Financial Risk

- In FY25, the university's working capital cycle showed significant optimization compared to FY24. The most notable improvement was in receivable days, which were reduced by 50%, dropping from 36 days in FY24 to 18 days in FY25. This indicates a much more aggressive and efficient collection of student fees and other outstanding dues.
- Inventory management also reached peak efficiency during this period, with inventory days declining from 45 days in FY24 to a period low of 23 days in FY25.
- This reduction in stores and spares holdings further contributed to the overall liquidity of the institution, ensuring that less capital remained tied up in non-liquid assets.
- On the settlement side, the average payable days declined from 38 days in FY24 to 24 days in FY25. While the contraction of the payment window suggests earlier settlements to employees and suppliers, the substantial gains in collection speed resulted in an overall improved trend.
- Consequently, the total working capital days were nearly halved, falling from 119 days in FY24 to 64 days in FY25, strengthening the institution's financial sustainability.

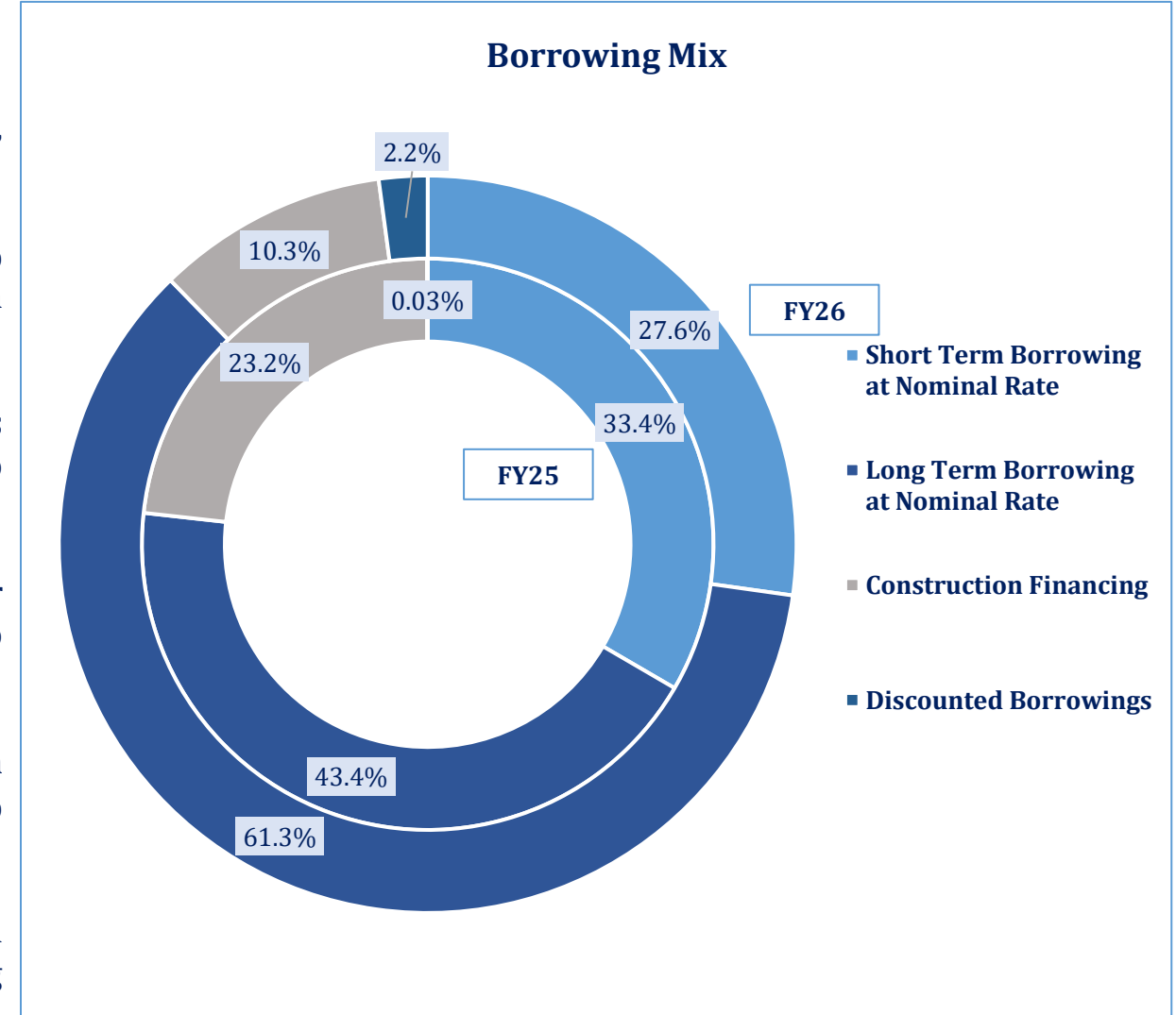


Note: Data is based on PACRA-rated clients.

Education

Financial Risk | Borrowing Mix

- The total borrowing of the higher education sub-segment, as of Feb'26, stood at PKR~10.2 bn as compared to PKR~8.7bn as of Feb'25.
- As of End-Feb'26, short-term borrowings at nominal rates held ~27.6% share in the higher education sub-segment and stood at PKR~2.8bn (Feb'25: ~33.4%; PKR~2.9 bn).
- Construction financing in the higher education Sector's borrowings recorded ~10.3% (Feb'25: ~23.2%) share in total and amounted to PKR~1.0bn.
- Long-term borrowings at nominal rates as a component of total higher education sub-segment borrowings stood at ~61.3% and amounted to PKR~6.2bn (Feb'25: ~43.4%; PKR~3.8bn).
- Discounted borrowings, a minor component of the mix, increased to a ~2.2% share amounting to PKR~221mn, up from a negligible ~0.03% (PKR~3mn) in Feb'25.
- Since most higher education institutes (usually universities) are limited by guarantee (i.e. do not hold any equity on their books), leveraging measures are not an integral metric for assessing their financial risk.



Education

Financial Risk | Borrowing Mix

Education Type	Total Borrowings (PKR mn)		YoY Change (%)	Short-term Borrowing		Long-term Borrowing		
	Feb'26	Feb'25		Small Loans	Other Short-term	Construction Financing	Small Loans	Other Long-term
Higher Education	10,824	8,647	25.2%	1,418	1,807	1,311	199	6,089
Secondary Education	7,506	7,286	3.0%	145	1,376	909	128	4,948
Other	4,062	2,235	81.7%	459	2,075	477	130	921
Educational support activities	3,636	2,215	64.2%	51	630	349	54	2,552
Primary Education	2,493	1,423	75.2%	0	188	2	110	2,193
Technical and Vocational Education	106	128	-17.2%	0	0	0	6	100
Total	29,589	21,934	34.9%	2,073	6,082	3,048	628	16,804

Note: Data pertains to SBP Classification "Education", comprising of Pre-primary Education, Primary Education, Secondary Education, & Tertiary Education.

Education

SWOT Analysis

- Important social contribution.
- Robust higher education demand owing to population growth.
- Government support.
- Low regulations.
- Low to zero taxation.



- Low specialized universities.
- Low PhD faculty ratio.
- Low private university enrollments. due to high fees.
- Lower real per capita income.

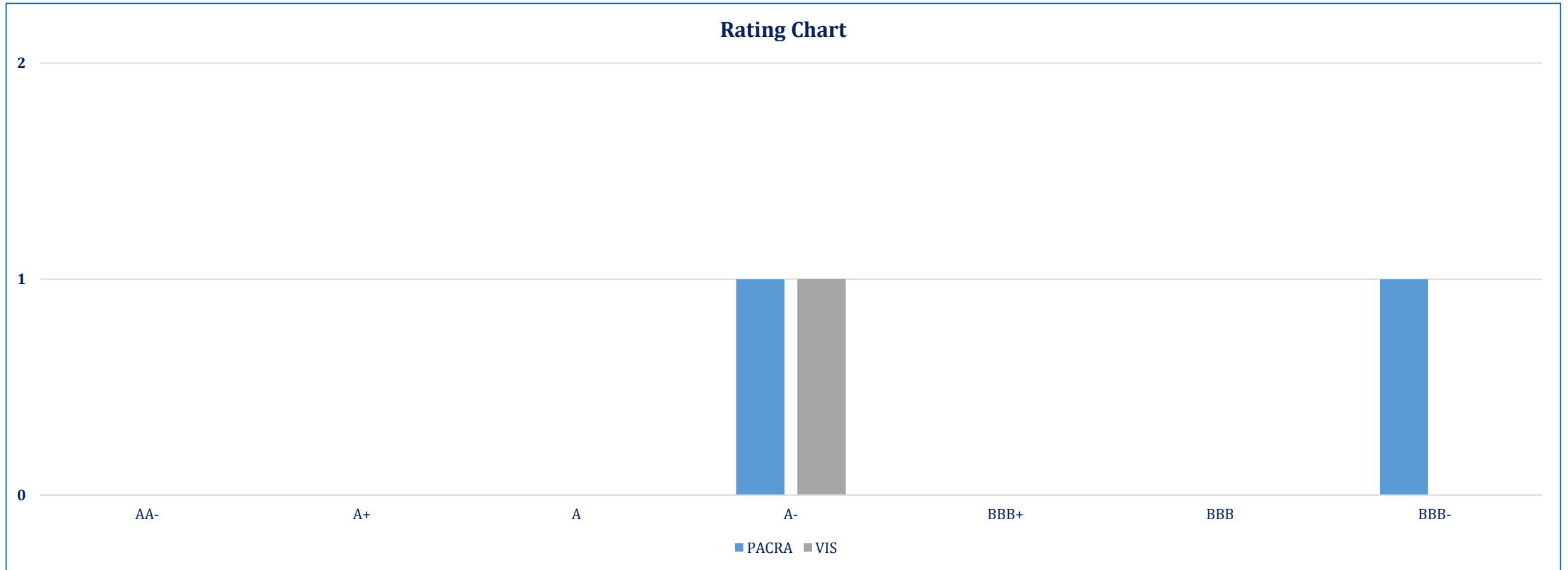
- Growing university-going age group
- Grants from local government and international organizations
- IT-based teaching solutions to enhance reach.
- Growing education rate contributes to economic growth.

- Dip in Government expenditure on education.
- Online micro degree programs.
- Rapid technological changes may render some programs and teaching methods obsolete.

Education

Rating Curve

PACRA rates 2 clients in the Education sector, with long-term rating of 'A-' and 'BBB'.



Education

Outlook: Stable

- In FY25, Pakistan's GDP (nominal) reached approximately PKR 113.8tn (FY24: PKR~105.2tn) and grew in real terms by ~3.1% YoY (FY24: ~2.6% growth). During FY25, the education sector accounted for ~2.4% of the GDP, a slight increase from ~2.3% in FY24, and contributed ~4.4% to the overall services segment (SPLY: ~4.3%).
- During FY25, Pakistan recorded ~7,348 tertiary institutes. These include universities, degree colleges, and technical and vocational (T&V) institutes. There were ~269 universities recognized by the Higher Education Commission (HEC) in FY25, making up ~3.7% of total tertiary institutions (SPLY: ~3.3%).
- Federal education expenditure increased by ~6.9% YoY in FY25, reaching PKR ~103.8 bn, and is budgeted at PKR ~112.5 bn for FY26, representing an ~8.3% YoY increase. However, the budgeted education allocation as a percentage of the country's GDP remained stagnant, averaging ~0.1% during FY23-25. Annual tertiary enrollments stood at ~2.7mn, up 11.5% YoY.
- Although universities represent the smallest proportion of tertiary institutes by number, they continue to hold the highest share of annual tertiary enrollments at ~80.5% in FY25. Degree colleges and T&V institutes accounted for ~19.5% and ~15.1% of overall tertiary enrollments, respectively. The total number of teachers employed at the tertiary level recorded at ~201,538 in FY24, up ~1.3% YoY.
- Teachers at degree colleges made up ~28.9% (SPLY ~30.2%), while those at universities and vocational institutions comprised ~50.7% (SPLY: ~49.2%) and ~20.4% (SPLY: ~20.5%), respectively. Province-wise, the literacy rate in Islamabad remained the highest at ~84.0%, followed by Punjab (~66.3%), Sindh (~57.5%), KPK (~51.1%), and Balochistan (~42.0%).
- Meanwhile, only ~9.4% of the country's population has achieved graduation level or higher, while ~37% have never attended school. As multiple stakeholders strive to capture market share, the demand for education is steadily rising, propelled by population growth and gradual advancements in literacy rates. However, the country's literacy rate stood at ~63% as of FY25, while federal government spending on education recorded at 1.7% during the year, still below the 4% SDG target; highlighting the urgent need for improved quality in public institutions and an expanded network to reach out-of-school children.
- There is still significant room for growth, as ~22.8 million children remain out of school, and only ~2.2% of the total population is enrolled in graduation or higher degree programs. Increased provincial spending on primary and secondary education is essential to funnel a larger student base into higher education enrollment in the future.

Education

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