

Association of Builders And Developers of Pakistan (ABAD)

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Acting Chairman ABAD Saleem Kassim Patel has appreciated the growth of construction industry during the first ten months of current fiscal year. Quoting figures, he said that the construction industry of Pakistan recorded a growth of 11.3% compared to a decline of 1.7% last year. This achievement deserves appreciation at the highest level in the face of disturbed law and order situation. This growth in the construction sector has been possible only with the untiring efforts of private sector which devoted itself fully in spite of all odds, specifically the shortage of housing finance. He was making a statement on the presentation of Federal Budget 2014-2015.

Saleem Patel said ABAD has sent Comprehensive Budget Proposals to the Federal Government which are displayed in the Budget 2014-2015. The Federal Government has opened the road to revival by including ABAD's proposals in the Budget for next fiscal year. Saleem Patel added it is an accepted international principle that revival of Construction Industry is the engine of revival of the national economy. Acting Chairman ABAD appreciated the restructuring of HBFC but emphasized on including ABAD's representation in the Board of Directors of HBFC to keep on track the disbursement of loads to middle and lower income group. The establishment of Mortgage Refinancing Company is a step in right direction, said Saleem Patel. This will provide a secondary market to the construction sector as far as availability of finance is concerned. The provision of 1 billion equity shares by the Federal Government is a very positive step. The availability of low cost housing is the main issue in current scenario and allocation of 6 billion rupees by the Government is a step in right direction but would have been better if this amount is reasonably increased to help the development of the construction sector. 5% FED has been imposed on Cement, a main ingredient of construction. This industry is already paying Sales Tax. Saleem Patel added that the current projects on which builders and developers are working mainly pertain to lower and middle income group. The Federal Excise Duty will be

an additional burden on these already over-burdened groups. It is pertinent that FED is abolished to stabilize the prices of Cement. This will help in providing shelter to the shelter less and would be instrumental in creating numerous employment opportunities to skilled and unskilled labour. The increased construction activities will result in better production activities in more than 100 allied industries thus generating sizeable revenue for the Government. In the current scenario, the construction sector is providing jobs to 12 to 14 million people. If the private sector is provided enabling environment millions of more job opportunities can be created. Acting Chairman ABAD said that as per the Vision 2025 of Prime Minister, 500,000 low cost housing units will be constructed, resulting in revenue of Rs. 300 billion to 500 billion for the national exchequer, creation of six to seven million job opportunities. Saleem Patel added that the shortage of housing should be converted into an opportunity and positive results should be achieved. This change will only be possible when the Government creates such conditions where cost of construction materials like cement, steel, paint etc. should remain stable and within the reach of common man. Saleem Patel said the economical growth of the country can only materialize if certain provincial taxes be reduced which are currently adding up to more than 5% to 7%, these taxes should be brought to the level of 1% to 2% this will not only help in documentation of property as lower rate of taxes will encourage people to pay taxes thus increasing the revenue of the government.

S. Javed Jafri

Secretary General – ABAD
