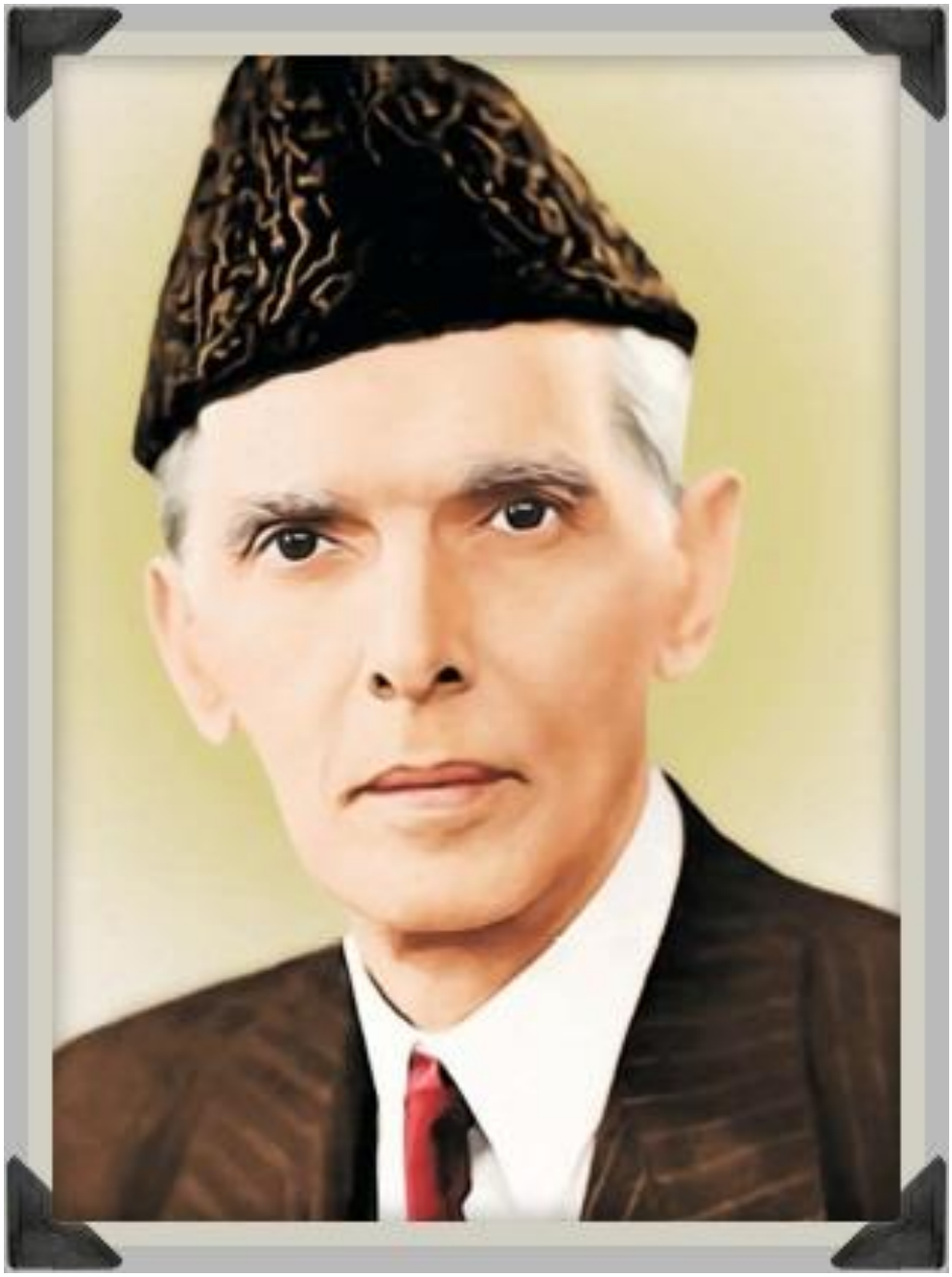
ANNUAL REPORT

CONSTRUCTORS ASSOCIATION OF PAKISTAN

INCORPORATED UNDER THE COMPANIES ORDINANCE 1984 VIDE LICENCE NO.: 23 GRANTED BY MINISTRY OF COMMERCE

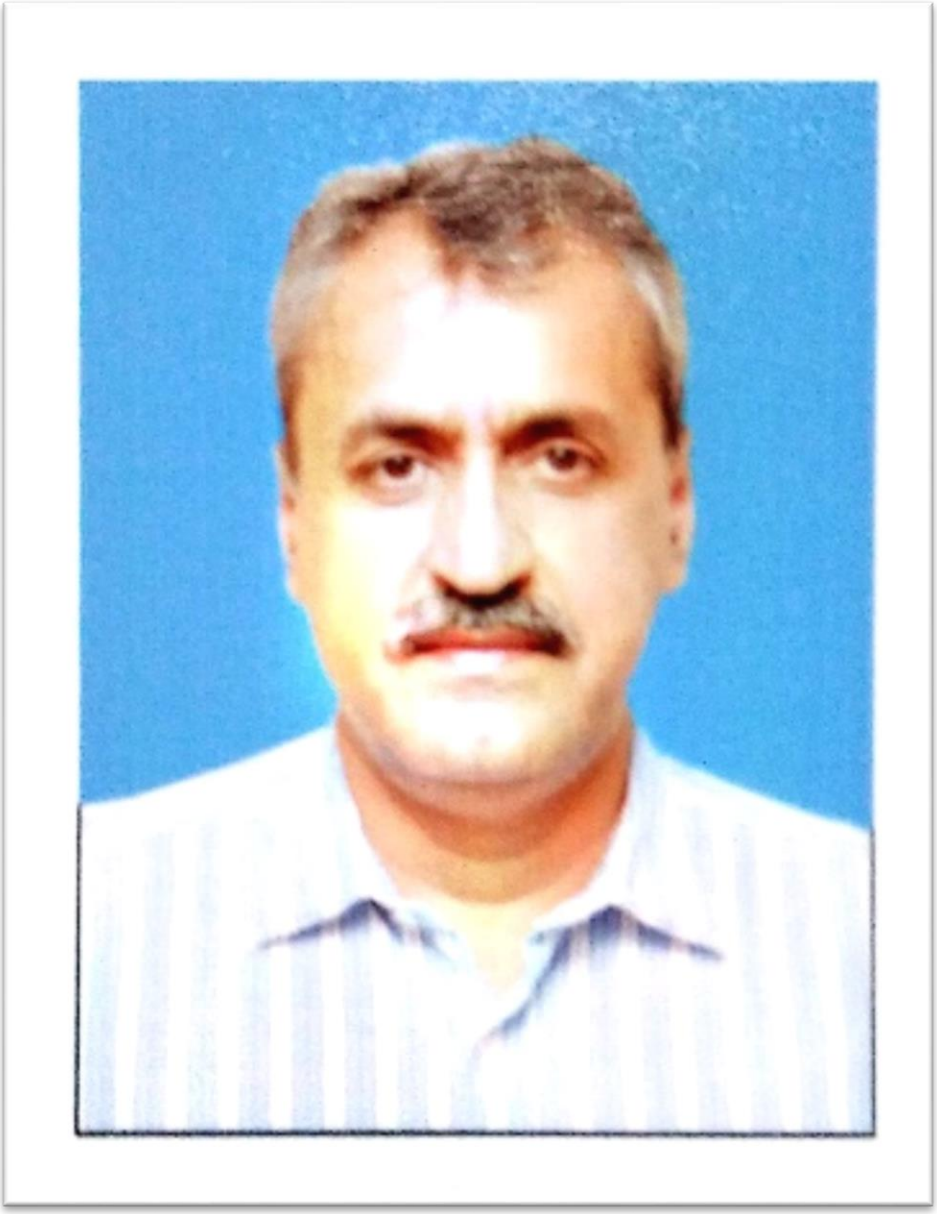
2017 - 2018



Quaid-e-Azam Muhammad Ali Jinnah
Father of the Nation

Dr. Arif Alvi
President
Islamic Republic of Pakistan

Imran Khan
Prime Minister
Islamic Republic of Pakistan



Engr. Kamal Nasir Khan
Chairman
Constructors Association of Pakistan

Introduction

The Constructors Association of Pakistan (CAP) represents leading construction and infrastructure contracting companies. The sole aim behind the formation of Constructors Association of Pakistan (CAP) was to establish a body looking after the interests of the Constructors/contractors in the Country.

Established by the leading contractor's/construction companies of Pakistan in the year 1998 and granted a licence under Section-3 of the Trade Organization Ordinance 1961, by the Ministry of Commerce, Government of Pakistan, (DGTO). It is duly represented on the General body of Federation of Pakistan Chambers of Commerce & Industry (FPCCI).

CAP membership is open to all construction companies working in Pakistan as per conditions laid down in the CAP Memorandum and Articles of Association and subject to the approval of the Executive committee.

On the initiative of CAP, Construction has been declared as an industry, entitling all fiscal incentives/special treatment and other benefits, as envisaged in the investment policy, as amended from time to time vide notification No. F (10) IF-11/98, dated 07.04.1999 and F. No. 10 (10) IF-11/98 dated 04.06.1999 issued by the Government of Pakistan, Finance Division (Investment Wing).

It is a proven history that Construction Industry being the mother Industry plays a pivotal role in economic development of any nation. Most of the developed countries gave special importance to this sector in their early development period and have become world leaders. Although the Construction and Housing sector was declared as Industry, but unfortunately not being treated at par with other Industries. It is an important employment and economic activity generating Industry and offering job opportunities to millions of skilled and un-skilled labour force. In fact it is the second largest sector, after agriculture, in creating employment.

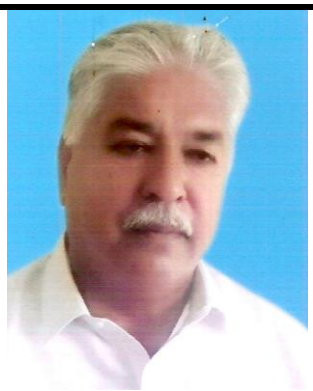
Office Bearers of CAP 2017-18

ENGR. KAMAL NASIR KHAN
Chairman, CAP
Executive Director,
M/s. Saadullah Khan & Brothers,
Quetta.

SARDAR MUHAMMAD ISHAQ KHAN
Senior Vice Chairman, CAP
Chief Executive,
M/s. Buildeco Pakistan (Pvt.) Ltd,
Lahore

SABIR HUSSAIN JAVID
Vice Chairman, CAP (Punjab)
Chief Executive,
M/s. Iftikhar & Company,
Lahore

NAEEMUDDIN A. SIDDIQUI
Vice Chairman, CAP (Sindh)
Chief Executive Officer,
M/s. Ziauddin Ahmed & Co. (Pvt.) Ltd.
Karachi



ENGR. SYED ASHFAQ HUSSAIN
Vice Chairman, CAP (KPK)
Chief Executive,
M/s. Karcon (Pvt.) Ltd,
Peshawar

MALIK MUHAMMAD KALEEM ULLAH
Vice Chairman, CAP (Islamabad)
Managing Director,
M/s. Kaleem Enterprises,
Rawalpindi

Executive Committee of CAP 2017-18

ENGR. SHAHID RAFIQ
EC Member, CAP/Director,
M/s. Habib Rafiq (Pvt.) Ltd, Islamabad

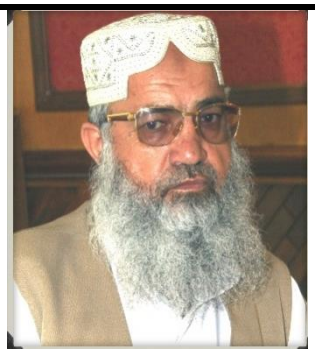
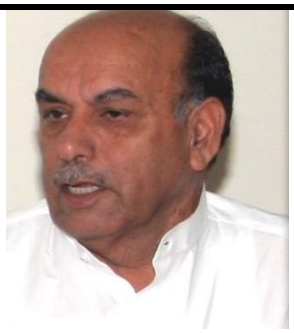
ENGR. SIKANDAR HAYAT KHATTAK
EC Member CAP,/Managing Director,
M/s. Shah Zaman (Pvt.) Ltd, Peshawar

MUHAMMAD ASADULLAH KHAN
EC Member, CAP/Executive Director,
M/s. Sultan Mahmood & Co. Karachi

ENGR. AHMAD GHAZAL USMANI
EC Member, CAP/Managing Director,
M/s. Usmani International Associates (Pvt.) Ltd, Karachi

ENGR. M.S. ASAD MUKHTAR
EC Member, CAP/Chairman & CEO,
M/s. Banu-Mukhtar Contracting (Pvt.) Ltd, Lahore

CH. MUHAMMAD HABIB KANWAL
EC Member/Chief Executive,
M/s. Uni Build Associates (Pvt.) Ltd Lahore

 CH. MUHAMMAD SIDDIQUE, **EC Member, CAP/Chief Executive,** **M/s.Sinaco Engineers (Pvt.) Ltd, Lahore**	 **ENGR. ARSHAD DAD** **EC Member, CAP/Managing Director,** **M/s Qavi Engineers (Pvt.) Ltd, Islamabad**
 **ZAHIR KHAN** **EC Member, CAP/Chief Executive,** **M/s Zahir Khan & Brothers, Quetta**	 **MUHAMMAD SHAFIQ** **EC Member, CAP/Chief Executive,** **M/s. Shafiq Construction Co., Lahore**
 MUNIR AHMED ABBASI **EC Member/Sole Proprietor,** **M/s. Munir Ahmed Abbasi, Islamabad**	 **MUHAMMAD TARIQ** **EC Member, CAP/Director,** **M/s. Ravi Construction Company, Lahore**

 FAROOQ AZAM **EC Member, CAP/Chief Executive,** **M/s. Crescent Construction Co., Karachi**	 **NAEEM AKHTAR** **EC Member, CAP/Partner,** **M/s. Waseem Akhtar & Co., Lahore**
 ENGR. MUHAMMAD NAJEEB HAROON **EC Member/Chief Executive,** **M/s Principal Builders, Karachi**	 **MUHAMMAD AYUB SHEIKH** **EC Member, CAP/Co Chairman,** **M/s. MishalSania (Pvt.) Ltd, Lahore**
 AZHAR UL HASSAN **EC Member/Chief Executive Officer,** **M/s. IKAN Engineering Services (Pvt.) Ltd, Lahore**	 **ENGR. IKRAM UL HAQ SIDDIQUI** **EC Member, CAP/Chairman,** **M/s. Muslim Constructors (Pvt.) Ltd, Karachi**

 RAZA ALI ABIDI **EC Member, CAP/Managing Director,** **M/s. Friends Construction Syndicate** **(Pvt.) Ltd, Karachi**	 **FAISAL MEHMOOD** **EC Member/Chief Executive,** **M/s. Amanat Hussain Company (Pvt.) Ltd,** **Rawalpindi**

List of Past Years Chairmen (1998 – 2018)

Sr. No	Name of Chairman	Designation	For the Term			Length of Tenure
1	Late Muhammad Yousaf Sheikh	Chairman APCA	11-Apr-1998	to	30-Sep-1998	5 Months, 19 Days
2	M. R. Sheikh	Chairman APCA	1-Oct-1998	to	30-Sep-1999	12 Months
3	Late Sheikh Nazir Ahmed	Chairman APCA	1-Oct-1999	to	30-Sep-2000	12 Months
4	Engr. Kamal Nasir Khan	Chairman APCA	1-Oct-2000	to	30-Sep-2001	12 Months
5	Engr. Akber Sheikh	Chairman APCA	1-Oct-2001	to	30-Sep-2003	24 Months
6	Engr. Sikandar Hayat Khattak	Chairman APCA	1-Oct-2003	to	30-Sep-2005	24 Months
7	Engr. Ahmed Ghazal Usmani	Chairman APCA	1-Oct-2005	to	31-Dec-2007	27 Months
8	Engr. Shahid Rafiq	Chairman APCA	1-Jan-2008	to	30-Nov-2008	11 Months
9	Muhammad Ayub Sheikh	Chairman APCA	1-Dec-2008	to	30-Sep-2009	10 Months
10	Engr. Muhammad Hamayun Khan	Chairman APCA	1-Oct-2009	to	30-Sep-2010	12 Months
11	Engr. Sikandar Hayat Khattak	Chairman APCA	1-Oct-2010	to	30-Sep-2011	12 Months
12	Engr. Ahmed Ghazal Usmani	Chairman CAP	1-Oct-2011	to	30-Sep-2012	12 Months
13	Engr. Akber Sheikh	Chairman CAP	1-Oct-2012	to	30-Sep-2013	12 Months
14	Afzal ur Rahman	Chairman CAP	1-Oct-2013	to	30-Sep-2014	12 Months
15	Engr. Arshad Dad	Chairman CAP	1-Oct-2014	to	30-Sep-2015	12 Months
16	Naeemuddin Ahmed Siddiqui	Chairman CAP	1-Oct-2015	to	30-Sep-2016	12 Months
17	Engr. Sikandar Hayat Khattak	Chairman CAP	1-Oct-2016	to	30-Sep-2017	12 Months
18	Engr. Kamal Nasir Khan	Chairman CAP	1-Oct-2017	to	30-Sep-2018	12 Months

Engr. Akber Sheikh	2 Terms	36 Months
Engr. Ahmed Ghazal Usmani	2 Terms	39 Months
Engr. Sikandar Hayat Khattak	4 Terms	48 Months

Shortest	Late Muhammad Yousaf Sheikh	5 Months, 19 Days
Longest	Engr. Sikandar Hayat Khattak	48 Months

Number of Executive Committee Meetings 2011-12 to 2017-18

Sr. No	Name of Chairman	Year	No. of EC Meetings
1	Engr. Ahmad Ghazal Usmani	1st October 2011 To 30th September 2012	04
2	Engr. Akber Sheikh	1st October 2012 To 30th September 2013	04
3	Mr. Afzal Ur Rehman	1st October 2013 To 30th September 2014	04
4	Engr. Arshad Dad	1st October 2014 To 30th September 2015	05
5	Mr. Naeemudin A. Siddiqui	1st October 2015 To 30th September 2016 (86 to 94)	09
6	Engr. Sikandar Hayat khattak	1st October 2016 To 30th September 2017 (95 to 101)	07
7	Engr. Kamal Nasir Khan	1st October 2017 To 30th September 2018 (102 to 106)	05

ACTIVITIES DURING THE YEAR

2017 - 2018

No. 1 Ministry of Science and Technology

Series of Meetings were held with the Secretary MOST on the issues of the constructor's renewal of licenses, reasons for registration of Foreign Construction Companies without JV and deletion of 30% share of the local construction companies in the JV by the PEC.

I: Issues Discussed with the Secretary, Ministry of Science and Technology

i. Apprise the Secretary about the meeting with Chairman PEC: issue of internee engineers and renewal of PEC licenses pending since January 2017

ii. Increase in Fee structure of Constructors, 2016 and -2017

iii. Implementation of decisions without approval of Federal Government

iv. Charge of Double Fee while up gradation of Category

v. PEC License fee should be charged after the approval of the case.

vi. Proof / verification of owner ship of company owned by an Engineer should be verified from the company registration documents but not on simple undertaking.

vii. Discriminatory treatment in grant of license to engineer owned companies without relevant experience, compared with other constructors by providing facilitation to engineer owners in new registration, renewal and up gradation of licenses.

II: **Brief For the Federal Secretary Ministry of Science and Technology Meeting on December 28, 2017**

Background Facts

1. **PEC Act 1976: Clause 25- Bye laws of the Council**: (1) The Governing Body may, with the previous sanction of the Federal Government, by notification in the official Gazette, make bye-laws for carrying out the purposes of this act.

2. **Grant of Licence to Foreign Constructor**: According to the PEC by laws 1987, the foreign constructor or foreign operator may be granted licence only for **specific projects** which need capacity, expertise and specialized

technology of construction or operation to optimize cost and time, not available with a Pakistani constructor.

3. **Joint Venture:** Any such Foreign constructor or foreign operator shall enter into a Joint Venture agreement with the Pakistani Constructor in which the share of the foreign constructor shall be limited to the expertise and technology not available with the Pakistani Constructor or Pakistani operator.

4. **Condition of Joint Venture**: The establishment of Joint Venture shall be subject to the condition that **share of the Pakistani constructor shall not be less than thirty (30) percent.**

Illegal Act in the Draft Amendments in PEC By Laws

1. The Pakistan Engineering Council has violated its Act and By Laws while submitting the amendments in the By Laws.

2. Draft amendments were never put up or discussed, nor approved by the Governing Body.

3. According to the Existing By Laws, the foreign firms were restricted to get project specific license under bye-law 7(2) only for such cases, which need capacity, expertise and specialized technology of construction or operation to optimize cost and time not available with a Pakistani constructor or Pakistani operator. This was done to enhance expertise, capacity building and transfer of latest specialized technology to Pakistan.

4. By omitting this sub-clause, pathway to the development and growth of industry of Pakistan in latest technology has been blocked.

5. Foreign firms will poke into every project and the Pakistani industry will be finally diminished to the begging level to foreign giant firms and will never prosper and as such Pakistani economy will suffer badly.

6. **The revised amendment says that** Foreign Constructor or Operator may be eligible to work with Pakistani Constructor or Operator, even if the technology is available in Pakistan. Council may issue licence to foreign Constructor or foreign Operator on yearly basis which may be renewed after its expiry.

7. Foreign firm shall not be eligible to participate in bidding individually. Foreign firm shall enter into joint venture with Pakistani firm registered with the Council in equitable category and submit the same to the employer before participating in bidding.

8. **If the foreign firm are allowed to participate in such projects**, where

capacity, expertise and technology is already available in Pakistan:

This will have the following repercussion on the Local Construction Industry

(a) Growth of Pakistani Industry will be suffered badly.

(b) Pakistani firms may be limited to get meager share in the joint venture against their legitimate right of doing 100% works and the foreign firms may get 99% shares in JV as there is no restriction of %age shares and can shift Pakistani currency to their country, hampering the Pakistan's economy badly.

(c) The major philosophy of technology transfer to Pakistan will be denied.

(d) Since PEC has already issued **such unconditional licenses to 28 big Giant foreign** firms, they will restrain Pakistani firms to get the projects and will transfer Pakistani Currency to their country, making huge loss to Pakistan's economy.

(e) Foreign firms can grasp as many projects as they desire and can deceive PEC by showing Joint Venture with Pakistani firms for only one project.

(f) If they are granted license without JV agreement, there will be no check, whether foreign firm will make joint venture with Pakistani firms or not.

(g) **According to the draft amendments**, open ended licenses for all projects, even where technology is available in Pakistan can be issued to foreign firms, so as similar open licences/registration can be issued to foreign engineers along with registration of foreign firms.

(h) **Exorbitant Increase in the license fee of the constructors**: The issue will be discussed by the CAP Members.

No. 2. Ministry of Commerce

Construction Machinery - Age Relaxation

Meeting was held in the Ministry of Commerce under the chairmanship of Secretary Commerce, to discuss the age Restriction & Original Equipment Manufacturer (OEM) condition On Import of Vehicle Mounted Construction Machinery by Construction Companies in Term of Para 9(ii) 5 Of Import Policy Order and Reduction of Horse Power of Prime Movers from 380 To 340.

It was informed to meeting that total duties and taxes on construction plant /equipment range from 31% to 46%, which adds to the already high priced items specially vehicle mounted machinery and excavators, bulldozers etc. Under the above circumstances, the Pakistani Construction Industry (specially the SME's) is unable to mechanize their operation and increase capacity and maintain quality. This also hinders the adoption of

new technology and innovations, thus limiting the local companies to deliver only limited and small projects and for most of the large projects the country becomes dependent on foreign contractors who charge much higher rates.

CAP EC Members humbly requested that in the interest of the Country and for the Capacity Building of the local Construction Industry, a window for Duty and Taxes Free Construction Machinery Import, without any age restrictions may please be allowed for Five years.

Secondly, due to recent enormous development activities, initiated by the Government, like CPEC, Motorways Highways, Power Plants and other development projects construction Industry – the implementing sector of all development projects has to play a decisive role in turning the dreams/plans into reality. But unfortunately the Ministry of Commerce has imposed age restriction of five years on import of Vehicle Mounted construction machinery which has increased cost of doing business and resultantly directly affecting the economic activities.

Since the heavy vehicles manufacturing companies abroad like Hino, Nissan etc. are manufacturing only chassis not their bodies. The bodies are manufactured by other companies. Therefore, there is no original manufactured equipment (OEM) construction specialized mounted vehicles. Therefore, it is proposed to waive off the condition of OEM from Para 9(ii) 5 of the Import Policy Order (IPO) 2016.

Import of specialized vehicle mounted construction machinery is regulated by Para No. 9(ii) 5 of Import Policy Order 2016, which is reproduced below: -

- "Construction companies are allowed to import specialized vehicle mounted machinery and transport equipment such as Mobile Transit Mixer, Concrete Pumps, Dumpers off highway, Cement Bulkers and Prime Movers of 380 Hp or above etc. including those mentioned in appendix-I. Import of said specialized machinery or transport equipment as mentioned above shall however, be subject to prior pre-shipment inspection in the exporting country from any of the internationally recognized pre-shipment inspection companies listed at appendix-H to the effect that the said machinery or transport vehicle or (a) Euro.II compliant (b) manufactured as such by Original Equipment Manufacturer (OEM) and (C) not older than five years".

Under the above regulations, the import of 5 years old construction Machinery/dump trucks are not viable due to the following reasons:

a) Since construction machinery (vehicle mounted machinery), and prime movers of above 320 HP is not locally manufactured therefore, waving off age restriction and allowing 340 or above HP prime movers has no threat to the local industry.

b) Construction machinery is mostly manufactured and imported from Japan, Europe and Hong Kong. All 5 years old vehicles are compliant with Euro-VI emission standards or above. Hence 5 years old vehicles mounted machinery (2011) is not available in Euro-II emission compliance standards.

c) In Pakistan even Euro II emission compliant diesel is not available, then how

Euro-VI emission compliant vehicles mounted machinery will be operated on Pakistani diesel.

d) Five years old construction machinery is very expensive and it would escalate cost of doing business and directly affect the cost of developmental project in Pakistan.

e) It is further pointed out that, 2011 model (five years old) construction machinery will be difficult to operate by our drivers and difficult to be repaired in case of break down due to computerized operating system in these Machinery.

f) Since we are importing Euro-II compliant construction machinery and in Pakistan the local assemblers are assembling Euro-I and Euro-II vehicles, therefore import of Euro II vehicles /machinery is not injurious to environment.

In views of the situation mentioned above it is requested to kindly recommend/ review the Current Trade Policy to waive off following:

- The condition of 5 years old age restriction be relaxed to not older than 15 years.
- The condition of Original Equipment Manufacturer (OEM) and allow prime movers of 340 Hp or above.
- Duties and Taxes on the import of Construction Machinery (recommend to Finance for exemption)

Meeting with Federal Minister for Commerce

1. Brief on the issues discussed with Secretary Commerce
2. Post shipment facility for the import of Machinery
3. Import of Euro II Compliant or equivalent construction machinery

The Executive Committee Members of Cap explained to the Federal Minister for Commerce about the various issues developed due to the conditions incorporated in the import policy order 2016 and difficulty being faced by the importers.

The Minister was requested to allow Post Shipment of the imported machinery because of the following reasons:

i. In pre-Shipment-Mostly in case of Japan, Inspection parameters are not compatible with Pakistani requirements
ii. Long waiting time and lengthy procedure
iii. Constructors are not aware of the procedure of pre-inspection

The Federal Minister was very kind to accommodate the request of CAP delegation to consider post shipment facility for the imported Construction Machinery and import of Euro II Compliant or equivalent Construction Machinery. He advised the CAP Embers to submit the revised/amended part of the Import policy order (IPO). Accordingly following amended IPO was provided to the Ministry of Commerce.

PROPOSED AMMENDMENTS IN SUB SECTION 5 OF SECTION 9 CLAUSE 2 OF IMPORT POLICY ORDER

Existing Clause	Should Be Inserted
(5) Construction companies, mining, oil, gas and petroleum sector companies are also allowed to import specialized vehicle-mounted machinery and transport equipment such as mobile transit mixture, concrete pumps, crane lorries, concrete placing truck, dumpers designed for off highway use, cement bulkers and prime movers 380 HP and above, etc. including those specified in Appendix-I. Import of said specialized machinery or transport equipment as mentioned above shall however be subject to prior pre-shipment inspection in the exporting country from any of the internationally recognized pre-shipment inspection companies listed at Appendix-H to the effect that the said machinery or transport vehicle are (a) Euro-II compliant (b) manufactured as such by Original Equipment Manufacturer (OEM); and (c) not older than five years; and	Construction companies, mining, oil, gas and petroleum sector companies commercial sector are also allowed to import specialized vehicle-mounted machinery and transport equipment such as mobile transit mixer, concrete pumps, crane lorries, concrete placing trucks, dumpers designed for off highway use pay load capacity above 5 Ton in CBU Condition, cement bulkers and prime movers 340 HP and above. Including those specified in Appendix-I. Import of said specialized machinery or transport equipment as mentioned above shall however be subject to pre-shipment inspection in the exporting country or post shipment inspection in Pakistan from any of the internationally recognized inspection companies listed at Appendix-H to the effect that the said machinery or transport vehicles are (a) Euro-II compliant or equivalent / higher standard (b) the inspection companies certify that said machinery is in good condition and the machinery/equipments are not older than 15 years.
(6) Commercial importers may also be allowed to import plant, machinery and equipment, excluding specialized vehicle-mounted machinery or transport equipment, on behalf of construction companies duly registered with Pakistan Engineering Council, mining, gas and petroleum sector companies. The imports will however, be subject to conditions mentioned clause (1).	Should be deleted, as in clause (5), we proposed to insert the commercial sector, so after inserting in clause 5 there is no need of this clause.

LIST OF CONSTRUCTION MACHINERY BEING IMPORTED

Sr. No	Name of Equipment / Machinery	H.S. Code
1	Trailer / Tractor	4013.9010
2	Film Faced Plywood For Form Work	4412.3200
3	Forming Material Scaffolding, Shuttering, Propping, Sections, Roofing Frame, Shutters, Balustrades, Pillars & Columns	7308
4	Diesel Generators	8402.1130
5	Diesel Generators - Parts	8405.9000
6	Grouting Pump / Mixer	8413
7	Concrete Stationary Pump	8413.4000
8	Air Compressor	8415.9099
9	Pre-Stressing Jacks	8425.4200
10	Trailer / Tractor	8428.9010
11	Wheel Loader, Shovels, Excavators, Shovel Loaders, Bulldozers & Road Rollers	8429
12	Dozers (Bulldozers) / Pipe Layer Dozers	8429.1900
13	Motor Grader (Various Blade Sized)	8429.2000
14	Ptr Roller / Vibratory Road Rollers	8429.4000
15	Front End Loaders	8429.5100
16	Road Milling Machine	8459.3910
17	Concrete Bathing Plant / Asphalt Plant	8474.3120
18	Batching Plants / Crusher Plant	8474.3190
19	Asphalt Paver	8479.1000
20	Dumper Trucks	8704.1090
21	Truck Mounted Mobile Crane	8705.1000
22	Concrete Transit Mixer Truck	8705.4000
23	Truck Mounted Concrete Pump / Concrete Mobile Pump / Bitumen Spraying Lory / Sweeper Truck	8705.9000

No. 3. Federal Budget Proposals: 2018-19

Budget Proposals: Custom Duties

Proposal: Reduction in Import Duties on Construction Equipment/ Machinery

The total duties and taxes range from 31% to 46%, which adds to the already high priced items specially vehicle mounted machinery and excavators, bulldozers etc. It is also pertinent to mention here that Pakistani construction companies cannot afford even second hand equipment and machinery which is being auctioned in UAE.

Under the above circumstances, the Pakistani Construction Industry (specially the SME's) is unable to mechanize their operation and increase capacity and maintain quality. This also hinders the adoption of new technology and innovations, thus limiting the local companies to deliver large projects for which the country becomes dependent on foreign contractors who charge much higher rates.

Policy measures should be adopted to enable the local construction companies to import construction equipment and machinery at affordable prices thus enhancing their capacity and eventually saving government expenditure through import substitution of foreign contractors:

It was proposed that Import duty on Major construction machinery and equipment may please be reduced to 2% (as allowed to the Agriculture Sector).

To avoid misuse of this facility, the exemption may only be allowed to constructors who:

i. Hold a valid Contractors License from Pakistan Engineering Council.
ii. Provides a certificate from Constructors Association of Pakistan confirming the genuine project specific requirements of the constructor keeping in view the works awarded to the company.

Also vehicle mounted machinery should be Non-transferable for a period of 10 years.

Present Schedule of Custom Tariff of Major Equipment: 2017-2018

Sr. No.	Name Of Equipment / Machinery	H.S. Code	Import Duty	Advance Sales Tax	Additional Sales Tax	Advance Income Tax	Total Aggregate Duties
1	Concrete Bathing Plant	8474.3120	05%	17%	03%	06%	31%
2	Concrete Stationary Pump	8413.4000	05%	17%	03%	06%	31%
3	Truck Mounted Concrete Pump	8705.9000	20%	17%	03%	06%	46%
4	Concrete Transit Mixer Truck	8705.4000	20%	17%	03%	06%	46%
5	Wheel Loader, Shovels, Excavators, Shovel Loaders, Bulldozers & Road Rollers	8429	05%	17%	03%	06%	31%
6	Forming Material Scaffolding, Shuttering, Propping, Sections, Roofing Frame, Shutters, Balustrades, Pillars & Columns	7308	20%	17%	03%	06%	46%
7	Film Faced Plywood For Form Work	4412.3200	20%	17%	03%	06%	46%

Proposal Relating to Inland Revenue

1. Sales Tax:

It was proposed that: -

1. Exemption from Advance Sales Tax (17%) and Additional Sales Tax (3%) be granted on import of construction equipment, machinery and formwork systems including plywood for formwork. A representative list is attached.

   This exemption may only be granted for an initial period of 3 years to enable the capacity enhancement of local construction industry.

To avoid misuse of this facility, the exemption may only be allowed to constructors who:

i. Hold a valid Contractors License from Pakistan Engineering Council.

ii. Provides a certificate from Constructors Association of Pakistan confirming the genuine project specific requirements of the constructor keeping in view the works awarded to the company.

Also vehicle mounted machinery should be Non-transferable for a period of 10 years.

Sale Tax Issues in Punjab:

A meeting of CAP Technical Committee for Punjab Revenue Authority (PRA) was held at Lahore, to discuss the significant amendments made in budget which will affect the constructors.

It was decided that: -

i. The association should file writ petition in the court of law.
ii. The association should also approach Punjab Revenue Authority (PRA) for fixed sales tax regime for contractors.

2. Income Tax

Construction companies fall under the Presumptive Tax Regime where the deduction of income tax at source is the final discharge of tax liability. Any other income tax deduction cannot be adjusted in the Tax Return and normally results in a refund, the payment of which is a cumbersome process giving rise to corrupt practices.

It was proposed that:

a) The Advance Income Tax on Import of construction equipment and machinery be reduced to zero. This facility be allowed only to constructor s fulfilling the criteria laid down in the Sales Tax Proposal, above.

b) Collection of Advance Income Tax from utility bills, all banking transactions, vehicle purchases and registration should be zero rated for Construction Companies having valid PEC Construction License.

Present Schedule of Sales Tax On Major Equipment: 2017-18

Sr. N	Name Of Equipment / Machinery	H.S. Code	Advance Sales Tax	Additional Sales Tax
1	Concrete Bathing Plant	8474.3120	17%	03%
2	Concrete Stationary Pump	8413.4000	17%	03%
3	Truck Mounted Concrete Pump	8705.9000	17%	03%
4	Concrete Transit Mixer Truck	8705.4000	17%	03%
5	Wheel Loader, Shovels, Excavators, Shovel Loaders, Bulldozers & Road Rollers	8429	17%	03%
6	Forming Material Scaffolding, Shuttering, Propping, Sections, Roofing Frame, Shutters, Balustrades, Pillars & Columns	7308	17%	03%
7	Film Faced Plywood For Form Work	4412.3200	17%	03%

No. 4. Analysis of Balance Sheet from Year 2012 to 2018

Name of Chairman	Engr. Kamal Nasir Khan	Engr. S.H Khattak	Naeemuddin A. Siddiqui	Engr. Arshad Dad	Afzal ur Rehman	Engr. Akber Sheikh	Engr. A.G Usmani
	2018	2017	2016	2015	2014	2013	2012
ASSETS							
Non-current assets							
Property, Plant and equipment	2,929,197	3,123,873	3,262,596	3,225,156	3,394,047	3,517,099	3,817,857
Long term Advances		14,666					
	2,929,197	3,138,539	3,262,596	3,225,156	3,394,047	3,517,099	3,817,857
Current assets							
Advance,Prepayments and deposits	692,500	712,500	76,500	32,250	151,000	68,391	70,823
Short term Investment	-	-	-	1,700,000	1,683,317	-	-
Other receivable	-	-	-			137,302	-
Accrued interest	-	-	-	28,947	20,789	-	-
Tax refundable	-	-	-	-	9,899	-	-
Cash and bank balances	1,369,872	5,231,279	5,877,848	2,339,224	696,210	1,508,250	2,141,490
	2,062,372	5,943,779	5,954,348	4,100,421	2,561,215	1,713,943	2,212,313
Total Assets	4,991,569	9,082,318	9,216,944	7,325,577	5,955,262	5,231,042	6,030,170

Name of Chairman	Engr. Kamal Nasir Khan	Engr. S.H Khattak	Naeemuddin A. Siddiqui	Engr. Arshad Dad	Afzal ur Rehman	Engr. Akber Sheikh	Engr. A.G Usmani
	2018	2017	2016	2015	2014	2013	2012
Fund And **Liabilities**							
Accumulated Fund							
Unrestricted fund	1,399,221	3,869,814	5,240,136	3,097,213	3,137,077	2,051,584	2,487,911
Restricted fund	3,501,509	4,751,509	3,473,317	3,851,509	2,116,509	2,116,509	2,188,673
	4,900,730	8,621,323	8,713,453	6,948,722	5,253,586	4,168,093	4,676,584
Non-Current liabilities							
Deffered grants	-	83,121	92,357	102,619	114,021	126,690	140,767
Current Liabilities							
Other payables	90,839	377,874	411,134	274,236	587,655	823,424	1,099,985
Short term borrowing	-	-	-	-	-	-	-
Income tax payable			-	-	-	112,834	112,834
	90,839	377,874	411,134	274,236	587,655	936,259	1,212,819
Contingencies and commitments	-	-	-	-	-	-	-
Total fund and liabilities	4,991,569	9,082,318	9,216,944	7,325,577	5,955,262	5,231,042	6,030,170

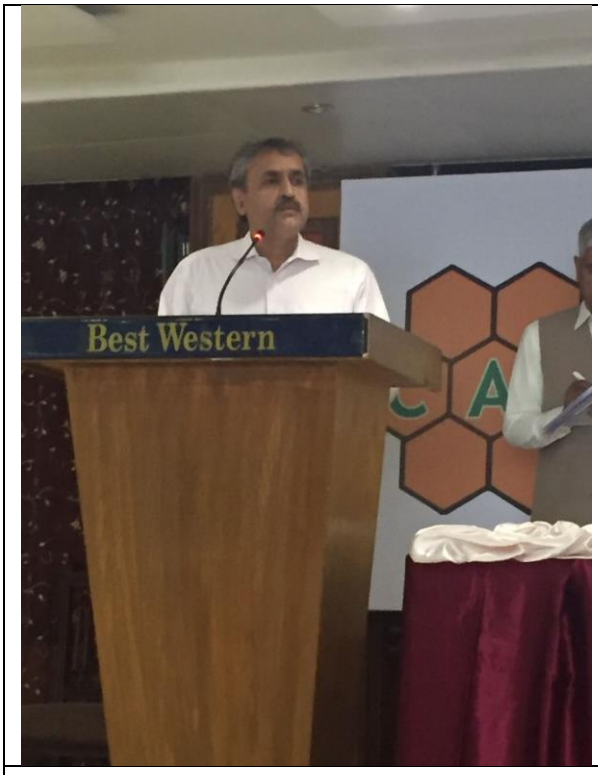
CAP BUDGETARY POSITION
2016-17 & 2017-18

Accounts Description	Period	
	2016-17 (Rs)	2017-18 (Rs)
Opening Balance	5,859,466	5,203,913
Annual Fee Receipts	5,139,752	2,660,000
Expenses during the year	5,795,305	6,812,354
Closing Balance as on 30th June 2018.	5,203,913	1,051,559

CAP STAFF SALARY & EXPENSES REPORT 2017-18

Month	Salary			Total Salary	Expenses		Total Exps	G.Total
	Lhr Ofc	Isb Ofc	CAP H.D		Lhr Ofc	Isb Ofc		
Jul-17	104,537	96,542	96,378	297,457	49,454	23,599	73,053	370,510
Aug-17	102,287	96,542	96,378	295,207	33,225	35,496	68,721	363,928
Sep-17	102,287	96,542	96,378	295,207	32,340	23,646	55,986	351,193
Oct-17	102,287	94,542	96,378	293,207	27,356	29,754	57,110	350,317
Nov-17	102,287	97,000	96,378	295,665	24,684	25,018	49,702	345,367
Dec-17	102,287	97,000	96,378	295,665	32,247	30,672	62,919	358,584
Jan-18	113,287	116,800	116,054	346,141	30,306	29,096	59,402	405,543
Feb-18	113,287	116,800	116,054	346,141	49,955	20,724	70,679	416,820
Mar-18	113,287	116,800	116,054	346,141	30,040	26,110	56,150	402,291
Apr-18	113,287	116,800	116,054	346,141	29,378	29,119	58,497	404,638
May-18	113,287	116,800	116,054	346,141	23,120	23,538	46,658	392,799
Jun-18	113,287	116,800	116,054	346,141			-	346,141
Total	**1,295,694**	**1,278,968**	**1,274,592**	**3,849,254**	**362,105**	**296,772**	**658,877**	**4,508,131**
Avg. Per Month	**107,975**	**106,581**	**106,216**	**320,771**	**30,175**	**24,731**	**54,906**	**375,678**

PICTORIAL

	**Engr. Kamal Nasir Khan, addressing 20th AGM of CAP**
Engr. Sikandar Hayat Khattak addressing 20th AGM of CAP	
	Engr. Kamal Nasir Khan, Presenting Flowers to Mr. Sabir Hussain Javed

102nd Executive meeting of CAP under the chairmanship of Engr. Kamal Nasir Khan

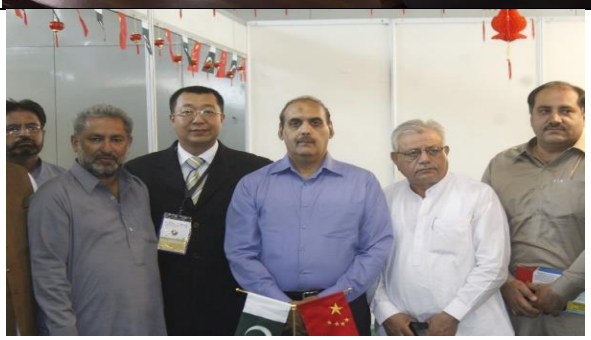
106th Executive meeting of CAP under the chairmanship of Engr. Kamal Nasir Khan

Meeting with the Secretary, Ministry of Science and Technology

Meeting with Federal Minister Industry and Production

MoU Signing Ceremony with Sector Skills Councils

Executive Director NAVTTC, Zulfiqar Ahmad Cheema, addressing Construction sector Skill council's meeting.



CAP Members visited International Industrial Exhibition 2018, organized by Everest International Expo (Pvt.) Ltd, on 14 – 16th September, 2018 at Expo Centre, Lahore

GLIMPSE OF ACTIVITIES OF MEDIA CELL DURING 2017-18

BIZICON ECONOMYWATCH

Monday, November 13, 2017

Pakistan OBSERVER

Pakistan,s construction sector most negleeted, Unorganized, taxed: Engr Kamal Nasir Khan

Construction sector requires level playing field, banking support, proper regulatory body

ENGINEER KAMAL NASIR KHAN - CEO, SKB ENGINEERING & CONSTRUTION

Interview By: **MUHAMMAD SALEEM**

Engineer Kamal Nasir Khan is Chairman Constructors Association of Pakistan (CAP). He possesses vast experience in engineering sector. In an interview with Pakistan Observer (PO), Khan said the construction sector of Pakistan is one of the most neglected and unorganized sector, heavily regulated and taxed at the Federal and provincial levels. According to him, cost of doing business and risks for the investment related to Construction are the highest in the region. There is no Ministry or platform available in Pakistan to look after the industry in order to provide a conducive environment for the local investors so that cost of doing business and associated risks are reduced to a level at par with the regional countries like India, Bangladesh, Sri Lanka including China, Malaysia, Turkey etc.

He said there is neither capacity building for the local construction sector nor level playing field is available. No facilities are available from the banks for the construction of infrastructure projects and no effective or doable policy ever made from the State Bank of Pakistan as well. He said the construction sector which has no significant default but it is considered as the most risky business sector by the banks and no financing was made available for the construction sector or for infrastructure work. Following are details of his Interview:

PO: When you move into your current role as CAP Chairman, what objectives did you set for yourself?

Kamal Nasir: I fixed the following targets: -To get share in export according to our capacity, which is at least US $ 4 billion. -To establish Construction Industry Development Authority/Board of Pakistan (CIDAP) -To implement PEC bye-laws in true spirit in all federal & provincial departments.

"Construction Industry Development Authority of Pakistan (CIDAP)" is required to regulate and realise the true potential of the construction sector, which can earn minimum US $ 4 billion per annum through export of construction services.

PO: How you see potential of construction sector?

Kamal Nasir: Construction sector has great potential to attract investments, which can boost the investment-to-GDP ratio in a very short time period besides export of construction services can earn precious foreign exchange provided the government revamp the prevailing regulatory, legal, costing and financial structures controlling the business/ trade of the construction sector.

> "Construction companies are expanding due to demand of new infrastructure & can contribute about 15% export share in foreign currency if industry is given support at par with Turkey, China, Korea or India and millions of new jobs can be created in international & domestic market."

PO: How the issues faced by construction sector can be resolved?

Kamal Nasir: The simple way of resolving the issues faced by construction sector was to set up an authority with all the stakeholders on board so as to bring reforms aimed at resolving the obstacles in the way of development of the sector. In this regard, CAP had submitted a draft proposal to the Planning Commission of Pakistan.

PO: What role do you expect from proposed CIDAP?

Kamal Nasir: The proposed CIDAP would revamp the overall construction sector and may take up the issues related to the capacity building of the local construction industry and to ensure ease of doing business, level playing field on balanced and equitable conditions between employers and constructors to remove all kind of misperceptions and impediments whatsoever in the areas of regulations, procurement, administration of contract/execution, managements, cost estimations, legal and financial issues. The proposed body then may take care of construction sector and also generate its funds by registration of the construction companies by charging fee and these funds could be utilized for the development of the overall construction sector.

PO: Which body is regulating affairs of the construction sector?

Kamal Nasir: Presently, the Pakistan Engineering Council (PEC), which is primarily a body to regulate engineers, is looking after the affairs of the construction sector. The construction sector of Pakistan is one of the most neglected and unorganized sector, heavily regulated and taxed at the federal and provincial levels. Cost of Doing Business and risks for the investment related to construction are the highest in the region.

PO: What is share of Pakistani construction industry in CPEC related projects?

Kamal Nasir: There were two types of project under CPEC i.e., power projects and highways. In power projects, Pakistanis are being hired as sub-contractors for civil work but there is no share for Pakistanis in the highways.

Pakistani companies should have been given 30 per cent share in the CPEC projects but the government might have done agreement with Chinese government in a way that Pakistanis are being neglected. We might have only 10- percent benefit of the whole of the CPEC project.

PO: How cap as an organization has changed/ evolved in the recent years in Pakistan?

Kamal Nasir: CAP continuously struggled for its due role in economy of Pakistan and now in every policy making bodies CAP is contributing its role of construction sector policies and Govt. of Pakistan is convinced that CAP is a very effective body of contractors.

PO: Are you facing any problem in finding the right people while working in Pakistan?

Kamal Nasir: Due to high demand of skilled & educated people in Gulf countries we are left with very less capable working hand for our domestic construction industry.

PO: What are your views about the business environment in Pakistan?

Kamal Nasir: It is improving currently from the past due to improved regulations/ PPRA rules, media role on any irregular activity & believes transparent bye-laws of PEC by different departments.

PO: What are the future plans in Pakistan in the face of improved economic conditions?

Kamal Nasir: Construction companies are expanding due to demand of new infrastructure & can contribute about 15% export share in foreign currency if industry is given support at par with Turkey, China, Korea & India etc. and millions of new jobs can be created in international & domestic market.

PO: Creating technology awareness among the masses in the basic step towards technology innovation in the country. What role, CAP is playing in this regard?

Kamal Nasir: Construction industry which is involved in exports & domestic business is now striving into very high end IT system business solution. Local industry is now converting in high mechanized entities to compete with international companies working in Pakistan and abroad.

PO: What CAP is giving back to the society?

Kamal Nasir: Construction industry is contributing huge tax to government in shape of income tax, sales tax & professional tax which are the highest compare to any sector & apart from creating jobs. CAP members are also involved in HR training traditionally and formally for creating effective work force for local & international market demand.

PO: How your business & activities in Pakistan transformed since you have been the CEO of SKB Engineering & Construction?

Kamal Nasir: Since being CEO, SKB Engineering & Construction involved into mega projects like Motorways, Highways, Airports & Barrages etc. and establish a brand of executing mega projects into local & International market.

PO: What do we expect from CAP in 2018 and how exciting will this year be for technology upgradation in Pakistan?

Kamal Nasir: Due to mega infrastructure projects local industry is booming up with mega size projects & pre-cast structures construction in remote area transportation using 800 tons & above of crane & trailers for placing for construction companies in Pakistan and involved in wind power& Thar coal projects that is the challenging job which is really playing pivotal role Pakistani companies establishing their strength & brand for local & international markets.

PO: What are the most pressing issues for SKB Engineering & Construction while working in Pakistan?

Kamal Nasir: The structure of public sector departments,' contract documents procurement transparency and lack of banking support is the biggest impediments for growth of the industry while working in Pakistan.

PROFILE

Engineer Kamal Nasir Khan is Chief Executive Officer (CEO) SKB Engineering & Construction. Currently, he is Chairman Constructors Association of Pakistan (CAP). He is having more than 24 years of entrepreneurial experience in various industries including engineering and construction, textile, foods, telecom and water processing within and outside Pakistan. Mr. Kamal Nasir Khan hails from a leading and respectable family of Balochistan. He did B.Sc. Civil Engineering from the University of Engineering and Technology Lahore, in 1989. Engineer Kamal Nasir Khan is founder Director Human Resource Development Fund (HRDF), Pakistan. He is member of the Board of Directors, National Vocational & Training Education Commission (NAVTEC), Pakistan. Engineer Kamal Nasir Khan remained Chairman, All Pakistan Contractors Association (APCA) (1999 – 2001) and Chief Executive, KNK (Pvt.) Ltd. (Since 1993) Engineer Kamal Nasir Khan presented various proposals to government / public sector organizations for socio-economic and technical reforms in various sectors.

The Nation
BUSINESS 09
The Nation, Lahore Wednesday, September 20, 2017

Kamal Nasir elected as CAP chairman

PR
LAHORE

Engr Kamal Nasir Khan has been elected as chairman of the Constructors Association of Pakistan (CAP) while Sardar Muhammad Ishaq Khan as senior vice chairman for the year 2017-18.

Members of the Association also elected Sabir Hussain Javed as vice chairman (Punjab), Naeemuddin A Siddiquie vice chairman (Sindh), Engr Ashfaq Hussain vice chairman (KP) and Malik Muhammad Kaleem Ullah as vice chairman (Islamabad). Those who were elected as members of the executive committee are Engr M S Asad Mukhtar, Engr Ahmad Ghazal Usmani, Choudhary Muhammad Habib Kanwal, Engr Arshad Dad, Azharul Hassan, Faisal Mahmood from corporate class. While Muhammad Asaduallah Khan, Haji Zahir Khan, Muhammad Shafiq and Choudhary Naeem Akhtar were elected as executive committee members in associate class. Results of the elections were announced at the annual general meeting of the Constructors Association of Pakistan held the other day.

Speaking on this occasion, the outgoing chairman Engr Sikandar Hayat Khattak welcomed the new team and hoped that it would work with full force to resolve the issues being faced by the contractor's community and construction industry.

BUSINESS RECORDER
NATIONAL NEWS
WEDNESDAY 20 SEPTEMBER 2017

Engr Kamal elected CAP chairman

RECORDER REPORT

LAHORE: Engr Kamal Nasir Khan has been elected as Chairman of the Constructors Association of Pakistan (CAP) while Sardar Muhammad Ishaq Khan as Senior Vice Chairman for the year 2017-18.

Members of the Association also elected Sabir Hussain Javed as Vice Chairman (Punjab), Naeemuddin A. Siddiquie Vice Chairman (Sindh), Engr. Ashfaq Hussain Vice Chairman (KPK) and Malik Muhammad Kaleem Ullah as Vice Chairman (Islamabad).

Other who were elected as members of the executive committee are Engr. M. S. Asad Mukhtar, Engr. Ahmad Ghazal Usmani, Chaudhry Muhammad Habib Kanwal, Engr. Arshad Dad, Azharul Hassan, Faisal Mahmood from corporate class. While Muhammad Asaduallah Khan, Haji Zahir Khan, Muhammad Shafiq and Chaudhry Naeem Akhtar were elected as executive committee members in associate class.

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Speaking on this occasion, the outgoing Chairman Engr. Sikandar Hayat Khattak welcomed the new team and hoped that it would work with full force to resolve the issues being faced by the contractor's community and construction industry.

CAP's newly elected Chairman Engr. Kamal Nasir Khan while addressing his fellows said that he would take all the members along with him to work jointly for resolving the issues construction industry was facing. He said that they would raise the issue of giving Pakistani construction companies their rightful share in CPEC related projects. He said CPEC is a game changer for Pakistan but it can also prove a turning point for local construction industry if it is given ten percent share in it as per the rules and regulations.

He said that he will raise this issue at all the highest forums and also try to settle the issues with Pakistan Engineering Council. He said issue of double taxation on construction industry would also be raised so as to bring down the cost. He said taxes on construction industry were not only increasing but they have to pay taxes at federal and provincial level.

Engr. Kamal Nasir Khan also vowed to increase the membership of the Association and also assured the members to leave no stone unturned to come up to their expectations.

PAKISTAN OBSERVER
Thursday September 21, 2017

Kamal Nasir Khan elected Chairman CAP

SALIM AHMED

LAHORE

Engr. Kamal Nasir Khan has been elected as Chairman of the Constructors Association of Pakistan (CAP) while Sardar Muhammad Ishaq Khan as Senior Vice Chairman for the year 2017-18. Members of the Association also elected Sabir Hussain Javed as Vice Chairman (Punjab), Naeemuddin A. Siddiquie Vice Chairman (Sindh), Engr. Ashfaq Hussain Vice Chairman (KPK) and Malik Muhammad Kaleem Ullah as Vice Chairman (Islamabad). Other who were elected as members of the executive committee are Engr. M. S. Asad Mukhtar, Engr. Ahmad Ghazal Usmani, Choudhary Muhammad Habib Kanwal, Engr. Arshad Dad, Azhar ul Hassan, Faisal Mahmood from corporate class. While Muhammad Asaduallah Khan, Haji Zahir Khan, Muhammad Shafiq and Choudhary Naeem Akhtar were elected as executive committee members in associate class. Results of the elections were announced at the Annual General Meeting of the Constructors Association of Pakistan held the other day. Speaking on this occasion, the outgoing Chairman Engr. Sikandar Hayat Khattak welcomed the new team and hoped that it would work with full force to resolve the issues being faced by the contractor's community and construction industry.

BUSINESS
RECORDER
Lahore, Thursday 26 October 2017, 5 Safar 1439

Govt urged to establish 'construction industry development authority'

ZAHID BAIG

LAHORE: Constructors Association of Pakistan (CAP) Chairman Engr Kamal Nasir Khan has urged the government to establish "Construction Industry Development Authority of Pakistan (CIDAP)" to regulate and realise the true potential of the construction sector, which can earn minimum USD 4 billion per annum through export of construction services.

Construction sector has great potential to attract investments, which can boost the investment-to-GDP ratio in a very short time period besides export of construction services can earn precious foreign exchange provided the government revamp the prevailing regulatory, legal, costing and financial structures controlling the business/trade of the construction sector.

CAP Chairman Engr Kamal Nasir Khan disclosed this while talking to Business Recorder here on Wednesday. He said that one way of resolving the issues faced by construction sector was to set up an authority with all the stakeholders on board so as to bring reforms aimed at resolving the obstacles in the way of development of the sector.

He said that his Association had submitted a draft proposal in this regard with the Planning Commission of Pakistan.

Engr Kamal Nasir said that the proposed CIDAP would revamp the overall Construction sector and may take up the issues related to the capacity building of the local construction industry and to ensure ease of doing business, level playing field on balanced and equitable conditions between Employers and Constructors to remove all kind of misperceptions and impediments whatsoever in the areas of regulations, procurement, administration of contract/execution, managements, cost estimations, legal and financial issues.

He said presently Pakistan Engineering Council (PEC), which is primarily a body to regulate engineers, is looking after the affairs of the construction sector. He said that the proposed body then may take care of construction sector and also generate its funds by registration of the construction companies by charging fee and these funds could be utilized for the development of the overall construction sector. He said such boards exist in Turkey, India and some other countries.

The construction sector of Pakistan is one of the most neglected and unorganized sector, heavily regulated and taxed at the federal and provincial levels. Cost of doing business and risks for the investment related to construction are the highest in the region. There is no Ministry or Platform available in Pakistan to look after the industry in order to provide an environment conducive to local investors so that cost of doing business and associated risks are reduced to a level at par with the regional countries like India, Bangladesh, Sri Lanka including China, Malaysia, Turkey etc.

The exponent growth of such countries particularly the Chinese Construction Industry has been significantly driven by the facilities, which was provided by the respective government. There is neither capacity building for the local construction companies nor level playing field is available, construction in Pakistan is treated as a part of Luxury. No facilities are available from the banks for the construction of infrastructure projects and no effective or doable policy ever made from the State Bank of Pakistan as well, he added.

Regarding share of Pakistani construction industry in CPEC related projects, Engr Kamal Nasir Khan said that there were two types of project under CPEC i.e., power projects and highways. In power projects, Pakistanis are being hired as sub-contractor for civil work but there is no share for Pakistanis in the highways. He said that as per rules, Pakistani companies should have been given 30 percent share in the CPEC projects but the government might have done agreement with Chinese government in a way that Pakistanis are being neglected.

"We might have only 10 percent benefit of the whole of the CPEC project," he concluded.

The Business
An English Daily published simultaneously from Lahore and Faisalabad
Rabi-ul-Sani 29, 1439, Wednesday, January 17, 2018

Call to ensure implementation of FIDIC contract accord

By Our Special Correspondent

LAHORE: Constructors Association of Pakistan (CAP) Punjab Chapter's Vice-Chairman Chaudhry Sabir Hussain has urged the provincial government to ensure implementation of FIDIC (International Federation of Engineers) Contract Agreement and increase input rates of the finance department for construction in accordance with the market rates.

"Submission of performance guarantee is also another obstacle in the way of progress of construction sector and thus the government should either accept insurance guarantee in place of the bank guarantee or accept performance guarantee in form of deduction from the running payments of a contractor, as being practiced in the province in the recent past," he said.

He also requested that performance guarantee should be released immediately after the completion of a project. "It is also recommended that a time limit of 30 days after the issuance of letter of acceptance of tenders should be given for submission of performance guarantee," he added.

He also said that clause of submission of performance guarantee was introduced many years ago but with the inflation increased, it also needed to be enhanced.

Chaudhry Sabir Hussain further said price variation and delay in release of retention money/security deposits are also other main factors causing liquidity issue for the construction and engineering companies working in Punjab.

The CAP Vice-Chairman said that the constitution of the Pakistan Engineering Council proposes to implement FIDIC contract agreement and this has been already adopted by various federal government departments, including NHA.

"The same FIDIC contract agreement is being observed in different projects, such as Ring Road Lahore; thus in order to save the construction industry from complexities triggered by different contract agreements, the provincial government should implement FIDIC contract agreement in all the projects," he added.

He complained about input rates of material and labour, which in his opinion were not as per market rates and hence these should be enhanced.

He also called for giving representation to contractors in the committee that fixes the input rates.

Talking about the price variation issue, he said that the price variation is actually an additional cost of a project and this should be considered as expenditure by a contractor.

"Thus, the contractor should be given 10 percent overhead charges and 10 percent contractor profit on the amount of price variation," he proposed.

He also called for releasing of retention money to the contractor soon after the expiry of maintenance period, as specified in the contract agreement, and he also stressed the need for an increase in category limits set by the Punjab Communication and Works Department (C&W) at par with a license issued by the Pakistan Engineering Council. "This will encourage the contractors to perform better and consequently prequalify for works of higher values in their respective categories," he concluded.

The Nation
BUSINESS 09
The Nation, Lahore Thursday, January 11, 2018

Implementing PM Internship programme

PEC seeks details of vacant seats from construction firms

OUR STAFF REPORTER
LAHORE

In order to implement the Prime Minister Internship programme to accommodate 20,000 engineering graduates for a period of one year in different engineering firms, the Pakistan Engineering Council (PEC) has sought details of vacant seats from all its affiliated construction firms.

It may be added here that the said internship programme was announced during PEC Convocation. PEC Chairman Engr Jawed Salim Qureshi, in a letter to the Constructors Association of Pakistan (CAP) chairman Engr Kamal Nasir Khan, said that the Ministry of Inter-Provincial Coordination (IPC) will pay Rs 15,000 per month to a designated "Intern" while the construction firm hiring the services of such internees will contribute additional Rs 10,000 per month per intern.

PEC Chairman in his letter further termed it as a collective corporate responsibility to return to the nation by transferring professional knowledge/experience to youth in multifarious field to make them a useful organ of society for domestic and international market. He hoped that all the stakeholders, particularly CAP would take advantage of this scheme to enhance the capacity building of youth through supervised professional training programme.

He requested the CAP to provide the PEC required number of potential seats which could be accommodated in its member firms to build a national database which would enable the Council to process the scheme in collaboration with the concerned ministry. "An exclusive Project-Unit is being established in PEC for smooth functioning and coordination with stakeholders concerned," the letter added. Nasir Kamal Khan has welcomed the PEC move.

The Business
Lahore, Thursday, January 11, 2018 Rabi-ul-Sani 23, 1439

PEC seeks report about vacant seats

By Our Staff Reporter

LAHORE: In order to implement the Prime Minister Internship programme to accommodate 20,000 engineering graduates for a period of one year in different engineering firms, the Pakistan Engineering Council (PEC) has sought details of vacant seats from all its affiliated construction firms.

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PEC Chairman Engr. Jawed Salim Qureshi in a letter to the Constructors Association of Pakistan (CAP) Engr. Kamal Nasir Khan has said that the Ministry of Inter-Provincial Coordination (IPC) will pay Rs 15,000 per month to a designated "Intern" while the construction firm hiring the services of such internees will contribute additional Rs 10,000 per month per intern.

World's Second & Pakistan's First Banking Daily
Daily The Pak Banker
LAHORE, THURSDAY, JANUARY 11, 2018

PM Internship programme to accommodate 20,000 graduates

Jahangir Hayat

LAHORE

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Constructors Association of Pakistan (CAP) Engr. Nasir Kamal Khan has welcomed the PEC move and said that their Association was demanded implementation on this scheme since its announcement.

The Nation
BUSINESS 09
Lahore, April 13, 2018

Constructors association submits budget proposals

OUR STAFF REPORTER
LAHORE

Constructors Association of Pakistan (CAP) has called for exempting the import of construction equipment, machinery and formworks system including plywood for formwork from advance sales tax @ 17 percent and Additional Sales Tax @ 3 percent.

CAP Chairman Engr Kamal Nasir Khan made this demand in the budget proposals for year 2018-19 submitted to the Federal Board of Revenue.

He said that the construction sector plays a major role in the economic development and uplift of a country. It is an important employment generating industry and offering job opportunities to millions of skilled and unskilled labor forces. In fact, it is the second largest sector, after agriculture, in creating employment.

He said construction was declared an industry by the government in 1999 but unfortunately not given the status of industry over the years. Consequently, the SMEs could not develop and major construction projects are being executed by foreign companies at much higher rates.

To enhance the capacity of the construction industry of Pakistan, induction of latest and good condition construction machinery and equipment is the foremost requirement.

Kamal Nasir said import of construction equipment, machinery and formwork systems including plywood for formwork should be exempted from the levy of advance sales tax and additional sales tax.

This exemption may only be granted for an initial period of 3 years to enable the capacity enhancement of local construction industry, he proposed.

THE EXPRESS TRIBUNE
Lahore April 13, 2018
20
Business

BUDGET PROPOSAL

CAP calls for exemption from import duties

OUR CORRESPONDENT

LAHORE. The Constructors' Association of Pakistan (CAP) has called for exempting import duties on construction equipment, machinery and formworks system including plywood from advance sales tax of 17% and additional sales tax of 3%.

CAP Chairman Kamal Nasir Khan made this demand in budget proposals for year 2018-19, and submitted to the Federal Board of Revenue. He said the construction sector plays a major role in the economic development and uplift of a country.

It is an important employment generating industry, offering job opportunities to millions of skilled and un-skilled labor forces. In fact, it is the second largest sector, after agriculture, in creating employment.

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CAP for ST import exemption to construction equipment

LAHORE: The Constructors Association of Pakistan (CAP) has called for exempting the import of construction equipment, machinery and formworks system, including plywood for formwork, from advance sales tax of @17 percent and additional sales tax @ three percent.

CAP Chairman Engr. Kamal Nasir Khan made this demand in the budget proposals for year 2018-19 submitted to the Federal Board of Revenue. He said that the construction sector plays a major role in the economic development and uplift of a country It is an important employment generating industry and offering job opportunities to millions of skilled and unskilled labour forces. In fact, it is the second largest sector, after agriculture, in cresting employment.

He said that construction was declared an industry by the government in 1999 but unfortunately not given the status of industry over the years. Consequently, the SMEs could not develop and major construction projects are being executed by foreign companies at much higher rates.

To enhance the capacity of the Construction Industry of Pakistan, induction of latest and good condition construction machinery and equipment is the foremost requirement.

Submitting budget proposals in his letter, Engineer Kamal Nasir said that to enable the construction industry import construction equipment, machinery and formwork systems, including plywood for formwork, should be exempted from the levy of advance sales tax and additional sales tax. This exemption may only be granted for an initial period of three years to enable the capacity enhancement of the local construction industry, he proposed.

To avoid misuse of the facility, he added that exemption should only be allowed to constructors who held a valid license from Pakistan Engineering Council (PEC). The applicant should also provide a certificate from CAP, confirming the genuine project specific requirements of the constructor keeping in view the works awarded to the company. Vehicle mounted machinery should be non-transferable for a period of 10 years, he further proposed.

Talking about income tax, CAP Chairman said that construction companies fall under the Presumptive Tax Regium where the deduction of income tax at source is the final discharge of tax liability. --*PR*

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