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Schon Circle, Behind Clifton Centre, Kar

An attempt to temper populism with reality

• Rs873bn for development • Rs31bn fiscal stimulus • Turnover tax halved • Maximum customs duty cut to 30pc

By Khaleeq Kiani

ISLAMABAD, June 1: The PPP government unveiled its fifth budget, which tried to balance the economic mess the government faces with the demands of the upcoming election.

As a result in one stroke it reduced subsidies and increased taxes — measures that are worth about Rs330 billion in total. But at the same time, it added Rs45 billion to its salary and pensions bill.

Announced on Friday by Finance Minister Abdul Hafeez Shaikh, the PPP-led coalition's fifth budget estimated an expenditure of Rs2.960 trillion and a deficit of

Rs1.105 trillion which is around 4.7 per cent of GDP.

However, the confusion over the government's figures started soon after the speech ended. The budget document put the federal expenditure at Rs3.23 trillion, instead of Rs2.960 trillion announced by Mr Shaikh.

One possible explanation for this discrepancy could be that in his speech the finance minister left out the Rs591 billion the government plans to spend on development.

This includes Rs360 billion under public sector development programme (PSDP), Rs77 billion in development loans and grants to provinces and Rs154 billion on other development expenditure such as the Benazir Income Support Programme, Export Development Fund, Crop Insurance etc.

The federal budget set an ambitious tax revenue target of Rs2.381 trillion and the finance minister claimed that his government would take the FBR tax to GDP ratio up to 10.1 per cent.

However, not everyone was willing to agree with his ambitious mathematics. Officials said the additional taxation measures would generate about Rs62 billion extra revenue but the net impact of this would be partially offset by the Rs31 billion fiscal stimulus. Hence the net gain would be only Rs31 billion.

Subsidy (mis)calculations

However, the government hopes that its cuts in subsidies will also be a major gain. Subsidies have been reduced to Rs208.6 billion, which is 59 per cent less than what the government spent in 2011-12.

Hence the government promises to provide only Rs135 billion to Wapda instead of the Rs419 billion it provided in 2011-12 while it aims to dole out Rs50.3 billion to KESC, which got Rs45 billion in 2011-12.

However, very few people are willing to buy these figures. An economist working for the government admitted on the condition of anonymity that the reduction in subsidies seemed unrealistic. He pointed out that in 2011-12 the government had put aside Rs166.5 billion for the power sector but ended up providing subsidies worth Rs512.3 billion. There are no indications this year that the next fiscal year would prove to be any different.

Perhaps the finance minister was aware of this as he said in his speech that the government had injected Rs1.25 trillion in the power



FINANCE Minister Abdul Hafeez Shaikh unveils the budget in the National Assembly.

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Taxation measures, incentives and relief

Gun attacks claim seven more lives

graveyard after his funeral at Ghufuran mosque in FB Area.

No case was lodged at the Yousuf Plaza police station till Friday evening.

The other MQM activist was killed near Paper Market in Kharadar, police said.

Shahnawaz, 23, a resident of Abal Chowk, was having launch at a roadside food stall in the area when gunmen riding a motorbike opened a volley of bullets on him before speeding away, said an official at the Kharadar police station.

He added that the young man sustained five gunshot wounds and died on the spot. The body was moved to the Civil Hospital Karachi for medico-legal formalities.

A police investigator, Sub-Inspector Mohammad Akbar, said that the victim was an MQM worker and his mother, Rukhsana, was a senior party worker.

The police said they believed the victim was targeted on political grounds. They said the victim used to run a catering service in the area and also deliver lunch boxes to offices.

As the news of the killing spread, all shops in Kharadar, Boultran Market and

its surrounding area were closed.

Rickshaw driver found shot dead

A rickshaw driver, who had been missing for the past couple of days, was found shot dead on the outskirts of the city, police said.

They added that Faizal, 26, with his rickshaw had gone missing a couple of days ago. His body was spotted in the Rehri Goth area within the remit of the Sukkan police station, the officials said, adding that the rickshaw was later found 800 metres from the body.

Sukkan SHO Sarfaraz Kakazai said the victim had been shot twice. The body was shifted to the Jinnah Postgraduate Medical Centre for medico-legal formalities and later handed over to the victim's family.

According to doctors, the victim had sustained two gunshot wounds to his head. The police said the victim was a resident of Korangi Crossing. They quoted the victim's family as saying that Faizal was not associated with any political party.

No case was lodged at the Sukkan police station till Friday evening.

Summer vacation

Continued from Page 15

the government's decision for the 2012 summer vacation.

The acting secretary of the education department and deputy secretary concerned were contacted by *Dawn* to get their comments on the failure, but they were not willing to speak on the "controversial summer vacation".

Mrs. Razia Sultan w/o 6/2012, Qurban khawani between Asar & Maghrib at Street, Phase II DHA

MRS. ISHAQ SULTAN & MRS. AKRAM SULTAN ISARRAT & AL KHURSHEED JAL KIBERIA SHAHZADA SHA & KHALID JALIL



The cover of the book. —White Star

Ex-editor of Dawn to be honoured today

By Our Staff Reporter

KARACHI, June 1: The Karachi Press Club will host a reception to honour a former editor of *Dawn*, Saleem Asmi, on its premises at 6pm on Saturday.

A book, a collection of selected interviews, articles and reviews Mr Asmi wrote during his career, will also be launched on the occasion.

The speakers at the event will include I. A. Rehman, Jawed Naqvi, Zubeida Mustafa, Marjorie Husain and compiler of the book S. M. Shahid.

The book includes interviews of Faiz Ahmed Faiz and Josh Malihabadi.

Significance of biophysics in modern life sciences discussed

By Sa'adia Reza

KARACHI, June 1: Biophysics is among the most active and rapidly growing areas of the 21st century and it can help solve current and future health problems if applied with other disciplines, said Prof Paul Anderson of Queen Mary University, London, at a symposium on Friday.

Prof Anderson was guest of honour in the inaugural session of the first Pakistan National Biophysics symposium being held at the NED University of Engineering and Technology.

The symposium, which includes talks by eminent professors, will span over two days.

In his presentation titled, "Biophysics and its significance in modern life sciences", Prof Anderson explained to the audience how the field has an impact on many other disciplines.

"Biophysics is an interdisciplinary science whose impact

will be felt on many modern life sciences, particularly with respect to nanotechnology, molecular treatment and imaging," he said.

Highlighting the need to approach medical issues at the nanoscopic level instead of the macroscopic level, he cited the example of teeth enamel nanostructure, which could be addressed by biophysical techniques.

This would, he said, prevent a number of dental problems. "Biophysics is a mode of thinking. It is based on biological systems but with precision and accuracy of physics thinking," he said.

Later, Prof Anderson gave a detailed presentation on how biophysics can help slow down dissolution of enamel, far more effectively as compared to the techniques being used today.

Visiting foreign professor Masroor Bukhari reiterated the significance of Biophysics as a single platform for a number of subjects. He added that Biophysics was a slightly neg-

lected field in Pakistan, but this perception should change.

"We have to put a lot of emphasis on nanotechnology," he said, adding that there was a need to create more departments of Biophysics across Pakistan. He also appreciated the efforts contributed towards organising the symposium, especially by the Higher Education Commission.

A message by Prof Mumir Husein Nayfeh of the University of Illinois, a Palestinian-American particle physicist, renowned for his pioneering work in nanotechnology, was also read out at the symposium in which the professor discussed the significance of nanotechnology in today's world.

Pro-vice chancellor of the NED university Dr Muzaffar Mehmood earlier gave a brief introduction to the department and its working.

Prof Ilse C. Gebeshuber from Austria discussed micro-electromechanical systems.

KU syndicate meeting

Continued from Page 15

against 'this injustice' in writing.

appointed candidates even then did not meet the required criteria and stated that they raised their voice against 'this injustice' in writing.

declined nor called for interviews held in March. These candidates alleged that the university did not call them though they met the selection criteria.