

# Rois Royces, movies: private India hospitals go luxe for growth

REUTERS, Mumbai/New Delhi

Cinema halls, Rolls-Royces and rooms so plush they could belong in a five-star hotel: private hospital operators in India are all but rolling out a red carpet to lure affluent locals and tourists to seek medical treatment at their luxury facilities.

Local hospital firms including Fortis Healthcare Ltd, Apollo Hospitals Enterprise Ltd and privately owned Medanta have built or upgraded facilities to tap the top end of a private healthcare sector in a luxury boom. ASSOCHAM estimates would grow 20 percent a year from 2013 to become a \$125 billion market in two years time.

Overseas rivals including Dubai-based Aster DM Healthcare and ABV Group are also investing in luxury healthcare in India, attracted by strong demand for quality medical care which, due to lower costs and a weaker rupee, they can offer to patients at below-international prices.

"The fact that you actually come for surgery or medical treatment would be an incidental part of the experience," ABV Group Chief Executive Advet Bhamhani told Reuters.

ABV, due to open a luxury hospital in an upscale Mumbai neighbourhood within two years, plans to provide Rolls-Royce cars to ferry its patients. It plans to invest \$78 million and is also looking at refurbishing hotels, Bhamhani added.

An overcrowded and underfunded state healthcare system makes private healthcare the norm for all but the poorest of Indians.

Those wealthy enough to afford to travel to the United States or Singapore for treatment and these patients private hospital operators want to keep at home by offering top-notch facilities and



A general view of the lobby area is pictured at the Fortis Memorial Hospital at Gurgaon in India.

Indian doctors who have worked or trained abroad.

At the 450-bed Fortis Memorial hospital near New Delhi, for example, there is an inhouse cinema lounge and a food court. And the rooms at Aster Medcity's 575-bed hospital in Kerala have warm lighting and hardwood floors intended to give them the feel of a luxury hotel room.

"We feel that in five years time our Aster Medcity and other hospitals that we will set up will enable us to effectively compete with Singapore," Chief Executive Harish Pillai said.

The hospital operators are also courting medical tourists: visitors who combine surgical procedures with sightseeing, or who let value for money determine where they

will seek treatment.

The medical tourism sector is expected to grow to \$10.3 billion in 2020, from \$2.8 billion now, consultancy PwC says. A 2014 study by consultants KPMG ranks India as the third top Asian destination for medical tourists after Thailand and Singapore, with 25 percent growth a year, outstripping the 16 percent growth in Thailand.

"Medical tourists have a lot of expectations now. The quality is a very critical factor," said Prashant Hedge, group head of marketing at Wockhards Hospitals, a unit of one of India's largest pharmaceutical firms Wockhard Ltd.

Some 1.2 million medical tourists are expected to visit India by the end

of this year, and that number is likely to double by 2020, according to PwC.

Popular treatments for these tourists include bone-marrow transplants, cardiac bypass surgery, eye surgery and hip replacements, KPMG says, and costs are below rival destinations. A hip replacement, for example, can cost \$7,000 in India, about \$12,000 in both Singapore and Thailand and more than \$40,000 in the United States.

"A market is evolving for both a high-end clinical care and the hospitality that goes with it," said Vishal Bat, Asia Head of healthcare at private equity fund IFC Growth, which is planning to invest in healthcare providers in India.

"It's just the rise of healthcare

# Technology replaces schmoozing: the future of private banking

REUTERS, Zurich

No longer is schmoozing over long lunches and fine wines enough; Swiss private bankers are turning to video games and virtual reality to attract a new generation of sceptical clients and see off digital rivals.

Technology is likely to appeal to multi-tasking millionaires with little time to spare. However, wealth managers must also win the trust of younger investors who have experienced two downturns during their formative years plus a furor over Swiss banks' involvement in tax evasion.

In a fifth floor office just off Zurich's main shopping street, researchers at UBS are testing dozens of technologies to see what could make the world's biggest wealth manager more appealing as fortunes pass to the next generation.

"How do you get under the skin of clients today, because they often work on their mobiles and they manage their wealth in their spare time," said Dave Bruno, head of UBS's innovation lab. "It might be in the bathroom, it might be waiting for a flight."

Bruno and his team are designing video games, including a prototype puzzle for iPad, but his smartphones, and looking at virtual reality simulations to help people visualise what are often complex investment portfolios.

They are also working on technologies that allow clients to log into their accounts using their voice patterns and facial features, doing away with the time consuming and frustrating need to answer security questions.

UBS has opened a second research lab in London and plans another for Singapore later this year. It is also collaborating with financial technology startups as well as Google and Amazon.

**FACEBOOK, NOT FERRARI!** UBS Chief Operating Officer for wealth management Dirk Klee said clients need investment advice and performance. "It's not just being a concierge service," he said.

Many millionaire and billionaire customers, whose ages average more than 65, still welcome the concierge service - such as sorting out the paperwork on their new Ferrari.

But in the next few years private banks

must deal increasingly with clients who are perhaps 30 years younger as what is often family wealth passes down to the next generation. These people grew up with the tech bubble bursting around the turn of the century, followed by the 2008 financial crisis.

This is shaking things up at Switzerland's private banks, which are already reeling from a U.S.-led campaign against tax cheats. This has effectively ended the industry's security rallies and encouraged publicity by customers to withdraw hundreds of billions of francs from Swiss accounts.

Meetings are increasingly held over video links instead of in banks' wood-paneled rooms overlooking Lake Geneva, while clients will look to social networks for investment advice and to compare portfolio performance.

Some of the technology being implemented is less familiar than simple video conferencing. It includes Facebook-owned (FB) virtual reality goggles Oculus Rift, which can present clients' portfolios as a city.

"Which pieces of your city are missing? You don't have a water system in place, which might be your investments into a certain area in the alternatives market," UBS's Bruno said.

"Your skyscrapers are too tall, you're invested too high here. There are ways to use the new technology to do things in finance that are quite cool and interesting for our business model."

Cool technology notwithstanding, banks still need to get the basics right, according to Felix Wengler, a director at the Zurich office of the McKinsey consulting firm.

"The industry is still in the process of making sure things run smoothly and don't break down," said Wengler, who compared the technology wave in private banking today with the motor industry in the 1950s when it needed to ensure cars ran safely and reliably.

New digital wealth managers, such as British-based Nutmeg and U.S.-based Wealthfront, are keen to play up the trust issue. "Almost universally, every study is showing that investors under 35 have grave mistrust of existing banks and brokerages, and are seeking a solution from the technology industry," Wealthfront Chief



Syed Ashrafur Islam, minister for local government rural development and cooperatives, addresses the pavilion of Advanced Technology & Ideas Ltd at the fifth Agro Tech Bangladesh 2015, at Bashundhara International Convention City in Dhaka recently. Advanced Technology is the sponsor of the exhibition.

# G7 ministers meet on global growth overshadowed by Greek crisis

AFP, Dresden, Germany

Finance ministers and central bank governors of the Group of Seven wealthiest nations gathered in Dresden Thursday to seek ways of boosting global growth, while the Greek crisis also cast its shadow over the talks.

German Finance Minister Wolfgang Schauebl had invited his counterparts from Britain, Canada, France, Italy, Japan and the United States for an "in-depth exchange of views" on a wide range of subjects, from the state of the global economy, to financial regulation, tax evasion, and ways of starving terror

groups like the Islamic State of funding.

Germany currently holds the rotating G7 presidency and has been at pains to stress that the Greek crisis is not officially on the agenda.

Berlin insists that the G7 is not the correct forum for the Greek dossier, not least because Athens is not represented.

But with all of the other key actors present -- notably International Monetary Fund chief Christine Lagarde, Eurogroup president Jeroen Dijsselbloem and European Central Bank chief Mario Draghi and EU monetary affairs commissioner Pierre Moscovici --

the subject was on everyone's mind just a day earlier, Athens had said it was close to a loan deal with its creditors that would unlock badly-needed bailout funds for its struggling economy.

But the European Union poured cold water on that optimism on Thursday.

"We're not there yet. There are open issues which need to be resolved," European Commission spokeswoman Annika Breidert told reporters in Brussels when asked about the negotiations.

G7 host Schauebl denied there had been any new significant break-

throughs.

"Decisions have not really progressed much further," he told ARD German public television on Wednesday evening, adding that he was "also a bit surprised that Athens is always saying that a deal is imminent."

One participant in the talks on Thursday insisted that "there is nothing on paper, zero."

But it is not just the Europeans who insist that Greece's fate in the eurozone is a matter of urgency. "But Chief Lagarde, interviewed by German television, said there was 'still a lot of work to do' and no 'substantial result' had yet been

# Entrepreneurs who broke capital barrier

FROM PAGE B1

Grameen Shakti Samajik Byabosha came to her rescue. It became an equity partner in the business by investing Tk 1 lakh.

She received the money in April this year, which she used to buy more fabric to produce clothes.

A fourth-year student of law at Northern University in Dhaka, Afrin employs four tailors. She wants to employ more as the peak season is just around the corner.

She works an evening shift at the shop when she has classes in the daytime.

The 23-year-old said the interest-free equity investment was a godsend for her as she does not have to pay any instalment in the next three years. Although she has three years to repay the loan, she hopes to make full repayment before maturity.

With average daily sales of Tk 5,000, Afrin now wants to expand her production and has rented a showroom at a shopping mall in Dhaka. Her clients include classmates and relatives.

About 25 metres away on the same Hohan Road, Shamim Hasan Hridoy runs a shop to produce and sell shopping bags made of paper.

The journey began six years ago when his father ran a grocery shop, but could not generate enough income to sustain his family of five as the shop was near a local market. His mother used to make paper bags for another factory then.

That is when his father started his own paper-bag making venture. Hridoy was only in class VII when he had to help out in the family business.

Last year, Hridoy learnt about Yunus Centre's project for new entrepreneurs. He took an equity loan of Tk 4 lakh from Grameen Shakti Samajik Byabosha.

The paper-bag making business is doing well, and his family is now well-off. He has hired five people in the business, all of whom are close to his age. "In addition, we have hired 90 house-

wives who work from home," said the first-year student of mathematics at Govt Titumir College in Dhaka.

His staff buys and prints paper from Norekazar, which is then distributed among the 90 women who make the bags from home. His staff also adds lace to the bags before they deliver those on bicycles to shops in Tongi, Gazipur, Abdullahpur and Khilkhet. The women get Tk 200 to prepare 1,000 bags.

Mohammad Kamran has been working for Hridoy for six months now, earning Tk 4,000 a month, while Hobi Hossain, who is the most experienced among the five, earns Tk 8,000 a month.

Two kilometres away from Borua Road, Mohammad Shamim learnt the art of making door mats at his father's small factory. The business is under his control now as his father moved to a rented shop nearby to make brooms.

Until recently, the 21-year-old had two employees, producing 100 mats every day.

Mohammad Kamran has been able to take a loan of Tk 50,000 as equity from Grameen Shakti Samajik Byabosha Ltd, as his mother was a member of Grameen Bank.

He now has four employees, and he has doubled production. The mats are also delivered to shops on bicycles by his staff.

He has to repay the equity loan in instalments every four months, with a total repayment period of two years.

Although Shamim has a rented factory, he plans to buy land in the future to set up his own factory and create more jobs in the process.

Mohammad Shahidullah from Thakurgaon, who works at the factory, earns Tk 8 for every mat he makes. He can produce up to 70 mats a day.

"The income is enough to run my family."

These are fruits of the Social Business Design Lab set up by Yunus Centre in January 2013 to take care of budding entrepreneurs.

To date, the lab has been given 1,010 projects its go-ahead. Of them, 730 have already received

financing and are running well.

Sohel Rana is another entrepreneur who has taken his business one step ahead of other micro and small businesses. He produces puffer jackets for western buyers. The young man from Tangail has already shipped 4,500 jackets to buyers in the US and South Africa. His home-based factory employs 23 people and can make 1,500 jackets a month.

Rana had also taken a loan of Tk 3 lakh from Grameen Shakti Samajik Byabosha earlier this year to buy sewing machines and expand his operations.

Shuma Akter from Uttar Khan, who is involved in her mother's nakshikhantha making business for four years now, is still studying for her HSC exams. She employs 120 women who work from home to hand-stitch over 100 quilts a month, which she sells to a businessman in Sylhet.

Imran Hossain, who is studying social welfare at Iessore Cantonment College, is an entrepreneur who produces high-quality trousers, selling those mainly in the Khulna region.

"I used to buy trousers from Dhaka, to wholesale at our store. It once struck me that I could be producing these myself. That is when I started my business a year ago," he told The Daily Star at the Social Business Design event at Bangladesh International Conference Centre in Dhaka yesterday.

Parveen Mahmud, managing director of Grameen Telecom Trust, said during a panel discussion at the daylong event that these entrepreneurs first created jobs for themselves and then their family members. As the businesses grew, they hired more workers.

Grameen Kalyan, Grameen Trust, Grameen Telecom Trust and Grameen Shakti Samajik Byabosha provide the equity to the young entrepreneurs.

The four social business equity investors operate in parts of the country so their intervention does not overlap, she added.

# A tool to create jobs, cut poverty

FROM PAGE B1

Mahfuz Anam, editor and publisher of The Daily Star, said the idea of social business is not getting much importance in the media, as the industry has less understanding of the business model.

"We have covered it, but without going to the depth of the idea," he said. "Microcredit is the issue of the poor, but social business is the issue of civilisation and it's much wider."

Andrea Jung, president and chief executive officer of Grameen America, said though the USA is the richest nation in the world, the country still has poverty and unemployment.

"Our goal is to promote social business in the USA, where big companies like

Apple and General Electric are doing business."

Some 50,000 citizens in 11 cities of the USA have so far been benefitted through the microcredit programmes of Grameen America, she said.

Hans Reitz, founder and managing director of Grameen of America, said that the world's most profitable companies in the world are not aware of the social business model.

They need to be connected and encouraged to adopt the idea, he said, adding that the seventh Global Social Business Summit in Berlin this year will focus on spreading awareness and fostering discussions and collaborations for new social business ventures.



Muhammad A (Rumeen) Ali, chairman of the ICC standing committee on banking technique and practice, poses at the inaugural session of ICC's workshop on application of rules for international trade finance, in Dhaka yesterday. Atair Rahman, secretary general of ICC Bangladesh, and Anis A Khan, managing director of Mutual Trust Bank, were also present.