Parkway expanding its regional footprint

Senior official of the Singapore-based healthcare giant visits Bangladesh to study potential

MD FAZLUR RAHMAN

SINGAPORE-BASED healthcare giant Parkway Pantai is fast expanding its footprint in Asia to tap into the continent's growing private healthcare market.

"We have expansion plans regionally. Our plan is to reach out to the local residents of the country our hospitals operate in," said Anthony Lim, head of regional marketing of Parkway Hospitals.

He was in Dhaka on Saturday to get a better understanding of the healthcare system in Bangladesh, and to see how Parkway Pantai can be a part of it to extend support.

There is some room for improvement in terms of capacity and delivery in healthcare in Bangladesh, Lim added.

In Singapore, Parkway Pantai is the largest private healthcare provider and operates Mount Elizabeth Novena Hospital, Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital -- all accredited by Joint Commission International.

Besides, it has about two dozen hospitals in Malaysia, India, China, the United Arab Emirates, Brunei, and Vietnam.

It will open Gleneagles Hong Kong in 2017 and two more hospitals in China's Shanghai and Chengdu in the coming years.

In a joint venture with India-based Apollo Group, Parkway recently set up Apollo Gleneagles Hospitals Kolkata, a 510-bed multispecialty hospital.

Parkway Pantai also has a 51 percent stake in Continental Hospitals, a state-of-the-art facility in Hyderabad. The hospital has a capacity of 750 beds with 250 operational beds currently.

A hospital project by Peoples Mobile Hospital in Mumbai, Gleneagles Khubchandani, will have 450 beds, mostly single suites, when the hospital begins operations later this year. It will provide specialties in heart and vascular, general surgery, orthopaedics, neurosurgery and transplants.

Lim said market potential is another reason that is driving Parkway to open hospitals in these countries.

On expansion in other markets, Lim said his group is continuously looking for opportunities in the regional markets.

"The job does not end with setting up a hospital. We have to see whether we have an adequate supply of local doctors, nurses and other staff needed to run a hospital. The entire infrastructure has to be in place to ensure that we can maintain our brand image."

Hospital owners in Bangladesh have come to realise that it is important to provide quality services as people's expectations have changed, he said.

"There are many Bangladeshis who are ready to pay premium prices to get better healthcare services."

People from around the world come to Singapore for healthcare services, boosted by recommendations made by people who have already visited the country and taken treatment, he said.

Anthony Lim, *right*, head of regional marketing of Parkway Hospitals Singapore, and Zahid Hassan Khan, head of the Dhaka office of the hospital group.

"The patients are the ones who give us recognition in terms of clinical outcomes and the services we provide."

Parkway has set up patient assistance centres in 25 key cities in countries such as Indonesia, India and Russia to help overseas patients find doctors and get treatment in Singapore. It has two such centres in Dhaka and Chittagong in Bangladesh -- a country where the public healthcare system is overburdened.

About 55 percent of the hospital's patients are international; Bangladesh makes up 8 to 10 percent of them. Between 200 and 300 Bangladeshis visit Parkway Hospitals a year.

Parkway Pantai, which is fully owned by IHH Healthcare Berhad, is the second largest healthcare group in the world by market capitalisation.

It has 1,300 doctors, mostly trained at reputed hospitals and training institutes in the US and UK, allowing the hospitals to deliver quality services.

The hospital group has set up its own medical college to create qualified nurses as well. It also provides scholarships to them to study further and enrich their skills and knowledge. It has 6,000 nurses and another 4,000 staff at the four hospitals.

The hospitals also work with local doctors and hospitals in its overseas markets so patients, who have taken treatment at Parkway hospitals, are always in touch with their staff and doctors, he said.

"We work closely with the local doctors in order to create an ecosystem so patients have follow-up treatment locally when needed, instead of having to visit us again," said Lim.

Parkway has set up a hospital to provide healthcare services to low-income groups in Singapore, he said.

Lim, who studied business at the University of Bradford in the UK, has been with Parkway for a year now. He previously worked for hotels and airlines.

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Oil retreats in Asia as China slowdown weighs

AFP, *Singapore*

Oil fell in Asia Monday after data showed China's economy posted its slowest growth for more than six years in the third quarter, reinforcing worries about demand from the world's top energy guzzler.

The government said gross domestic product (GDP) for the world's second-biggest economy rose 6.9 percent in the three months to September, beating market forecasts but still the worst since the global financial crisis in 2009.

Growth in China's industrial production, which measures output at factories, workshops and mines, also dropped sharply to 5.7 percent year-on-year in September, the government said.

"Although China's retail sales turned out strong, industrial-related data remained weak. This would likely be weighing down on commodity usage in China," Daniel Ang, an investment analyst with Phillip Futures in Singapore, said in a market commentary.

"With weak Chinese industrial production, we may see Chinese manufacturing PMI worsen, thus leading to weaker oil prices," he said, referring to the forward-looking Purchasing Managers' Index to be released later this week.

Wal-Mart bribery probe finds few major offenses in Mexico

REUTERS

A federal probe into allegations of corruption at Wal-Mart Stores Inc's Mexico operations has found few major offenses, and is likely to result in a much smaller case than investigators expected, the Wall Street Journal reported, citing people familiar with the situation.

The three-year investigation is mostly complete and the case could be resolved with a fine and without any criminal charges, the newspaper said.

As part of the same probe, investigators found evidence of bribery in India, centering on widespread but relatively small payments made to local officials, the Journal said. Wal-Mart is likely to face US foreign-bribery charges under the Foreign Corrupt Practices Act over those payments, the newspaper said.

Wal-Mart spokesman Greg Hitt said the company was cooperating with the government on the matter. A Justice Department spokeswoman declined to comment on the status of the investigation.

US lawmakers launched an investigation after the New York Times reported in 2012 that Wal-Mart de Mexico (Walmex) had engaged in a multi-year campaign of bribery to build its business.

RBI head urges IMF to act against 'extreme' policies

AFP/FILE

Reserve Bank of India Governor Raghuram Rajan speaks during a news conference after the announcement of the bi-monthly monetary policy for year 2015-16 at the RBI headquarters in Mumbai.

REUTERS, *Mumbai*

RESERVE Bank of India (RBI) Governor Raghuram Rajan urged the International Monetary Fund (IMF) on Monday to play an active role in questioning the stimulus policies of developed economies and called on emerging markets to have a bigger voice in global debates.

Raghuram Rajan, a former chief economist of the IMF, said developed countries were adopting monetary policies without consideration for the negative impact they have on the global economy and he noted emerging markets were engaging in currency intervention that sparked competitive devaluations.

In a speech ahead of a G20 summit in Turkey next month, Rajan said it was time for policymakers, led by the IMF, to address these "extreme" policies, otherwise "we have to worry where this ends."

"The IMF has been sitting on the sidelines and applauding these kinds of policies right from when they have been initiated, •and hasn't really questioned the value of these kinds of policies," he told a G20 consultation meeting.

"We can do better," he said, calling on emerging markets to push back against such policies.

Rajan did not single out any one country, but he has emerged as a leading critic of ultra-loose monetary policies and those that he says have purposefully pushed down their currencies to gain a competitive advantage.

Some central banks, including those in the United States and the euro zone, adopted so-called quantitative easing policies to counter the global financial crisis. After cutting rates to zero, they pumped cash into their economies to try to revive economic activity. The United States is now considering raising interest rates for the first time since 2006.

Indian media has speculated that Rajan could be a contender to head the IMF after the five-year term of the current head, Christine Lagarde, ends in 2016. Rajan denies any interest in the position and his three-year tenure at the RBI doesn't end until September 2016.

Since his RBI appointment in 2013, Rajan has called on emerging markets to have a bigger voice globally, including at the IMF. Otherwise, industrialised economies will always lead the debate, he says.

Rajan said it was critical emerging markets develop more capable economists, who can help steer discussions among policymakers globally.

"We must, across the emerging world, realise that some of the reasons why global governance seems to be against us is we are not putting enough resources into this," he said.

"Yes, we go to our think tanks, etc. But we don't have people working in government who have that kind of training, that kind of capacity," he added.

Islamic finance growth to slow over low oil price: S&P

AFP, *Dubai*

The fast-growing Islamic finance industry is set to slow down next year over the sharp fall in oil revenues and rapid regulatory changes, Standard and Poor's Ratings Services said on Monday.

"We think Islamic finance growth will drop to single digits in 2016 from between 10 percent and 15 percent over the past decade," S&P said in a report.

The agency said that such rapid growth had seen the Islamic finance industry exceed an estimated $2 trillion in value.

"But we now think the industry faces challenges from the decline in oil prices, changes in the global regulatory framework for banks and insurance companies, and its own fragmented nature," said S&P Global Head of Islamic Finance Mohamed Damak.

S&P expects the size of Islamic finance to hit $3 trillion sometime in the next decade although the Sharia-compliant industry was projected to hit the landmark much earlier.

Governments in core markets see Islamic finance as a tool to maintain their investment spending, somewhat countering the negative impact of oil prices on their budgets, the report said.

Islamic finance bans interest, products with excessive uncertainty, gambling, short sales and financing prohibited activities considered harmful to society.

Around 40 million of the world's 1.6 billion Muslims are clients of the Islamic finance industry, which has surged in popularity since its niche market days of the early 1970s.

China economy logs weakest growth since 2009

REUTERS, *Beijing*

CHINA'S economic growth dipped below 7 percent for the first time since the global financial crisis on Monday, hurt partly by cooling investment, raising pressure on Beijing to further cut interest rates and take other measures to stoke activity.

The world's second-largest economy grew 6.9 percent between July and September from a year ago, the National Bureau of Statistics said, slightly better than forecasts of a 6.8 percent rise but down from 7 percent in the previous three months.

That hardened expectations that China would avoid an abrupt fall-off in growth, with analysts predicting a more gradual slide in activity stretching into 2016.

"Underlying conditions are subdued but stable," said Julian Evans-Pritchard, an analyst at Capital Economics in Singapore. "Stronger fiscal spending and more rapid credit growth will limit the downside risks to growth over the coming quarters."

Chinese leaders have been trying to reassure jittery global markets for months that the economy is under control after a shock devaluation of the yuan and a summer stock market plunge fanned fears of a hard landing.

Some analysts were hopeful that the third-quarter cooldown could mark the low point for 2015 as a burst of stimulus measures rolled out by Beijing comes into force in coming months, but muted monthly data for September kept such optimism in check.

"As growth slows and risk of deflation heightens, we reiterate that China needs to cut reserve requirement ratio (RRR) by another 50bps in Q4," economists at ANZ Bank said in a note to clients.

"Looming deflation risk suggests that the People's Bank of China will also adjust the benchmark interest rates, especially lending rate, down further."

In its battle against China's worst economic cooldown in more than six years, the central bank has cut interest rates five times since November and reduced banks' reserve requirement ratios three times this year.

Despite the spate of easing, Monday's GDP reading was still the worst since the first quarter of 2009, when growth tumbled to 6.2 percent.

While Chinese officials put a brave face on China's economic woes, describing the slowdown as being "reasonable", senior leaders have occasionally voiced worries.

President Xi Jinping told Reuters in an interview over the weekend that the government has concerns about the economy and was working hard to address them.

Policymakers think they can stem a rapid rundown of the country's foreign exchange reserves and ease pressure on the currency by pump-priming the economy to meet this year's growth target of about 7 percent, sources involved in policy discussions say.

But key parts of the economy are still losing steam.

Factory output in September rose 5.7 percent from a year ago, missing forecasts for a 6 percent rise, and fixed-asset investment (FAI) climbed 10.3 percent in the first nine months, below estimates of 10.8 percent.

September retail spending alone bucked the trend, growing at an annual rate of 10.9 percent, slightly beating forecasts for 10.8 percent.

"The overall downturn pressure on the Chinese economy is still huge," said Zhou Hao, a senior economist at Commerzbank in Singapore, who expects government will lower the annual growth target in its next five-year plan at the end of this month.

REUTERS

A crane lifts scaffolding at a construction site at the Central Business District in Beijing, China.

The latest Reuters quarterly poll showed economists expect the central bank will cut interest rates by another 25 basis points (bps) and lower the amount banks must hold as reserves by 50 bps by year-end.

The same poll predicted economic growth of 6.8 percent in the fourth quarter, easing to 6.7 percent in the first of 2016.

China's consumer inflation cooled more than expected in September, while producer prices extended their slide to a 43rd straight month, highlighting the urgency for the central bank to tackle deflationary pressures.

To shore up growth, the government has quickened spending on infrastructure and eased curbs on the ailing property sector. The latter have helped revive weak home sales and prices but have not yet reversed a sharp decline in new construction.

Data released separately on Monday showed China's government spending surged almost 27 percent in September from a year ago.

Some market watchers believe current growth is much weaker than government figures, though officials deny allegations that the numbers are inflated.

Despite weak exports and imports, factory overcapacity and a cooling property market, Beijing reported annual economic growth of 7.0 percent in the first two quarters, in line with its full-year target.

However, some economists think the statistics may be underestimating strong consumption and service sector growth, putting too much weight on the cyclical and structural weaknesses in manufacturing.