



TUNDRA CHRISTMAS DONATION 2016

INDUS HOSPITAL



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Every year in December, Tundra Fonder makes a small financial contribution that benefits the disadvantaged and the vulnerable in society. The main reason for this contribution is to highlight important local initiatives within Corporate Social Responsibility (CSR). For the last two years, donations have been made to an educational institution in Karachi that provided professional skills to young people in the area. This year Tundra made a contribution to a health care institution called the *Indus Hospital*, also located in Karachi. This organization operates as a non-profit hospital with state-of-the-art technology where treatment is free of charge for all patients.

Indus Hospital

The 150-bed medical institution reportedly treats over 140,000 patients per month with a cost of PKR 1 800 (USD 17) per treatment per patient. It provides general surgery, cardiothoracic surgery, ophthalmology, orthopedics and trauma surgery, general medicine, plastic surgery, mother- and child healthcare, pediatrics and nutritional services to name a few. The main campus of the hospital in Karachi boasts a successful not-for-profit model that has been duplicated across the country. Currently, there are a total of eight facilities that are being managed by the *Indus Hospital*. These hospitals are operating in Karachi, Badin, Muzaffargarh, Bhong and Lahore with upcoming centers in Peshawar and Mansehra. The hospitals' funding comes from individuals (49%), the corporate sector (35%), government grants (11%) and international donors (5%).

He also spoke in detail about their plans of expanding the main campus in Karachi due to the demand of the growing population of the city. The aim is to increase their capacity from 150 beds to a facility with over 1 800 beds. Moreover, the expansion is designed keeping in mind a sustainable and green environment. The focus is on innovative design that is energy efficient and environmentally friendly in a long term perspective. The expansion process began in 2014 and will be completed by 2024.



The Indus Hospital at present. Photo: Indus Hospital

During a visit to the wards, which are spread over four floors in the hospital premises, Maryam got the chance to speak with a few patients. Overall, the patients and their families were very satisfied with the services provided by the hospital. Amna* spoke about her daughter whose leg had been severely injured in an accidental motorcycle collision. She commended the staff, especially the nurses that had kept a check on her daughter around the clock. She went on to say that she felt safe and completely satisfied by her experience. When asked if anyone ever tried to ask her for money at any point, Amna responded in the negative. Further, it was witnessed that notices were put up in different parts of the premises advising patients to complain against anyone asking for funds.



The Indus Hospital's representative explains the successful not-for-profit model of the institution. Photo: Tundra



Tundra's ESG Analyst, Maryam Mughal visited the *Indus Hospital* in November this year to learn more about its policies and operations. A meeting was set with the hospital's representative, Zohaib Faizi who is the Team Leader of the Communication & Resource Development department. Zohaib presented the *Indus Hospital* model which included a detailed history of the project.

Notice in the local language (Urdu) explaining to patients that all treatment is free and to report any solicitation of bribes to the management at the given number. Photo: Tundra

* Names have been changed due to privacy

A visit was also made to the state-of-the-art operation theatres and a dialysis center which caters to around 8 patients at a time.



*A state-of-the-art operating theatre at The Indus Hospital.
Photo: Tundra*

Healthcare in Pakistan

According to the World Health Organization, the basic level of expenditure on health prescribed per person is USD 44. Pakistan falls short of this bar with an estimated spending of USD 36 per capita. In further contrast, the United States of America has a health expenditure of USD 9 403 per capita. European countries such as Sweden spend around USD 6 808 per capita on health care goods and services. The table describes a few selected variables and countries. For full data please visit <http://data.worldbank.org/indicator/SH.XPD.TOTL.ZS>

Country	Total of GDP (%)	Per capita (USD)	Hospital beds/1000	Physicians /1000
Pakistan	2.6	36	0.6	0.8
Sweden	11.9	6808	2.7	3.9
China	5.5	420	3.8	1.9
Turkey	5.4	568	2.5	1.7
USA	17.1	9 400	2.9	2.5
HIC*	12.3	5251	4.2	2.9
LMIC*	4.5	90	-	0.8

*HIC: High Income Country

*LMIC: Low and Middle Income Country

According to the Economic Survey of 2013 -2014 by Pakistan’s Ministry of Finance, the public health expenditure of the country was estimated to be PKR 102.33bn (USD 976m) corresponding to 0.40% of the GDP. The healthcare budget is divided between the federal level and the four provinces of the country. Reportedly, the province of Punjab had the highest share of health expenditure at PKR 55.1bn during the period. The Sindh region was the second highest at PKR 46.6bn,

while Khyber Pakhtunkhwa received PKR 24.5bn. The least amount of funding for the health sector was found in the province of Balochistan with PKR 12.5bn.

The budget reserved at the federal level – which is used for national healthcare schemes such as polio eradication and the recently introduced national health insurance scheme – is PKR 34.7bn. However, the total expenditure in health – which includes the sum of public and private expenses – by the World Bank amounts to 2.6%. This is still a low number as compared to the total health expenditure median for low and middle income countries where the corresponding number is 4.5% of the total GDP.

Potential for investment

Investing in the health sector would be advantageous to any economy but even more so to a developing country like Pakistan. Reduced levels of poverty and improved standards of health are some of the benefits that can be achieved through investment. Consequently it is important that good and affordable healthcare products and services are provided to the people. The pharmaceutical industry plays a key role in this setting. Presently, the Pakistani industry’s sales are said to be between USD 2.5bn to USD 2.7bn. On the other hand, the same sector’s market size in India USD 36.7bn.

Tundra Fonder has an exposure in the Pakistani pharmaceutical sector through its holdings of medicine manufacturers Ferozsons Laboratories Limited and The Searle Company Limited along with an investment in a medical institution called Shifa International Hospitals Limited.

- Established in 1956, Ferozsons was one of the first pharmaceutical companies in Pakistan. Currently, it has a market share of around 3.5%. The company carries out several community initiatives in education and art for rehabilitation under its corporate social responsibility.
- Searle Pakistan is presently one of the leading pharmaceutical companies in Pakistan. The company has a market share of 3.5% and has a portfolio which consists of three major divisions: pharmaceutical, consumer health and nutrition. The company has an active CSR program which encompasses healthcare, education, child welfare, and infrastructure development among others.
- Shifa Hospital was converted into a public limited company in 1989. The company carries out a multitude of health awareness and community education programs. Some of these programs include seminars and events with specialist consultants along with free screening camps.

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