

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/334209046>

Medical Tourism in India

Article in SSRN Electronic Journal · January 2016

DOI: 10.2139/ssrn.3405227

CITATIONS

19

READS

23,258

1 author:



Siddharth Singh

DAV, Banaras Hindu University

19 PUBLICATIONS 28 CITATIONS

SEE PROFILE

Conference Proceedings

ISBN :978-93-5254-977-1

3rd International Conference



Booming Service Sector From Achievements to Growth Prospects

4 & 5 February, 2016



Sri Guru Gobind Singh College of Commerce
(University of Delhi)

Pitam Pura, Opposite TV Tower, Delhi-110034 India

Ph: 011-27301109, 011-27321528 Fax: 011-27326710

Website: www.sggscac.ac.in Email: sggscac@rediffmail.com

MEDICAL TOURISM IN INDIA

Sidharth Singh¹

India is emerging as one of the favorite destinations for foreign travelers. Several factors have accounted for the emergence of India as a tourist hotspot. One of the reasons which this paper tries to examine is the growth of medical tourism in India. The twin sectors of tourism industry and health industry has vast potential for the generation of foreign exchange and employment opportunities for the country. Medical tourists travel across international borders to obtain health care. Today medical tourism is emerging as a multibillion-dollar industry. It has to be noted here that prime objective of medical tourists is getting good quality medical treatment at a reasonable cost. India has emerged as the most sought after destination by medical tourists because it has availability of world class doctors at affordable prices when compared to other developed countries of the world. Also, India has diversity of tourist destinations in the country. This paper tries to examine the factors leading to the growth and progress of medical tourism in India and the future of this sector in coming years. A detailed analysis of the services provided in India and the cities of India which are emerging as the centers of excellence is also presented. Further comparative cost advantage of India in offering various services vis-à-vis other emerging centers of world is cited. The paper concludes with the policy suggestions to make the fast emerging medical tourism industry grow further.

Keywords: Medical Tourism, Health Care, Tourist Places, Cost Advantage

JEL classification: I 11

1. Introduction

Globalization has led to the emergence of tourism as one of the fastest growing service industry. Tourism when carried out for getting medical care is referred to as medical tourism. There is lot of potential in this sector and it can possible be the next biggest foreign exchange earner for India.

Medical tourism is a growing business with many countries of the world fighting for a share in the world medical tourists. Medical tourism indeed was not known to the world a few years ago and it was hard to think of these two different services to come together. Tourism and travel was associated with leisure activity free from constraints and obligations. On the other hand hospital evokes sights of constraints and sufferings. A writer noted: “the dentist chair and the antiseptic smells of a hospital waiting room are synonymous with pain and a sense of helplessness. They just don’t blend with travel and vacations” (Ross, 2001). However, recently it has been observed that the medical tourism is fast gaining pace.

Goodrich and Goodrich have defined medical tourism as “the attempt on the part of a tourist facility or destination to attract tourists by deliberately promoting its healthcare services and facilities, in addition to its regular tourist amenities”. Medical tourism is primarily carried out for the cost advantage in the destination country or because of the quality treatment offered in the destination country in comparison to home country. It is observed that medical tourists basically come from industrialized countries like United Kingdom (UK), United States of America (USA), Japan, Canada etc. where the medical cost are very expensive and have long waiting times for getting the medical treatment. These people travel to countries like Thailand, Singapore, India, Malaysia, South Korea, Brazil, Belgium, Hungary, and Jordan etc. which are providing treatments at less cost along with hot tourist destinations.

¹Research Scholar, Department of Economics, Banaras Hindu University.

Since ancient times India has been the centre for traditional medical treatments like yunani, Ayurveda, homeopathy and naturopathy. History has witnessed travelers coming to India to learn about these ancient practices. Today also some states have specialized in providing certain medical facilities. Kerala and Karnataka for ayurvedic treatment, Uttarakhand for yogic practices and meditation, Delhi for cardiac care, orthopedic care and other allopathic treatments and Chennai for eye care. Karnataka, Kerala and Uttarakhand also provide some of the India's best tourist destinations.

2. Review of Literature

According to **Goodrich & Goodrich (1987)**, medical tourism is the attempt to attract tourists by deliberately promoting its health-care services and facilities, in addition to its regular tourist amenities.

Laws (1996) has defined medical tourism as a travel from home to other destination to improve one's health condition as one type of leisure. This includes getting indigenous and alternative medical services, and any other form of tourism undertaken with the purpose of addressing a health concern.

Connell (2006) describes medical tourism as a popular mass culture where people travel to overseas countries to obtain healthcare services and facilities such as medical, dental and surgical care whilst having the opportunity to visit the tourist spots of that country.

Carrera and Bridges (2006) have defined medical tourism as travel which is systematically planned to maintain one's physical and mental health condition.

3. Research Objectives and Methodology

This paper aims to make an analysis of the growing medical tourism in India. The analysis tries to look into the growth, prospects and the challenges faced by the health industry with regard to medical tourism. The paper has made a descriptive analysis of the themes related to medical tourism. The main objective of the paper can be enlisted under three headings:

1. Review of state of medical tourism in India
2. Reasons for the growth of medical tourism in India
3. Future prospects of medical tourism in India

The paper is a descriptive analysis involving qualitative research. The scope of the study is restricted to Indian health care industry. Content analysis technique is used based on the research papers in the area, articles in magazines, books, newspapers, report of Ministry of Tourism, report from World Travel and Tourism Council and the website www.health-tourism-india.com etc.

4. Medical Tourism in India

India is fast growing in the field of medical tourism and it is believed that after Information Technology, medical tourism is poised to be next success story.

In recent years the growth of medical tourism in India has been remarkable. According to surveys conducted by ASSOCHAM (The Associated Chambers of Commerce and Industry of India) and NSSO (National Sample Survey Organization) the market size is likely to more than double from Rs 4500 crore in 2011 to Rs 10,500 crore (US\$2 billion) by 2015; the inflow of medical tourists which stood at 3 lakhs in 2009 rose to 8.5 lakhs in 2011 and is likely to touch 32 lakhs by 2015)

Medical tourists in India basically come from Middle East, Iran, Pakistan, Bangladesh, Afghanistan, Turkey, Europe and United States of America (USA). The leading players catering to medical tourist in India are- the Apollo Hospitals, Escorts Hospital, Fortis Hospitals, Breach Candy, Hinduja, Mumbai's Asian Heart Institute, Arvind Eye Hospitals, Leelawati Hospitals, Fortis Healthcare, B.M Birla Heart Research Center, Christian Medical College, Manipal Hospitals, Shankara Nethralaya etc. Public sector hospitals lack in catering to medical tourists but the All India Institute of Medical Sciences (AIIMS) is doing well in this area. It receives patients from as many as 16 countries, mainly for complex surgical procedures. At AIIMS a dedicated healthcare team named International Healthcare Service team takes care of patient's right from arrival till their departure. The centers emerging as medical hubs in India are Bangalore, Chennai, Mumbai and New Delhi.

Table 1: Major Players in Indian Medical Tourism Industry

	NUMBER OF BEDS	TURNOVER (Rs. Millions)	PERCENTAGE REVENUE FROM INTERNATIONAL PATIENTS	MAJOR INTERNATIONAL MARKETS
ESCORTS	326	2180	11.9	SAARC, East African Countries, Afghanistan
APOLLO	1500	2010	15	Middle East
INDRAPRASTHA-APOLLO	650	1650	7.3	Nepal, Bangladesh, Sri Lanka, Gulf and Africa
HINDUJA	351	1350	3	African and SAARC countries
JASLOK	376	1080	10	Japan, Middle East and African Countries

The services offered by Indian medical tourism industry can be divided into wellness tourism, alternative systems of medicine, cosmetic surgery, advanced and lifesaving healthcare. The wellness tourism industry involves spas, stress relief, rejuvenation centers. Alternative systems of medicine include Ayurveda, siddha treatment for diseases etc. The cosmetic surgery industry includes dental care, plastic surgery, breast enhancement, tummy reduction etc. The advanced and life savings healthcare includes open transplants, cardio-vascular, eye treatment, in-vitro fertilization (IVF) etc. The medical services in India that attract international attention predominantly include dental and eye care treatment, orthopedics and trauma, cardiac care including surgery, urology, neurosurgery, plastic and cosmetic surgery, laparoscopic surgery, gastroenterology, kidney transplant and knee/hip surgeries¹² The alternative medicine services available in India namely unani, Ayurveda, homoeopathy, naturopathy and wellness services including yoga and meditation are increasingly becoming popular among foreign patients as non-surgical treatment for various ailments. Kerala for Ayurveda and Kairali massage, Uttarakhand for yoga and meditation, Goa for holistic living, Rajasthan for spas and heritage living, are some of the world-renowned places in India for alternative medicine¹³

Table 2: Classification of Services Offered by Medical Tourism Industry

	Wellness Tourism	Alternative Systems of Medicine	Cosmetic Surgery	Advanced and Life Savings Healthcare
Services Offered	Spas, Stress Relief, Rejuvenation centers	Ayurvedic, Siddha treatment for diseases e.g. Arthritis, Rheumatism	Dental Care, Plastic Surgery , Breast enhancement, Tummy reduction , Skin Treatment	Open transplants, cardio vascular surgery, Eye treatment , Hip Replacement , In vitro fertilization
Profit Margin	Low	Low	Medium	High
Key Competitors	Thailand, South Africa	----	South Africa, Cuba, Thailand	Singapore, Taiwan, Jordan, Thailand
India's Strength	Low- Thailand has captured a significant share of the market	High- Kerala is popular for this service	Low- South Africa and Thailand lead in plastic Surgery	High- India has strong image on medical tourism

5. Reasons for Growth of Medical Tourism in India

There are many reasons for the growth of medical tourism in India. The primary reasons cited for this are the cost advantage which Indian health care sector enjoys in comparison to other countries. Along with cost advantage the services are offered by internationally experienced specialists. This mixture of world class facility at affordable cost makes India one of the top five most favored medical tourist destinations in the world. India is also endowed with world acclaimed tourist destinations. India provides wide range of tourist destinations with natural beauties (Jammu, Srinagar, Shimla, Dehradun, Kerala backwaters, beaches of Chennai, Mumbai, Goa, Kolkata etc.) heritage sites (Western ghats, Sunderbans, Nilgiris, Ajanta, Ellora and Elephanta caves) spiritual destinations (Varanasi, Haridwar, Bodh Gaya, Ajmer Sharif, Churches of Goa) and Metropolitan cities (Delhi, Mumbai, Bangalore, Hyderabad). This gives the tourists visiting India a variety of options to include along with the treatment of their ailments. Other reason for the growth of medical tourism in India is the comparative cost advantages of India vis-à-vis other countries. This difference in cost is depicted in the table below:

The table below depicts the cost difference between India and other countries. When one compares cost between India and United States of America (USA) it can be seen that there is huge difference between the two. For the heart bypass procedure the difference amounts to \$ 1,20,000. Between India and Thailand the cost difference is not much but India scores well in the state-of-art technology and have world class hospitals and doctors.

Some other reasons which are cited for the growth of medical tourism in India are:

- In some countries there are long lists for getting treated

- Favorable exchange rates of developed countries in comparison to India. This makes the travelling and lodging cheap for people from these countries.
- India provides state-of- art facilities because of the specialized doctors, nurses and paramedical staffs.

Table 3: Cost Comparison between India, USA, Thailand and Singapore
(Approximated figures in US\$)

Procedure	India	United States of America (USA)	Thailand	Singapore
Heart Bypass	10,000	1,30,000	11,000	18,500
Heart Valve Replacement	9,000	1,60,000	10,000	12,500
Angioplasty	11,000	57,000	13,000	13,000
Hip Replacement	9,000	43,000	12,000	12,000
Hysterectomy	3,000	20,000	4,000	6,000
Knee Replacement	8,500	40,000	10,000	13,000
Spinal Fusion	5,500	62,000	7,000	9,000

6. Recommendations

India needs to promote its medical tourism industry and in this respect I need to suggest certain steps to be taken by the country and its citizens. These include:

1. Build better infrastructure facilities in the country like more super-specialty hospitals, better rail-road network within the country and air transport within and outside the country.
2. Take steps necessary to stop/reduce the Brain Drain process of doctors.
3. To make the journey of foreign nationals to our country hassle free and fast. This includes providing assistance from the start of journey till they leave the country. Visa-on-arrival can be provided to medical tourists. The Indian embassy in foreign countries can coordinate with the hospitals and officials in the country.
4. Promoting 'Brand India' through better marketing and advertising strategies.
5. Only few states are today leading in attracting medical tourists in the country. Government should promote other states in developing the state of art facility.

7. Conclusion

Medical Tourism is one of the fast emerging service sectors in world and in India. India has gained comparative advantage in some of the medical facilities and is also becoming one of the most favored tourist destinations. Step needs to be taken to further develop this industry. This needs consistent and regular efforts at the level of government and the citizens. Medical tourism can be a sector which can help in generating foreign exchange and also employment for its people.

References

- “A study of problems and challenges faced by medical tourists visiting India”: A study by Indian Institute of Tourism and Travel Management
- Bookman M., Bookman K. (2007): “Medical Tourism in Developing Countries “, New York: Palgrave Macmillan
- Begum, S. S. (2013) : Medical and Wellness Tourism: Opportunities and Challenges-Marketing ‘Brand India’ Research Journal of Management Sciences 2(1) pp. 1-6
- Carrera P. M., Bridges J F P (2006): “Globalisation and Healthcare”: Understanding Health and Medical tourism”, Expert review of Pharmacoeconomics and Outcomes Research , 6(4), pp.447-454
- CII-McKinsey (2002): “Health Care in India: The Road Ahead”, CII, McKinsey and Company and Indian Healthcare Federation, New Delhi
- Dawn, S K , Pal S (2011): “Medical Tourism In India: Issues, Opportunities and Designing Strategies For Growth and Development”, International Journal of Multidisciplinary Research, 1 (3), pp. 185-202
- Dogra, S Can Delhi Be a Successful Model for Medical Tourism? Express, 2003.
- Goodrich G., Goodrich J. (1987): “Healthcare Tourism-An exploration study”, Tourism Management, September, pp.217-222
- <http://www.medical-tourism-india.com>, accessed on 9th October, 2015
- <http://www.health-tourism-india.com>, accessed on 16th October, 2015
- <http://www.indian-medical-tourism.com>, accessed on 23rd October, 2015
- <http://www.hotspottraveltips.com/medical-tourism>, accessed on 2nd November, 2015
- Laws, E. (1996) : “Health tourism : A business opportunity approach . In S. Clift and S.J. page (Eds.) Health and the International Tourist (pp. 199-214), Routledge : London and New York.
- Medical Tourism. (2005). Medical tourism India: Medical packages to India.
- Muhammed KM, Sudheer, C D’Souza Sunil: “Medical Tourism and Market Feasibility in Emerging Economy” AIMS International Journal
- Natarajan K (2015): “Tourism Industry in India with special reference to Health Care Tourism” IOSR Journal of Business and Management, 17(2), pp. 37-41
- Sagar R, Latha P V (2014) “Medical tourism – An emerging industry in India” Journal of Medical Science Research, 2(3), pp.169-177
- Sarvana Kumar, G., Krishna Raj, R. (2015) “Status, Growth and Impact of Medical Tourism in India” International Journal of Pharmaceutical Sciences Review and Research, 34(1), pp. 284-291
- Sharma A (2013): “Medical Tourism: Emerging Challenges and Future Prospects” International Journal of Business and Management Innovation, 2(1), pp. 21-29
- Singh N (2014): “Healthcare Tourism: An Emerging Concept” International Journal of Management Research & Review, 4 (7), pp. 741-745

Sundar, I (2012):“Medical Tourism Competition and Comparative Advantages : The Case of India” International Conference on Arts, Economics and Literature (ICAEL,2012), December 14-15, 2012 Singapore

Vijayanambi K S, Kannan R (2014):”Recent Trends in Medical tourism in India” Indian Journal of Applied Research, 4 (5), pp. 619-621

Vitthal P C, Subhash A R, Sharma B R, Ramchandran M: “Emerging Trends and Future Prospects of Medical Tourism in India” Journal of Pharmaceutical Sciences and Research, 7(5), pp.258-251