

MEDICAL TOURISM IN INDIA

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Abstract

Tourism is one of the fastest growing service sector gaining tremendous economic benefits. The concept of tourism is not confined to leisure tourism but has touched adventure tourism, pilgrimage tourism, health tourism, eco tourism, etc. The developing concept of Medical Tourism in India is the budding industry with enormous potentials. This article studies the role of medical tourism in India. It also examines the growth of foreign tourists arrivals to India and the foreign exchange earned through tourism industry. It is crystal clear from the study that India is becoming the most popular medical tourism destination by attracting 171021 foreign tourists' visiting for medical purpose in the year 2012. The acceptance of world class quality care at economic prices, easy accessibility and state – of – art technologies have made India a preferred Medical Tourism Hub.

Key words: Tourism Industry, Medical Tourism, Foreign Exchange, Economic Growth.

Introduction

Tourism is a service based industry which plays a vital role in the growth and development of an economy. It has direct and indirect impact on employment, GDP and foreign exchange earnings of the nation. Tourism in India accounts for 6.8 per cent of the GDP and is the third highest contributor of foreign exchange for the country next to gems, jewellery and readymade garments (The Business Standard, Oct 02 2014). The foreign tourists arrivals to India in 2013 is 6.96 million compared to 6.57 million in 2012 and the foreign exchange earnings from tourism also increased for US \$ 18.44 billion in 2013 from US \$ 17.37 billion in 2012. At present, India ranks 40th in the World Tourist Arrivals and 17th in the World Tourism Receipts which itself indicate that tourism in India has a very high growth potential.

According to World Tourism Organisation, "tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the places visited."

Now – a – days, the concept of tourism had shown a paradigm shift based on the varying needs of the tourists which led to different types of tourism like Adventure tourism, Wildlife tourism, Medical tourism, Pilgrimage tourism, Eco tourism, Cultural tourism, Rural tourism and the like. Medical tourism is one such type of niche tourism booming, in India, due to increased cost of treatment and long waiting time.

This has forced the patients in developed countries to look for cost effective and quality alternative destinations where such treatments can be done. This opened a wide opportunity for developing countries to place themselves as the world's best 'Medical Tourism Hub' and to find and improve their competitive advantages. Hence the researcher made an attempt to analyse the contributions made by tourism sector with special reference to medical tourism for the consistent growth of Indian Economy.

Review of Literature

Joseph M (2008) identified challenges like lack of confidence and commitment from the part of service providers to convert their facilities and capabilities for the growth of medical tourism, absence of serious collective marketing efforts in Kerala for Medical Tourism, lack of initiative role of government for promotion of medical tourism, lack of seriousness of the service providers towards quality accreditation and identified wide scope for Ayurveda and dental tourism in Kerala.

Padmashree (2011) studied the growth of foreign tourists arrival and foreign exchange earnings through tourism industry and also examined the share of Indian Tourism Industry in the World in general and especially the Asia Pacific region. The results of the study reveals a significant growth at the rate of seven per cent each year in foreign tourists arrivals and India's share in the world tourist arrivals was 0.59 per cent. Its share in the Asia and the Pacific Region accounts for 2.74 per cent of foreign tourists arrivals.

Leena Kakkar (2012) examined the impact of tourism on India's economic growth and she explores that there has been a tremendous growth in India's tourism because of the policies of the government and support from all levels and this had led a positive impact on generating foreign exchange and employment and development in infrastructure. Tourism contributed 6.23 per cent to GDP and 8.78 per cent to total employment in India in the year 2011.

Anupama Sharma (2013) highlighted the potential and challenges faced by medical tourism industry. The study revealed that there is high potential for India in this industry because of its special features like very low cost of treatment, well trained health practitioners, fluent English speaking medical staff, good stuff of herbal medicines, Ayurveda. The major constraints faced are non-availability of general infrastructure, poor hygiene conditions, lack of local community participation and awareness, quality accreditation and shortage of skilled professionals.

Rose Mary (2014) made an attempt to analyse the strength, weakness, opportunities and threats of Medical Tourism in India and found that strength of medical tourism in India were the world class treatment with advanced technology by internationally trained doctors at affordable prices. The drawback of this industry was that there were no initiatives taken by government to promote medical tourism, lack of uniform pricing policies, bad perception of tourists, etc and the major threat was that the doctors from public hospitals shift to private hospitals creating a large disparity between the rich and the poor.

Role of Medical Tourism in India

Medical Tourism

It is an age old practice to travel abroad to obtain medical or health care services. In ancient times, people from developing countries travelled to developed countries to obtain treatment that were not available in their home country. But recently, the practice has changed paving way for people from developed countries to travel down to developing countries for obtaining quality health care at affordable prices with minimum waiting time along with the opportunity to enjoy the tourism sites during the recovery period. This phenomenon is referred to as medical tourism. Simply to put in a nutshell healthcare offered along with tourism product is known as medical tourism. It is an economic activity that entails trade

in services and represents the mixing of two world's largest industries: medicine and tourism. Thus, it makes the medical tourism the fastest growing multi – billion industries around the world.

Medical tourism (also called medical travel or health tourism) is a term initially coined by travel agencies and the mass media to describe the rapidly growing practise of travelling to another country to obtain healthcare. Goodrich & Goodrich (1987: 217) defined medical tourism as “the best 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 tourists’ amenities”. Such services include elective procedures as well as complex specialised surgeries such as joint replacement, cardiac surgery, dental surgery, cosmetic surgeries, alternative and traditional medicines.

Medical Tourism in India

India is emerging as a prime destination for medical tourism. It attracts millions of both foreigner and domestic tourists to visit the countries’ incredible heritage and to experience the modern and traditional medicines. India ranks second for medical tourism in the world next to Thailand. Medical tourism in India includes advanced and life savings healthcare services like open transplants, cardio vascular surgery, eye treatment, knee/ hip treatment, cosmetic surgeries and alternate system of medicines. The Apollo Hospitals, Escorts Hospitals, Fortis Hospitals, Breach Candy, Hinduja, Mumbai’s Asian Heart Institute, Arvind Eye Hospital, manipal Hospitals, Mallya Hospitals, Shankara Nethralaya, AIIMS (public sector hospital), etc. are the major service providers of medical tourism in India (Swati Pal and Suman Dawn, 2011). The main reason for growing importance of medical tourism in India is the cost of medical treatment which is comparatively 10 – 15 times less than any other developed countries (Anupama Sharma, 2013). The quality care at relatively cheaper cost with package services from the tourism and hospitality sectors makes India the biggest attraction for medical tourism. The major advantages or strength of Medical Tourism in India are world class medical care with advanced technologies, reputed doctors’ with international experience, affordable prices, less waiting time, holistic health care treatment like ayurveda. The major challenges before Indian Medical Tourism are no government support to promote medical tourism, poor co- ordination between the various players in the industry, customer perception as country with low hygiene and lack of uniform pricing policies across hospitals.

Objectives of the study

The objectives of the present study are:

1. To study the growth of the foreign tourists arrivals in India and the foreign exchange earnings from tourism industry in India.
2. To examine the growth of Medical tourism in India.

Methodology

The study was purely based on secondary data collected from various Government sources such as Annual Report of Ministry of Tourism, Government of India, the World Tourism Organisation and other relevant websites. In order to study the objectives, the statistical tools like Percentages, Mean, Co – efficient of Variance (CV), Compounded Annual Growth Rate (CAGR), were used. The study period covered data from 1981 to 2013 for Foreign Tourist Arrivals and for Foreign Exchange Earnings data from 1991 to 2013. The data on tourist coming for medical purpose has been recorded separately by tourism department only from 2009 onwards. Hence data for FTA for medical purpose has been taken from 2009 to 2013.

Growth of Foreign Tourists Arrivals

The number of Foreign Tourists Arrivals to India is clearly presented in Table 1. It can be inferred that the Foreign Tourists Arrivals to India, in absolute terms, has increased from 1.28 million in 1981 to 6.97 in 2013, which was nearly a six fold increase indicating a tremendous growth in the Tourism industry. The results of CAGR revealed a positive significant growth at 5 per cent during the study period of 33 years. From the decadal growth of CAGR, it can be observed that the number of foreign tourists arrivals to India, was high for the period 2001 to 2010 registering an eight per cent growth. During the study period a negative growth was observed for the following years 1984, 1990, 1991, 1993, 1998, 2001, 2002 and 2009. The average FTA to India was 2.92 per cent and the variation in FTA to India during the study period was registered at 1.37 per cent which showed instability in the FTA. This increase may be due to the availability of various forms of tourism like medical tourism, eco tourism, pilgrimage tourism and the like as per the needs of the tourists and the promotional activities at international trade fair, exhibitions, etc. (Leena Kakkar & Spana, 2012).

Table: 1 Growth of Foreign Tourists Arrivals in India

(Arrivals in millions)

Year	Foreign Tourists Arrivals (FTA)	Annual Growth Rate (AGR in %)
1981	1.28	----
1982	1.29	0.78
1983	1.30	0.78
1984	1.19	-8.46
1985	1.26	5.88
1986	1.45	15.08
1987	1.48	2.07
1988	1.59	7.43
1989	1.74	9.43
1990	1.71	-1.72
1991	1.68	-1.75
1992	1.87	11.31
1993	1.76	-5.88
1994	1.89	7.39
1995	2.12	12.17
1996	2.29	8.02
1997	2.38	3.93
1998	2.36	-0.84
1999	2.48	5.08
2000	2.65	6.85
2001	2.54	-4.15
2002	2.38	-6.30
2003	2.73	14.71
2004	3.46	26.74
2005	3.92	13.29

2006	4.45	13.52	
2007	5.08	14.16	
2008	5.28	3.94	
2009	5.17	-2.08	
2010	5.78	11.80	
2011	6.31	9.17	
2012	6.58	4.28	
2013	6.97	5.93	
Decadal Growth	Mean	CV (%)	CAGR
1981 – 90	1.42	13.77	0.02
1991 – 00	2.14	15.48	0.04
2001 – 10	4.07	30.73	0.08
Overall Period	2.92	60.01	0.05

Source: Tourism Statistics 2013, Department of Tourism, Government of Kerala.

Foreign Exchange Inflow from Tourism

The foreign exchange earnings from tourism are presented in Table 2. It is clear that the foreign exchange earnings had increased from Rs. 4318 crores in 1991 to Rs. 107671 crores in 2013 and CAGR showed a positive and extravagant growth rate of 15 per cent. In terms of US \$ also, the foreign exchange earnings had increased from US \$ 1861 million in 1991 to US \$ 18445 million in 2013 with a CAGR of 10 per cent. The mean value showed that the FEE in terms of monetary value and US \$ was growing at the rate of 32116.67 per cent and 6747.87 per cent respectively. The variance in both the terms was at 2.27 per cent in rupee value and at 1.68 per cent in US Dollar.

Table 2: Foreign Exchange Earnings from Tourism in India

Year	Foreign exchange earnings In Rs. Crores	% Change over the Previous Year	Foreign exchange earnings in US \$ Million	% Change over the Previous Year
1991	4318	-----	1861	-----
1992	5951	37.82	2126	14.24
1993	6611	11.09	2124	-0.09
1994	7129	7.84	2272	6.97
1995	8430	18.25	2583	13.69
1996	10046	19.17	2832	9.64
1997	10511	4.63	2889	2.01
1998	12150	15.59	2948	2.04
1999	12951	6.59	3009	2.07
2000	15626	20.65	3460	14.99
2001	15083	-3.47	3198	-7.57
2002	15064	-0.13	3103	-2.97
2003	20729	37.61	4463	43.83
2004	27944	34.81	6170	38.25

2005	33123	18.53	7493	21.44		
2006	39025	17.82	8634	15.23		
2007	44360	13.67	10729	24.26		
2008	51294	15.63	11832	10.28		
2009	53700	4.69	11136	-5.88		
2010	64889	20.84	14193	27.45		
2011	77591	19.57	16564	16.71		
2012	94487	21.78	17737	7.08		
2013	107671	13.95	18445	3.99		
Decadal Growth	Mean	CV	CAGR	Mean	CV	CAGR
1991 – 00	9372.3	37.66	0.14	2610.4	19.23	0.06
2001 – 10	36521.1	46.89	0.16	8095.1	47.62	0.16
Overall Period	32116.65	93.37	0.15	6947.87	79.92	0.10

Source: Indian Tourism Statistics 2013, Department of Tourism, Government of India.

Foreign Tourists Arrivals to India for Medical Treatment

The number of foreign tourists arrivals for medical treatment in India is clearly depicted in Table 3. It is clear that the tourists arrivals for medical tourism in India arose from 113689 in 2009 to 171021 in 2012. This increase may be due to the quality of health services provide by India, low cost of quality services, easy accessibility, favourable foreign exchange, etc.

Table 3: Foreign Tourists Arrival to India for Medical Treatment

(in millions)

Year	Number of FTA to India	Number of FTA for Medical Treatment to India	AGR in %
2009	5.17	0.11	-----
2010	5.78	0.15	36.36
2011	6.31	0.13	-13.33
2012	6.58	0.17	30.76
2013	6.97	0.23	35.29
Mean		0.15	
CV		29.14	

Source: Indian Tourism Statistics 2013, Department of Tourism, Government of India.

Foreign Tourist Arrivals for Medical Treatment by Nationality

The main source countries from which tourists' have come to India for medical treatment is clearly shown in Table 4. It could be understood that the major share of tourist had come to India for medical treatment from South Asia and West Asia, constituting 53.34 per cent and 17.81 per cent respectively in the year 2013. It could also be observed that apart from South Asia and West Asia, Africa is also constituting to the major share of Indian medical tourism market that is whose share percent was 6.56 per cent in 2009 which increased to 16.49 per cent in the year 2013. The mean value was high for South Asia

951886.6, the low SD and CV was for North America 370.20 and 10.15 respectively indicating that the tourist arrival from this region was consistent. This may be because less number of multi speciality hospitals in their country, lack of quality care, high price for medical treatment. (Lakvinder Singh, 2014).

Table 4: Foreign Tourists Arrival for Medical Treatment by Nationality

Nationality	2009	2010	2011	2012	2013	Mean	SD	CV
North America	3073 (2.70)	3520 (2.25)	3719 (2.67)	3887 (2.27)	4021 (1.69)	3644	370.2094	10.15942
Central & South America	190 (0.16)	188 (0.12)	182 (0.13)	191 (0.11)	273 (0.11)	204.8	38.28446	18.69358
Western Europe	3220 (2.83)	3500 (2.24)	5516 (3.97)	7412 (4.33)	5567 (2.34)	5043	1718.622	34.07935
Eastern Europe	731 (0.64)	910 (0.58)	3020 (2.17)	3126 (1.82)	12557 (5.30)	4068.8	4877.431	119.8739
Africa	7464 (6.56)	10226 (6.55)	13943 (10.04)	20914 (11.80)	39088 (16.49)	18327	12654.66	69.0493
West Asia	14278 (12.55)	16472 (10.56)	22301 (16.06)	23297 (13.62)	42202 (17.81)	21139.8	14662.89	69.36152
South Asia	80575 (70.87)	83795 (53.73)	79776 (57.47)	105434 (61.6)	126363 (53.34)	95188.6	20357.62	21.38662
South East Asia	1742 (1.53)	34045 (21.83)	3652 (2.63)	3245 (1.89)	3780 (1.59)	9292.8	13860.66	149.1548
East Asia	318 (0.2)	462 (0.29)	3331 (2.39)	535 (0.31)	547 (0.23)	1038.6	1284.729	123.6981
Australasia	4364 (3.83)	630 (0.40)	932 (0.67)	978 (0.57)	1317 (0.55)	1644.2	1539.807	93.65085
Others	10585 (9.31)	2195 (1.40)	2430 (1.75)	2002 (1.17)	1183 (0.49)	3679	3889.005	105.7082
Grand Total	1,13,689 (100)	1,55,943 (100)	1,38,802 (100)	1,71,010 (100)	2,36,898 (100)	163270.6	46345.99	28.386

Source: Indian Tourism Statistics 2009,2010,2011,2012 & 2013, Department of Tourism, Government of India.

Note: Figures in Parenthesis indicate Share per cent to total.

Conclusion

Tourism is a major contributor to economic growth of India. The present study reveals that India is experiencing a strong positive growth driven by high spending foreign tourists, increasing domestic tourism and promotional measures taken by Indian Government to promote 'Incredible India'. The growth of tourism has led to wide variety of tourism products and niche markets in the tourism industry as the needs and wants of the tourists have increased. This has led to a booming niche market in Indian Tourism Industry known as medical tourism along with a new product ayurveda package. Today healthcare industry in India is growing faster and Indian hospitals have world class treatment facilities with highly qualified and expert doctors with the growth of medical tourism and also through medical tourism the traditionally practised Ayurveda has got a new face in the international market.

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