

PHARMA TOURISM: BUILDING A HEALTHY AND WEALTHY INDIAAMUDHA R^{1*}, CRESENTA SHAKILA MOTHA L², NALINI R¹, ALAMELU R¹¹School of Management, SASTRA University, Thanjavur, Tamil Nadu, India. ²Department of Training and Placement, SASTRA University, Thanjavur, Tamil Nadu, India. Email: amudha@mba.sastra.edu*Received: 07 March 2016, Revised and Accepted: 18 March 2016***ABSTRACT**

The objective of the study is to know about the present scenario of pharma tourism in Indian perspective. Pharma or medical tourism, a term that also can be used to describe medical outsourcing, is characterized by travel away from one's home region to procure treatment in another. India is renowned for ancient alternative therapies such as Ayurveda, Yoga and Meditation, and Therapeutic Massage. The Indian medical tourism industry is on its way to become the most preferred destination for medical treatment for people from all around the world. The industry is expected to touch USD 6 billion by the year 2018, growing at a compounded annual rate of 20% between the years 2014 and 2018. Health care has become one of India's largest sectors - both in terms of revenue and employment. The industry comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, and medical equipment. The Indian healthcare industry is growing at a tremendous pace due to its strengthening coverage, services, and increasing expenditure by public as well private players. Health care is the fundamental need for humanity. Medical Tourism in India is one of the best options available to people across the globe to undergo treatment with peace of mind.

Keywords: Pharma tourism, Medical treatment, Health care, Hospitals and medical tourists.**INTRODUCTION**

Pharma or medical tourism, a term that also can be used to describe medical outsourcing, is characterized by travel away from one's home region to procure treatment in another. It may take one of two forms: Obligatory or elective. The former occurs when necessary treatments are unavailable or illegal in the place of origin. The latter includes elective and medically indicated procedures that, although available at the place of origin, may be delivered more quickly or in a more cost-effective manner in another location [1].

In medical tourism, citizens of highly developed nations bypass services offered in their own communities and travel to less developed areas of the world for medical care. Medical tourism is fundamentally different from the traditional model of international medical travel where patients generally journey from less developed nations to major medical centers in highly developed countries for medical treatment that is unavailable in their own communities [2]. High costs and long waiting lists at home, new technology and skills in destination countries alongside reduced transport costs and internet marketing have all played a role [3]. Increasing numbers of individuals are leaving their local communities and crossing national borders in search of affordable, timely medical care. Such countries as India, Malaysia, Singapore, Thailand, and the Philippines are common destinations in Asia [4].

India, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and many other countries market themselves as major destinations for "medical tourism." "Medical tourists" include patients trying to avoid treatment delays and obtain timely access to health care [5].

PHARMA TOURISM-AN INDIAN SCENARIO

India has one of the best-qualified professionals in each and every field, and this fact has now been realized the world over. Regarding medical facilities, India has the most competent doctors and world class medical facilities. With most competitive charges for treatment, India is a very lucrative destination for people wanting to undergo treatment of certain medical problems who do not need immediate emergency treatment. India is renowned for ancient alternative therapies such as Ayurveda, Yoga and Meditation, and Therapeutic Massage. India is an exotic tourist destination offering everything from beaches, mountains,

cosmopolitan cities, quaint villages, and pilgrimages to suit every palate. Rich in history and culture, India has proved to be an oasis in the modern world, providing complete health and well-being, while providing the latest in technology [6].

Medical tourism can be defined as the process of traveling outside the country of residence for the purpose of receiving medical care. Growth in the popularity of medical tourism has captured the attention of policy-makers, researchers, and the media. Originally, the term referred to the travel of patients from less developed countries to developed nations in pursuit of the treatments not available in their homeland. Both qualitative and quantitative shifts in patient mobility as people travel from richer to less developed countries to access health services are experienced at present. Such shift is mostly driven by the relative low cost of treatments in less developed nations, the availability of inexpensive flights and increased marketing and online consumer information about the availability of medical services [7].

The Indian medical tourism industry is on its way to become the most preferred destination for medical treatment for people from all around the world. The industry is expected to touch USD 6 billion by the year 2018, growing at a compounded annual rate of 20% between the years 2014 and 2018. According to George Mathew research expert at Netscribes, "India ranks 3rd in the world as a medical tourist destination and is expected to experience an inflow of over 10 million patients annually by 2018." Currently, the size of the industry is around USD 3 billion, with tourist arrivals counting to 2,30,000. The government of India plans to build 50 tourism circuits, including a medical circuit, according to its current plan. This is expected to connect modern medicine with Ayurveda.

India is now positioned as a low-priced and economical destination for medical treatment, compared to the US and Europe. In addition to this, Indian private hospitals have a large staff of skilled nurses and supporting staff that is attracting tourists even more, especially from South-East Asia and the Middle East. Among other reasons, experienced medical professionals, growing private healthcare facilities, state of the art infrastructure, increasing technical expertise, inexpensive medical procedures along with the constant government support are boosting the number of medical tourists that are coming into India to a great

extent. According to recent market research at Netscribes, a person coming to India for his/her medical treatment can save between 30% and 70% of the cost they would otherwise incur. The ticket expenses and accommodation and overall expenses would be substantially lower than the treatment cost in the UK or the US. Hence, it is of no surprise that people are flocking in to get their treatment done in India [8].

Dutta et al., have mentioned the features that have positioned India as an ideal healthcare destination such as cost-effective healthcare solutions, availability of skilled healthcare professionals, reputation for successful treatment in advanced healthcare segments, increasing popularity of India's traditional wellness systems, and rapid strides made in information technology [9].

Hospitals began to administer personalized medical tour packages for tourists at highly affordable prices. The tour planner offers services such as fixing appointments with concerned specialists at a world-renown hospital, making arrangements for escorting, transportation and accommodation as per the requirement of the patient, helping to obtain medical visa and preparing other documents as required by the health centers and even making arrangements for sightseeing, local transportation, and shopping if required by the patient or family members. The Indian healthcare industry is growing rapidly and is expected to become a \$280 billion (more than Indian rupee 17 lakh crore) industry by 2020. Rise in income standards and an increase in older population, shifting demographics, disease variations, and the explosion of lifestyle diseases in India are a few factors that are feeding this growth.

Compared to other medical tourism destinations, India will inevitably take a lead, essentially due to the cost effectiveness of treatment available in this country. For example, a patient from the UK who plans to travel to a medical tourism destination has more chances of saving better if he/she decides to visit India than say, its competitor Thailand. As of today, there is almost a difference of \$1,000-2,000 between India's and Thailand's medical procedures such as bone marrow transplant, heart transplant surgery, knee replacement surgery, or even cosmetic body contouring (Fig. 1) [10].

Globally, medical value travel is a \$10.5 billion industry estimated to grow to \$32.5 billion over the next 5 years at compound annual growth rate (CAGR) of 17.9%. India certainly wants a lion's share in this pie.

However, India faces competition from better-organized rivals. "Countries such as USA, Turkey, Japan or smaller ones like Jordan, Croatia, Costa Rica, and Malaysia are extremely organized in promoting themselves for medical travel," says a recently released report by global consultancy firm KPMG. However, in contrast, India is fragmented in its approach as only individual hospitals have been promoting themselves as the hospital destinations, the report stated.

In 2012, India received 1.7 lakh foreign tourists for medical treatment, whereas Thailand received 25.30 lakh medical tourists, thus indicating what a better-planned approach can do. Popular medical tourism destinations in India are Andhra Pradesh, Karnataka, New Delhi, Kerala, Tamil Nadu, and Maharashtra. During 2009, the number of foreign tourists was a little more than 51 lakh, out of which 2.2% came for medical treatment. However, by 2013, as medical treatment in India got more advanced and cheaper, the foreign tourist arrivals increased to around 70 lakh. Of this, 3.4% visit for medical purposes. There has been an influx of tourists from countries such as Iraq (53.5%), Nigeria (42.4%), Afghanistan (45.3%), and Maldives (50.1%), coming to India for medical purposes (Fig. 2) [11].

Health care has become one of India's largest sectors - both in terms of revenue and employment. The industry comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, and medical equipment. The Indian healthcare industry is growing at a tremendous pace due to its strengthening

coverage, services, and increasing expenditure by public as well private players.

The Indian healthcare delivery system is categorized into two major components - public and private. The Government, i.e., public healthcare system comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centers in rural areas. The private sector provides the majority of secondary, tertiary, and quaternary care institutions with a major concentration in metros, tier I, and tier II cities. India's primary competitive advantage lies in its large pool of well-trained medical professionals. Furthermore, India's cost advantage compared to peers in Asia and Western countries is significant - the cost of surgery in India is one-tenth of that in the US or Western Europe (Fig. 3).

The Indian healthcare sector, one of the fastest growing industries, is expected to grow at a CAGR of 17% during 2011-2020 to touch US\$ 280 billion. It is expected to rank among the top three healthcare markets in terms of incremental growth by 2020. Of total healthcare revenues in the country, hospitals account for 71%, pharmaceuticals for 13%, and medical equipment and supplies for 9%. The private sector has emerged as a vibrant force in India's healthcare industry, lending it both national and international repute. It accounts for almost 72% of the country's total healthcare expenditure (Fig. 4).

Telemedicine is a fast-emerging sector in India; many major hospitals (Apollo, AIIMS, Narayana Hrudayalaya) have adopted telemedicine services and entered into a number of public-private partnerships. In 2012, the telemedicine market in India was valued at US\$ 7.5 million and was expected to grow at a CAGR of 20% to reach US\$ 18.7 million by 2017. The Government of India aims to develop India as a global healthcare hub. It has created the National health mission for providing

Procedure	US Cost	India	Thailand	Singapore
Heart Bypass	\$130,000	\$10,000	\$11,000	\$19,500
Heart Valve Replacement	\$160,000	\$9,000	\$10,000	\$12,500
Angioplasty	\$57,000	\$11,000	\$13,000	\$13,000
Hip Replacement	\$43,000	\$9,000	\$12,000	\$12,000
Hysterectomy	\$20,000	\$3,000	\$4,500	\$6,000
Knee Replacement	\$40,000	\$8,500	\$10,000	\$13,000
Spinal Fusion	\$62,000	\$5,500	\$7,000	\$9,000

*approximate retail costs, US figures based on HCUP data, intl. figures based on hospital quotes in named countries
**does not include travel and lodging expenses

Fig. 1: Cost of medical procedure

RISE OF MEDICAL TRAVEL			
Government to set up a separate body for synergy between tourism, medical services	8.5 crore Registered medical practitioners in 2012	Around 4,50,000 Registered ayurveda practitioners	Singapore, India and Thailand account for 60% of the total Asian revenue
\$6 billion		value of Indian medical tourism industry by 2018	
Over \$3 billion		its current size	

Fig. 2: Medical travel

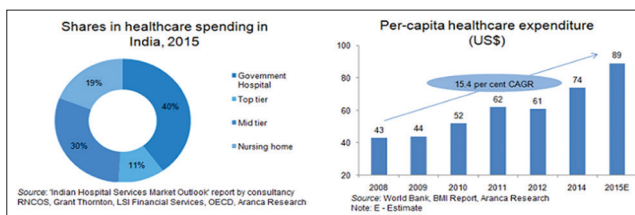


Fig. 3: Healthcare expenditure

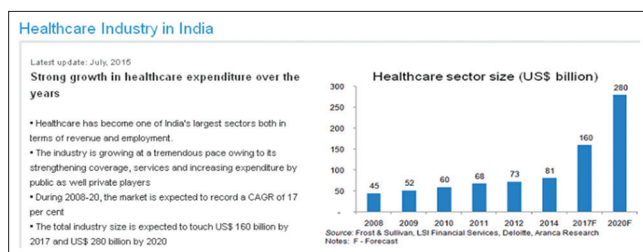


Fig. 4: Healthcare industry in India

Top 10 States	Foreign Visits (in lakh)	%
Maharashtra	5.1	28.5
Tamil Nadu	2.8	15.7
Delhi	1.9	10.6
Uttar Pradesh	1.7	9.4
Rajasthan	1.3	7.2
West Bengal	1.2	6.7
Kerala	0.7	3.7
Bihar	0.6	3.6
Himachal Pradesh	0.5	2.5
Goa	0.4	2.5
Total: Top 10 states	16.1	90.3
Others	1.7	9.7
Total	17.9	100.0

Fig. 5: Foreign visits-state wise

effective healthcare to both the urban and rural population. Investment in healthcare infrastructure is set to rise, benefiting both “hard” (Hospitals) and “soft” (R&D, education) infrastructure. India is the largest exporter of formulations with 14% market share and ranks 12th in the world in terms of export value. Double-digit growth is expected over the next 5 years [12].

Global competition is emerging in the healthcare industry. Wealthy patients from developing countries have long traveled to developed countries for high-quality medical care. Now, growing numbers of patients from developed countries are travelling for medical reasons to regions once characterized as “third world.” Many of these “medical tourists” are not wealthy but are seeking high-quality medical care at affordable prices. The Government of India, State tourism boards, travel agents, tour operators, hotel companies, and private sector hospitals are exploring the medical tourism industry for tremendous opportunities. They are seeking to capitalize on the opportunities by combining the country’s popular leisure tourism with medical tourism. The factors that make India as one of the favorable destination for health tourism start with a low medical cost which is one-tenth of the costs in western countries [13].

This market includes secondary players from the tourism industry who greatly benefit from visitors to India. The government estimates that the growth of health-related services will be more than 5% for the next 10 years and that should further attract more such visitors. Major corporations such as Tata, Fortis, Max, Wockhardt, and Apollo Hospitals have made significant investments in setting up modern hospitals and tourism-related services to cater to the new brand of visitors from abroad.

India is also home to a number of alternative medicine techniques such as Ayurveda, Siddha, Unani, Yoga, Acupuncture, and Homeopathy, which are very popular among foreigners. Such treatment opportunities

give India the edge over its competitors such as Thailand, Singapore, Malaysia, South Korea, and UAE. Based on the government’s statistics of foreign tourists for 2010, more than 55% of visitors went to medical centers in these three states alone. Quality hotels, added tourism opportunities, and high-quality hospital care are the biggest reasons for this trend (Fig. 5) [14].

CONCLUSION

Health care is the fundamental need for humanity. Medical Tourism in India is one of the best options available to people across the globe to undergo treatment with peace of mind. India provides world class medical facilities with hospitals and specialized multi specialty health centers providing their expertise in the areas of Cosmetic surgery, Dental care, Heart surgeries, Coronary bypass, Heart checkup, Valve replacements, Knee replacements, Eye surgeries, Indian traditional treatments such as Ayurvedic therapies and much more, practically covering every aspect of medicine combining modern treatments with traditional experience. The Government of India, State Tourism Boards, travel agents, tour operators, hotel companies, and private sector hospitals are exploring the medical tourism industry for tremendous opportunities. They are seeking to capitalize on the opportunities by combining the country’s popular leisure tourism with medical tourism [15].

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