Health Tourism

Guiding Trends

Prepared by the
Tourism Market Intelligence and Competitiveness Department
Content

• Conceptual framework
• Key market determinants
• Supply and demand
• Health tourism strategy
• Challenges and opportunities
• Planning health tourism
• Recommendations
Health tourism: Preliminary remarks

• Fast-growing phenomenon, growing interest from tourists for prevention and wellness
• Not too well defined, limited and sketchy data
• Different estimates of size and value
• Overall importance of adequate healthcare infrastructure for tourism destinations
• Changes triggered or accelerated by COVID-19: safe and seamless travel more important than ever
Health Tourism as an umbrella

Health Tourism

Forms of tourism which have as a primary motivation the contribution to physical, mental and spiritual health through medical and wellness-based activities which increase the capacity of individuals to satisfy their own needs and function better within their environment and society.

Medical Tourism

Wellness Tourism

Wellness Tourism

A type of tourism activity which aims to improve and balance all of the main domains of human life including physical, mental, occupational, intellectual and spiritual. The primary motivation for the wellness tourist is to engage in preventive, proactive, lifestyle-enhancing activities such as fitness, healthy eating, relaxation, pampering and healing treatments.

## Medical Spa, Medical Wellness and Wellness

<table>
<thead>
<tr>
<th></th>
<th>Medical Spa</th>
<th>Medical Wellness</th>
<th>Wellness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What?</strong></td>
<td>• Healing treatment accompanied by a doctor</td>
<td>• Combination of medically based measures and relaxing elements</td>
<td>• Short-term recreation and relaxation</td>
</tr>
<tr>
<td></td>
<td>• Intended long-term</td>
<td>• Accompanied by a doctor</td>
<td>• Passive treatments</td>
</tr>
<tr>
<td></td>
<td>• Basis are the natural local remedies</td>
<td></td>
<td>• Without any medical intervention</td>
</tr>
<tr>
<td></td>
<td>• Combines with a holistic treatment concept</td>
<td></td>
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</tr>
<tr>
<td><strong>Goal?</strong></td>
<td>• Regeneration</td>
<td>• Prevention</td>
<td>• Relaxation</td>
</tr>
<tr>
<td></td>
<td>• Prevention</td>
<td>• Improvement of well-being</td>
<td>• Stress management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Motivation to lead a healthy life</td>
<td>• Pampering</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Time off</td>
</tr>
<tr>
<td><strong>Where?</strong></td>
<td>• At a Health Resort only</td>
<td>• Wellness Hotel</td>
<td>• Wellness Hotel</td>
</tr>
<tr>
<td></td>
<td>• Medical Spa Hotel</td>
<td>• Thermal Bath</td>
<td>• Hotel Spa</td>
</tr>
<tr>
<td></td>
<td>• Medical Spa Clinic</td>
<td>• Medical Spa Hotel</td>
<td>• Day Spa</td>
</tr>
<tr>
<td></td>
<td>• Thermal Bath</td>
<td>• Medical Spa Clinic</td>
<td>• Thermal Bath</td>
</tr>
<tr>
<td><strong>Examples</strong></td>
<td>• Kneipp</td>
<td>• Change of diet</td>
<td>• Steam baths</td>
</tr>
<tr>
<td></td>
<td>• Rehabilitation</td>
<td>• Smoking cessation</td>
<td>• Sauna</td>
</tr>
<tr>
<td></td>
<td>• Follow-up treatment</td>
<td>• Back training</td>
<td>• Massage</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• Beauty treatments</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Fitness</td>
</tr>
</tbody>
</table>

Source: European Spas Association (ESPA)
### Spectrum of Health Tourists

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International patients</strong></td>
<td>(e.g. having a medical check-up while on holiday; tourists using emergency services without pre-planning)</td>
</tr>
<tr>
<td><strong>Health-aware traveller</strong></td>
<td>(e.g. business tourists using a hotel gym; leisure tourists visiting a day spa while on another type of holiday)</td>
</tr>
<tr>
<td><strong>Health tourist</strong></td>
<td>(e.g. medical tourists having an operation; tourists staying at a destination spa)</td>
</tr>
<tr>
<td><strong>Recreational leisure time consumer</strong></td>
<td>(e.g. using spas for fun or recreation only)</td>
</tr>
<tr>
<td><strong>Occasional health consumer</strong></td>
<td>(e.g. goes to the spa or gym irregularly)</td>
</tr>
<tr>
<td><strong>Health-conscious consumer</strong></td>
<td>(e.g. healthy diet, regular exercise)</td>
</tr>
</tbody>
</table>

### Spectrum of Consumers for Health Services

<table>
<thead>
<tr>
<th>Health Motivation</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
</table>

- **International patients**: Example: Having a medical check-up while on holiday, using emergency services without pre-planning.
- **Health-aware traveller**: Example: Business tourists using a hotel gym, leisure tourists visiting a day spa while on another type of holiday.
- **Health tourist**: Example: Medical tourists having an operation, tourists staying at a destination spa.
- **Recreational leisure time consumer**: Example: Using spas for fun or recreation only.
- **Occasional health consumer**: Example: Goes to the spa or gym irregularly.
- **Health-conscious consumer**: Example: Healthy diet, regular exercise.
### Diverse Supply of Health Tourism

<table>
<thead>
<tr>
<th>Medical Spas</th>
<th>Hotel &amp; Day Spas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal Medical Spas (Baths)</td>
<td></td>
</tr>
<tr>
<td>Destination Spas</td>
<td></td>
</tr>
<tr>
<td>Wellness Hotels &amp; Resorts</td>
<td>Medical Hotels &amp; Resorts</td>
</tr>
<tr>
<td>Longevity Centres</td>
<td>Leisure Baths</td>
</tr>
<tr>
<td>Hospitals &amp; Clinics</td>
<td>Retreats</td>
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<tr>
<td>Cruises</td>
<td></td>
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<tr>
<td>Healthy Hotels &amp; H2H Conversions</td>
<td></td>
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<tr>
<td>Traditional Healing Destinations</td>
<td></td>
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<tr>
<td>Health Cities/Villages</td>
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</table>
Key Market Determinants

Socio-cultural Environment

- Urbanization
- Life Expectancy
- Ageing
- Wellbeing Initiatives
- Healthy Diet & Lifestyle
- Living with Disabilities
- Chronic Diseases & Obesity
- Work-life Balance

Living with Disabilities & Obesity

Chronic Diseases & Obesity

Healthy Diet & Lifestyle

Living with Disabilities

Work-life Balance

Wellbeing Initiatives

Ageing

Life Expectancy

Urbanization
Key Market Determinants

- Political Environment
  - Working & Leisure Time
  - Supported Holidays
  - Healthcare Systems
  - Cross-border Patient Mobility
  - State Incentives
Factors shaping health tourism

- **Over-burden health care systems** driven by **ageing population** and **new lifestyles**.
- **Urbanization.** Mainly chronic diseases, leading to growing demand for healthier trips, natural alternatives and escapism.
- **Increasing investments** (often FDI) in medical tourism, technology and know-how.
- **Technological developments and innovation.** Faster and less invasive, non or minimal invasive technology (for instance laparoscopy).
- **Wearables, M-health and e-health:** smart solutions can define personal treatment plans.
- **Protection of personal health data** (i.e. privacy) information and legislation.
- **Cross-border Patient Mobility.** Especially in the EU.
- **Sustainability.** Promotion of well-being, healthy lifestyle, transformative travel, people-centered development, experience seeking.
Medical tourism: reasons for travelling

- lack of services in home country
- more up-to-date technology
- better quality treatment
- more cost-effective care (incl. from perspective of insurance companies)
- capacity constraints: avoiding waiting times / lists
- More informed and savvy consumers
- Privacy
A Global Platform for the Healthcare System

Source: Medical Tourism Association, 2019
Different estimates of size and value

Depending on the source estimates of the value of the medical tourism market differ greatly:

- **Estimates of medical tourism market:**
  - IMTJ: USD 11 billion
  - Patients Beyond Borders: USD 45.5 to USD 72 billion
  - Medical Tourism Association: USD 100 billion

- **Estimates of wellness economy:**
  - Global Wellness Institute (GWI): USD 4 trillion

- **IMF BoP:** Data compiled by the International Monetary Fund’s balance of payments (BoP) statistics can provide some insight for a subset of countries reporting trade data on receipts (exports) and expenditure (imports) from health-related international travel.
Expenditure made on health-related international travel, 2019
(USD million)

- Nigeria: 2,555
- Germany: 798
- United States: 717
- Libya: 670
- Oman: 572
- Austria: 460
- Belgium: 447
- France: 355
- Panama: 204
- West Bank and Gaza: 202
- Armenia, Rep. of: 160
- Italy: 150
- Czech Rep.: 130
- Maldives: 114
- Philippines: 101

Note: Graph based on countries that report balance of payments data on health-related travel imports (travel item ‘debit’) for 2019 (or previous year if data missing). The list of countries displayed is a sample and not a ranking of top spenders.

Source: International Monetary Fund
Data from IMF’s balance of payments statistics

Receipts generated from health-related international travel, 2019 (USD million)

Note: Graph based on countries that report balance of payments data on health-related travel exports (travel item ‘credit’) for 2019 (or previous year if data missing). The list of countries displayed is a sample of countries reporting data and not a ranking of top earners.

Source: International Monetary Fund
Data from IMF’s balance of payments statistics

Note: Graph based on countries that report balance of payments data on health-related travel exports and imports (travel items 'credit' and 'debit') for 2019 (or previous year if data missing). The list of countries displayed is a sample and not a ranking.

Source: International Monetary Fund
A health tourism strategy

- Visa policy, enhanced connectivity, safety and security, mobility framework for people with disabilities;
- Diversification of source markets and segments;
- Adaptation to new consumer needs looking for authenticity, experiential travel, positive impact and personalization;
- Attraction of (green) investment;
- Establishment of a regulatory framework, including legislation, incentives and standards;
- Quality of service and infrastructure; protocols
- Training and skills development;
- Accreditation and certification of health tourism facilities and practices; as well as product development, involving e.g., meetings industry, gastronomy, nature, sports...
- Measurement of impact with the right data and indicators
- Implementation of sustainability criteria
Opportunities

- Demographic changes
- New Lifestyles
- New segments (youth)
- Product development (integrating urban, gastronomy, shopping, rural...)
- Technological advances (digital healthcare, telemedicine) and innovation.
- Growing/pent-up demand
- Domestic and regional tourism
- Development of regional hubs
- Increasing investment
- Marketing and promotion
- Research and market intelligence, exchange of best practices
- Trusted certification
- Post-COVID recovery: rethinking tourism and its link with health

Challenges

- Safety and health protocols
- Accessibility (visas, travel restrictions, connectivity...but also senior segments and people with disabilities)
- Quality (World class facilities and services, accreditation/certification, standards)
- Collaboration health + tourism + other entities and public-private partnerships, clusters
- Skills & training
- Sustainability (healthcare, wellbeing of citizens and tourists)
- Economic environment
- Reliable data
- Regulation and Ethics
Initiatives around the world
Planning & Development Cycle

Development Team Set Up
- Inventory Analysis
  - International Benchmark & Competitor Analysis

Development
- Planning & Incubation
  - Consumer Data & Segmentation

Positioning & Branding
- Implementation & Monitoring
  - Review
Recommendations

1. **Taxonomy and definitions**: take into account cultural and regional differences
   - Wellbeing as a concept
   - Health tourism as an umbrella
   - Sub-categories

2. **Regulatory & ethical** measures are very much necessary.

3. Health tourism is also important at **national and domestic** level.

4. (Re)Discovery of **evidence-based** therapies and **natural** healing resources.

5. Investments, existing operations need **guidance, knowledge-sharing** and **cooperation**.
6. **Harmonized data** collection is a must.

7. Medical and/or wellness services can **complement** other forms of tourism.

8. **Technology** and future developments (e.g. robotics, AI) are changing the healthcare paradigm.

9. Role of **national, regional and local governments** in development is essential, as well as **public-private collaboration**

10. Health tourism requires **knowledge** of tourism and health.