

MEDICAL TOURISM IN INDIA: TRENDS AND COMPETITIVE ADVANTAGES

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With globalization and spread of Internet the world is becoming a big mart with consumers shopping for best value of money across political boundaries. This is opening a global customer base for the product and service providers. Developing countries too are using this opportunity to create their own competitive advantages. Information Technology sector is already witnessing the power of competitive and differential advantage of developing nations and healthcare is emerging as another potential area. The health services at reasonable prices - at least in comparison to the developed countries, are attracting large number of people from across the globe to a few select destinations. Globally this market is estimated to be to the tune of US\$ 40 billion growing at the rate of 15 per cent per annum. India is the new entrant in the field that has seen an upward trend in attracting the foreign tourists for medical purposes in the recent years and is counted among potential frontrunners. While on the one hand its medical tourism is lauded for its revenue generation and service excellence capabilities, on the other hand doubts are also being raised about a number of related issues pertaining to real advantages to patients as well as service providers. This paper makes an assessment of the existing trends, infrastructure required for medical tourism and evaluation of the advantages that India possesses besides taking stock of the trends in medical tourism at the global level.

Medical Tourism, Mode 2, India's competitive advantages, trade in health services, GATS and tourism, Indian tourism, healthcare, inbound tourism in India, India's international tourism

INTRODUCTION

Globalization over the past two decades has affected a wide range of sectors, directly or indirectly. Spurred in part by technological advances and by national political and economic compulsions, the process of globalization has led to the emergence of new forms of business opportunities, processes, and organizations. Services have emerged as dominant players in international trade. International trade in services currently accounts for 60 per cent of global production and employment. In 1999, the value of cross-border trade in services was about 20 per cent of the total cross-border trade. These services cover finance, transport, travel, tourism, insurance and other technical and professional services including those related to health (Sein and Rim, 2001).

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Globalization of health services is reflected in the emergence of new kinds of health care organizations over the past decade and in the increased cross-border delivery of health services through movement of personnel and consumers and through cross-border electronic and other means (Chanda, 2001; Smith, 2004). The same is visible in tourism too, where needs and motivations have undergone significant changes with societal developments and altering lifestyles. Resultantly various forms of tourism came on scene not thought earlier namely, rural, voluntary, business, eco, health, medical etc. Primarily, tourism is related with pleasure and recreation and to use the term 'medical tourism' in this framework may not fit in its content and spirit. But, the reality is that travel for medical purposes is growing into a substantial segment and it involves use of tourism distribution network of the travel agencies, tour operators and hotels, thus justifying the nomenclature 'medical tourism'.

Medical tourism implies movement of patients to a different country for either urgent or elective medical procedures. Medical tourism is actually thousands of years old. In ancient Greece, pilgrims and patients came from all over the Mediterranean to the sanctuary of the healing god, Asklepios, at Epidauros. In Roman Britain, patients took the waters at a shrine at Bath, a practice that continued for 2,000 years. From the 18th century wealthy Europeans travelled to spas from Germany to the Nile. In India it was very common for the people to travel to different places for therapeutic benefit. In the 21st century with transport becoming easy, fast and economic; people travel to avail modern medical facilities and it has become a worldwide, multibillion-dollar industry. The General Agreement on Trade in Services (GATS) refers to the general trade in such services taking place in Mode 2 that occurs when the service is provided "in the territory of one Member to the consumer of services of another Member." (also discussed by Sein and Rim, 2001 & UNCTADA, 1997).

REASONS FOR MEDICAL TRAVEL

People travel for different compulsive and motivational reasons to seek medical help outside their host countries and these reasons vary from country to country. One study by Gallup found that after feeling secure in doctor's basic competence, patient valued four emotional outcomes of availability, care, partnership and advice from their doctors (Buchingham & Coffman, 2005). The same may apply to an extent for choosing medical help in a foreign country. Many medical tourists from the United States are seeking treatment at a quarter or sometimes even a 10th of the cost at home and their main motive is low cost. From Canada, it is often people who are frustrated by long waiting times and they want timely treatment. From Great Britain, the patient can't wait for treatment by the National Health Service (NHS) but also can't afford to see a physician in private practice. So both the above motives exist simultaneously. For others, becoming a medical tourist is a chance to combine a tropical vacation with elective or plastic surgery. And more patients are coming from poorer countries such as Bangladesh where treatment may not be available (Marvin Centron, 2005).

The major reason behind Americans traveling is cosmetic care, which is not covered by insurance and is a big market with 76 million baby boomers aging. The other segment of 43 million people without health insurance is also seeking treatment abroad for economic reasons. The long waiting line in UK forced NHS in 2002 to begin a pilot project in European Union to shorten queue and many patients took the initiative to get treatment abroad. Middle East is another major group of medical travelers who are cash rich but do not have facilities in their home countries. Completely different types of travelers are from a host of developing countries that lack facilities and patients travel to nearby countries having better infrastructure (Businessworld, 2003).

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Medical Tourism Destinations

Countries, which have traditionally attracted foreign patients, are the developed countries that can offer health providers of international reputation, specialized treatment, and state-of-the-art technology. However, developed countries compete among themselves on the basis of the fees they charge. A number of developing countries are actively seeking to attract foreign consumers, relying on their ability to offer good health care at prices significantly lower than in the developed countries. Others are trying to penetrate the international health service market on the basis of the uniqueness of the treatment they can offer or relying on their natural, geographical and cultural characteristics; however, these elements are usually combined with price advantages (UNCTADa, 1997). As quoted by UNCTADb (1997), although the balance-of-payments statistics were incomplete, available statistics demonstrated that health services were one of the service sectors in which developing countries had a revealed comparative advantage. Such an advantage resulted from lower production costs, including in the area of health education, provision of unique services, potential to combine health care and tourism, and natural resources with perceived curative benefits.

A large number of countries have realized the economic potential of medical tourism and the countries that actively promote medical tourism include Cuba, Costa Rica, Hungary, India, Israel, Jordan, Lithuania, Malaysia and Thailand. Belgium, Poland and Singapore are now entering the field. South Africa specializes in plastic surgery. Argentina, Jordan, Latvia and Estonia all have broken into this lucrative market and more countries join the list every year (Gupta, 2004). Countries are developing niches in the specialized treatments for different source markets as is evident from the Table 1.

Table 1.
Source markets and types of treatments offered in selected medical tourism destinations
in 2002 and 2003

Country	Number of foreigners treated in 2002	Number of foreigners treated in 2003	Major Source Areas/ Countries	Specialized treatments offered
Thailand	600,000	973,532	US, UK	Cosmetic Surgery, Organ Transplant, Dental Treatment, Joint Replacements
Jordan	126,000	130,000	Middle East	Organ transplants, fertility treatment, cardiac care
India	100,000	150,000	MiddleEast, Bangladesh, Other developing countries	Cardiac care, Joint replacements, lasik
Malaysia	85,000	129,318*	US, Japan, Developing Countries	Cosmetic Surgery
South Africa	50,000	NA	US, UK	Cosmetic surgery, Lasik, Dental treatment
Cuba	NA	NA	Latin America, US	Vitiligo, night blindness, cosmetic surgery

Source: Businessworld, 2003 and 2005.

*2004 estimates

Size of Medical Tourism Market

The exact data is not known for almost all countries, as the expenses for health purposes are not separately available under travel so a proper estimate of mode 2 based trade in this sector cannot be obtained (Chanda, 2001). But some estimates suggest it to be in excess of US\$ 40 billion growing at 20% every year (Business World, 2003).

Asia News Network (2006) quotes that Asia's burgeoning medical tourism industry expected to be worth at least US\$4 billion by 2012, is proving a windfall for the travel and hospitality sector. The lure of low-cost, high quality healthcare in Asia is estimated to be attracting more than 1.3 million tourists a year to the key locations - Thailand, Singapore, India, South Korea and Malaysia. It further states that research on this rapidly growing business shows that a medical tourist spends average US\$362 a day, compared with the average traveller's spend of US\$144. So it does not come as a surprise that medical tourism is booming, far outstripping the four to six per cent growth in general travel bookings predicted for 2006. The number of medical tourist visits in many countries is swelling by 20 to 30 per cent a year.

Ten years ago, it was hardly large enough to be noticed. Today, more than 250,000 patients per year visit Singapore alone—nearly half of them from the Middle East. This year, approximately half a million foreign patients will travel to India for medical care, whereas in 2002, the number was only 150,000. The size of markets from nearby nations is substantial which is under-assessed as a study by SANEI (n.d.) found that on an average about 50 thousand Bangladeshi patients visit various treatment facilities and medical establishments across India and on an average pay about US\$ 30 million on account of import of health which contrasts strikingly with the annual official endorsement in Bangladesh of only US\$ 0.17 million for import of health services.

In monetary terms, experts estimate that medical tourism could bring India as much as \$2.2 billion per year by 2012. Some important trends guarantee that the market for medical tourism will continue to expand in the years ahead. By 2015, the health of the vast Baby Boom generation will have begun its slow, final decline, and, with more than 220 million Boomers in the United States, Canada, Europe, Australia and New Zealand, this represents a significant market for inexpensive, high-quality medical care (Outlook, 2006).

INDIA AS A MEDICAL TOURISM DESTINATION

India is already an accepted brand in medical tourism (www.medical-tourism-india.com). According to a study by McKinsey and the Confederation of Indian Industry (CII), medical tourism in India could become a \$1 billion business by 2012 (Maini, 2005). The report predicts that: "By 2012, if medical tourism were to reach 25 per cent of revenues of private up-market players, up to Rs 10,000 crore (approx \$ 20 b) will be added to the revenues of these players. The government has set an ambitious target of \$ 2.1 billion in revenues from medical tourism by 2012" (The Marketing Whitebook, 2006). The Indian government predicts that India's \$17-billion-a-year health-care industry could grow 13 per cent in each of the next six years, boosted by medical tourism, which industry watchers say is growing at 30 per cent annually (IMEX, 2006). According to CII, India is unique as it offers holistic medicinal services. With yoga, meditation, ayurveda, allopathy, and other systems of medicines, India offers a unique basket of services to an individual that is difficult to match by other countries. Also, clinical outcomes in India are at par with the world's best centres, besides having internationally qualified and experienced specialists (CIIa, 2004). Wattana S. J. & Siripen S. (2002) comment that India can offer "superspecialties" such as cardiovascular surgery and certain exclusive, alternative medicine therapies with highly qualified medical personnel and a well-developed pharmaceutical sector. India's advantage is in its competitive prices, which are estimated, to be around one fifth to

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one tenth of industrial countries for the same intervention or treatment.

Competitive Advantages of India

Predictions and current status are indicators of things to come but the policies and infrastructure will provide the competitive edge as all the participating countries are working hard to garner a share in the market. India enjoys main advantages in the following areas:

1. Cost Competitiveness

Price advantage is a major selling point of medical tourism. The slogan, thus is, “First World treatment’ at Third World prices” (CIIB, 2005). The cost differential across the board is huge: only a tenth and sometimes even a sixteenth of the cost in the West (CBC, 2004). Prices in India are cheapest in entire Southeast Asia (Mukherjee R., 2005). Table 1 gives an estimate of competitive cost advantage in India.

Table 1
Comparative Costs of Medical Treatment in India, US, UK and Thailand

Nature of Treatment	India	U.S.	U.K.	Thailand
Partial hip replacement	\$4,500	\$18,000	*	*
Full hip replacement	\$3,000	\$39,000	*	*
Orthopedic surgery	\$4,500	\$18,000	*	\$4500
Cardiac surgery	\$4,000- \$9,000 or £6,000	\$30,000- \$50,000	(Private care) £30,000	\$7500-\$14,250
Knee surgery	\$ 4500	16,000	U.K. (Private care) £20,000	\$7000
Bone Marrow Transplant	\$30,000	400,000	\$1,50,000	\$62,500
Liver Transplant	\$40,000- 45,000	500,000	\$2,00,000	\$75,000
Neuro Surgery	8,000	29,000	*	*
Gall bladder surgery	India \$7,500	U.S. \$60,000	*	*
Dental care				
Tooth extraction	*	*	*	\$30
Two dental bridges	*	\$5,200	*	*
Filling	\$20 to \$40	\$300 to \$400	*	*
Root canal	\$200 to \$400	\$3,500	*	*

Note: Figures are estimated, are in U.S. dollars or U.K. pounds, figures vary due to prices charged by different medical centres and patient profile and do not include travel and accommodation costs.

**Figures not given were either not available or were quoted with a wide range in prices in different sources.*

Sources: IBEF Research, Ministry of Tourism Govt. of India, www.health-india-tourism.com

While cost benefits are substantial to users but this alone may not decide the choice of patients. The image of the country will also matter before patients decide to take treatment. As commented by Marcelo (2003), “Cost-savings may not be enough to foster a trade in medical tourism. Unfairly or not, most foreigners would not think of India as a land of good health. The sight of the country’s overcrowded public hospitals, open sewers and garbage-littered streets would unsettle most visitors’ confidence about public sanitation standards in India”. This image may certainly matter but the fact is that India has already made a name for itself as the land of general health and rejuvenation through its alternate therapeutic systems. Further medical tourists are mainly treated by private medical centers having highest sanitation standards.

2. Medical Infrastructure in India

The healthcare industry in India has come a long way from the days when those who could afford it had to travel abroad to get highly specialized services such as cardiac surgery, while others had to do without it. Today, patients from neighboring countries in Asia are coming to India to receive specialized medical treatment. Not only are India meeting international standards, but also at prices that compare very favorably with developed countries.

In India, healthcare is delivered through both the public healthcare system and the private sector. The public healthcare system consists of healthcare facilities run by the central and state governments, which provide services free of cost or at subsidized rates to low-income families in rural and urban areas. The government funds allocated to healthcare sector have always been low in relation to the population of the country, and in 2003 were as low as 0.9 per cent of the GDP. In the private sector, healthcare facilities are owned and run by for-profit companies and non-profit or charitable organizations. Healthcare facilities run by charitable organizations also provide services at subsidized rates or free of cost depending on the income of the patient.

Initially, the government imposed high custom duties on imported medical equipment making it difficult for private individuals to set up hospitals that provided specialized care using sophisticated equipment. As a result, there were very few privately run large hospitals but there were many small private practitioners who provided primary and secondary care. Another limitation faced by the private sector was low penetration of medical insurance, which meant that almost everyone paid out of pocket. Therefore, many could not afford to go to private hospitals, as the fees were much higher than in the government run hospitals. Gradually, with the rising population and number of people suffering from diseases that required specialized care, together with the limited government spending on healthcare, the quality of services at government run hospitals suffered. The existing government facilities were simply not enough to cater to the burgeoning population, whether it was primary, secondary or tertiary care.

The private sector investment in the healthcare industry really took off in the 1990s after the liberalization of the Indian economy. The number of privately run large hospitals and non-profit and charitable hospitals began to increase. The non-profit hospitals catered to low-income families that could not afford corporate hospitals. The insurance industry was opened up to private sector in 2000 but the penetration of medical insurance remained very low and as per estimates only 10 to 15 per cent of the Indian population were covered by 2003 whether it was private health insurance or government schemes and approximately 0.25 per cent of the total population are covered under voluntary medical insurance (Healthcare, 2006).

As of now India has become a major destination for quality healthcare for neighboring countries such as Pakistan, Nepal and Bangladesh. In 2002, the healthcare industry in India was valued at Rs.1, 000 billion (\$20 b), directly employing 4 million Indians. According to the Times Healthcare report (2002)

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the industry grew at the rate of 13 per cent annually in the 10 years upto 2002, and is currently growing at 17 per cent annually. According to the joint report of CII and Mckinsey, the healthcare industry in India was valued at Rs.1, 030 billion (\$20.6 b) in 2003 and is projected to be worth \$ 45 billion by 2012. This strong and emerging infrastructure acts as backbone for medical tourism industry.

3. Corporate Hospitals and Facilities in India

Medical tourism is catered through private corporate hospitals that are located in the metros like Delhi, Mumbai, Chennai, Bangalore and Hyderabad. These hospitals with their medical expertise offer world-class healthcare at one fifth to one tenth of the cost in US or Europe depending on the intervention required. Foremost, amongst the current private players in medical tourism are hospitals in the Apollo chain. In addition to above destinations, the country has many cities with advanced medical facilities making India, a country with tremendous potential. All these hospitals are actively attracting foreign patients through web sites and other promotional means like tying with travel companies to offer comprehensive packages. These are also listed on government of India's web site.

This corporate infrastructure if capitalized can increase its earnings to more than USD 1 billion annually and create hundreds of thousands new jobs in many sectors. This projection excludes earnings from other products included in the wellness tourism meant for rejuvenation of body and mind, eg herbal therapy, naturopathy, yoga, aromatherapy, reiki, music therapy which does not require modern advanced medical expertise.

4. Image of Indian Doctors

The reputation of medical practitioners is a major factor in inflows for medical tourism and it is helping (Datt, K.B. 2004). Indian doctors have been working in other countries since long and potential clients have almost got used to their presence. Indian doctors in the United States exceed 50,000, the largest group of physicians after native-born American doctors. There is one Indian doctor available in the United States for every 1325 Americans in contrast with one Indian doctor in India for over 2400 Indians. About 30% of doctors in the National Health Services, United Kingdom are Indians. About 25% of practicing physicians in Canada are foreign-trained.

The major source countries here are United Kingdom followed by South Africa and India. Gulf States employ 20,000 doctors, mostly hailing from the Indian subcontinent (Dkoli, 2006). This makes potential markets well aware of the expertise of Indian doctors.

5. Technological Sophistication

India has top-notch centers for open-heart surgery, pediatric heart surgery, hip and knee replacement, cosmetic surgery, dentistry, bone marrow transplants and cancer therapy, and virtually all of India's clinics are equipped with the latest electronic and medical diagnostic equipments.

Unlike many of its competitors in medical tourism, India also has the technological sophistication and infrastructure to maintain its market niche, and Indian pharmaceuticals meet the stringent requirements of the U.S. Food and Drug Administration. Additionally, India's quality of care is up to American standards, and some Indian medical centers even provide services that are uncommon elsewhere. For example, hip surgery patients in India can opt for a hip-resurfacing procedure, in which damaged bone is scraped away and replaced with chrome alloy—an operation that costs less and causes less post-operative trauma than the traditional replacement procedure performed in the U.S.

Some leading hospitals of the country are even certified for their technical and excellence. The important ones are (www.ibef.org):

- India's independent credit rating agency CRISIL has assigned a grade A rating to super specialty hospitals like Escorts and multi specialty hospitals like Apollo.
- NHS of the UK has indicated that India is a favoured destination for surgeries.
- The British Standards Institute has now accredited the Delhi-based Escorts Hospital.
- Apollo Group - India's largest private hospital chain and Escorts Hospital are now seeking certification from the US-based Joint Commission on Accreditation of Healthcare Organizations. By 2005 there was only one JCI certified hospital in India with five more applications (Businessworld, 2005).

But to be competitive more hospitals need to be put in this bracket (cities .expressindia.com.24).

6. Government Policies

Having realized the enormous potential of health tourism in creating jobs and raking in foreign exchange the government is all ready to facilitate its growth. Ministries of health and tourism have decided to set up a Web site and a database having the details about the facilities available in the country for 'health tourism' and the prices. Presently it is put on incredible India site under the broad head of wellness (www.tourism.gov.in).

It has also decided to design appropriate regulations and setting up of National Health Accreditation Board to accredit hospitals (www.hindu.com). Its National Accreditation Health Board helps in maintaining international standards in medical facilities (Muhherjee, 2005). It will also help in branding of Indian Medical tourism (www.hinduonnet.com). Home and Civil Aviation ministries have already agreed on Visa on arrival and advance passenger clearance. Promotion of medical visas has already been introduced and those coming for medical treatment need not to renew their visa every three months (www.medindia.com).

India's National Health Policy has declared treatment of foreign patients an "export" and deemed "eligible for all fiscal incentives extended to export earnings." (www.sify.com, 2005).

7. Private-Public sector joint initiatives

All concerned have noted the growing medical tourism and its enormous potential. Both public and private sector have begun joint efforts to further promote it. The Federation of Indian Chambers of Commerce and Industry, Western Region Council (FICCI-WRC) has taken the lead by setting up a task force for the promotion of health and medical tourism in Maharashtra state. This task force has representatives from the Maharashtra government, the medical educational institutions and the drugs department, Maharashtra Tourism Development Corporation, pharmaceutical companies, travel agents and tour companies to get the support of all service providers of the industry and to give a major boost to the tourism and hospitality of Maharashtra. Other states in the country are also planning on similar lines.

8. Competitors

India is one of the competitors among many countries doing well in medical tourism market. To get a larger slice of the total market, each needs to outdo others. Competition for medical tourism is also

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becoming highly specialized. For North American patients, Costa Rica is the chosen destination for inexpensive, high-quality medical care without a trans-Pacific flight, and it is the particular mecca for westerners seeking plastic surgery. South Africa also draws many cosmetic surgery patients, especially from Europe, and many South African clinics offer packages that include personal assistants, visits with trained therapists, trips to top beauty salons, post-operative care in luxury hotels and safaris or other vacation incentives. Because the South African rand has such a long-standing low rate on the foreign-exchange market, medical tourism packages there tend to be perpetual bargains as well. Additionally, Argentina ranks high for plastic surgery, and Hungary draws large numbers of patients from Western Europe and the U.S. for high-quality cosmetic and dental procedures that cost half of what they would in Germany and America. Lastly, Dubai—a destination already known as a luxury vacation paradise—is scheduled to open the Dubai Healthcare City by 2010. Situated on the Red Sea, this clinic will be the largest international medical center between Europe and Southeast Asia. Slated to include a new branch of the Harvard Medical School, it also may be the most prestigious foreign clinic on the horizon. India has its own advantages in cardiac surgery and joint replacements.

In view of the above it emerges that the overall prevailing trends, medical infrastructure, technological sophistication, government policies, and competitive scenario give enough leverage to India to have an edge that needs to be strengthened. And it is further substantiated by the fact that lately the profile of tourists coming to India is changing from SAARC nations, middle east to US, UK and Canada (Outlook, 2006).

The growth of medical tourism has its own problem areas. Criticisms are being raised from both the source and destination countries about its effectiveness for patients as well as host population.

CRITICISMS OF MEDICAL TOURISM

Opposition to medical tourism is coming from both the source and destination countries. Medical tourism is opposed in origin countries for not being good enough or not in a position to make any impact on their healthcare services (Sachdeva, S.D., 2005; abclocal.go.com). Experts have identified a number of problems with medical tourism particularly the government and basic medical insurance, and sometimes extended medical insurance, often does not pay for the medical procedure, meaning the patient has to pay cash. Experts recognized and acknowledged the fact that health insurance was often not portable across borders, acted as a deterrent on the movement of patients and retirees wishing to be treated abroad. Portability could create important trade opportunities for developing countries. Portability involved both State and private insurance providers. Lack of information among insurer, insured and the health care provider was the main reason leading to non-portability. Accreditation and harmonization could ensure quality and thus enhance portability. Different approaches had been used to overcome the problem of non-portability, such as the one followed in the European Union and bilateral agreements, which allowed total or partial portability of public health insurance. In the GATS commitments related to trade in health services, consumption abroad is usually allowed without limitation, but some countries (i.e. Bulgaria, Poland and the United States) have indicated restrictions on the coverage of public insurance schemes outside the country (UNCTAD, 1997). Mattoo & Rathindran (2005) have analyzed the limiting impact of health insurance on health care across countries

A number of other problems are also identified mainly:

- Lack of follow-up care. The patient usually is in hospital for only a few days, and then goes on the vacation portion of the trip or returns home. Complications, side effects and post-

operative care are then the responsibility of the medical care system in the patients' home country.

- Most of the countries that offer medical tourism have weak malpractice laws, so the patient has little recourse to local courts or medical boards if something goes wrong.
- There are growing accusations that profitable, private-sector medical tourism is drawing medical resources and personnel away from the local population, although some medical organizations stress that market to outside tourists are taking steps to improve local service.

This issue of using scarce medical resources for exports is especially relevant for India where healthcare for its own citizens is inadequate. The Health Management in the country is grossly unmanaged with an expenditure of only 0.9 per cent of GDP, which translates into Rs.200 (approx \$ 4) per capita. In fact, the allocations for Health have decreased from the level of 1.3 per cent of GDP in 1990 to 0.9 per cent in 1999 though overall spending is 5.2 percent of GDP. Even this Outlay is not being effectively utilized due to inefficiencies of the public health system (NRHM, n.d.). Only 17 per cent of all health expenditure in the country is borne by the state, and 82 per cent comes as 'out of pocket payments' by the people. This makes the Indian public health system grossly inadequate and under-funded (Deogoankar, 2004). The total value of the health sector in India today is over US\$ 34 billion. This works out 6% of GDP. Of this, 15% is publicly financed, 4% is from social insurance, 1% from private insurance, 85% to public sector insurance companies) and the remaining 80% from the pockets of patients as user fees (85% of which goes to the private sector). Two-thirds of users are purely out-of-pocket users and 70% of them are poor. The tragedy is that in India, as elsewhere, those who have the capacity to buy healthcare from the market most often get healthcare without having to pay for it directly, and those who are below the poverty line or living at subsistence levels are forced to make direct payments, often with a heavy burden of debt. National data reveals that 50% of the bottom quintile sold assets or took loans to access hospital care. Thus, loans and sale of assets are estimated to contribute substantially towards financing healthcare.(Duggal, 2005)

Though it has been considered by UNCTAD (July, 1997) which stated, " Thus promotion of exports of health services required the designing of strategies to improve domestic capacity, create export potential without adversely affecting national health services, identify excess supply of health services and potential markets for such services and overcome internal and external barriers".

Tourism's image of social costs and impacts may get transferred to medical tourism if the general deprived populace starts resenting outsiders getting world class facilities for a price while the neighbouring government hospitals not even tending to sick patients for lack of facilities. As stated by Benavides (2002), Despite the potential advantage, there are a number of inherent dangers for NHS (National Health Services) of developing countries including the brain drain of skilled professionals from the country, the outflow of financial resources with the cross border movement of patients, and the creation of a two-tier system where higher-quality care would be enjoyed only by wealthier foreign patients. Hong Evelyne (2000) also states that the consumption abroad based trade in health services may also result in a dual market structure or aggravate such tendencies within the health care system. Chanda (2001) too raises similar concern when it says that it can result in the creation of a higher quality, expensive segment catering to wealthy nationals and foreigners and a much lower quality, resource-constrained segment catering to the poor.

The similar concerns are being felt in other developed countries where the challenge is to balance the equity in access to care, efficient use of resources, and quality of care goals of public health identified by the WHO and cross border trade in health services (Wattana & Siripen, 2002). The issue of equity being disturbed and complexity in its solution is also discussed by Karin (2002).

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Planning for avoiding such problems shall begin now only and a part of profits earned through medical tourism can be reinvested back to public health care system. Ideally, a policy to promote trade in health services should also further public health objectives.

FUTURE POTENTIAL

Medical tourism has huge potential and even the commitments under GATS on individual health services support it. The highest share of full market access commitments is recorded for mode 2 (consumption abroad); it reaches 85 per cent in the hospital sector. From the standpoint of developing countries, which may be competitive suppliers in this area, it is interesting that virtually all relevant commitments scheduled by developed Members are without limitation, thus amounting to a legally enforceable guarantee not to deter their residents from consuming abroad (Rudolf & Antonia, 2000).

But it was observed that there seemed a lack of awareness in developing countries of their potential in the health sector. This significantly limited the expansion of trade in health services. It was also noted that health markets in developing countries were growing and therefore South-South trade could become an important element in expansion of trade in health services (UNCTADb, 1997). Potential for future opportunities for developing countries exist through all four modes of supply, provided that barriers such as the following can be managed: perceived quality of health professionals available and standards of quality assurance in health care facilities; mutual recognition of professional credentials; nonportability of insurance coverage; lack of standards for electronic medical records; concerns about patient privacy and confidentiality in distance health care delivery; and difficulties in cross-jurisdictional malpractice liability (Benavides, 2002).

Banga (2006) points that India's health services trade has low external trade barriers, high growth rates but low share in exports demonstrating the high domestic constraints and the large scope of its health tourism is restricted by domestic policies. The same is true for tourism too.

A planned approach will help India to cash upon its huge base of technical manpower and give boost to its tourism as well as healthcare industry in a socially responsible manner. As put by Kumar (2006), Special efforts need to be made in accreditation of hospitals and standardization of systems of prices and quality control and the synergy between hospitals, tour operators and government would need to be created.

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