

Make in India: Impact on Medical Tourism

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Abstract: *Make in India initiative will contribute to the growth of medical tourism phenomenally for several reasons. Medical Tourism, synonymous with the words like health tourism, medical travel or global healthcare and has become a universal concept gaining importance. The word was first used by travel agencies and is today used by media, government, tourism development corporations etc. The countries which have become the best destination include Thailand, Singapore, Malaysia and India for Healthcare also sometimes referred to as Healthcare Hub. The case discusses the contribution of two of the 25 sectors identified viz. Tourism & Hospitality and Wellness which will be the driver for its growth. The data is collected from the secondary sources and extensive literature review brings out the several factors which will be a thrust to the Medical Tourism. The case takes into account the analysis of future developments in areas of demographic, social and economics which will show the outcome of the case.*

I. Introduction

The Make in India initiative of Prime Minister ShriNarendraModi was launched as a program in September 2014 for comprehensive and expansive nation-building with an objective to make India an attractive destination for manufacturing and transform it into manufacturing-hub. It has claimed to over-haul outdated processes and policies with a claim of ‘Minimum Government, Maximum Governance. The plan was to increase the confidence of Indian entrepreneurs and citizens and also the global potential partners who can consider India as the preferred destination, provide a framework for a vast amount of technical information on 25 industry sectors: and communicate effectively and regularly to local and global audience through social media about the reforms and opportunities. To execute ‘Make in India’ initiative, the Department of Industrial Policy and Promotion (DIPP) along with specialized agencies has taken comprehensive efforts to create the awareness of the program and information dissemination about the 25 sectors viz. Automobile, Automobile Components, Aviation, Biotechnology, Chemicals, Construction, Defence Manufacturing, Electrical Machinery, Electronic System, Food Processing, Information Technology & Business Process Management (IT & BPM), Leather, Media & Entertainment, Mining, Oil & Gas, Pharmaceuticals, Ports & Shipping, Railways, Renewable Energy, Roads & Highways, Space, Textiles & Garments, Thermal Power, Tourism & Hospitality and Wellness. Detailed brochures were developed for all the identified sectors with key facts and figures, policies and initiatives and sector-specific contact details.

DIPP started the process of inviting participation from several concerned entities like industry leaders, Union Ministers, Secretaries to the Government of India, State Governments and several knowledge partners to formulate an action plan for the next three years, aimed at raising the manufacturing sector to 25% of the GDP by 2020. This entire process resulted into the historical initiative i.e. Make in India program with a unique feature of public-private partnership (PPP). Within 17 months of this initiative India has seen several moves such as, in Electronics sector, Foxconn, the manufacturer of Apples iPhone has announced plans for creating 10 to 12 facilities in India. In Automobile sector Mercedes Benz has decided to manufacture its luxury buses in India, to be exported to Africa and South East Asian markets. Volvo and BMW have also decided to increase its localization. In defence sector, Hyundai Heavy Industries (HHI) of South Korea will work with Hindustan Shipyard Ltd, Vizag to build warships in India. Samsung, South Korea, has also agreed to build LNG tankers with Kochi Shipyard. Six industrial corridors are being developed across several parts of the country. Industrial cities will also come up along these corridors.

Tourism and Hospitality:

Tourism in India accounted for 6.88% of the GDP during 2012-13, and tourism is the third largest foreign exchange earner for the country and has registered 7.7 million Foreign Tourist Arrivals (FTAs) in 2014,

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registering an annual growth of 10.2% over the previous year. The Foreign Exchange Earnings (FEEs) from tourism during the same year was USD 20.236 billion. India holds 15th rank in the world in terms of International Tourism Receipts with a share of 1.58% of the world's tourism receipts. Tourism is a big employment generator and every USD 1 million invested in tourism creates 78 jobs. India offers geographical diversity and diverse areas like cruises, adventure, medical, wellness, sports, rural, religious etc. As a part of 'Make in India' initiative, the centrally funded scheme of SwadeshDarshan and PRASAD provide for introducing suitable Public Private Partnership (PPP) for improved sustainability of the projects. The Viability Gap Funding may be provided under the schemes in accordance with the relevant guidelines of the Government. One of the key growth drivers in promoting this sector is the availability of the 'Visa On Arrival' (now known as Electronic Travel Authorization – ETA) facility. During 2014, a total number of 39,046 'Visas On Arrival' were issued as compared to 20,294 during 2013, which amounts to a growth of 92.4%. ETA facility is available for 113 countries. M-visa category will promote medical tourism significantly.

Wellness: Wellness market is of INR 490 billion and is expected to reach INR 1 trillion soon with a potential of generating 3 million job opportunities. The demand for Ayurveda, Yoga, Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) and herbal products is surging in India and abroad. 100% Foreign Direct Investment is permitted in AYUSH and as a one of the initiative in Wellness sector of 'Make in India' program a centrally-sponsored scheme has been set up for specialized AYUSH facilities in government tertiary care as well as AYUSH hospitals in PPP model.

II. Introduction to Medical Tourism

Medical Tourism, synonymous with the words like health tourism, medical travel or global healthcare and has become a universal concept gaining importance. The word was first used by travel agencies and is today used by media, government, tourism development corporations etc. However precise definition is given by Connell (2006) which is more comprehensive as it includes the several dimensions of medical tourism. He 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. The countries which have become the best destination include Thailand, Singapore, Malaysia and India for Healthcare also sometimes referred to as Healthcare Hub.

Foreign Exchange Earnings:

Foreign Exchange Earnings here or in this context includes all the foreign currency inflows on current account of balance of payments brought in by foreign tourists for payments towards treatments, accommodation, travelling etc. which leads to foreign exchange earnings for a country of destination. Foreign Exchange Earnings is defined as proceeds from the exports of goods and services of a country, and the returns from its foreign investments, denominated in convertible currency. Tourism earnings in foreign exchange are considered as deemed exports.

Evolution of Medical Tourism:

The concept of medical tourism is not a new one. The first recorded instance of medical dates back thousands of years to when Greek pilgrimages traveled from all over the Mediterranean to the small territory in the Saronic Gulf called Epidauria. The territory was the sanctuary of the healing god Asklepios. Epidauria became the original travel destination for medical tourism. Spa towns and sanitariums may be considered an early form of medical tourism. In eighteenth century England, for example, patients visited spas because they were places with supposedly health-giving mineral waters, treating diseases from gout to liver disorders and bronchitis. From 18th century, wealthy Europeans traveled to spas from Germany to the Nile. In the 21st century, relatively low-cost jet travel has taken the industry beyond the wealthy and desperate.

III. Need for Medical Tourism

Medical tourism has become a common form of vacationing, and covers a broad spectrum of medical services. It mixes leisure, fun and relaxation together with wellness and healthcare. The idea of the health holiday is to offer you an opportunity to get away from your daily routine and come into different relaxing surroundings. Here, you can enjoy being close to the beaches and mountains. At the same time you are able to receive an orientation that will help you improve your life in terms of your health and general well-being. It is like rejuvenation and cleanup process at all the levels- physical, mental and emotional. Many people from the developed world come to India for the rejuvenation promised by yoga and Ayurvedic massage, but only a few

consider it a destination for hip replacement or brain surgery. However, a nice blend of top-class medical expertise at attractive prices is helping a growing number of Indian corporate hospitals lure foreign patients, including a few from developed nations such as UK and the US.

IV. Scope for Medical Tourism

With the internationally recognized healthcare professionals, holistic medicinal services and low cost of treatment, India has the potential to attract over one million health tourist every year, according to Confederation of Indian Industry (CII). The country offers a unique mix of systems such as yoga, Ayurveda and meditation and modern medical system. This along with world class experts and the cost advantage can earn \$ 5 billion every year, a CII release said. While a heart surgery costs \$ 30,000 in the US, it costs \$6,000 in India. Similarly, a bone marrow transplant costs \$26,000 here as compared to \$250,000 in the US. If the liver transplant costs in the range of Rs60-70 lakhs in the Europe and double that in the US, a few Indian hospitals such as Global in Hyderabad, have the wherewithal to do it around Rs15-20 lakhs. Similarly, if a heart surgery in the US costs about Rs.20 lakhs, the Chennai headquartered Apollo Hospital Group does it roughly for Rs2 lakhs. Dental, eye and cosmetic surgeries in Western countries costs three to four times as much as in India. 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. Price advantage is, of course, a major selling point. NRIs and the tourists around the world are beginning to realize the potential of modern and traditional Indian medicine. Indian hospitals and medical establishments have also realized the potential of this niche market and have begun to tailor their services for foreign visitors. At a regional level, this nascent industry came to lime-light with the arrival of 'Naby Noor' from Pakistan, who came by the Indo-Pak bus service and got a red-carpet treatment at a hospital in Bangalore. Several Indian state governments have realized the potential of this industry and have been actively promoting it.

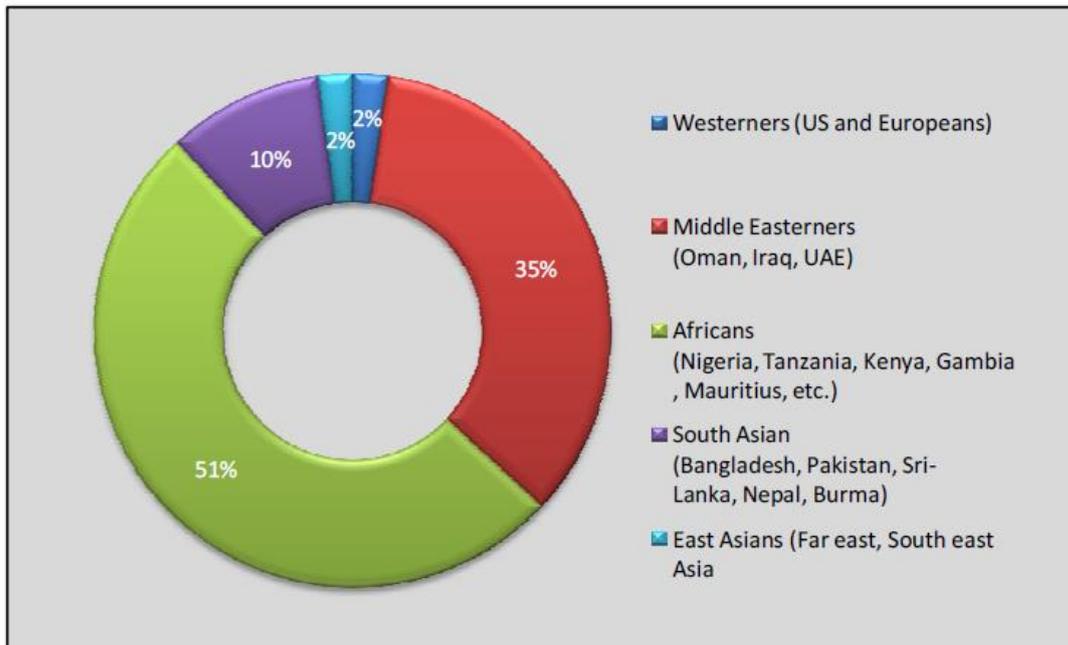
Process:

The typical process for medical tourism is as follows: the person seeking medical treatment abroad contacts a medical tourism provider. The provider usually requires the patient to provide a medical report, including the nature of ailment, local doctors' opinion, medical history, and diagnosis, and may request additional information. Certified medical doctors or consultants then advise on the medical treatment. The approximate expenditure, choice of hospitals and tourist destination, and duration of stay etc. is discussed. After signing consent bonds and agreements, the patient is given recommendation letter for a medical visa, to be procured from the concerned embassy. The patient travels to the destination country, where the medical tourism provider assigns a case executive, who takes care of the patient's accommodation, treatment and any other form of care. Once the treatment is done, the patient can remain in the tourist destination or return home.

The study will aim to study the potential of medical tourism and find out the areas where more and more foreign tourists can be attracted for medical services. Further the study will also focus on how foreign exchange earnings can be increased by further promoting India's medical tourism globally by blending the Prime Ministers initiative of 'Make in India'.

Analysis

Case tries to compare the three dimensions which can be aligned the source market, demographic profiles of the markets and policy initiative which can be used to create positive impact of the 'Make in India' program.



Source: A Study by Indian Institute of Tourism & Travel Management 2011

Table showing the oldest population of World as on 2015

Country	Median Age
Japan	46.5
Germany	46.2
Martinique	46.1
Italy	45.9
Portugal	44.0
Greece	43.6
Bulgaria	43.5
Austria	43.2
China	43.2
Spain	43.2

Source: World Population Prospects, the 2015 Revision, UN

Policy Initiatives: Growth Drivers includes several factors of which few are Visa On Arrival, International Exchange Programmes, Corporate and Investors are increasingly investing in AYUSH and launching of National Health Mission.

There is scope for India to tap more of Westerners and East Asian market as the ageing population resides in Japan and China in East Asian region, and in rest of the countries they are from Europe and Martinique in North America. Ageing population need not be the only criteria but can be used to target these markets.

V. Conclusion

‘Make in India’ initiative gives enough opportunities for Medical tourism in terms of identified sectors viz. Tourism & Hospitality and Wellness. Few more sectors can be analysed which can have impact on promoting medical tourism viz. Construction and Aviation which will create infrastructure and increase connectivity of Metros with the rest of the world. India can also create Health-Hubs to attract more tourists for wellness.

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