

## **Medical tourism: emerging challenges and future prospects**

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*Medical Tourism: Emerging Challenges and Future Prospects*

**ABSTRACT:** *India is emerging as a prime destination for health and contributing a lot towards the social-economical development of the society by enhancing employment opportunities and an increase in foreign exchange earning and helping in uplifting the living standards of the host community by developing infrastructure and high quality education system. Today Indian hospitals are well equipped with the latest technology and houses highly qualified and experienced staff who can provide timely and quality medical treatment to patients.*

*Present paper highlights the potential of Medical Tourism industry in India. It also helps in introspecting the Hospital Accreditation system for Medical Tourism, examining the role of Government in promoting infrastructure for Medical Tourism and analysing the latest trend to increase the flow of Medical tourism. For analyzing the potential and significance of medical tourism in India, the data has been gathered through secondary sources which includes Books, Magazines, Journals, E-Journals and websites etc. After analyzing all the facts it can be concluded that India is in an advantageous position to tap the global opportunities in the medical tourism sector. The government's role is crucial to the development of medical tourism. The government should take steps in the role of a regulator and also as a facilitator of private investment in healthcare. Mechanisms need to be evolved to enable quicker visa grants to foreign tourists for medical purposes where patients can contact the Immigration Department at any point of entry for quick clearance.*

**Keywords**—*Medical Tourism, Medical Tourist Management, Medical Care, Rejuvenation Centers, Quality Policy, Medical-Visa*

### **I. INTRODUCTION**

Medical tourism in India is a multi billion dollar provider industry and attracting millions of foreigners and domestic to visit incredible heritage of country and enjoy the medicinal blessings of traditional Vedas and Upanishads. India is full of well trained, qualified and experienced professionals and doctors. Most of them have earned their professional degrees from abroad and have practices over there, and achieved a confidence of their people. India's doctors are most competent and making India a very money-spinning destination for the people who want to undergo treatment for their medical problems and who have frustrated from the long waiting list of medical diagnostic centers of their own country. It is projected that India will capture 2.5% of the total international medical tourism market by the year 2012, with concurrent foreign exchange revenue of \$ 2.3 billion. It is also estimated that medical tourism in India will receive around 1.1 million health tourist from all over the world, by the end of 2012.

India ranks second for medical tourism in the world. Though it spends less than 1.2% of its GDP on medical services but makes extra efforts to provide extra care and services to the foreign tourist while dealing with them. Medical treatment in India is very cost effective as it charge 20% less than any other foreign country for providing health facilities. It has been seen in the recent past that patient from US, UK, and other foreign countries in a maximum number are coming to India for their treatment.

Besides cheaper cost of the treatment other factors are also contributing towards an increase of international health tourist traffic in India. Today Indian clinical and paramedical talent is universally recognised and JCI accreditation to some hospitals of India has proven a boon to Indian medical system which is helping in gaining the faith of foreign patients in India's hospitals and professionals. In India they do not have to wait long and to pay extra money for their treatment. The per capita health care cost in Korea is \$720, whereas it is \$94 in India. Thus India is offering 20% cheaper treatment to them in comparison to US, UK, Singapore and Thailand. Unlike India various Asian countries are coming forward to initiate steps to explore medical tourism potential. Recently Singapore incorporated a collaboration of industry and government representatives to form a medical hub. Unlike Singapore, Taiwan is working on a \$318million project to develop medical facilities and South Korea is planning to develop medical institutions for foreign patients.

From the ancient time India is famous for its traditional treatment therapies and have made a recognized place in the medical literature by providing yunani, aurvedic, allopathic, homeopathy and naturopathy advantage of medicine not only to the Indians but also to the foreigners. History witnessed that millions of people have benefitted with the medicinal wisdom of our skilled medical professionals. Many states of India are now recognized as well known health care centre for providing particular segment of medical treatment like Kerala and Karnataka has emerged as a hub for ayurvedic treatment, and being spacialised in healing the patient with the virtue of natural herbs. Here health tourist not only gain the cure for his disease but also enjoy the benefits of scenic scenes, natural beauty, spas ,and pleasant weather. Further Uttarakhand of India is gaining importance for healing the patient with yoga and meditation and natural medicines. Delhi has emerged as a prime destination for cardiac care , orthopedic care, mental trauma, and other kind of allopathic treatment, and serving millions of domestic and foreign patient at that cost which is comparatively very low than that of their own country. Chennai is known for quality eye care.

Medical tourism in India has emerged as the fastest growing segment of tourism industry despite the global economic downturn. High cost of treatments in the developed countries, particularly the USA and UK, has been forcing patients from such regions to look for alternative and cost-effective destinations to get their treatments done. The Indian medical tourism industry is presently at a nascent stage, but has an enormous potential for future growth and development.

The main reason for growing importance of medical tourism in India is the cost of medical treatment which is comparatively 40% less, than offered by any other developed countries. Whereas a cardiac patient has to pay US\$ 40,000 - 60,000 in the United States, US\$ 30,000 in Singapore, US\$ 12,000 - 15,000 in Thailand for his treatment, the same treatment can be availed in India in only US\$ 3,000 - 6,000 . At London one is charged £350 for some tests which include blood tests, electro-cardiogram tests, chest X-Rays, lung tests and other tests while in India same tests cost only US\$ 84. A Magnetic Resonance Imaging (MRI) scan costs US\$ 60 at Escorts Hospital in Delhi, compared with roughly US\$ 700 in New York.

Medical tourism is a growing sector in India. India's medical tourism sector is expected to experience an annual growth rate of 30%, making it a Rs. 9,500-crore industry by 2015. Estimates of the value of medical tourism to India go as high as \$2 billion a year by 2012.

## **II. OBJECTIVES**

Following are the objectives of the research study.

1. To explore the potential of Medical Tourism industry in India.
2. To study the cost- effectiveness of Medical treatment in India.
3. To examine the role of Indian Government in promoting Medical Tourism and Medical Tourist inflow.
4. To examine the role of Government in attracting Pharmaceuticals Industries to promote Medical Tourism.

### **Research Methodology:**

Research methodology is partly descriptive, partly exploratory and partly casual .For this study data and information has been collected with the help of Books, Magazines, Newspapers, Research Articles, Research Journals, E-Journals, UNWTO Report, Report of Ministry of Tourism, Report of World Travel and Tourism Council and the website [www.health-tourism-india.com](http://www.health-tourism-india.com) etc.

### **Research Questions:**

- I.** Does the services provided by Indian Health Centers is satisfying the needs of medical tourists?
- II.** Do the initiatives taken by Government to develop medical tourism infrastructure to increase the foreign and domestic tourist arrival in India has been done in a planned manner or not?
- III.** Does this study will help to identify major thrust areas where tourism planners can pay extensive attention to develop and promote medical tourism from national and international point of view?

## **III. ANALYSIS AND DISCUSSION**

Medical Tourism may be defined as the “provision of cost-effective medical care with due consideration to quality in collaboration with tourism industry for foreign patients who need specialized treatment and surgery”. Statistical data vindicate that in the year 2008-09 around 126 million domestic trip has been made by Indians in order to get cure at different places of the country as a result of the lack of economic opportunity and poor health infrastructure in their own home town and a sum of 23,000 crore rupees have been spend by them on such trips. This waste of money can be stopped if initiatives in a positive manner are taken by the local and the state level organizations and the Government itself. It has been seen that where international tourist are migrating into India for cheaper treatment and greener pastures , domestic migration in India is a result of poor health infrastructure. in rural areas and small towns.

The main reason for growing importance of medical tourism in India is the cost of medical treatment which is comparatively 40% less, than offered by any other developed countries. Whereas a cardiac patient has to pay US\$ 40,000 - 60,000 in the United States, US\$ 30,000 in Singapore, US\$ 12,000 - 15,000 in Thailand for his treatment, the same treatment can be availed in India in only US\$ 3,000 - 6,000 . At London one is charged £350 for some tests which include blood tests, electro-cardiogram tests, chest X-Rays, lung tests and other tests while in India same tests cost only US\$ 84. A Magnetic Resonance Imaging (MRI) scan costs US\$ 60 at Escorts Hospital in Delhi, compared with roughly US\$ 700 in New York.

When India is compared with Thailand it is found that India is comparatively very cost effective rather than Thailand in case of medical treatment. It is clear from the following **Table:-**

**Table -I**

<b>Treatment</b>	<b>Cost In India (In US\$)</b>	<b>Cost In Thailand (In US\$)</b>
<b>Bone Marrow Transplant</b>	<b>US\$ 30000</b>	<b>US\$ 62500</b>
<b>Liver Transplant</b>	<b>US\$ 40000</b>	<b>US\$ 75000</b>
<b>Open Heart Surgery(CABG)</b>	<b>US\$ 4400</b>	<b>US\$ 14250</b>
<b>Hip Replacement</b>	<b>US\$ 4500</b>	<b>US\$ 6900</b>
<b>Knee Surgery</b>	<b>US\$ 4500</b>	<b>US\$ 7000</b>
<b>Hysterectomy</b>	<b>US\$ 511</b>	<b>US\$ 2012</b>
<b>Gall Bladder removal</b>	<b>US\$ 555</b>	<b>US\$ 1755</b>

This segment of tourism is increasingly gaining importance and attracting several large corporations, such as pharmaceuticals and industrial companies, and several NRIs and foreign investors to invest money in setting up super-specialty hospitals in India such as Apollo, Medinova, CDR, Mediciti in Hyderabad; Hindujas and Wockhardt in Mumbai; Max, Escorts, and Apollo in Delhi etc. These hospitals are well equipped with those new machineries and technologies, which are required by the medical professionals to tackle the serious diseases, and are capable to cater the needs of aristocrats and as well as of the budgetary class.

A Tourist who is coming to indulge/ lure himself in a healthy and pure atmosphere, to learn the art of yoga and meditations, to rejuvenate oneself at the spas, or for maintaining their looks by travelling to Cosmetic Surgery Clinics ,will be considered as a medical tourist. It is not necessary that they should come for any surgery or treatment to be count as the medical tourist. For example, going to China to get treated of backache with acupuncture and acupressure is the example of former travelling to Kerala for ayurvedic treatment for entire body.

#### **Specific Tour Packages For Medical Tourist In India**

Indian Government is launching various schemes and programmes to promote health tourism and inviting foreign and private investors to invest in hospitals and accommodation sector. According to a study 75-80% of health care services and investments in India are now provided by the private sector. India is granting various incentives and tax rebate to various pharmaceuticals industries to provide medicines, surgical-equipments, and other medical facilities. Various specific tour packages available to medical tourist are as follows:-

- 1) Bone Marrow Transplant
- 2) Brain Surgery
- 3) Cancer Procedures (Oncology) and Cardiac Care
- 4) Cosmetic Surgery
- 5) Dialysis and Kidney Transplant
- 6) Drug Rehabilitation
- 7) Gynaecology & Obstetrics
- 8) Health Checkups
- 9) Internal/Digestive Procedures
- 10) Joint Replacement Surgery
- 11) Nuclear Medicine, Neurosurgery & Trauma Surgery
- 12) Osteoporosis, Urology and Vascular Surgery
- 13) Gall Bladder stones surgery and Hernia surgery
- 14) Laparoscopic Appendicectomy,
- 15) Laparoscopic Banding of stomach for Morbid Obesity and others
- 16) Hip-Knee replacement surgeries and other orthopedic surgeries.
- 17) Heart surgery packages like Cardiac Surgery and Cardiology, Open Heart Surgery, Angiographies and Angioplasties.
- 18) Treatments of different skin problems including skin grafting.

**Services offered by Tour Planner to their patient include:**

- a) Make appointment with concerned specialist of a world known hospital.
- b) Makes arrangements for their escorting, transportation and accommodation as per the requirement of the patient. Try to accommodate patient near to their diagnostic centre.
- c) Helps in obtaining medical visa.
- d) Helps in preparing other documents as required by the health centre.
- e) Makes arrangements for their treatment and other medical facilities.
- f) Makes arrangements for sightseeing, local transportation, and shopping, if required by the patient or his family members.

**Contribution of Medical Tourism in the Indian Economy**

Many hospitals in India are accredited by international institutions and are offering world-class treatment at that cost which is comparatively 40-50% less than that of any European country. Acknowledging the significance of medical tourism in India, Government is trying to persuade the international tourist traffic by offering medical visa. Generally a medical visa is valid for one year, or the period of treatment whichever is less. The period of medical visa can further be extended for one year with the permission of state government or FRROs, if prescribed by the specialized doctor/specialized hospital.

India not only offers the medical treatment but also other rejuvenative services such as yoga, meditation, herbal therapies and other skin treatments which could uplift the mood and enhance health of medical tourists. As a result India is receiving a huge number of international tourist who are coming to gain the rejuvenative benefits. In 2009, India has received a total of 180,000 foreign health tourist. It is estimated that it will grow at a Compound Annual Growth Rate of over 19% and will reach upto 1.3 million by 2013.

Tourism in India is also one of the fast revenue generating industry and contributing around 5.92% to the National GDP, and providing employment to over 9.24% of the total country's workforce. To promote tourism in India government is introducing various kinds of tax deductions and exemptions to attract foreign investors to invest in tourism sector and also providing various kinds of incentives to persuade them. In its Union-Budget 2010-2011, Government of India has introduced a scheme of tax deduction for the establishment of new, especially 2-Star category hotels in country.

Medical Tourism in India is playing a vital role in improving the economic and social status of the society. According to a study by McKinsey & Company and the confederation of Indian Industry, India will receive \$1 billion business by 2012, from medical tourism. Which is 1% of the total world-wide revenue generated by medical tourism. The total revenue generated from medical tourism in the year 2004, worldwide was \$40 billion which has increased upto \$60 billion in the year 2006. McKinsey & Company estimates that it will raise to \$100 billion by the end of the year 2012.

**Table-2**  
**Revenue Generated Through Medical Tourism World-Wide**

<b>Year</b>	<b>Revenue (In Billion US \$)</b>
<b>2004</b>	<b>40</b>
<b>2006</b>	<b>60</b>
<b>2008</b>	<b>80</b>
<b>2012</b>	<b>100</b>

**Source:-[www.health-tourism-india.com](http://www.health-tourism-india.com)**

India is preferred as a health destination, mostly by those people who are living abroad and by those foreigners who demand for speedy and in expensive treatment. Indian hospitals are now well equipped with skilled, trained and experienced doctors, who have good command on English. Indian doctors treat twice number of patients, in comparison to doctors in the western European countries. India is considered as a safe place for medical treatment in comparison to other countries.

Medical Tourism in India is on the peak. Now health tourist can avail every kind of medical facilities easily and conveniently. Various private investors and pharmaceuticals companies are coming forward to provide their services to the health tourist. Statistics vindicate that by the end of the year 2012, India will receive around one million health tourist with a compound annual growth rate(CAGR) of 28.09% over the year 2007. In India a health tourist has to spend less on different surgeries in comparison to other developed countries. It is clear from the following table:-

Table-4

India's Cost comparison with other countries in case of different surgeries in the year 2012

Procedures	United States	Thailand	Singapore	AHMT-India
Coronary artery bypass surgery	\$70,000-133,000	\$22,000	\$16,300	\$7,500
Bypass surgery with heart valve replacement	\$75,000-140,000	\$25,000	\$22,000	\$6500 – 7000
Hip replacement	\$33,000-57,000	\$12,700	\$12,000	\$6,200
Knee replacement	\$30,000-53,000	\$11,500	\$9,600	\$6,000
Prostate surgery	\$10,000-16,000	\$4,400	\$5,300	\$3,600
Kidney Transplant	\$40000-45000	\$20,000	\$25,000	\$12000-15000

Source: -<http://www.docstoc.com>

Tourism in India is flourishing and gaining a status of industry and contributing a lot towards the revenue generation and removing the problem of unemployment from the society. Today many states of India like Kerala, Arunachal Pradesh, West Bengal, Uttarakhand, Tamil Nadu Uttar Pradesh, Dadar & Nagar Haveli, and UTs of Daman & Diu, has got a status of an industry. State governments are making provisions to include tourism in Schedule-I, of the Industries Development Act 1951 to grant it the status of an industry and to promote accommodation sector, so that every segment of tourism industry including hotels throughout the country can avail various benefits under the Industrial Policy of the respective state governments like Land banks for budget hotels, Exemption of duty on stamp paper, Exemption in VAT and Sales Tax, and Single-window clearance for new hotel projects etc.

### Key Findings of the Research

India offers world-class treatment at very affordable prices which is comparatively very high in USA and UK. The Indian healthcare industry is growing at a very high pace and it is expected that the sector will touch US\$238.76 billion by 2020. According to the Investment Commission of India Medical Industry has experienced remarkable growth of 12% per year during the last four years, due to an increase in the average life expectancy, average income levels, and rising awareness for health insurance among consumers. On account of the detail study of the potential of medical tourism in India as well as in Gurgaon the key findings of the study may be summarised as follows:-

- a) Most of the JCI accredited and other hospitals of India are dedicatedly serving the patients of cardiology and cardiothoracic surgery, orthopaedic surgery (including knee and hip replacement surgery), organ transplant surgery (including liver, kidney), Neurosurgery, Ophthalmology, Paediatric Surgery, Paediatric Neurology, Urology, Gynaecology / Obstetrics / Surrogacy, Psychiatry, General Medicine and General Surgery, Cancer management, Cosmetic treatments, and Dental care.
- b) Various foreign investors and pharmaceuticals industries are coming forward to invest in the medical sector to build a good image of India as a medical tourist destination and to attract international tourist.
- c) Inexpensive and affordable costs of medical care services, approximately 30 % to 70 % lower than the costs in the US, UK, Singapore and Korea, making India highly appealing for foreign tourist as a Health Tourism destination.
- d) Experienced and talented professionals, comprised of nurses, technicians, attendants, clinical co-ordinators, and nutritionists are working together to serve the global medical tourist with their skills of performing complicated surgeries and other medical procedures.
- e) The doctors of India are disseminating their technical talent and art of surgeries to the patient of whole world.
- f) Every hospital of India are now well occupied with English speaking staff and thus removing the problem of communication gap between patient and the hospital staff.
- g) India receives maximum of its international medical tourist from USA, UK, UAE, Nepal, Sri-Lanka, Bangladesh, Maldives and Mauritius.
- h) Various Health travel planners are coming forward to work with different hospitals, medical professionals, airlines, and hotel industry to serve and oblige the medical patients with their best quality services and at the most affordable price.
- i) Indian Government is investing a huge amount on promotional activities to increase the potential of medical tourism in India. Today Internet and word of mouth publicity is playing a vital role in awakening thousands of people, about the best quality and availability of specialized doctors, surgeons and medical services in India.
- j) Maharashtra, Bangalore, Gujarat, Kerala and Karnataka, receives maximum number of foreign health tourist, in comparison to other states of India because of their natural scenes, flora, fauna and ayurvedic techniques of healing and rejuvenation.
- k) Tourism in India is also one of the fast revenue generating industry and contributing around 5.92% to the National GDP, and providing employment to over 9.24% of the total country's workforce.

- l) It is projected that India will capture 2.5% of the total international medical tourism market by the year 2012, with concurrent foreign exchange revenue of \$ 2.3 billion. It is also estimated that medical tourism in India will receive around 1.1 million health tourist from all over the world, by the end of 2012.
- m) According to a statistics, by the end of the year 2012, India will receive around one million health tourist with a compound annual growth rate(CAGR) of 28.09% over the year 2007. In India a health tourist has to spend less on different surgeries in comparison to other developed countries.
- n) According to a study by McKinsey & Company and the confederation of Indian Industry, India will receive \$1 billion business by 2012, from medical tourism. Which is 1% of the total world-wide revenue.
- o) The contribution of private and multi-specialty hospitals of India in promoting medical tourism can't be overlooked. The Apollo, Max Health Care , Escorts, Stephens hospital, Jason Hospital, and Global Hospital, in India are catering the need of medical care for international patients in the areas of diagnostic, disease management, and preventive health care.
- p) According to a study 75-80% of health care services and investments in India are now provided by the private sector. India is granting various incentives and tax rebate to various pharmaceuticals industries to provide medicines, surgical-equipments, and other medical facilities.
- q) The Ministry of Tourism has included the promotion of wellness Tourism as new initiatives. The Marketing Development Assistance Scheme (MDA) administered by the Ministry of Tourism provides financial support to Wellness Tourism Service Providers accredited by State Governments till the guidelines of AYUSH-NABH for accreditation are finalized.

### **Government Initiatives to promote Medical Tourism in India**

Medical Industry in India is serving its consumers with well-qualified, trained, and fluent English speaking nursing staff and also offering them the advantage of private hospitals, diagnostic convenience and inexpensive healthcare services which is not available elsewhere. To enhance more and more advantage of the medical industry Indian Government is developing an all-inclusive healthcare policy which aims to achieve a tremendous growth for the medical industry and leading to the development of other segment like infrastructure, and new medical equipment or technology.

To tap the potential of medical tourism, Indian Government has undertaken various measures to promote India as a global health destination. The Indian Ministry of Tourism has started a new category of visas for medical tourists called the 'M' or medical visas. Further efforts has been made to improve the basic infrastructure including aviation sector to ensure smooth arrival and departure of health tourists.

Government is inviting and attracting foreign and private investors to invest in the infrastructure, accommodation, aviation, and pharmaceuticals sectors to provide best quality of services to their customers. It will also ensure the optimum utilization of the scarce resources available for health.

Government is taking initiatives to encourage the growth of health tourism by providing a wide variety of exemptions, incentives, lower import duties and higher depreciation rates on medical equipment as well as providing medical visa to foreign patients who are coming to India for their treatment. The Ministry of Tourism has taken several steps to promote India as a Medical and Health Tourism Destination, which are as follows:

- 1) Ministry of Tourism have produced various promotional tools such as CDs, Pamphlets, Brochures, and other directories etc. to promote health and wellness tourism in India and have made provisions to circulate them among the all targeted areas.
- 2) Medical and Health tourism has been specifically promoted at various international platforms such as World Travel Mart, London, ITB, Berlin , ATM etc.
- 3) Government has introduced a specific category of 'Medical Visa' for foreign health tourist who are visiting India for their medical treatment.
- 4) Ministry of Tourism has conducted a campaign called "Incredible India", to promote Yoga and Meditation/ Wellness Tourism in India, and have promoted print and electronic media to persuade and attract the tourist for the same.
- 5) Ministry of Tourism has organized various road shows in West Asia (Dubai, Riyadh, Kuwait and Doha) in October 2009 to promote medical tourism.
- 6) In the year 2009, Ministry of Tourism has launched a scheme named ' Market Development Assistance', to provide financial assistance to different Medical Tourism Service Providers and Wellness Tourism Service Providers to participate in Fairs/Medical Conferences/Wellness Conferences/ Wellness Fairs and Road Shows.
- 7) The Indian Institute of Travel and Tourism Management, Gwalior has conducted a study to focus on the problems and challenges faced by Medical tourist visiting India. Which is commissioned by Ministry of Tourism.

- 8) Ministry of Tourism have published and circulated a book named ‘5 Challenges of Medical Tourism in “Vulnerable” India’, to focus on the problems of Medical Tourism.

#### Government Initiatives to attract Pharmaceuticals Industries

India’s pharmaceuticals sector is growing very fast and gaining a global leadership position in supplying medicines or drugs all over the world. Indian Government in its Union-Budget 2011-12 have made various provisions to exempt this sector from various kind of direct and indirect taxes. Some of them are as follows:-

- 1) No increase in excise and service tax rates.
- 2) Reduction in the import and excise duties for kits and machines that are used for carrying out diagnostic tests.
- 3) Cut on duties on chemicals, kits and machines that are used for carrying out diagnostic tests.
- 4) Continue to keep diagnostic services out of service tax scope.
- 5) Removal of current anomaly between bulk drug and formulations to ease levy of excise duty.
- 6) Providing incentives to promote hospital infrastructure and medical device manufacturing industry.
- 7) Under section 35AD, weighted deduction of 150% of the capital expenditures are proposed to be allowed to hospitals. This amendment will apply in relation to 2013-14 and subsequent AYs.
- 8) Under section 35(2AB), weighted deduction of 200% of expenditures not incurred on approved in-house research and development facilities, have been extended for a further period of 5 years i.e up to 31 March, 2017. This amendment will apply in relation to 2013-14 and subsequent AYs (up to 2017-18)
- 9) Under section 80 D, a deduction of Rs 5,000 is allowed for expenditure incurred during the year by an assessed on account of preventive health check-up of self, spouse, dependent children or parents.
- 10) Rate of service tax is proposed to be increased from 10% to 12%
- 11) Specific exemption provided for healthcare services.
- 12) Basic rate of central excise duty increased from 10% to 12% and merit rate increased from 5% to 6%.
- 13) Exemption from Excise duty/ Countervailing duty(CVD) is proposed on specified life saving drugs.
- 14) Provision for custom duty reduction (BCD) on the following items:-

Item	Current Rate	Proposed Rate
Probiotics	10%	5%
Life Saving Drugs	10%	5%
Iodine	5%	2.5%
Isolated Soya Protein	15%	10%
Soya Protein Concentrate	30%	10%

#### Challenges before Medical Tourism Industry

Tourism industry is growing day by day in the world and India is sharing a major part of world tourism receipts and world tourism traffic and has proved successful in maintaining its place on world tourism map. According to the World Travel and Tourism Council (WTTC), tourism industry will create about 40 million jobs for the people by 2019. Though India shares only 1.24 % of international tourist receipts and 0.59% of international tourist traffic but this contribution can not be neglected .

The major constraint in the expansion of Medical Tourism in India is non-availability of adequate infrastructure including adequate air seat capacity, accessibility to tourist destinations, accommodation and trained manpower in sufficient number. Poor visitor experience, particularly, due to inadequate infrastructural facilities, poor hygienic conditions and incidents of touting and harassment of tourists in some places are factors that contribute to poor visitor experience. Lack of capital, Lack of Community participation and awareness, Lack of involvement from rural sector, Lack of concern for sustainability, Complex visa procedures, and Lack of good language translators are the other reasons which are serving as the constraints in the way of medical tourism.

Hospitals of India are lacking behind in providing the hygienic medical facilities and room services including hygienic food to the patient, as a result Indian hospitals are losing trust of foreign patients. The government of India can play a significant role in improving the status of medical tourism by removing political instability, terrorism Bureaucratic roadblocks, and Taxation anomalies. Indian Government should launch long term revenue generating projects and investor friendly policies to get benefitted from medical tourism. Government should make provisions to provide Quality accreditations to the Indian health centers, training and development to the Doctors, Nurses and Para medical staffs, and should apply the customer oriented approach to improve the image of Indian hospitals.

Other major constraints in the development of medical tourism in India is the partial attitude of the government towards corporate and public hospitals. Government can not neglect the role of corporate hospitals as a source of foreign exchange earner, a provider of high class medical facilities and technology, a medium of fulfilling the demands of foreign patients. In future government may be compelled to grant them greater subsidies and exemptions for their development. This would create a pressure on public funds and subsidies. This diversion of funds from public-sector to corporate-sector will create a line/difference between aristocrats and budgetary class. Indian Government has already given them the advantage of subsidies in the field of land, import of health equipment, and other machineries. Development of medical tourism can put an extra pressure on government to subsidize them even more which will lead to the wastage of scarce resources available for health.

Further Indian hospitals are facing the problem of shortage of skilled professionals. According to the Planning Commission, India is facing a short of a phenomenal 600 000 doctors, 1 million nurses and 200 000 dental surgeons. Our community health centers are suffering from the shortfall of professionals such as obstetricians and gynecologists (56%), pediatricians (67%), surgeons (56%) and medical specialists (59%).

In spite of having a lot of tourism potential, India's shares in world tourist arrival is very less. The reasons responsible for this are lack of adequate infrastructure, lack of appropriate accommodation facilities, lack of security measures and trained and skilled workforce. To overcome the problem of inadequate capacity and to meet the shortfall of about 1,50,000 rooms in accommodation sector, government necessitates to do an investment of INR 600 billion in the coming five years.

Another reason is high service tax. A tourist has to spend a lot of money on availing the tourism related services because a sales tax levied on these services is twice time higher than any other developed country. This is clear from the following table:-

**Comparative tax rates between India and the neighboring Countries:-**

**Table-5**

Countries	Room %	Food %	Liquor %
India	16	16	23
Hong Kong	0	0	0
Maldives	3.5	3.5	3.5
China	5	5	5
Japan	5	5	5
Malaysia	6	6	6
Thailand	7	7	7
Singapore	.7	.7	.7

Above table rightly depicts that incidence of taxes in India is making inbound tourism, very costly and promoting outbound tourism indirectly. In its union budget 2011-2012 government has increased service tax on airfares which is making air travelling expensive. In the same way Independent restaurants has to pay an extra of 10% tax for being air-conditioned, in a country where temperatures soar up to 48-50oC.

Insurance companies can play a vital role in promoting medical tourism by having a check on insurance frauds. They should provide adequate insurance cover to the victim and reimburse the adequate money to them.

**IV. CONCLUSION**

Medical tourism in India has emerged as the fastest growing segment of tourism industry despite the global economic downturn. India is offering very low cost treatments not only to Indians but also to the foreigners. Patient from USA and UK, are coming to India to look for alternative and cost-effective destinations to get their treatments done. The Indian medical tourism industry is presently at a blossoming stage, but has an enormous potential for future growth and development. India's medical tourism sector is expected to experience an annual growth rate of 30%, making it a Rs. 9,500-crore industry by 2015. Estimates of the value of medical tourism to India go as high as \$2 billion a year by 2012.

In just five years medical tourism in India has made a remarkable position in the world medical tourism map and is recognized as reputed health tourist destination all over the world. India is a place which offers services of well-trained health practitioners, fluent English speaking medical staff, a good stuff of herbal, natural, allopathic, and alternative system of medicines. Private/internationally accredited and super speciality hospitals of India are serving global health tourist with their specialized services and helping in earning the million dollars. According to a statistics, by the end of the year 2012, India will receive around one million health tourist with a compound annual growth rate(CAGR) of 28.09% over the year 2007. In India a health tourist has to spend less on different surgeries in comparison to other developed countries.

Medical Tourism in India is emerging as a prime health tourism destination. The Indian Government can play a significant role in enhancing the benefits of medical tourism. Tourist should be granted quicker visa or visa on arrival so that they can make hassle free travel and can contact the Immigration Department at any point of entry for quick clearance. Acknowledging the importance of medical tourism, Government has granted several reductions, exemptions and tax incentives to the service providers.

There is also a need to develop supporting infrastructure such as transport, accommodation, and communication and information channels to facilitate medical tourism. In this research study we tried to find out the positive economic benefits of medical tourism and to focus the role of government, ministry of tourism, pharmaceuticals industries, and private sector to build the image of India as high quality medical tourism destination.

## V. RECOMMENDATIONS

The promoters should concentrate more on publicity of Medical Tourism as the awareness about Medical Tourism among people is very low.

- The health care centers can also dispatch membership card to their customers, this will result in retaining of the customers for a longer period of time.
- The promoters can encourage the tourists to recommend their health care centers to others as mouth to mouth information is effective and does not any money.
- The promoters should ensure that they cover all kinds of health insurance provided in different nations, and encourage customers to take up health insurance, as this will simplify the transaction process.
- The promoters should hold various campaigns in different nations and continents and offer better discount packages.

### Limitations of the Research Study:

- I. This research study is basically based on secondary data which may not be reliable.
- II. Preparation of a research study is a time consuming process.
- III. Organization of data is itself a very tough task.

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