

Exploring Health Tourism

Executive Summary



Exploring Health Tourism

Executive Summary

Copyright © 2018, World Tourism Organization (UNWTO) and European Travel Commission (ETC)
Copyright cover photo: © Ksenija

Exploring Health Tourism – Executive Summary

ISBN printed version: 978-92-844-2029-2
ISBN electronic version: 978-92-844-2030-8
DOI: 10.18111/9789284420308

Published by the World Tourism Organization (UNWTO) and the European Travel Commission (ETC).
First printing: 2018.
All rights reserved.

The designations employed and the presentation of material in this publication do not imply the expression of any opinions whatsoever on the part of the Secretariat of the World Tourism Organization and the European Travel Commission concerning the legal status of any country, territory, city or area, or of its authorities or concerning the delimitation of its frontiers or boundaries.

World Tourism Organization (UNWTO)
Calle Poeta Joan Maragall, 42
28020 Madrid
Spain

European Travel Commission (ETC)
Rue du Marché aux Herbes 61
1000 Brussels
Belgium

Tel.: (+34) 915 678 100
Website: www.unwto.org
E-mail: info@unwto.org

Tel.: (+32) 2 - 548 90 00
Website: www.etc-corporate.org
E-mail: info@visiteurope.com

Citation: World Tourism Organization and European Travel Commission (2018), *Exploring Health Tourism – Executive Summary*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284420308>

All UNWTO/ETC joint publications are protected by copyright. Therefore and unless otherwise specified, no part of a UNWTO/ETC publication may be reproduced, stored in a retrieval system or utilized in any form or by any means, electronic or mechanical, including photocopying, microfilm, scanning, without prior permission in writing. UNWTO and ETC encourage the dissemination of their work and are pleased to consider permissions, licensing, and translation requests related to UNWTO/ETC publications.

Permission to photocopy this material in Spain must be obtained through:

CEDRO, Centro Español de Derechos Reprográficos
Calle Alcalá, 26, 3º
28014 Madrid
Spain

Tel.: (+34) 913 08 63 30
Fax: (+34) 913 08 63 27
Website: www.cedro.org
E-mail: cedro@cedro.org

For authorization of the reproduction of UNWTO works outside of Spain, please contact one of CEDRO's partner organizations, with which bilateral agreements are in place (see: www.cedro.org/en).

For all remaining countries as well as for other permissions, requests should be addressed directly to the World Tourism Organization.
For applications see <http://publications.unwto.org/content/rights-permissions>.

Acknowledgments

This study was prepared by Dr László Puczko, The Tourism Observatory for Health, Wellness and Spa by Xellum & Resources for Leisure Assets, and Dr Melanie Smith, Budapest Metropolitan University & Pärnu Kolladz/University of Tartu, in collaboration with Mr Keith Pollard, International Medical Travel Journal, LaingBuisson International. The study was commissioned by the European Travel Commission (ETC) and the World Tourism Organization (UNWTO).

This study forms part of ETC's ongoing Market Intelligence Programme and was carried out under the supervision of ETC's Executive Unit on behalf of its Market Intelligence Committee and UNWTO's Tourism Market Intelligence and Competitiveness Department. Our thanks go to all involved, including Ms Stefanie Gallob and Ms Jennifer Iduh (ETC Executive Unit), and Ms Sandra Carvao, Ms Julia Baunemann and Mr Michel Julian (UNWTO).

The European Travel Commission and the World Tourism Organization would like to thank all contributors from ETC's Market Intelligence Committee and UNWTO, for their valuable input throughout the preparation process, starting from the previous working paper. Special thanks go to Ms Emöke Halassy (Hungary) for her dedication to the project.

We would like to acknowledge the support of all institutions and experts involved that provided interviews, country data and case study information. Our thanks go as well to the international experts who participated in the roundtable on health tourism convened by ETC and UNWTO in Budapest with the support of the Hungarian Tourism Agency, for their important consensus-building role.

Last but not least, we would like to express our appreciation to the International Medical Travel Journal, LaingBuisson International, for their support and sponsorship to this research.

Foreword

In recent years health, wellness and medical tourism have grown exponentially. Both established and emerging destinations are increasingly tapping into the potential of this tourism segment in looking to diversify, increase revenue or tackle seasonality. Yet health tourism is still poorly-defined; data on it is fragmented and definitions and concepts of it vary significantly across countries. There is an essential need to better understand wellness and medical tourism in order to effectively seize its growth potential for sustainable tourism development.

This report *Exploring Health Tourism*, prepared by the World Tourism Organization (UNWTO) and the European Travel Commission (ETC) with the support of the International Medical Travel Journal – LaingBuisson International, proposes a consistent conceptualization of health tourism and explores travellers' motivations when looking for health-related services.

The study includes the first taxonomy to describe and define the intricacies of travelling for health purposes, as well as a practical toolkit for national tourism organizations and destination management organizations wanting to develop health tourism.

We trust this information will provide tourism destinations, companies and institutions with a better understanding and a more accurate picture of health tourism. The following guidelines and reference case studies are designed to help them leverage opportunities to seize the potential of this emerging, complex and rapidly-changing global tourism segment.

Zurab Pololikashvili
Secretary-General,
World Tourism Organization (UNWTO)

Peter de Wilde
President,
European Travel Commission (ETC)

Executive summary

The growing segment of health tourism

Health, wellness and medical tourism have grown exponentially in recent years and are becoming increasingly relevant in many established and emerging destinations around the world.

Yet, the health tourism segment is still not well defined, with differences based on geographical and linguistic characteristics and the large and wide variety of related cultural traditions. Furthermore, data is fragmented and limited.

Health tourism is considered nowadays to be an emerging, global, complex and rapidly changing segment that needs to be comprehended to a greater extent in order to leverage opportunities and better address challenges.

The purpose of this study prepared by the European Travel Commission (ETC) and the World Tourism Organization (UNWTO) is threefold:

1. To achieve a better understanding of health tourism at a global level, through the identification of current practices from stakeholders involved in the promotion of health tourism;
2. To propose a comprehensive taxonomy with a consistent terminology to define and describe the intricate system of travelling for health purposes; and
3. To provide a practical toolkit for national tourism organizations (NTOs) and destination management organizations (DMOs) wanting to develop health tourism.

The recommended definitions included in this study represent the culmination of a process starting with a working paper, the discussions and conclusion from the roundtable on health tourism convened by ETC and UNWTO in Budapest with the support of the Hungarian Tourism Agency, and the work carried out by the UNWTO Tourism Competitiveness Committee.

Defining health tourism: recommended taxonomy and definitions

Tourism (and travel) is an activity that can contribute to the creation or improvement of **wellbeing**.

Health tourism covers those types of tourism which have as a **primary motivation**, the contribution to physical, mental and/or spiritual health through medical and wellness-based activities which increase the capacity of individuals to satisfy their own needs and function better as individuals in their environment and society.

Health tourism is the **umbrella** term for the subtypes: *wellness tourism* and *medical tourism*.

Wellness tourism is a type of tourism activity which aims to improve and balance all of the main domains of human life including physical, mental, emotional, 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 tourism is a type of tourism activity which involves the use of evidence-based medical healing resources and services (both invasive and non-invasive). This may include diagnosis, treatment, cure, prevention and rehabilitation.

The 22nd Session of the UNWTO General Assembly held in Chengdu, China (September 2017), adopted as Recommendations the below definitions of health tourism, medical tourism and wellness tourism.

Factors shaping health tourism

Time spent on leisure activities (including health care and prevention) has increased over time. More available time and increased disposable income devoted to leisure activities (e.g., travel, entertainment, health care, personal wellbeing) are supporting healthy lifestyle motivations.

Medical tourism is particularly driven by **over-burdened health care** and public health insurance systems. Long-term care (LTC) expenditure has risen over the past few decades in many advanced economies, with **ageing population** requiring more health and social care.

Urbanization is a major challenge for public health. According to the United Nations, over half of world's population live in cities, a proportion that is expected to increase to two-thirds in 2050. Urban living associated health condition and chronic diseases are leading to a growing need and demand for healthier trips, *natural* alternatives and *escapism*.

Certain legal directives are also perceived as influential, especially those in medical tourism, like the European Union (EU) Directive on cross-border mobility. The Directive 2011/24/EU on patients' rights in **cross-border health care** "clarifies that patients are entitled to seek health care abroad, including for planned care, and be reimbursed for it, in principle without having to seek prior authorisation"¹.

The global nature of financial markets fuels rapid developments, especially in the hospitality and spa market. **Increasing investments** (often as foreign direct investment) are taking place in medical tourism as well, mainly in the form of investments in technology and know-how. However, the concept of **brain drain** is quite common especially in the medical tourism industry (i.e., doctors and other health care professionals choose to work in medical tourism rather than treating local residents).

1 European Patients Forum (2011), *EU Directive 2011/24/EU on the application of patients' rights in cross-border healthcare: Legislation Guidance for Patient Organisations* (online), available at: www.eu-patient.eu/globalassets/policy/crossborderhealthcare/2013-11-18_cbhc_guidance-final.pdf (27-06-2017).

Rapid **technological developments** and inventions also influence travel for health purposes. For instance, faster and less invasive, non- or minimal invasive technology (e.g., laparoscopy) in beauty and medical treatments. Technology and innovation companies with global outreach can influence the development of medical tourism locally.

Apps, **wearables** (or hearables) have the potential to change how users will consider health and health management in future years. **M-health** (mobile health) and **e-health** smart solutions and real-time information can help health care providers to define personal treatment plans.

Protection of personal health data (i.e., privacy), information and malpractice legislation in health (especially in medical) tourism is paramount.

The market of health tourism

In line with the continuous expansion of world tourism, an increasing number of people is travelling for health purposes. Flows have been facilitated by affordable, accessible travel and readily available information over the Internet.

Due to limited, fragmented and often unreliable data, as well as varying definitions of health tourism and its components, it is difficult to estimate the size and growth of health tourism as a market.

Some estimates by industry bodies point to USD 45.5 billion to USD 72 billion market size of medical tourism (Patients Beyond Borders) or USD 100 billion (Medical Tourism Association). Depending on the source estimates of the value of the medical tourism market differ greatly.

Most countries that engage in delivering care to medical tourists do so to increase the level of foreign exchange earnings coming into their country and to improve their balance of payments position.

Supply of health tourism

The supply of health tourism is already very wide from hotels with spas facilities, to wellness hotels and thermal baths to specialized hospitals and clinics. There are **several types of facilities** that can provide services in many areas of health tourism (e.g., wellness cruises can also provide services such as spas, IVF clinics, dental or plastic surgery clinics). Operators in the health tourism supply can range from providers, brokers or hotels to certification, accreditation and insurance companies.

Since a globally accepted typology of service providers is not available, the size and capacity of the actual supply (probably apart from hotels and hospitals) is not well seized.

The hospitality industry recognized the growing demand and interest in health or wellbeing, and an increasing number of operators either have reshaped their services or launched new brands adapted to the new demand trend (e.g., in the form of **healthy options**).

Demand of health tourism

Although populations in western countries, as well as countries in the Far East are facing **rapid ageing**, global data still show that half of the world's population is younger than 30 years of age. Young people represent a potential demand for health related tourism in the near future.

Cultural traditions, natural assets and heritage play a significant role in defining demand and motivations.

International wellness travellers tend to be **savvy** and lead a **wellness lifestyle**. They seek healthy services and prefer lifestyle-based treatments.

Domestic health tourism is significant in several countries. This is especially true in countries where the government still subsidises national or domestic health tourism (e.g., thermal medical bath treatments) through social tourism.

Medical tourism involves people travelling expressly to access medical treatment. People travel for wellness to maintain or enhance their personal health and well-being, and wellness services focus on healing, relaxation or beautifying of the body that is preventive and/or curative in nature.

The **key drivers** for medical tourism are the lack of insurance and services (in the patients' home country), lower costs, better quality care, procedures unavailable at home and shorter waiting periods.

Medical tourism has historically been from lower to higher income countries, with better medical facilities and more highly trained and qualified professionals. However, this trend is now reversing and most recently *hubs* of medical excellence have developed which attract people regionally. Many countries participate in medical tourism as importers, exporters or both.

The main **importing** countries (those where the medical tourists come from) are in North America and Western Europe. The main **exporting** countries (those who provide the services to medical tourists) are located across all continents, including Latin America, Eastern Europe, Africa and Asia. Countries and/or hospitals tend to be specialized in certain procedures.

Management and marketing

Social policies and public as well as private initiatives aiming at the improvement of the general wellbeing of citizens also support travelling for health purposes.

National and regional policies and initiatives are often paving the way for domestic and/or international health tourism (e.g., investment, incentives or regulations), especially if supported and facilitated by a relevant organization, e.g., industry co-established cluster or governmental department.

Distribution in health tourism is quite unique. In **medical tourism, facilitators** (and not traditional tour operators) play an important role. In wellness tourism (especially in retreat-based or spiritual tourism) small but rather specialized tour companies provide packaged services or operate

distribution platforms. The online distribution (e.g., online travel agencies) has not yet developed (or applied) a terminology that would support distribution on a larger scale.

Conclusion and recommendations

Health tourism is certainly one of the **fastest growing forms of tourism** at the time. The analysis of the supply and demand in the health tourism market brings up relevant issues that need attention such as the different typologies of service providers and the lack of reliable and comparable data and evidence-based information, making hard to benchmark performance at country, destination or individual facility level.

NTOs, DMOs and the industry at large would benefit from **improved data** collected and developed under a harmonized conceptual framework with clear definitions. This would ensure **comparability**, more accurate **measurement** and better **management**. Health tourism is still a niche market and it is important not to over-inflate or double count statistics.

The concept of supported or co-funded holidays (or **social tourism**) is often related to **accessible** tourism: it is a different form of travel aiming at the improvement of health or wellbeing of the beneficiary travellers (families, young people or senior citizens), at least partially. These travellers can generate additional revenue, but also may help to reduce health cost through prevention measures and decreased pharmaceutical consumption.

Sustainability and responsibility have become key criteria in health tourism, which often relies on natural resources and assets. When managing health tourism it is certainly important to have a sustainable approach in terms of development, planning and impact management. It is also critical to observe regulations and ethics. The incorporation of sustainable practices and corporate social responsibility the inclusion of local communities, the Sustainable Development Goals as guiding framework for both public and private stakeholders, are key fundamentals for the long-term viability of the health tourism related industry and maximizing benefits for local communities.

Destinations should look at the impact of health tourism on the quality of life of residents. The **wellbeing** of local residents is equally important as the health improvement of tourists. **Monitoring** economic, social and environmental impacts need dedicated attention and resources.

As part of a **health tourism strategy**, destinations should look into travel facilitation issues:

- Visa policy, enhanced connectivity, safety and security, mobility framework for people with disabilities;
- Diversification of source markets and segments;
- Attraction of investment;
- Establishment of a regulatory framework, including legislation, incentives and standards;
- Quality of service and infrastructure;
- Training and skills development;
- Accreditation and certification of health tourism facilities and practices; as well as
- Product development, involving e.g., the meetings industry or gastronomy.

Health tourism can help tackling **seasonality**, as it does not necessarily follow a seasonal pattern compared to other tourism segments. It tends to be less seasonal, and can be integrated into

365-day destination strategies. Health tourism can also contribute to tourism **dispersal**, as many wellness and medical facilities can be located in city outskirts and rural areas.

Collaboration and partnerships are key among the different stakeholders involved in the health tourism value chain: destinations, authorities, local communities, accommodation and transport, providers, facilitators. Health tourism can be better integrated into tourism policies overall. The successful **public-private** initiatives to promote health tourism put in place in some of the leading health tourism destinations, and which can be considered best practices, could be replicated in other countries. Co-opetition in health tourism can also have a trickle down effect on know-how and technological transfer. Finally, cooperation with international organizations concerned becomes essential.

Hospitality and the health care industry can **learn from each other** through the exchange of know-how and practices, in order to optimize the delivery of services and ensure a quality tourism experience. The hospitality industry can also complement wellness and various related tourism services in the supply of accommodation, gastronomy and others.

Destinations should pay attention to **product-segment** matrices. New product concepts are emerging and **market intelligence** produced by NTOs and DMOs and the design of innovative digital marketing strategies can help attracting new market segments such as millennials or LGBT. **Segmentation** and motivation modelling should incorporate new approaches such as lifestyle-based segmentation and 'tribal marketing'.

Technology advances and mobile applications such as eHealth and mHealth (or Artificial Intelligence and robotics in the near future) can bring new solutions and opportunities to health care, including real-time monitoring of patient vital signs and mobile telemedicine, as well as how tourism service providers communicate and relate to their guests.

The **toolkit for health tourism development** included in the full study should facilitate, guide and support step-by-step NTOs and DMOs in their effort of developing and managing any form of health tourism.

This ETC/UNWTO publication on Exploring Health Tourism aims to provide a better understanding of the growing segment of wellness and medical tourism. The study introduces the evolution of health-related tourism products and services from all around the world and provides insights into the current situation of the industry, as well as the future potential. It also includes a comprehensive taxonomy that serves as a common reference for tourism destinations operating in this field, as well as a practical toolkit to assist NTOs and DMOs with their planning and management of health-related tourism activities.



The **World Tourism Organization** (UNWTO), a United Nations specialized agency, is the leading international organization with the decisive and central role in promoting the development of responsible, sustainable and universally accessible tourism. It serves as a global forum for tourism policy issues and a practical source of tourism know-how. Its membership includes 158 countries, 6 territories, 2 permanent observers and over 500 Affiliate Members.

Founded in 1948, the **European Travel Commission** (ETC) is a non-profit organization whose role is to market and promote Europe as a tourism destination in overseas markets. ETC's members are the national tourism organizations of 33 European countries. Its mission is to provide added value to members by encouraging exchange of information and management expertise and promoting awareness about the role played by the national tourism organizations.

World Tourism Organization: www.unwto.org

European Travel Commission: www.etc-corporate.org

