

Chapter 17

The Medical Tourism Industry in the BRIC Nations: An Indian Analysis

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ABSTRACT

Despite BRIC's roaring economic growth over the past decade, and its citizens' growing belief that it is finally ready to join the league of global superpowers by the end of 2020. With the progress of the IT revolution, advances in transportation and communication technology, the evolution of financial techniques, and the easing of restrictions on trade and investment, there has been a geometric increase in the international movement of people, products, money and information in the BRIC nations. The economic dynamism has led the emerging economies (BRIC countries) to diversify their business activities from a global perspective, and attempt to create optimal global value chains. Demand for tourism in Brazil, Russia, India and China is expected to grow in tandem with rapid economic growth. These nations are rich in natural and manmade resources and should cope quite well and have tremendous opportunities for the growth of tourism especially medical tourism between these nations. This chapter will explore BRIC member countries, on how they can cooperate to further promote the BRIC Vision and establish a viable healthcare initiative focusing on Indian medical tourism that will serve as a blueprint and model for other economies.

INTRODUCTION

The BRIC plays a pivotal role in the global economy in terms of total production, services, receiving investment capital, and expanding potential consumer markets. The BRIC economies have been widely regarded as the engines of the world economic recovery, financial crisis which underscores the changing role of these economies in the world. Interestingly, BRIC is a dialogue and cooperation platform among

DOI: 10.4018/978-1-5225-3920-9.ch017

Member States (Brazil, Russia, India, and China) which together account for 30% of global land, 43% of global population and 21% of the world's Gross Domestic Product (GDP), 17.3% of global merchandise trade¹, 12.7% of global commercial services and 45% of world's Agriculture Production (World Tourism Organisation, 2015). This platform aims to complementing and strengthening existing bilateral and multilateral relations vi-a-viz promote peace, security, prosperity and development in multipolar, interconnected and globalized world between Member States. The Strategy for BRIC Economic Partnership will contribute to mounting the economic growth and competitiveness of the BRIC economies in the global arena.

Across the globe, the healthcare sector is expanding as increasing economic prosperity, a changing disease profile, a growing global population along with a large demographic of senior citizens are resulting in a higher demand for healthcare services. 2012 saw conservative growth in numbers, with total healthcare spending rising by an estimated 1.9%. Yet, growth in healthcare spending is projected to pick up and reach an annual average of 5.6% between 2015-2020. According to the report, the value of the global medical tourism industry was pegged at US\$10.5 billion in 2012. This is estimated to grow to US\$32.5 billion by 2019, developing at a strong CAGR of 17.9% during the forecast period. Cultural similarities and geographic proximity play a vital role in the development of the medical tourism industry (Economic Times, 2013). Further, according to World Health Organisation (WHO) report, by 2016, it's expected that the four BRIC nations (Brazil, Russia, India and China) will all be in the top 10 global pharmaceutical markets and will constitute 30 percent of the top 10 market, spending \$244–\$284 billion. Asia has a population of around 4.3 billion and is home to about 60 percent of the world's population. China alone has a population of approximately 1.3 billion, which is three- to four-fold bigger than Europe or the U.S. Adding in the other developing markets, such as those in Latin America, this makes for a huge potential market for the pharmaceutical industry, and one important not to miss. The growth markets popularly include Brazil, Russia, India, China (The Pharma Times, 2016).

MEDICAL TOURISM INDUSTRY: AN OVERVIEW

The origin of Medical tourism has been around for centuries, though the concept of travelling for medical procedure has gained in recent years. In, fact the concept can be traced back to Greek pilgrims, who travelled to the small Mediterranean town of Epidauria in the Saronic Gulf. This area was the sanctuary of Asclepios, the god of healing, so Epidauria emerged as the world's first recorded medical travel destination (Balaban & Marano, 2010). Some studies indicate that medical tourism had a place in the civilizations of the Egyptians, Romans, Indian, Chinese and Japanese in early 4,000 BC.

World Tourism Organization (2014) clearly put forward “Attach importance to medical tourism, build a healthy life” in “Tourism Agenda 21”. It defined medical tourism as tourist services which take medical care, sickness and health, health and recreation as the main themes.

Smith & Puczkó (2009) Medical tourism can be defined as travel to destinations to undergo medical treatments such as surgery or other specialist interventions...Medical tourism [...] can have two major forms: surgical and therapeutic. There is a clear distinction between the two. Surgical certainly involves certain operations(s), whereas therapeutic means participating in healing treatments. Similarly, Global Spa Summit (2011) defines medical tourism as the ‘act of travelling to another country to seek special-

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