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The Amrit Kaal's Future Medical Value Tourism on Mission Mode: A Revival of the Tourism Industry In India

Riya Raju George¹, Sunil, S.² , Vijayan, K.³  and Shanimon, S.^{4*} 

¹Research Scholar, Government College Attingal, University of Kerala, Thiruvananthapuram, Kerala, India. E-mail: riyarg96@gmail.com

²Research Supervisor and Associate Professor, Government College Attingal, Attingal, Kerala, University of Kerala, Trivandrum, India. E-mail: sunilayilamap75@gmail.com

³Research Supervisor and Associate Professor, Government College Attingal, Attingal, Kerala, University of Kerala, Trivandrum, India. E-mail: vivek.vijayk@yahoo.com

⁴Research Supervisor and Assistant Professor, Government College Kattappana, Idukki, Kerala, M.G. University, Kottayam, India. E-mail: shanimonimon@gmail.com

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Abstract

Medical value tourism is the practice of seeking medical care abroad, frequently because certain procedures are more affordable or readily available there. India has grown to be a well-liked location for medical value tourism since it is known for offering superior healthcare services at comparatively lower costs than other developed nations. India also boasts a sophisticated healthcare system, complete with multiple highly qualified medical personnel, state-of-the-art hospitals, and state-of-the-art equipment. The Union Budget 2023 is slated to put the tourism industry in "mission mode," as it is one of the major sources of revenue and has a multiplier effect on several other sectors. The economic potential, benefits, and cost-savings associated with high-quality healthcare and the expanding medical tourism industry in India are all examined in this paper. India has been trying to attract more foreign direct investment in an attempt to foster economic growth and job creation in recent years. The healthcare industry, which includes medical value tourism, has been identified as one of the primary areas for foreign investment in India. According to the current study, the tourism industry generated revenue up until the pandemic, with the highest amount recorded in 2018 being 20.342 trillion. Revenue fell to 15.731 trillion due to the pandemic and then to 10.024 trillion by 2020; the combined average growth rate was -1% from 2015 to 2019. With an expected 15.9 trillion in 2022 and an average growth rate of 39% in 2020–2021, the sector is gradually recovering.

Keywords: *Tourism, Medical value tourism, Economic impact, revenue & Foreign Exchange Earnings, employment*

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1. Introduction

Medical Value Tourism is the practice of seeking medical care abroad, usually because certain procedures are less expensive or easier to obtain there. India has become a popular destination for medical value tourism because it is known

* Corresponding author: Shanimon, S., Research Supervisor and Assistant Professor, Government College Kattappana, Idukki, Kerala, M G University, Kottayam. E-mail: shanimonimon@gmail.com

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for providing superior healthcare services at comparatively lower costs than other developed countries. With an additional focus on promoting tourism on “mission mode” in the Union Budget 2023, the sector is allocated 2400 crores, an 18.42% increase from the previous year. Tourism is a driving force in India and is largely still untapped. The majority of the fund is designated for the development of tourism infrastructure and marketing. The Amrit Kaal Budget identifies the tourism industry as one with the potential to be a transformative force. Medical tourism is a specialised market that blends the nation’s medical facilities with the allure of a popular travel destination. It is a merging of the tourism and healthcare industries. India’s medical tourism industry is well-known throughout the world for its reasonable prices, high-quality care, and allure for travellers.

Under the 2018 Champion Service Sector Scheme (CSSS), medical value tourism is one of the industries in India’s economy that is expanding the fastest. With a blend of modern and traditional medicine, the region is home to some of the best experts in modern Ayurvedic, homeopathic, Unani, and allopathic medicine. With the launch of the Incredible India campaign in 2002 and the current emphasis on AYUSH, government initiatives have increased. A renewed effort is underway to address the issues surrounding the global health crisis with an eye toward the SDG Agenda 2030. The critical importance of this field was highlighted in light of Covid-19 and the industry downturn. After restrictions were removed, the industry is attempting a resurgence, and numerous efforts to revitalise it highlight its enormous potential. The world is also applauding India for its medical tourism industry.

The study attempts to understand the significance of the tourism industry for a nation such as India. Press releases, government reports, and other data show the rising numbers. The expansion and public awareness of the tourism industry will determine “Amrit Kaal’s” future. The study can shed light on how the industry affects the country and its youth. The government, both at the federal and state levels, can be held accountable for the numerous opportunities that sustainable tourism and medical tourism present to guarantee that the industry receives attention. The study can also assist MVT facilitators and other relevant parties in realising how urgent it is to highlight India in this period of increased global health awareness.

2. Literature Review

The invisible nature of tourism, which creates foreign exchange inflow and boosts the current account of the balance of payments, is explained by Kumar (2018). This has an impact on national revenue, employment, income, and household savings. The tourism industry’s ripple effect does not end there. A favourable environment can lead to cycles of economic activity and revenue generation; domestic tourism redistributes money, while international tourism brings in foreign currency. Long into the future, the effect may result in a growing acceptance of regional craftsmen, the hotel sector, and many other aspects of the nation.

In their study, Woo *et al.* (2016) confirm that residents’ perceptions of the impact and well-being of tourism are influenced by their affiliation or lack thereof. Residents are more receptive to developments related to tourism the more allied they are. Positive perceptions of benefits seeping into both their material and non-material lives are frequently generated by their association with the industry. Their quality of life is impacted by tourism, and stakeholders report higher levels of satisfaction. The advantages and difficulties of a developing medical tourism industry are covered by Soni *et al.* (2020). The increasing interest and influx of foreign tourists may be attributed to Indian-only treatments like Ayurveda and allopathy. Disciplines, health insurance, and post-operative follow-ups are a few of the obstacles that must be overcome for the industry to continue growing.

According to Burns (2015), even though the Deloitte report’s boastful reviews are not quite accurate, India has the support it needs to become a major player in the global MVT market thanks to factors like patient testimonials, reversing brain drain, and an increasing number of medical facilities that meet international standards. A review of the pertinent literature reveals a lack of quantitative data about the tourism industry’s economic contribution to the country after the pandemic. Examining the sector’s significance and the rising need for MVT requires a fresh perspective. This study aims to comprehend the boost that MVT can offer as well as the economic impact that the tourism industry generates.

3. Objectives

- To evaluate the tourism sector’s economic effects in India
- To investigate the expanding significance of medical tourism in India.

4. Methodology

To comprehend the effects of tourism and the significance of the Medical Value Tourism industry, the study employs analytical research using secondary data from published WTTC and UNWTO reports, governmental and non-governmental reports, websites, articles, and journals.

5. Tools for Analysis

To the pre- and post-pandemic impact on tourism, as well as the future of medical value tourism in the nation, the analysis is based on data from governmental and non-governmental reports and other sources from 2015 to 2021. Three criteria are used to evaluate the sector's significant multiplier effect: foreign exchange earning, job creation, and revenue generation. Annual Growth Rate, Compounded Annual Growth Rate, and tables are used to analyze the data. From 2015 to 2019 the CAGR is calculated, and from 2020 to 2021 the AGR. The negative effects of Covid-19 are to blame for the split in the computation. CAGR for employment creation is calculated from 2015 to 2020 because data released by the MoT shows a consistent increase.

5.1. Annual Growth Rate

$$\text{Growth Rate (\%)} = \frac{\text{Ending Value}}{\text{Beginning Value}} - 1$$

5.2. Compound Annual Growth Rate

$$\text{CAGR (\%)} = \frac{\text{Ending Value}}{\text{Beginning Value}}^{(1 \div t)} - 1$$

6. Results and Discussion

6.1. Economic Impact of Tourism Industry in India

Medical value tourism, also known as medical tourism, is the process of travelling to another country for medical treatment or procedures. India has become a popular destination for medical tourism due to its advanced medical facilities, skilled healthcare professionals, low costs, and diverse tourist attractions. The expansion of medical tourism necessitates the establishment of healthcare infrastructure, such as hospitals, clinics, specialised treatment centres, and support facilities. Investments in healthcare infrastructure benefit both medical tourists and local communities by increasing access to high-quality healthcare services. Collaboration with international patients and healthcare professionals promotes technology transfer and knowledge exchange. Indian healthcare providers frequently incorporate advanced medical technologies and best practices from around the world, resulting in skill enhancement and higher healthcare. Medical tourists frequently combine medical treatments with wellness and recreational activities like yoga, Ayurveda, spa treatments, and sightseeing. India's rich cultural heritage and natural beauty complement its healthcare offerings, attracting tourists looking for holistic wellness experiences and fueling the growth of wellness tourism. India's rich cultural heritage and natural beauty complement its healthcare offerings, attracting tourists looking for holistic wellness experiences and fueling the growth of wellness tourism. India's reputation as a dependable and cost-effective medical treatment destination helps it compete globally in the healthcare industry. Positive patient experiences and successful treatment outcomes lead to word-of-mouth referrals and repeat visits, which strengthen India's position in the global medical tourism market. Medical tourism promotes growth in related industries such as pharmaceuticals, medical equipment manufacturing, health insurance, and medical tourism facilitation services. These industries benefit from increased demand for their goods and services, which leads to additional economic growth and diversification.

6.2. Revenue Generation from Travel and Tourism Sector

Medical tourism contributes significantly to India's healthcare industry's revenue. Foreign patients visiting India for medical treatment spend money on hospitals, doctors' fees, diagnostic tests, accommodation, transportation, and other related services. This influx of foreign exchange earnings boosts the healthcare sector and the overall economy.

The rate at which the tourism industry generated revenue before the pandemic is shown in Table 1, CAGR, and AGR. In 2018, the highest was 20.342 trillion. Revenue decreased as a result of the pandemic to 15.731 trillion and then to 10.024 trillion by 2020, with a CAGR of -1% from 2015 to 2019. The industry is gradually recovering, with a 39% AGR in 2020-2021. According to WTTC projections, the industry will contribute 15.9 trillion by 2022.

Table 1: Revenue Generated from the Travel and Tourism Sector		
Year	Revenue (in trillion)	Percentage Change
2015	16.554	8.45
2016	18.068	9.14
2017	19.078	5.58
2018	20.342	6.63
2019	15.731	-22.67
2020	10.024	-36.27
2021	13.979	39.45

Source: IBEF

6.3. Employment Creation: Number of Direct and Indirect Jobs in the Travel and Tourism Sector

Medical tourism generates employment opportunities in a variety of sectors, including healthcare, hospitality, transportation, and tourism-related services. Hospitals, clinics, hotels, travel agencies, and support staff profit from increased demand for their services, resulting in job creation and economic growth.

Table 2 and the CAGR both refute the pandemic's crippling effects. Except for 2018-19, which saw a 3.52% drop, the number of jobs directly or indirectly related to travel and tourism has steadily increased. With a 3% CAGR from 2015 to 2020, the tourism sector will employ more than 39 million people in 2020, accounting for approximately 8% of all jobs in the country. Tourism will now account for 10.2% of total employment in 2021. The WTTC predicts that by 2029, India's tourism industry will support 53 million jobs.

Table 2: Number of Direct and Indirect Jobs in the Travel and Tourism Sector		
Year	Number of Employees (in million)	Percentage Change
2015	69.75	3.79
2016	72.26	3.59
2017	75.34	4.26
2018	72.69	<u>-3.52</u>
2019	75.85	4.35
2020	79.86	5.28

Source: Ministry of Tourism, pib.gov.in

6.4. Foreign Exchange Earning (Fee) From The Travel and Tourism Sector

Medical tourism boosts India's foreign exchange earnings by allowing international patients to spend money on medical services and other expenses. The inflow of foreign currency improves the country's balance of payments and strengthens its foreign reserves.

Table 3 and the associated calculations demonstrate a consistent influx of foreign exchange from tourism into the nation, except 2020, the year of the pandemic. In 2021, FEE inflow increased significantly following COVID-19 restrictions. 2015-2019 saw a CAGR of 12%, and 2020-2021 saw an AGR of 30%.

**Credit data of Travel Head from Balance of Payment of RBI, estimated FEE during the period January to August 2022 as 74,282 crores, compared to 37,953 crore in January to August 2021. This shows a growth rate of 95.72%. This data has not been used in the analysis of CAGR.*

Year	FEE (₹ in crores)	Percentage Change
2015	134,844	12.0
2016	154,146	14.3
2017	177,874	15.4
2018	194,881	9.6
2019	211,661	8.6
2020	50,136	-76.3
2021	65,070	29.8
*2022 (Jan-Aug)	74,282	-

Source: India Tourism Statistics 2022, IBEF

6.5. To Explore Growing Importance Of Medical Value Tourism In India

According to estimates, the Indian Medical Value Tourism market is expected to grow by 21.1% between 2020 and 2027, with a current valuation of USD 7417 million (IBEF). The Ministry of Tourism claims that the objective of FTA arrivals in 2020 and 2021, when combining different visa categories, demonstrates the sharp increase in the number of tourists arriving for medical reasons.

6.6. Travel Pertaining To Medical Purposes

Medical tourism boosts India's foreign exchange earnings by allowing international patients to spend money on medical services and associated expenses. The inflow of foreign currency improves the country's balance of payments and strengthens its reserves.

The largest percentage change in the number of foreign visitors entering the nation for medical treatment is displayed in Table 4. FTA for business or profession showed a 40.85% increase and a 92.3% decrease, respectively, while FTA for leisure, holiday, and recreation and FTA for medical purposes showed a 66% increase, rising from 182945 in 2020 to 303526 in 2021. This can mean a speedy revival of MVT after the pandemic.

Purpose	2020		2021		Percentage Change in FTA
	FTA	Percentage Share	FTA	Percentage Share	
Leisure holidays, and recreation	1597,753	58.2	124,126	8.1	-92.23
Indian diaspora	381,460	13.9	575,142	37.7	50.77
Business and Professional	320,582	11.7	189,626	12.4	-40.85
Medical	182,945	6.7	303,526	19.9	+66
Others	262,026	9.5	334,694	21.9	27.73

Source: Indian tourism statistics 2021, 2022

6.7. The Number of Medical Tourists Visiting Country

India's reputation as a dependable and cost-effective medical treatment destination helps it compete globally in the healthcare industry. Positive patient experiences and successful treatment outcomes lead to word-of-mouth referrals and repeat visits, which strengthen India's position in the global medical tourism market. Medical tourism promotes

growth in related industries such as pharmaceuticals, medical equipment manufacturing, health insurance, and medical tourism facilitation services. These industries benefit from increased demand for their goods and services, resulting in additional economic growth and diversification.

Due to the Covid-19 pandemic, Table 5, CAGR, and AGR indicate a significant decline in FTA for medical tourism in 2020. 2021 sees a rise in the number of tourists visiting the country. The AGR for 2020-2021 is 63%, and the CAGR for 2015-19 is 31%. There will undoubtedly be an increase in visitors to the nation due to the growing interest in holistic health and wellness.

Table 5: Foreign Tourist Arrival to India for Medical Tourism		
Year	Number of medical tourists	Percentage change
2015	233918	26.92
2016	427014	82.54
2017	495056	15.93
2018	644036	30.09
2019	697453	8.29
2020	186644	-73.24
2021	303526	63

Source: Bureau of Immigration, MoT

7. Findings

- The tourism sector's ability to generate revenue increased at a -1% CAGR between 2015 and 2019. With an estimated 39% Annual Growth Rate (AGR) for 2020-2021, the market appears to be very promising and experiencing a renaissance.
- The number of employees did not decrease during the pandemic, so employment creation was not as negatively impacted. The computed CAGR indicates a 3% annual growth rate from 2015 to 2020.
- Before the pandemic, Foreign Exchange Earnings had a CAGR of 12%; from 2020 to 2021, the AGR was 30%. The industry is a profitable source of FEE inflow.
- In addition to being a growth engine, tourism also creates jobs and attracts foreign capital. With tourism having a multiplier effect on the economy that extends beyond the sector to other areas of the economy, the government is planning to bring the industry back to life.
- Potential trickle-down effects arise from the expanding employment opportunities for young people in a country like India, the influx of foreign exchange, and the total amount of revenue generated.
- The tourism industry affects many related sectors, including hospitals, transportation, traditional medicine, hotels, local artisans, and many more, either directly or indirectly.
- The Medical Value The tourism industry is resilient and has room to grow. The study found that the percentage of visitors coming to the nation expressly for medical treatment increased to 66% after the pandemic.
- The number of visitors arriving for medical purposes increased the most between 2020 and 2021, and this was followed by a 50.77% increase in the number of Indian diaspora returning.
- According to data from the Bureau of Immigration, the number of Americans who were born outside of the nation and travelled for medical reasons increased between 2015 and 2021. A 31% CAGR and a 63% AGR indicate a rapid recovery from 2015 to 2019.
- There is a strong market for medical tourism in the nation. The present study illustrates the potential of this emerging industry to establish India as a global center for medical tourism.

8. Conclusion

Medical value tourism significantly contributes to India's economy by generating revenue, creating jobs, stimulating infrastructure development, promoting wellness tourism, and enhancing the country's global reputation in the healthcare sector. Continued investment in healthcare infrastructure, quality assurance, and promotional efforts is essential to sustain and further capitalize on the economic benefits of medical tourism in India. Tourism may turn out to be a multiplier force for economic growth and stability. The Economic Survey 2011-12 (IBEF) examines the industry's ability to generate significant direct and indirect employment for a variety of social groups, from the most skilled to the least skilled. As evidenced by the 50% increase in free trade agreements that occurred after the pandemic, increased vaccination campaigns and government initiatives restored the repressed need to travel caused by the lockdown and the pandemic. Medical Value Tourism is predicted by IBEF to expand at a compound annual growth rate (CAGR) of 21.1% from 2020 to 2027. The study confirms earlier findings about the significance of the tourism sector and its possible advantages for the nation. India is anticipated to produce USD 97.3 billion in revenue by 2022 (MTA) and is currently ranked 10th out of 46 destinations in the world's tourism market. India is anticipated to produce USD 97.3 billion in revenue by 2022 (MTA) and is currently ranked 10th out of 46 destinations in the world's tourism market. India is anticipated to produce USD 97.3 billion in revenue by 2022 (MTA) and is currently ranked 10th out of 46 destinations in the world's tourism market. The number of tourists visiting India for medical purposes is rising, which is indicative of the country's growing reputation as a "Medical Tourism Hub." India's MTI ranking, which places it 10th out of 46 destinations, reflects how the world views the country and its potential for development. Youth employment opportunities, foreign exchange inflow, and revenue all contribute to the nation's development of various sectors and overall quality of life. The tourism sector is given a lot of weight in the Union Budget 2023 as it enters the "Amrit Kaal". To revive the industry following a worldwide decline in revenue and employment, the ministry allocated ₹2400 crores to it. The new currency is green growth and sustainability through tourism. India has a lot of potential to rediscover itself in the tourism industry, which is one of the main drivers of growth in the service sector.

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