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Policy Paper: Leveraging India's Generic Pharmaceutical Strength to Capture the US Medical Tourism Market in Mexico

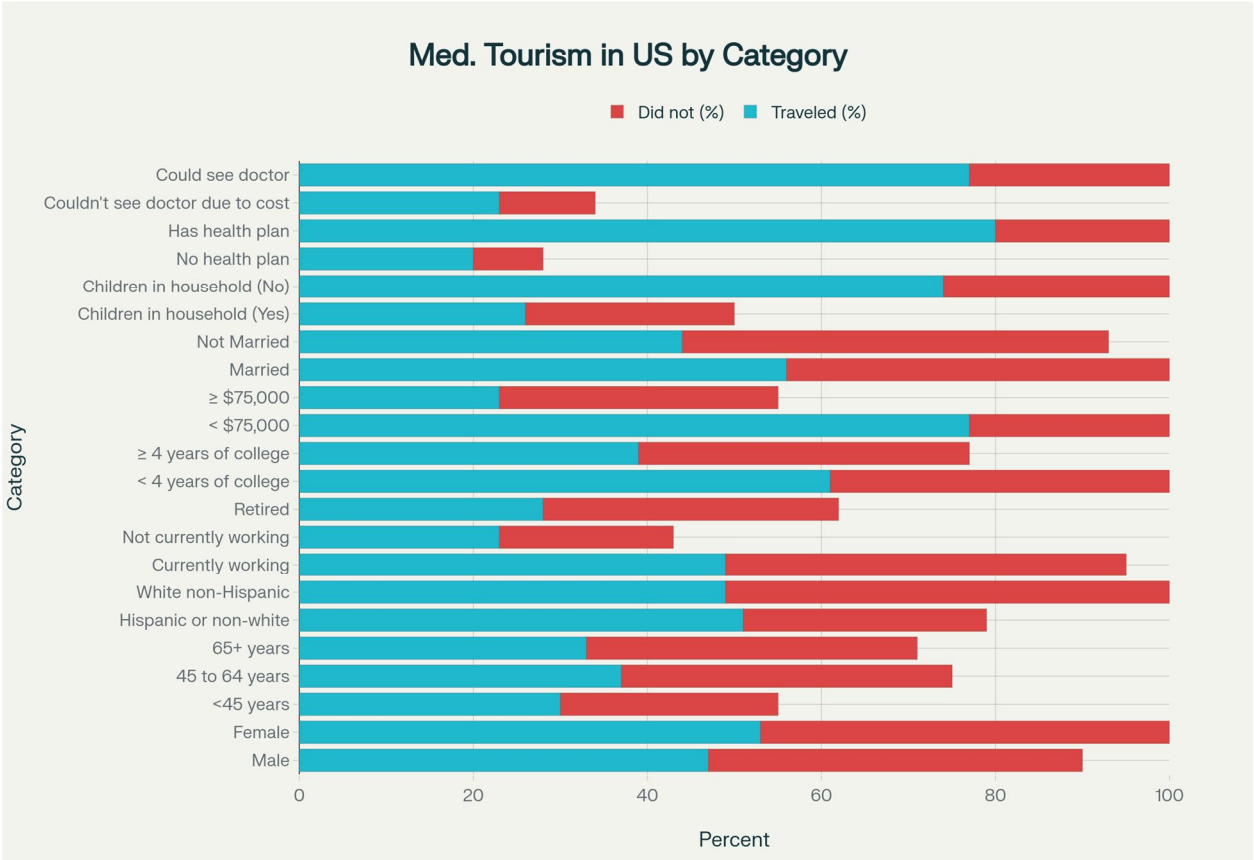
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I. INTRODUCTION

US medical tourism is rapidly growing, with Mexico the leading destination, primarily for cost- sensitive procedures such as dental, cosmetic, and essential medical treatments. India, a global powerhouse for affordable, high-quality generic medicines, has an opportunity to expand its pharmaceutical exports and presence in Mexico—serving the needs of American medical tourists while building strategic healthcare partnerships.

II. US MEDICAL TOURISM DEMAND & DEMOGRAPHICS

Recent US data shows that the majority of outbound medical tourists are under 65, more likely to be non-White/Hispanic, currently employed, and from moderate-income groups. Many lack adequate health coverage or face cost barriers for care in the US. Dental procedures, cosmetic surgeries, and medical treatments are the leading reasons for American medical travel to Mexico.



Comparison of demographics and health characteristics between US medical tourists and non- medical tourists.

III. MEXICO: GATEWAY FOR AMERICAN MEDICAL TOURISTS

A. *Mexico: Gateway for American Medical Tourists*

Mexico is the leading destination for American medical tourists, capturing a market share of 41%. Its popularity is due to its proximity to the United States and the lower cost of medical procedures and pharmaceuticals.

The primary reasons for Americans traveling to Mexico for medical care are dental work (55%), unspecified procedures (20%), and medical treatments for illness (6%). Other procedures like cosmetic surgery account for 3% of the total. The top destinations within Mexico for these tourists are Tijuana, Cancún, and Monterrey

Mexico receives the largest share of US medical tourists, Mexico receives the largest share of US medical tourists, with a market share of 41%. This makes it the leading destination for Americans seeking medical care abroad. The proximity of Mexico to the U.S. and the cost-effective nature of its medical procedures and pharmaceuticals are the main factors driving this trend.

The most common procedures sought by American visitors in Mexico are:

- Dental work: 55%
- Unspecified procedures: 20%
- Medical treatments for illness: 6%

Key destinations for these medical tourists within Mexico include Tijuana, Cancun, and Monterrey especially for dental work, cosmetic procedures, and cost-effective pharmaceutical purchases (see attachment data).

- Key destinations: Tijuana, Cancun, Monterrey.
- Top medical procedure for American visitors: Dental work 55% , unspecified procedures 20% , medical treatments for illness 6% .

IV. INDIA'S GENERIC PHARMACEUTICAL EDGE

1) World's largest provider of generics: 20% global supply, 40% of US generics, 60% of global vaccines[1 2].

2) Rural India's pharmaceutical production is rising: Over 3,000 units, 15 20% of India's output, with significant cost advantages 30 60% lower input costs), government incentives, and rising export capability[3].

3) Cost savings: Indian generics are 70 90% cheaper than branded counterparts. Key Stats Table: Indian Pharmaceutical Strengths

Metric	Value
Global generics market share	20%
Global vaccine supply share	60%
Share of US generic drug market	40%
Rural India pharma output share	15 20%
Cost saving vs urban production	30 60%
Cost reduction vs branded drug (retail)	70 90%
Export value 2024	$27 28B
Rural units export contribution	$3 4B
Projected employment growth 2030	1 million+ jobs

V. POLICY RECOMMENDATIONS: CAPTURING THE MEXICO–US MEDICAL TOURISM MARKET

A. *Regulatory Partnerships & Approvals*

Harmonize regulatory standards with Mexican and US agencies to facilitate the legal import and dispensation of Indian generics in Mexican clinics and pharmacies catering to US tourists. Harmonizing Regulatory Standards: A Detailed Explanation

The policy recommendation to "Harmonize regulatory standards with Mexican and US agencies" is a crucial step for India to successfully capture the US medical tourism market in Mexico. This approach addresses the logistical and legal barriers that could prevent Indian generic medicines from being used by American patients in Mexican clinics.

Here's a breakdown of what this entails:

1) Objective: The primary goal is to facilitate the legal import and distribution of Indian generic drugs in Mexican clinics and pharmacies that serve American medical tourists.
2) The Challenge: Currently, Indian pharmaceuticals, while a global powerhouse, may face regulatory hurdles when entering the Mexican market. These hurdles can include differing quality standards, approval processes, and legal requirements compared to those in Mexico and the United States.
3) The Solution: Harmonizing standards means creating a streamlined process where regulatory bodies from all three countries recognize and accept each other's approvals. This would involve:

- Bilateral Agreements: Expediting agreements between Indian pharmaceutical associations, such as Pharmexcil, and Mexico's health regulator, COFEPRIS. These agreements would ensure a faster and more predictable approval process for Indian generics.
- Mutual Recognition: The ultimate aim is for Mexican and US regulatory agencies to acknowledge the quality and safety standards of drugs produced in India. This would allow for the seamless and legal dispensation of Indian generics to American patients.

4) Why it's Essential: By addressing these regulatory complexities, this policy would directly leverage India's core strengths. Indian generics are 70-90% cheaper than branded drugs, and India supplies 40% of all generics used in the US. By making these affordable drugs easily available in Mexico, Indian generics become a key driver for American medical tourists seeking cost-effective care. This would, in turn, increase India's pharmaceutical exports to Mexico and strengthen India's presence in the region
5) Accelerate bilateral agreements between Indian pharma associations (e.g., Pharmexcil), COFEPRIS Mexico's health regulator), and private hospital network

B. Build Integrated Care-Pharma Packages

Partner with leading Mexican medical tourism clinics to offer bundled treatment packages for American patients: e.g., dental implants or chronic disease management featuring Indian generics.
Develop joint investment in supply chains, distribution, and cold storage for biologics/vaccines.

C. Targeted Marketing & Education

Targeted Marketing & Education

This policy recommendation focuses on strategically promoting Indian generics to the target audience—American medical tourists—and building trust in the products.
The key components are:
US Outreach Programs: These programs would be launched in the United States, specifically in border states, to highlight the safety, effectiveness, and significant cost savings of Indian generics. This is crucial because many American medical tourists lack adequate health coverage or face high costs in the US, making cost-effectiveness a major motivator.
Patient Assurance Programs: The policy also recommends providing patient guides and assurance programs to guarantee the authenticity of Indian generics available at trusted Mexican partner clinics and pharmacies. This directly addresses potential concerns about quality and builds confidence among patients who may be unfamiliar with the Indian pharmaceutical industry

- Conduct outreach programs in the US (especially border states), highlighting: ○ Proven safety, efficacy, and cost savings of Indian generics.
    - ○ Availability at trusted Mexican partner clinics/pharmacies.
- Provide patient guides and assurance programs on drug authenticity.

D. Capacity Building & Quality Assurance

Invest in training of Mexican healthcare providers on Indian drug use, side effects, and pharmacovigilance.
Track-and-trace systems to ensure anti-counterfeit protections for Indian generics in Mexican outlets.

1) Capacity Building & Quality Assurance

This policy recommendation focuses on two key areas: training for healthcare professionals and systems to ensure drug authenticity.

2) Training of Mexican Healthcare Providers

This involves investing in training programs for Mexican healthcare providers. The training would focus on the proper use of Indian drugs, including:

- Specific uses and applications of the generics.
- Potential side effects and how to manage them.
- Pharmacovigilance, which is the science and activities relating to the detection, assessment, understanding, and prevention of adverse effects or any other drug-related problem. This ensures that any issues with the Indian generics are properly monitored and reported.

3) Track-and-Trace Systems

The document also recommends implementing track-and-trace systems to ensure the anti-counterfeit protections for Indian generics in Mexican outlets. This is crucial for building trust and ensuring patient safety. These systems would allow for the monitoring of a drug's journey from the manufacturing plant to the patient, ensuring that only authentic Indian generics are being used in Mexican clinics and pharmacies. This directly addresses any concerns about the quality or origin of the medicines, which is vital for patients, especially those from the US, who are accustomed to strict regulatory standards

E. Digital & E Pharmacy

Leverage telemedicine and digital dispensing platforms for prescription fulfillment, enabling seamless post-visit supply for American patients.

F. Monitor & Evaluate

Set up joint Indo-Mexican commission to monitor quality, complaints, and health outcomes and dynamically adapt policies for mutual benefit.

VI. PROJECTED IMPACT

Indicator	2024 Baseline	2030 Projection	Driver
Indian generics in Mexico market	$0.5B	$2B	Bulk contracts, regulatory ease
US medical tourists to Mexico	300,000	450,000	Affordability, bundled care
Indo-Mexican pharma market growth	5%	12%	Trade/medical sector alignment
Employment India rural pharma)	500,000	1,000,000	Export-driven expansion

VII. STRATEGIC GRAPHS AND TABLES

US Outbound Medical Tourism: Top Procedures 2024, %

Procedure	% of Total US Medical Tourists
Dental work	55
Unspecified procedure	20
Medical treatment	6
Cosmetic surgery	3
Other	16

Top Medical Tourism Destinations for Americans 2024, by volume)

Country	Volume %
Mexico	41
Colombia	6
Canada	4
Costa Rica	3

VIII. CONCLUSION

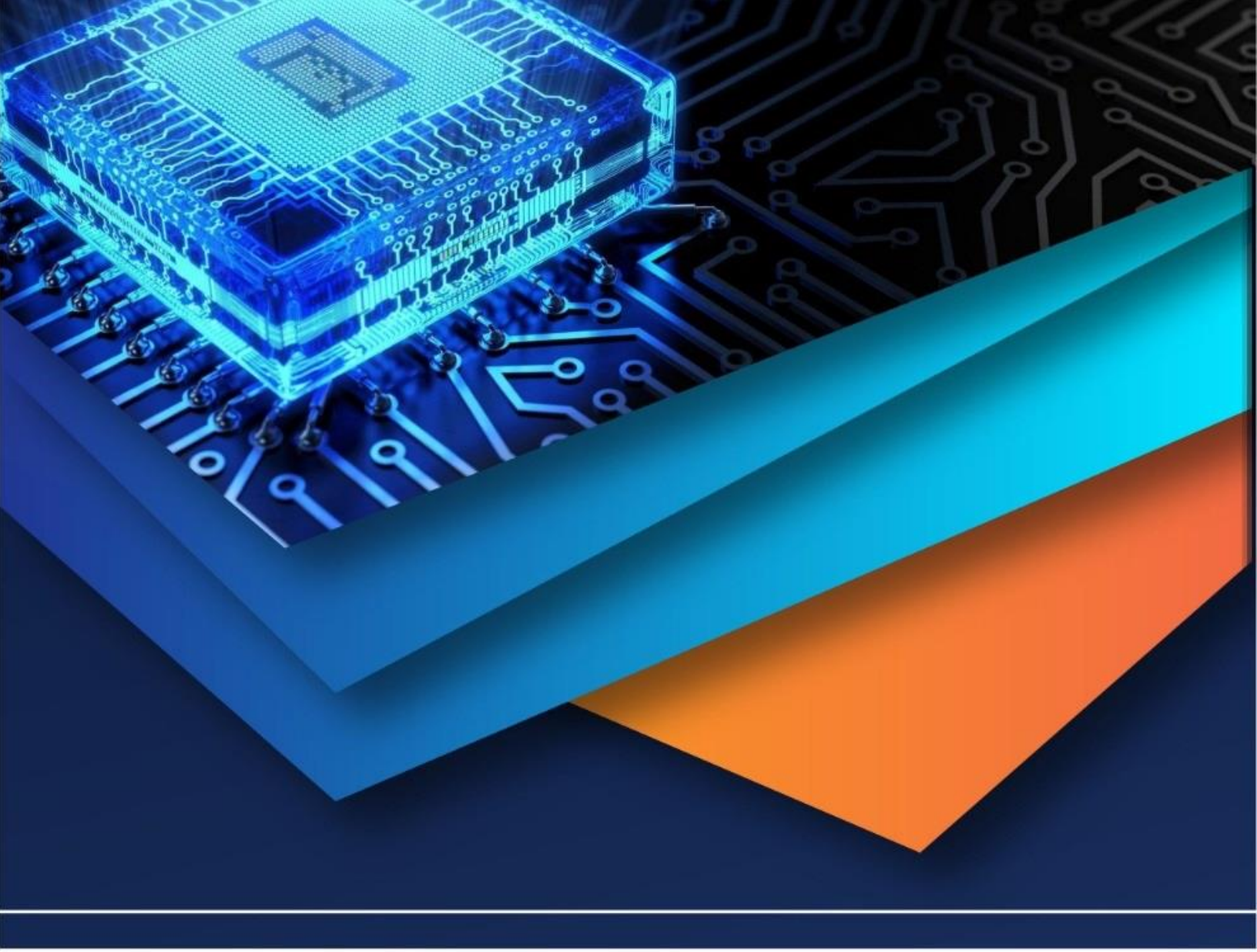
India can capture a significant—and growing—share of the US medical tourism market in Mexico by combining its generic drug affordability, proven pharmaceutical export capacity, and collaborative partnerships with Mexican healthcare providers. A targeted, policy-driven approach—focusing on regulatory harmonization, bundled pharma-enabled care offerings, rigorous quality assurance, and US-targeted education—will help India become the default source of high-quality medicines for American patients seeking affordable care abroad.

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