iJRASET
International Journal For Research in Applied Science and Engineering Technology



INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Volume: 10 **Issue:** II **Month of publication:** February 2022

DOI: https://doi.org/10.22214/ijraset.2022.40194

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International Journal for Research in Applied Science & Engineering Technology (IJRASET)
ISSN: 2321-9653; IC Value: 45.98; SJ Impact Factor: 7.538
Volume 10 Issue II Feb 2022- Available at www.ijraset.com

The Impact of COVID-19 on Medical Tourism

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Abstract: ***The 2020 novel Covid-19 variant is believed to have first infected humans in Wuhan, China (Shereen, 2019), has since spread globally, and was declared a global pandemic by the World Health Organization (WHO) in 2020. A survey by Research Dive (2020) explored the impact of the coronavirus pandemic on the global medical tourism market. The results found that the pre-pandemic compounded annual growth rate (CAGR) was projected at 12.4% globally but declined to 8.6% in 2020. Tatum (2020) further reports that the global medical tourism market would likely continue to decline until the end of 2021 siting statistics regarding one of the hospitals in Thailand where the projected number of medical tourists is expected to decline by 28% because of the pandemic. The medical tourism industry has indeed experienced significant adverse effects and its recovery could take up to three years to reach the pre-pandemic levels. However, for the industry to effectively and sustainably recover, countries must employ integrated marketing strategies of not only enhancing their image but also assuring the medical tourists of safety their country.***

I. INTRODUCTION

The year 2020 was defined by the Covid-19 virus. Never since the dawn of globalization had the world come to such a standstill; international boarders were closed, all flights grounded, and everyone across the globe was secluded to their homes. The Coronavirus disease is caused by the novel Coronavirus Severe Acute Respiratory Syndrome (SARS-Cov-19), which is a member of the Coronaviridae family. The name Corona was given to this virus due to the crown-like appearance of the spike proteins on its surface. Other members of the Coronaviridae family include the Middle East Respiratory Syndrome Coronavirus, SARS-Cov, H5N1 Influenza, and Beta, Delta, and Gamma Coronaviruses (Shereen, 2020). Originally, the Coronaviruses were thought to be restricted to non-human mammals until 2002 when SARS-Cov was first discovered among humans in Guangdong, China. In 2012, a new variant of the Covid virus, the Middle East Respiratory Syndrome Coronavirus (MERS-Cov), was discovered in Saudi Arabia which later spread to other countries in the region. The 2020 novel Covid-19 variant is believed to have first infected humans in Wuhan, China (Shereen, 2019), has since spread globally, and was declared a global pandemic by the World Health Organization (WHO) in 2020.

As of writing this, the Coronavirus pandemic has infected approximately 153 million people across the globe; of which 3.2 million have died and 89.6 million have recovered, according to Worldometer (2021). The United States, so far, has the highest number of confirmed cases at 32.5 million, out of which approximately 577,000 people have died. India is currently the second leading country in the number of infections worldwide, with 20.3 million infections, 222,000 deaths, and over 16 million recoveries. According to Worldometer (2021), India is currently experiencing a surge in the number of infections and death, particularly in the month of April, and the death toll is continuing to increase.

The disease is spread through microscopic respiratory droplets containing thousands of viral particles each, which are emitted when an infected person sneezes or coughs (Shereen et al., 2020). At present, there is no reported cure for the novel virus; however, several vaccines that promote immunity against the diseases have since been developed and are being distributed across the world. In general, the pandemic has had significant adverse effects on global socio-economic activities, as almost every economic sector in most countries have been adversely affected. This paper aims to explores the impact of the novel coronavirus disease on the medical tourism industry.

II. BODY

According to the World Bank (2020) report, the Coronavirus pandemic has caused the global economy to shrink by 4.3%, as of June 2020. The European continent has suffered the greatest impact with a 7.4% decrease in real GDP from the pre-pandemic years through the end of 2020. Japan experienced a decline of 5.3% in GDP, and the United States suffered a 5.4% drop. Surprisingly, China only had a 0.9% decline in economic growth, which is a testament to the country's ability to contain the virus before it spread to provinces other than Wuhan. The report further indicated that all the emerging developing countries, excluding China, had a decline of at least 5% in GDP. India recorded a significant drop of 9.6% GDP, the Middle East and North African countries suffered a combined impact of -5% GDP, and the Sub-Saharan African countries experienced a decline of 3.7% GDP.

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A report published by Miltz (2021) proclaims the manufacturing industry to be the most affected by the Coronavirus pandemic globally. This was attributed to the fact that the global and local supply chains related to various manufacturing industries are quite extensive and were similarly interrupted by the disease, which consequently made the significant decline in revenue from the manufacturing industry more strongly felt than any other industry. The report further states that travel and transportation was the second most affected industry globally, followed by the retail sector, and then the energy and resources industry. Other affected industries include telecommunications, health, media, non-profits, universities, the public sector, banking, financial services, and the insurance industry.

The term tourism has undergone significant transformation over the years. In 1963, the United Nations Conference on International Travel and Tourism defined tourists as temporary visitors to countries other than where they normally reside for a period of not less than 24 hours (Camilleri, 2018). The definition further defined visits for the purpose of health, sports, religion, and studies as leisure. This definition did not take into consideration the domestic tourism, though. Acknowledging this, the term underwent a further transformation in 1991 when the United Nations World Tourism Organization declared that tourism involves all the activities for which one leaves his or her usual residence to engage in travel or stay for a period of no more than one consecutive year; these activities are further classified into leisure and business.

Ghasemi and Hasanpoor (2021) argue that China is one of the most important countries on global tourism today. As of 2018, the country had approximately 32 million citizens contributing to a quarter of the country's total revenue from tourism. The report found that approximately 150 million Chinese tourists account for approximately $227 billion in spending tourism activities outside the country. The report further indicated that Chinese tourists are the first in the world, based on data obtained from a sample of 401 tourism and travel businesses. However, Ghasemi and Hasanpoor (2021) go on to report that following the outbreak of the pandemic and the travel restrictions, approximately 65% of the Chinese nationals had canceled their planned tourism visits outside the country. In fact, they stated that Indonesia alone, which is a popular tourism destination in the world, had over 40,000 hotel reservations canceled following the outbreak of the virus.

A study conducted by Uğur and Akbıyık (2020) used text mining techniques to examine how the tourism industry reacted to news of the coronavirus pandemic from December 15, 2019 to March 15, 2020. It was discovered that travel was immediately affected as soon as information about the virus became public. The study found that many hotel reservations and flights were voluntarily canceled practically on the same day that various covid-related announcements were made. As such, the global tourism sector was already affected even before countries announced specific local and international travel restrictions and it can be presumed that almost every sub-sector of tourism saw a drastic decline in revenue.

Smith et al. (2011) define medical tourism as the practice or act of people visiting other countries for medical treatment, which includes elective surgery, reproductive treatment, dental treatment, medical checkup, cancer treatment, organ transplants, and other medical procedures, categorically excluding traveling for health wellness such as homeopathy, spa, and traditional therapy. The authors further state that people often pursue medical tourism for several reasons, including better services and medical procedures than are available in their home country or a lack of patience to wait for the home country to make available the necessary treatment. Smith et al. (2011) asserts that, traditionally, people from lower-income countries with adequate resources are often the ones seeking medical treatment in developed or emerging countries where there are better services. However, the recent market information indicates that medical tourism traffic is more directed towards emerging and developing countries where there are cheaper and high-quality medical services. A survey report published by Grand View Research (2020) revealed that, as of 2019, the medical tourism market size was worth approximately $44.8 billion. Also, holding the Covid-19 impact aside, the market was expected to grow at an annual rate of over 20% from 2020 through 2027. Some of the major drivers of global medical tourism, as the report indicated, included access to and use of the latest technology, better health care, modern devices – especially for elective surgeries – innovative medicine, lower costs, and personalized care. The report further postulates that some of the main drivers of the medical tourism industry’s expected growth in the market share stem from a lack of medical insurance or inadequate medical insurance in the home countries. Presently, no statistics could be found that have compiled data on medical tourism from and to all the countries in the world; most of the reports sample data from specific countries. The Grand View Research report, for instance, sampled data from emerging economies included India, Thailand, Costa Rica, Brazil, Mexico, Turkey, South Korea, Taiwan, Singapore, Spain, Czech Republic, and Malaysia. Among these countries, the report found that Thailand was the most visited destination by medical tourists as of 2019.

Dalen and Alpert (2019) confirm the sentiments that today, medical tourism involves people traveling from developed countries to other nations where they can access similar or better services at a relatively lower cost. The study found that most Americans today are seeking health care services such as cosmetic surgery, dental procedures, and elective surgery in other countries.

Dalen and Alpert (2019) found that in 2017, approximately 1.4 million Americans traveled to various countries for medical care, which was almost double the number in 2007. The report further states that medical cost is the main driver of Americans seeking health care outside the US; America has the most expensive health care in the world making people more inclined to seek care outside the country where the costs could be up to 65% cheaper. Dalen and Alpert (2019) further assert that medical tourism has a significant economic or financial impact on the receiving, or "destination," country. The report estimates that, on average, each medical visitor in a given country spends approximately $3800 - $6000 per visit. As such, most countries around the world, such as Singapore, Dubai, and Malaysia, are actively involved in medical tourism marketing. However, given the nature of medical tourism, the industry is expected to have incurred a significant loss from the covid-19 pandemic.

A survey by Research Dive (2020) explored the impact of the coronavirus pandemic on the global medical tourism market. The results found that the pre-pandemic compounded annual growth rate (CAGR) was projected at 12.4% globally but declined to 8.6% in 2020 after the pandemic resulted in the closing of many countries borders in an effort to curb the spread of the virus. The survey further stated that the industry could take longer, approximately three years or more, to recover to the pre-pandemic revenue. Furthermore, the industry's recovery would be different in each particular country and be dependent on the extent to which countries have handled the pandemic. Currently, the coronavirus vaccine is being administered in many countries around the world. However, there is also a surge in new infections in countries like India, which has historically been a preferred destination for cancer medical treatment, especially from tourists in developing countries.

As of writing this, there is indeed limited data on the extent of the pandemic on the medical tourism industry, because most countries are yet to fully open their borders for travel and/or maintain strict regulations in their health sectors. Uğur, and Akbıyık (2020) examined the impact of the covid-19 pandemic on medical tourism in India, Turkey, Mexico, Thailand, and the Dominican Republic. The study found that before the pandemic medical tourism was generating positive revenue for the countries from which data was obtained. Similar to the findings by Grand View Research (2020), the survey stated that Thailand had the highest number of medical tourists in the pre-pandemic period – 3 million in 2019 – which was significantly higher than the country with the second-highest visitors – Mexico with 1 million visitors. The authors could not find statistics to estimate the potential impact of covid-19 on medical tourism in the mentioned countries but nevertheless argued that all the countries would likely experience an adverse impact on the industry. Specifically, the authors noted that considering the vulnerability of people with underlying conditions, most people visiting a country for medical care are likely to be more cautious than before. They suspect that most people will likely seek referrals to specific health care institutions based on how these organizations mitigate the risks of covid-19 or secondary infection. Furthermore, interest to seek medical care in certain countries will likely decline if they are currently still battling new cases of infection. Additionally, travel regulators in coronavirus-free countries are likely to impose stricter measures for their citizens traveling to nations where there are still cases of infections which would only further affect the medical tourism industry.

Tatum (2020) reports that the Malaysian health care suffered a major blow as a result of the pandemic as the Malaysian Healthcare Travel Council (MHTC) had organized an event to showcase the country's healthcare facility, to which many experts from across the world were invited. This event, as Tatum (2020) reports, was intended to instigate a record-breaking year for the Malaysian health care system medical tourism industry. The Malaysian government had anticipated a lot of medical tourists in the country in the subsequent years, starting from 2020, for which 15,000 beds for medical tourists had been set aside; the country expected a 33% rise in medical tourists – that is, until the cases of coronavirus infection in the country began to rise. In the end, the event did not materialize, and there is are currently no plans to revive the program until the covid-19 situation in the country improves. Tatum (2020) further reports that the global medical tourism market would likely continue to decline until the end of 2021 siting statistics regarding one of the hospitals in Thailand where the projected number of medical tourists is expected to decline by 28% because of the pandemic.

Enabulele (2020) writes of the African upper-class and politicians who have a tendency to seek health care outside their countries, instead of supporting their nation's budding healthcare system – further adding to its inability to fund advancement. Since the coronavirus spread to many countries and the subsequent lockdown, most of these affluent Africans have been unable to visit foreign countries for their medical care. According to Enabulele (2020), this could be a wake-up call for such leaders to build, equip, and improve their local health care systems, which they have often largely ignore. The author argues that the pandemic has stressed the importance of a local healthcare network and hay have motivated many African politicians to embark on reversing the trend of neglect. However, he fears this may only be temporary until things return to normal and, once these politicians can travel outside their respective countries for medical treatment again, old policies will be reinstated.

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The medical tourism industry has indeed experienced significant adverse effects and its recovery could take up to three years to reach the pre-pandemic levels. However, for the industry to effectively and sustainably recover, countries must employ integrated marketing strategies of not only enhancing their image but also assuring the medical tourists of safety their country. A study by Abbaspour et al. (2020) reveals that despite the pandemic, medical tourists remain optimistic and are likely to visit various destinations for medical care in the future. However, factors such as word-of-mouth and expert recommendations are likely to guide future medical tourism decisions. It is recommended, therefore, that both the government and private health care institutions should collaborate to enhance the safety measures in their respective countries' healthcare system, not only against Covid-19 but also against other potential infections. Emergency response plans and strategies need to be developed to boost the confidence of visitors in various destinations.

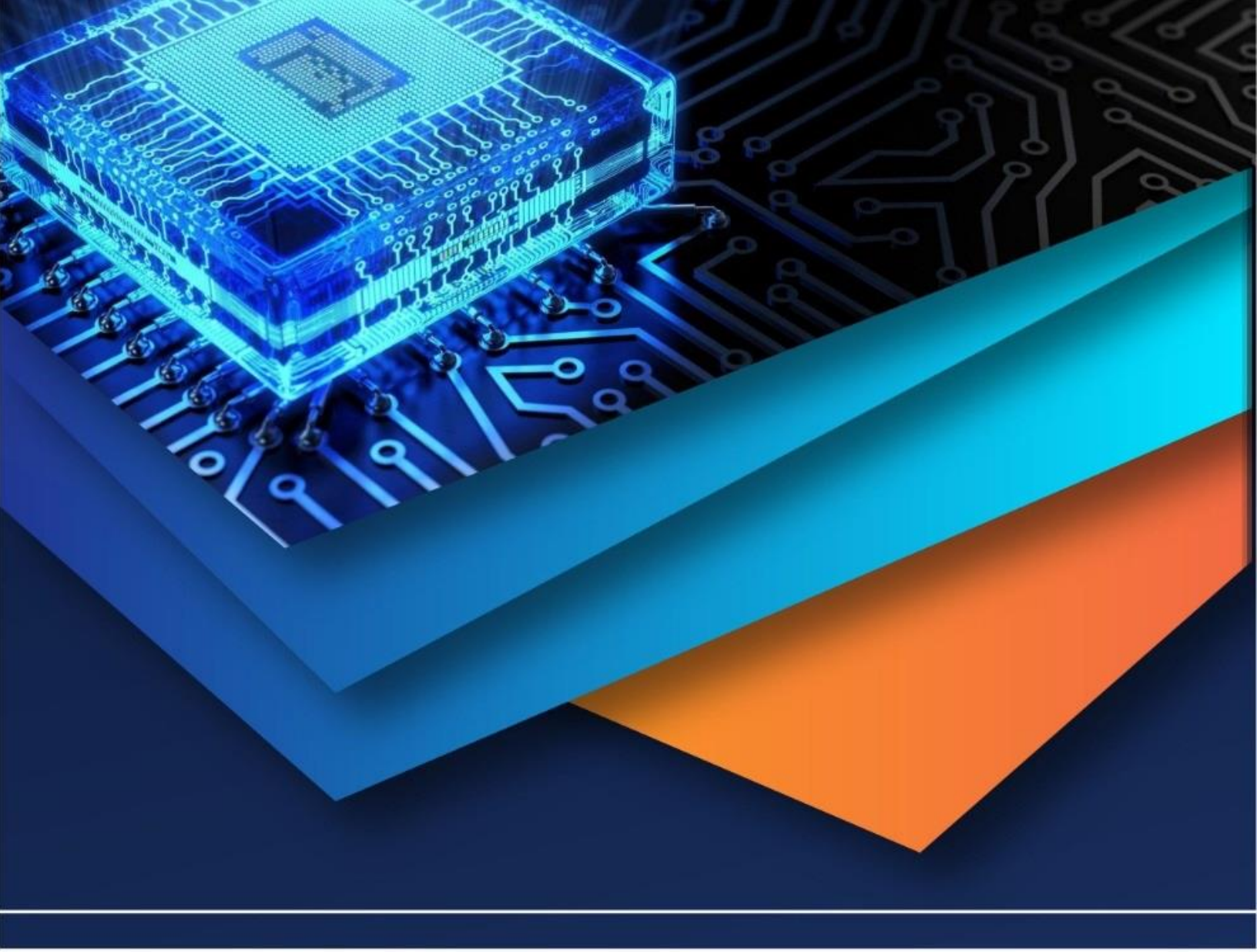
III. CONCLUSION

The coronavirus pandemic, which is believed to have started in Wuhan, China, has spread all over the world, has led to the death of over 3 million people and over 150 million infected and has had a significant adverse effect on the global economy. Many industries have been affected, and the tourism industry is one of the most disturbed due to its dependence on travel and accommodations. Medical tourism as a sub-sector of the tourism industry has particularly been adversely affected and in order for the sector to recover great efforts are be required to improve the safety and reputation of the destination country, especially with regards to confidence to travel for medical care.

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