Health tourism trends in the United Kingdom: Are they net exporters of health services?

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Introduction (I)

- Health care services are impacted by globalization and outsourcing. In addition, the movement of health care professionals to other countries is increasing the development of more global markets.

- For example, people from developed countries travel for care, driven primarily by affordability and accessibility, while people from developing countries travel in order to access better quality, high-end or specialized care.

- People from underdeveloped nations tend to travel due to lack of healthcare resources in their home country.
Health tourism is a form of tourism that involves medical interventions that are substantial and have long-term effects and also involves recuperation and the enjoyment of certain activities available at the destination (Connell, 2006).

However, one of the main problems to study the phenomenon of health tourism is that there is no systemic collection of data to indicate the global size of this market, and estimations are wide and varied (Bookman & Bookman, 2007; Connell, 2013).

More empirical research on health tourism is needed (Carrera & Lunt, 2010).
Aim and hypotheses

• **Main aim**: To investigate the inbound and outbound health tourism in the United Kingdom (UK) to determine if the UK can be considered as a net exporter of health services. **Particular attention** is paid to estimate the **flows**, **number of nights** and **expenditure** of tourists looking for medical treatment, before, during and after the 2007 global crisis.

• **Hypotheses**:

  1) The UK are **net exporters** of health care services.

  2) The **2007 global crisis** has strongly impacted on the flows of inbound and outbound medical tourists travelling into and out of the UK.
We use data taken from the International Passenger Survey (IPS) for the period 2000-2014.

The IPS is a continuous and multi-purpose survey that provides data on three main areas: balance of payments, migration, and overseas travel and tourism estimates.

To identify medical tourists we have used the following two questions included in the IPS questionnaire: “What is the main reason for your visit abroad?” and “What is the main reason for your visit to the UK?” The first question is answered by UK residents arriving (outbound), whereas the second one is responded by foreign residents departing (inbound).
We are particularly interested in analysing and estimating three key variables: a) total number of visits; b) length of stay (expressed in number of nights), and; c) total spending.

After dropping those individuals with missing information, the final sample consists of 2.150 records/individuals (884 outbound health tourists + 1.266 inbound health tourists).

The IPS has been previously used in other empirical studies (e.g. Hanefeld et al., 2013; Pollard, 2013 Lunt et al., 2013, 2014, 2015;), but using a shorter period and with no analysis of the effect of 2007 global crisis (OUR MAIN CONTRIBUTION) on the flows of outbound and inbound medical tourists.
Figure 1. Number of visits for UK residents (outbounds) and overseas residents (inbounds) looking for medical treatment during the period 2000-2014.

Results

Mean annual growth rate:
Inbounds:
= 11.6% (PRE)
= -2.5% (POST)
= 3.6% (PRE+POST)

Outbounds:
= 34.1% (PRE)
= -5.4% (POST)
= 9.7% (PRE+POST)

Note: We exclude the Isle of Man and Channel Islands from the sample. Weighted data.
Figure 2. Number of visits for UK residents (outbounds) and overseas residents (inbounds) looking for medical treatment by MONTHS.

Note: We exclude the Isle of Man and Channel Islands from the sample. Weighted data.

No significant differences are found between the PRE and POST periods.
Figure 3. Number of nights for UK residents (outbounds) and overseas residents (inbounds) looking for medical treatment during the period 2000-2014.

Note: We exclude the Isle of Man and Channel Islands from the sample. Weighted data. 

Mean annual growth rate:

Inbounds:
= 10.5% (PRE)
= 2.3% (POST)
= 5.5 % (PRE+POST)

Outbounds:
= 28.6% (PRE)
= -12.6% (POST)
= 7.3% (PRE+POST)
Figure 4. Total spending (£) for UK residents (outbounds) and overseas residents (inbounds) looking for medical treatment during the period 2000-2014 (in 2000 constant prices).

Note: We exclude the Isle of Man and Channel Islands from the sample. Weighted data.


Mean annual growth rate:

**Inbounds:**
- = 4.9% (PRE)
- = 9.0% (POST)
- = 8.1% (PRE+POST)

**Outbounds:**
- = 20.1% (PRE)
- = -12.7% (POST)
- = 2.2% (PRE+POST)

Note: We exclude the Isle of Man and Channel Islands from the sample. Weighted data.
Figure 5. Most popular countries for UK residents (outbound) and overseas residents (inbounds) looking for medical treatment during the period 2000-2014.

**The highest variation rates:**

**Outbounds:**
- Lithuania= 795%
- Poland= 557%
- Iris Republic= 447%
- Hungary= 281%
- Pakistan= 269%
- Turkey= 266%

**Inbounds:**
- Cyprus= 463%
- France= 307%
- Malta= 262%
- Poland= 236%
- Italy= 224%
- Kuwait= 190%
Conclusions

• The UK is a clear net exporter of health care services (Hypothesis 1).

• The flows of inbound and outbound medical tourists have strongly changed before and after the 2007 global crisis (Hypothesis 2).

• There are significant differences by country. After the crisis, the UK residents are more likely to travel to underdeveloped nations (e.g. Lithuania, Poland, Hungary, Pakistan). The overseas residents travelling to UK are coming from the Irish Republic, Spain, United Arab Emirates and Greece.

• Medical tourism must be promoted within the UK because it offers high income levels to private hospitals and other complementary sectors (e.g. hospitality, cultural, shopping, etc.).
Thank you!

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