



**Cátedra de
Turismo,
Salud y
Bienestar**



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

Ricardo PAGAN-RODRIGUEZ

Head of the Chair "*Tourism, Health and Wellbeing*" (University of Malaga)
Visiting professor at London School of Economics and Political Science (LSE)

Overview

- 1) Introduction
- 2) Aim and hypotheses
- 3) Data and method
- 4) Results
- 5) Conclusions



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.



Introduction (II)

- 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 problem 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.



Data and method (I)

- 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).



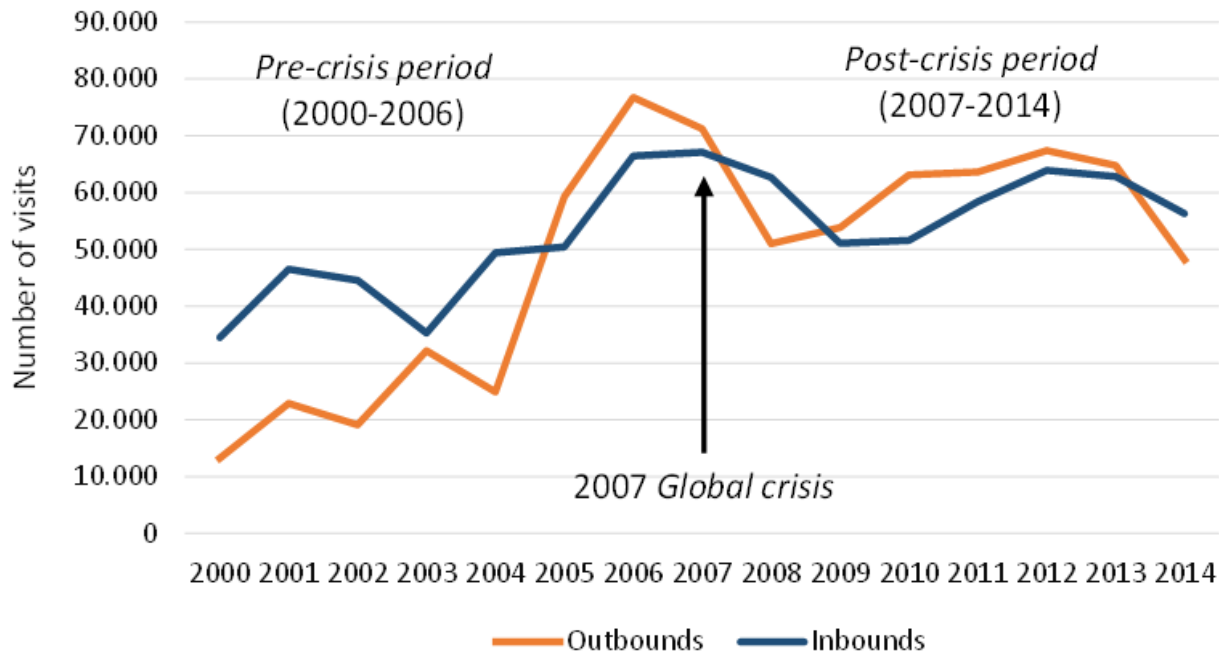
Data and method (II)

- 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.



Results

Figure 1. Number of visits for UK residents (outbounds) and overseas residents (inbounds) looking for medical treatment during the period 2000-2014.



Mean annual growth rate:

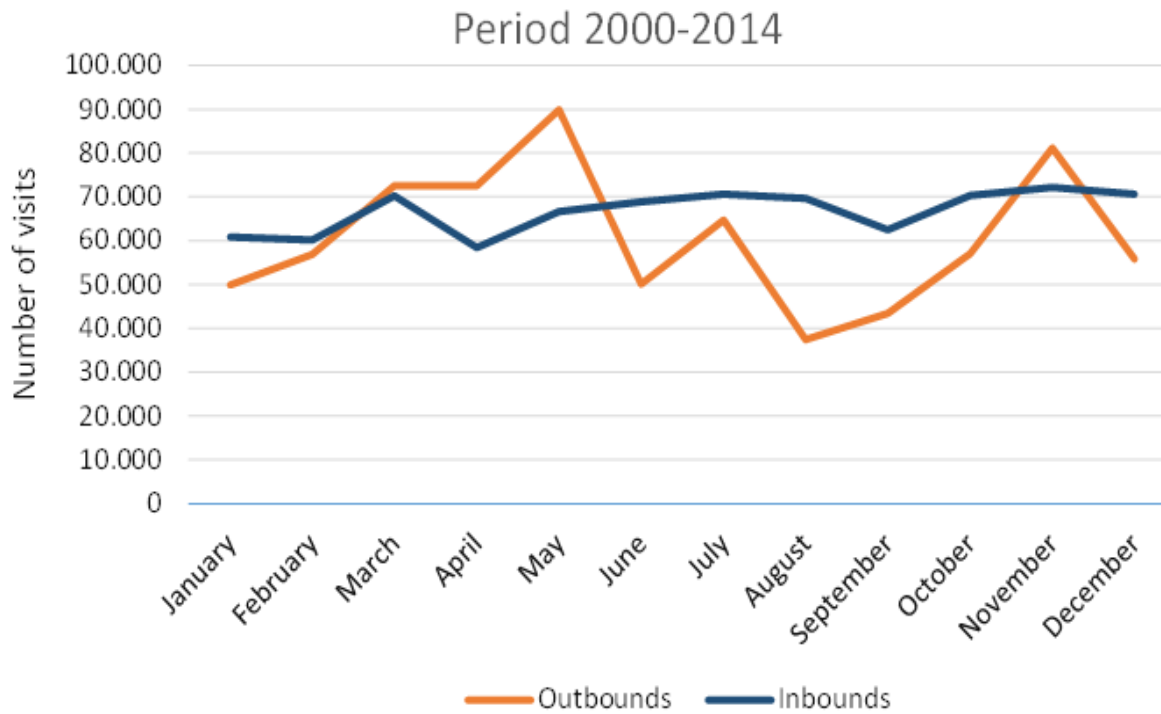
Inbounds:
 = 11.6% (PRE)
 = -2.5% (POST)
 = 3.6 % (PRE+POST)

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.
Source: The International Passenger Survey (period 2000-2014).



Figure 2. Number of visits for UK residents (outbounds) and overseas residents (inbounds) looking for medical treatment by MONTHS.

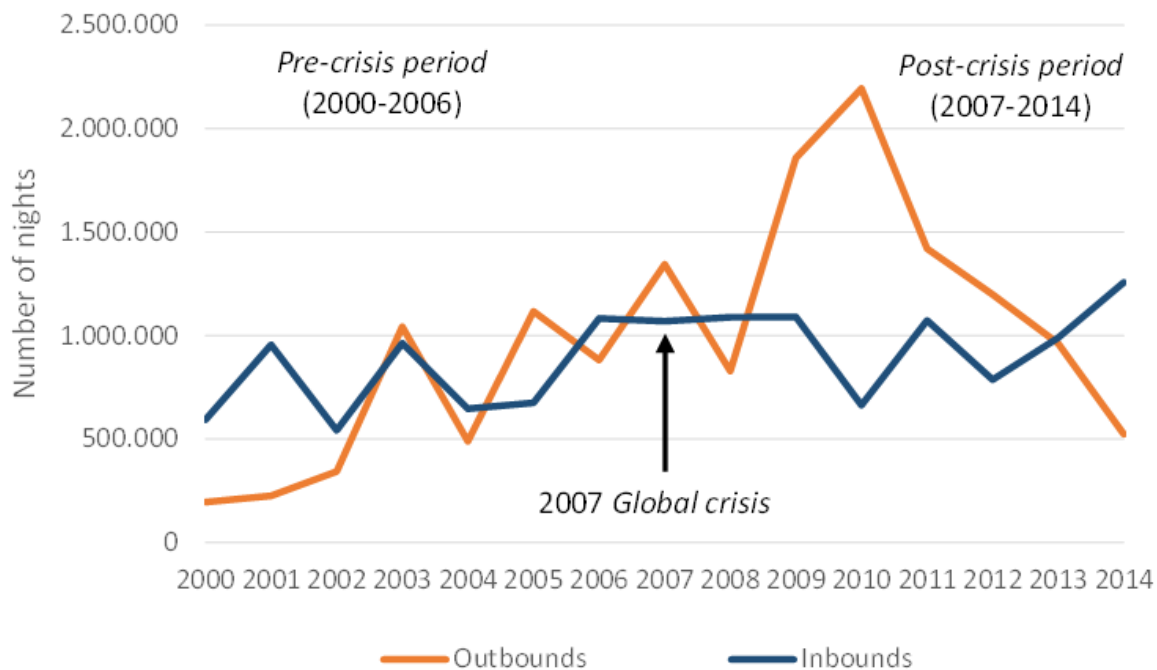


No significant differences are found between the PRE and POST periods



Note: We exclude the Isle of Man and Channel Islands from the sample. Weighted data.
Source: The International Passenger Survey (period 2000-2014).

Figure 3. Number of nights for UK residents (outbounds) and overseas residents (inbounds) looking for medical treatment during the period 2000-2014.



Mean annual growth rate:

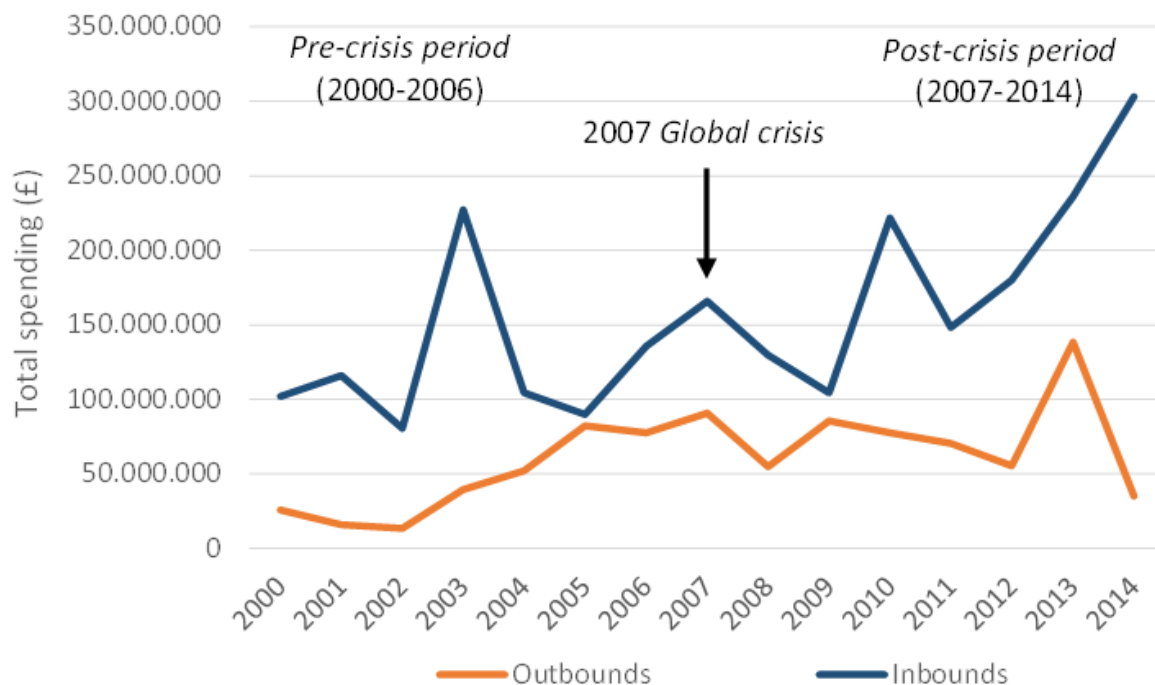
Inbounds:
 = 10.5% (PRE)
 = 2.3% (POST)
 = 5.5% (PRE+POST)

Outbounds:
 = 28.6% (PRE)
 = -12.6% (POST)
 = 7.3% (PRE+POST)

Note: We exclude the Isle of Man and Channel Islands from the sample. Weighted data.
Source: The International Passenger Survey (period 2000-2014).



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).



Mean annual growth rate:

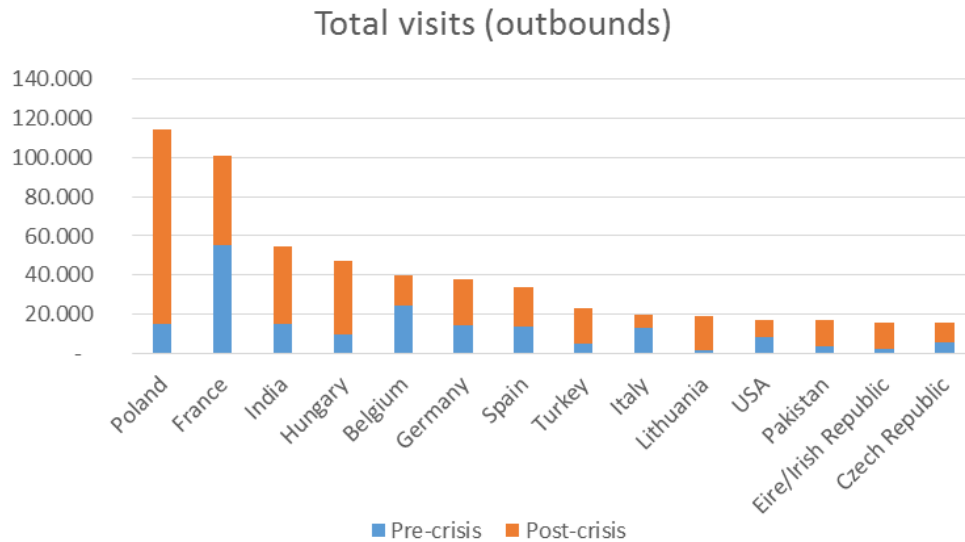
Inbounds:
 = 4.9% (PRE)
 = 9.0% (POST)
 = 8.1% (PRE+POST)

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.
Source: The International Passenger Survey (period 2000-2014).

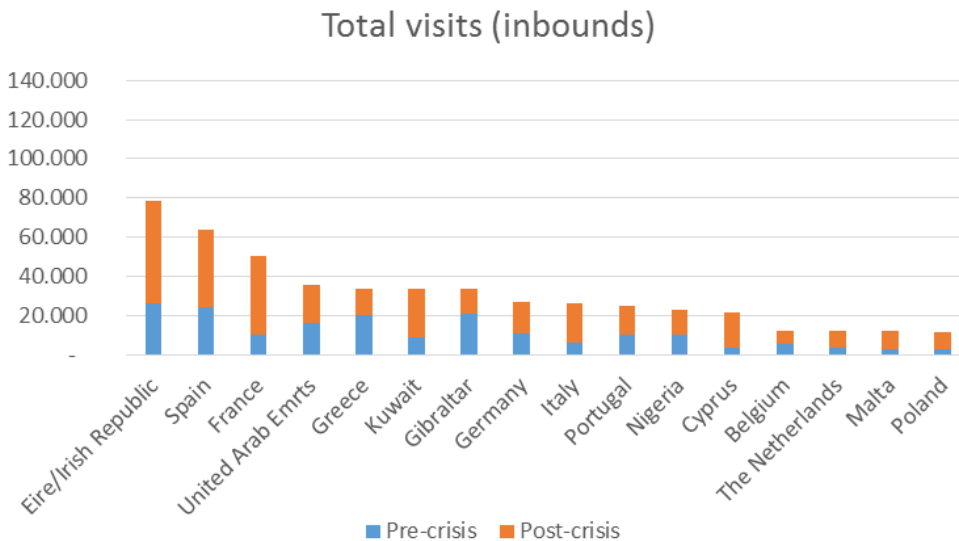
Figure 5. Most popular countries for UK residents (outbound) and overseas residents (inbounds) looking for medical treatment during the period 2000-2014.



The highest variation rates:

Outbounds:

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



The highest variation rates:

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.).





Cátedra de
Turismo,
Salud y
Bienestar



UNIVERSIDAD
DE MÁLAGA

Thank you!

Email: rpr@uma.es

BUCHINGER
W/LHELM

 **vithas**
xanit
international
hospital


TURISMO, SALUD Y BIENESTAR

 **imaTde**
Instituto Malagueño
de Traumatología y
Medicina del Deporte
Cirugía Ortopédica y Traumatología


SENIORS


Aehcos

 **commálaga**
Ilustre Colegio Oficial de Médicos
de la Provincia de Málaga


COSTA DEL SOL MÁLAGA

saluus 

GIIP
Complejo Hospitalario Integral Privado

 **ssg...**
SERVICIOS SOCIO SANITARIOS
GENERALES

Facultad de CC. Económicas y Empresariales, Plaza de El Ejido s/n, 29.071 Málaga

Phone: +34 952 132084 / 609541462

Email: infocatedratsb@uma.es

Web: catedraturismosaludybienestar.uma.es