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THE FINANCIAL EFFECTS OF HEALTH TOURISM IN EUROPEAN UNION

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INTRODUCTION

- literature provides strong evidence of a **long history** of travelling for **health and wellness**
- the **objective** of this paper is to present **the financial effects of health tourism revenues** on the European Union market
- **health tourism** - a key role in the development of sustainable tourism, placing value on environmental quality, reducing seasonality, adjusting supply to specific customer demands, and financial growth of individual institutions providing health tourism services



LITERATURE REVIEW

- scientific literature - a wealth of research on health tourism
- different themes (history, economy, destinations...)
- only a few researchers have investigated **the financial effects and expenditure** of health tourism (Johnson, Youngquist, Garman, Hohmann and Cieslak, 2015; Loh, 2014; Loh, 2015; Ridderstaat, Singh and DeMicco, 2018)



LITERATURE REVIEW (2) THE CONCEPT OF HEALTH TOURISM

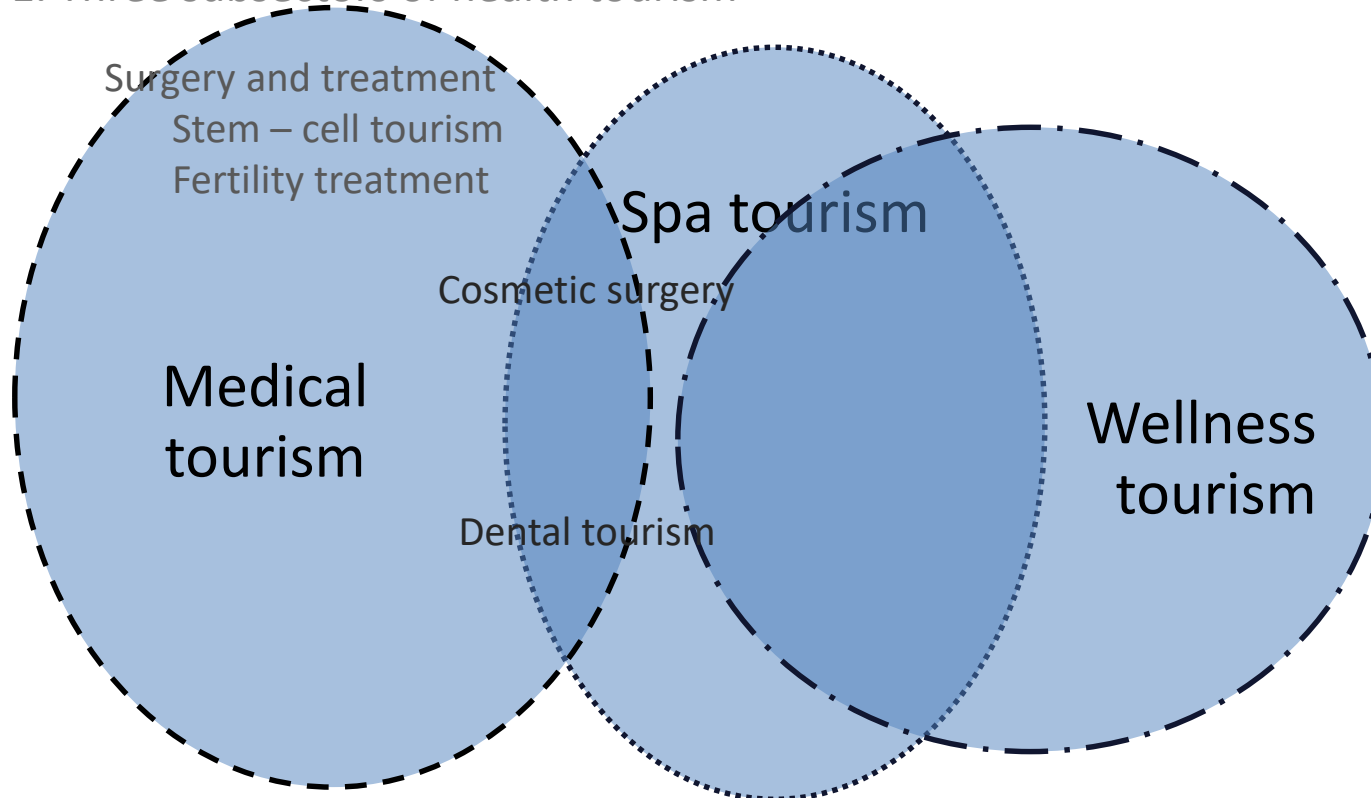
- the concept of **health-care** tourism was developed in the early 1980s (Goodrich)
- its name changed from medical tourism to health-care tourism, and ultimately - health tourism
- World Tourism Organisation (**WTO**) included the following aspects into its definition: medical care, sickness and well-being, rehabilitation and recuperation
- **no universal definition**



LITERATURE REVIEW (3)

THE CONCEPT OF HEALTH TOURISM (2)

Diagram 1. Three subsectors of health tourism



Source: Adapted from Hall (2011, p.8)



THE FINANCIAL EFFECTS OF HEALTH TOURISM IN THE EUROPEAN UNION

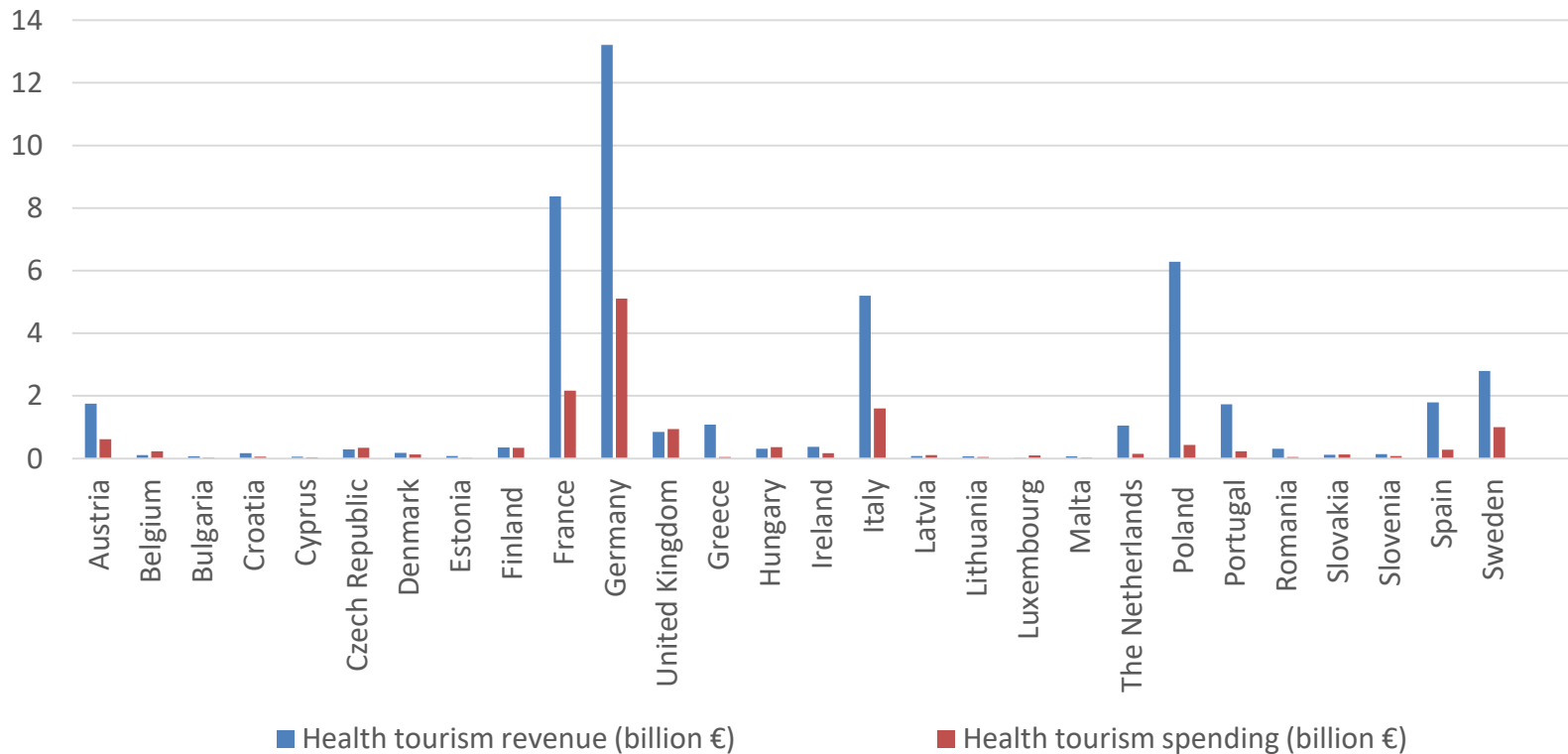
Estimating growth and the financial effects of health tourism is very complexed:

- significant difficulty when trying to obtain **statistical data** on health tourism;
- national and local tourism statistics fail to accommodate health tourism and **do not distinguish** between different kinds of health tourism data



THE FINANCIAL EFFECTS OF HEALTH TOURISM IN THE EUROPEAN UNION (2)

Figure 1. Health tourism market in the EU-28 in 2014

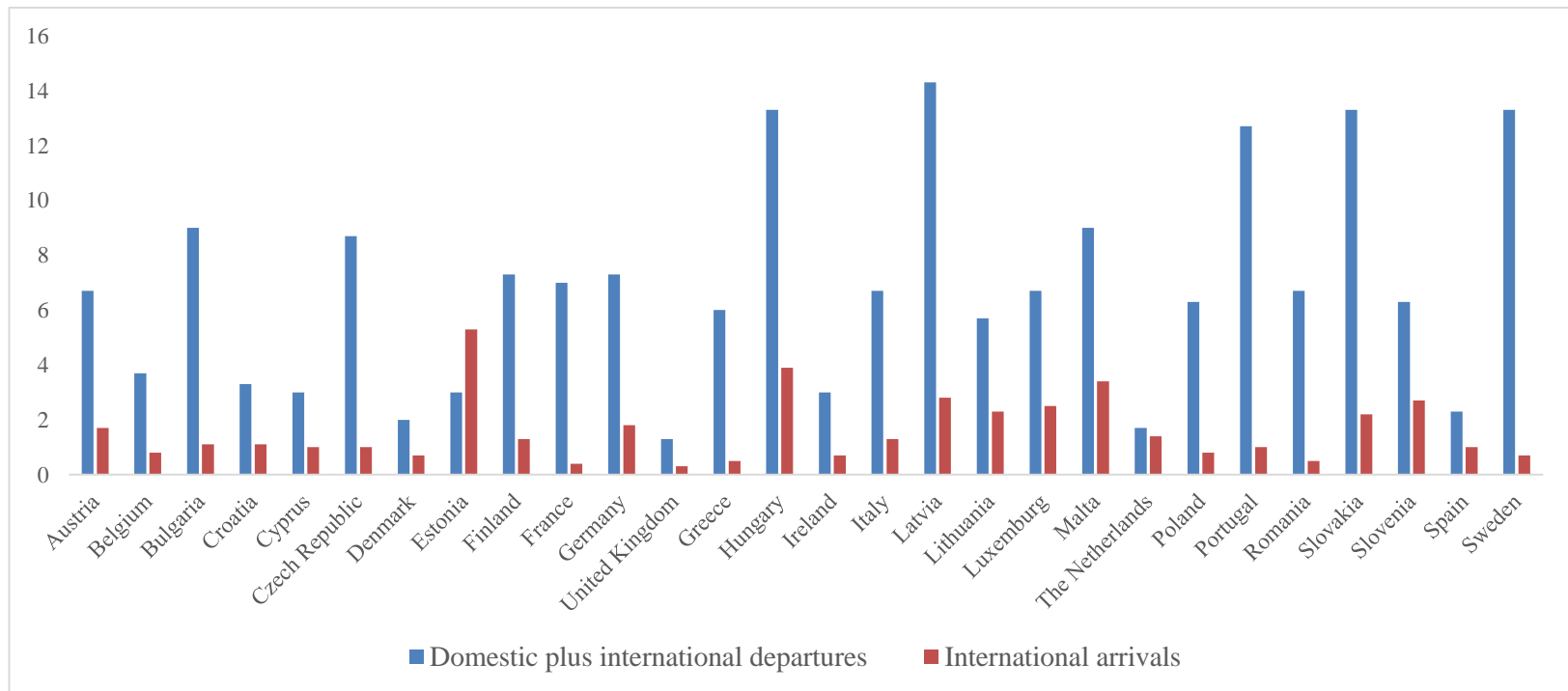


Source: Authors' own elaboration from Mainil et al. (2017)



THE FINANCIAL EFFECTS OF HEALTH TOURISM IN THE EUROPEAN UNION (3)

Figure 2. Health tourism shares in the EU-28 in 2014



Source: Authors' own elaboration from Mainil et al. (2017)



SWOT ANALYSIS OF HEALTH TOURISM IN EUROPEAN UNION - STRENGTHS

- long and well-established tradition
- accessibility of destination
- high quality and standard of healthcare (medical tourism)
- well-qualified service sector for providing healthcare services
- environmental preservation (wellness and spa tourism)
- Directive 2011/24/EU for patients' rights in cross - border healthcare (medical tourism)
- expected sector growth (2 percent per year)



SWOT ANALYSIS OF HEALTH TOURISM IN EUROPEAN UNION - WEAKNESSES

- no common definition
- difficulties with data measurement
- unused potential of member states' patients (medical tourism)
- weak cooperation within health tourism establishments
- lack of grouping, collaboration and joint promotion
- need for public–private partnership (medical tourism)
- need for alternative investment funds (spa tourism)
- old-fashioned facilities



SWOT ANALYSIS OF HEALTH TOURISM IN EUROPEAN UNION - OPPORTUNITIES

- emerging demand for health tourism products
- growing income trends
- accessibility of information about health services abroad
- state support for health services export
- tax incentives for health tourism
- seasonality reduction
- centres of excellence for rare disease treatments (medical)
- global lifestyle trends
- existing infrastructure
- rising potential of wellness industry as a workplace
- European Union as a strong competitor on the global market



SWOT ANALYSIS OF HEALTH TOURISM IN EUROPEAN UNION - THREATS

- strong global competition
- lack of legislation
- loss and degradation of natural resources
- increased quantity – decreased quality
- Brexit situation



THE FINANCIAL POTENTIAL OF HEALTH TOURISM IN THE EUROPEAN UNION

Table 1. Top Ten Wellness Tourism Markets in Europe in 2015

Country	Number of trips (millions)	Receipts / Expenditures (US \$ millions)
Germany	58.5	60,229.7
France	30.6	30,216.16
Austria	14.6	15,409.3
United Kingdom	20.6	13,012.4
Italy	6.6	12,731.8
Switzerland	9.2	12,185.4
Spain	13.6	7,695.7
Turkey	9.3	4,818.4
Russia	13.5	3,546.9
Sweden	4.9	3,149.9

Source: Global Wellness Summit and Institute, <https://globalwellnessinstitute.org/>

Table 2. Economic Impact of the Wellness Industry in Europe in 2015

	Direct impact	Indirect & induced impact	Economy – wide impact
Wellness tourism expenditures	563.2 billion dollars	1.1 trillion dollars	1.6 trillion dollars
Employment	17.9 million jobs	22.8 million jobs	40.8 million jobs

Source: Global Wellness Summit and Institute, <https://globalwellnessinstitute.org/>



CONCLUSION

- one of the most **finance-consuming** market segments (high cost of services and comparatively long stays)
- the high numbers of **61.1 million health tourism arrivals** and **46.9 billion EUR of revenue** in the EU-28 - a legitimate model for economic development
- lack of **scientific evidence** of the role and financial impact of health tourism
- many **challenges** remain (sustainability, infrastructure, accessibility, constantly changing consumer trends and governance)



THANK YOU FOR YOUR ATTENTION!

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