

Chapter 24

Inbound, Outbound, and Domestic: The Current Situation in the Chinese Medical Tourism Market

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ABSTRACT

China is now being promoted as a medical tourism destination, however visa difficulties, and the lack of quality destinations mean the numbers of inbound tourists are so far small. The real interest for the moment lies in the growth that has now made China one of the main suppliers of outbound medical tourists. This Chapter shows that the number of Chinese going abroad for medical treatment has increased significantly in recent years due to rising incomes and fewer restrictions on mobility. Chinese health consumers appear not to be as motivated by price as US citizens, but more by their ability to substitute overseas destinations for the poor medical services at home. Development has generated a group of people wealthy enough to demand the quality care available world-wide, and internally has promoted significant domestic medical tourism from the less well-endowed regions to those that have such services available.

INTRODUCTION

China is now being promoted as a medical tourism destination, but the difficulty of getting visas and a lack of recognizable destinations mean the numbers going there are so far small (Liu, 2008; Zhang & Yang, 2007). The real issue is the economic growth that has now made China one of the main suppliers of outbound medical tourists to Asian and other destinations. The number of Chinese going abroad for medical treatment has increased significantly in recent years due to the rising affluence and mobility of the country's emerging middle class population (Travel China Guide, 2014). Chinese health consumers are not motivated by price in the same way as US or UK citizens for example, but by the poor medical services available at home. China's rapid development into the world's second largest economy over the

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past few decades has generated millions of people wealthy enough to demand the highest quality of care available worldwide and pursue elective medical procedures to offset this situation. Countries offering medical tourism services are, however, finding that Chinese consumers are willing to pay high prices for quality services and privacy, but only if the service is meeting Chinese consumer expectations (Li, 2014).

China's healthcare system has and will be improved but it starts from a low base of public healthcare provision, rather than a mix of private and public care as in other countries. Treatment costs remain very low, but the range of services is narrow, and service quality varies from excellent to very basic. One key to this huge market potential is, as some hospitals and clinics in South Korea and the USA have quickly realized, is Chinese-speaking staff. While many Chinese speak several languages, including English, they are only comfortable using these for tourism, not for the technical aspects of medical treatment or business (Wang, 2014).

The most popular destinations for medical tourists from China include Taiwan, Japan, South Korea, Singapore, Hong Kong and the USA (IMTJ, 2011). The number of outbound Chinese medical tourists has increased from just a few thousand in 2000 to nearly 60,000 annual travelers in 2010 (IMTJ, 2011). Anti-aging therapy, cancer screening, high-end diagnostics, and treatment and care for chronic diseases have become the most common types of procedures sought out by these tourists (IMTJ, 2011; Li, 2014). For those who want to venture abroad for treatment but have not done so yet: language barriers and lack of private health insurance are seen as the principal obstacles to partaking in overseas medical treatment (IMTJ, 2011; Li, 2014). Health insurance in China is very new still. Some Chinese health travelers are expectant mothers leaving the mainland to give birth in a foreign country-maternity tourism. While some argue that it is to avoid local laws on the number of children, this argument falls down as they all return to China. The more believable reason is that many come from other parts of China such as Hong Kong or Taiwan so want to 'go home' for birth. In 2010, 40,648 mainland mothers gave birth to children in Hong Kong hospitals, out of the 88,000 total in the city for 2010. New legislation by Hong Kong limits the number of non-residents allowed to give birth in the city to 34,000 in 2012 and beyond (IMTJ, 2011).

The Tourism Industry

In 2013, China's outbound tourism market again grew rapidly. The country's status as world's largest outbound tourism market, and outbound tourism spender, has been further consolidated. In this year, 98.2 million Chinese traveled abroad, an increase of 18% compared to 2012 (Travel China Guide, 2014). Outbound expenditure reached \$128.7 billion USD, an increase of 26.8% on 2012. The reasons for this rapid growth are numerous and include the steadily developing economy, a growing demand for tourism resulting from this development, the appreciation of the Yuan, changes in the visa policies of foreign countries/regions towards the Chinese, and an increase in the numbers of international flights to/from China.

The image of the Chinese tourist has also changed a lot over the years, from large tour groups taking photos and shopping to a slower form of tourism enjoying their surroundings and leisurely sightseeing (Travel China Guide, 2014). They are also spending more money on accommodation, food and entertainment. An important trend for our analysis of medical tourism is that although they are still popular, the sightseeing and shopping tours are being replaced with holidays that focus on rest and relaxation. In addition to this, many tourists are beginning to prefer to organize their own holidays instead of using tour companies. For example, roughly 80% of mainland Chinese tourists who visited Hong Kong SAR in 2013 did so by themselves (this is an important factor in relation to the interpretation of the data in

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