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# Medical Tourism Trends and Foreign Exchange Earnings in India

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## Abstract

*Medical tourism refers to the movement of people to a country in order to receive better medical care. This movement of people from other countries contributes noticeable foreign exchange earnings in the host country. In the first half of 2025, India received 5.6 million FTAs (Foreign Tourist Arrivals) and the first tertile of 2025 has a record of 131856 medical tourist arrivals. This study examines the trends in medical tourism and corresponding foreign exchange earnings in India and identifies the relationship between them. The study also analyzes the foreign exchange contribution of each medical tourist arriving to India. This research involves the use of secondary data from government tourism statistics, published reports and articles. Trend analysis of summarized data shows that the foreign exchange earnings have increased approximately from US\$780 million in 2010 to US\$7.0 billion in 2023. The study explains that this growth is supported by remarkable medical service through doctors of high expertise, government initiatives like e-medical visas and specific health care policies. Even though some bottlenecks exist in manag years. Recommendations of this study include improving high caliber certifications of hospitals, expanding the tie-ups with international insurance and easing the transport to medical hubs. Overall, the study confirms that medical tour to India is rapidly growing which indicates the enhanced potential of India on becoming the global leader of medical tourism.*

**Keywords:** Medical Tourism, Foreign Exchange Earnings, Tourism Trends, Indian Tourism, Medical Tourists.

## Introduction

Medical tourism indicates travelling to a country that provides fast and better medical care for treatment. People choose medical tour to reduce high medical expenditure and to reduce waiting time in their public medical care systems. People travel to medical tourism destinations to access exclusive patient care, privacy and for wellness. Many people plan treatment with regional tour to make complete use of the visit. The common treatments people travel for are cosmetic dentistry, cardiac surgery, orthopedic surgery, cancer treatments, fertility treatments and bariatric (weight reduction) surgery. Usually people move to countries like India, Thailand and Singapore for timely availability of care.

India is a major hub of medical tourism which is highly chosen for its expert cardiac and orthopedic care. Also people prefer India, because the expenditure is only a fraction of cost of the same treatment in their own country and the treatment outcome is also efficient. India provides special visas like E-visa which is one year extendable and AYUSH visa for wellness. 25% of medical tourists coming to India choose Tamil Nadu for their treatment.

### **Foreign Exchange Earnings**

When patients from other countries visit India for medical care, they usually spend money in foreign currencies like Dollars and Euros. They spend money for air tickets, accommodation, local transport, food and other services. Such earnings are known as Foreign exchange earnings of India. Other than this, Foreign exchange earnings happen with other aspects like export of goods and Foreign Direct Investment. Chennai is considered the health capital of India with 4.5% of total medical tourists of India visiting the city every year.

India holds 10th rank in Medical Tourism Index and holds 5th rank in Asia Pacific ranking of Medical Tourism. India's medical tourism market value in 2022 was nine billion dollars and it is expected to reach thirteen billion dollars by the year 2026. Recent reports say that the medical tourism market of India may reach \$58.2 billion by 2035. Foreign exchange earnings help India in stabilizing Rupee, to attract foreign investment and to pay for imports.

### **Literature Review**

Praxis Global Alliance in 2025 reported that medical tourism in India is constantly growing. It has forecasted that the medical tourism market would reach US\$18 billion by the year 2027. iBluu Corporations in 2025 discussed the multiplier effects of medical tourism in generating employment. The Industry report of Times of India in 2025 highlighted that the arrival of medical tourists towards India is exponentially growing.

Research Gate analysis in 2025 has estimated a growth of medical tourism revenue from US\$ 3billion in 2020 to US\$ 6.5billion in 2023. Das Paul in 2024 argued that medical tourism is increasingly contributing to India's GDP through the foreign exchange earnings from medical tourists.

Raju George et al in 2024 studied the relationship between medical tourism and foreign exchange earnings in India. Business Standard in 2024 described that there is an increase in the number of medical tourists after COVID-19 pandemic situation. Dr. Prem in 2024 pointed cost as the key driver of medical tourism growth in India.

IRCA analysis in 2024 showed a growth of medical tourism by 33% in 2023. India Chamber of Commerce officials in 2023 reported that India has earned US\$7,400 million through medical tourism. FICCI medical value report in 2023 stated the importance of medical travel and forecasted its growth through 2027.

### **Objectives**

- To examine the trends in arrival of medical tourists and the corresponding foreign exchange earnings in India
- To assess the individual contribution of medical tourists to foreign exchange earnings in India
- To provide recommendations for improving India's position in global medical tour destination
- To explore the emerging opportunities to sustain the growth of medical tourism market in India

## Research Methodology

This research involves an empirical design with analysis of quantitative data collected from secondary sources such as reports of government statistics and research publications. The secondary data are collected from annual reports of Ministry of Tourism, forecasts by industries and academic research articles. Data about number of persons visited India for medical reasons and corresponding foreign exchange earnings were collected from many credible sources for the year 2010-2023. Then the collected data were organized in time-series format to analyze trends over time. Growth rates of arrival of medical tourists and foreign exchange earnings are calculated separately. Correlation analysis is done to assess the strength of relationship between medical tourist arrival and foreign exchange earnings. Foreign exchange earning per tourist is calculated to assess the contribution of a medical tourist in overall earnings of medical tourism.

## Data and Statistical Analysis

Data are compiled from reports of Ministry of Tourism and Industries.

**Table 1 Medical Tourist Arrivals and Foreign Exchange Earnings in India (2010–2023)**

Year	Medical Tourist Arrivals	Foreign Exchange Earnings (USD Million)
2010	120	780
2011	140	890
2012	160	1,100
2013	185	1,250
2014	220	1,450
2015	260	1,600
2016	290	1,800
2017	330	2,100
2018	380	2,600
2019	450	3,000
2020	183	3,800
2021	305	5,000
2022	460	6,300
2023	634	7,000

## Trend Analysis

- Foreign exchange earnings have consistently increased from USD 780 million in 2010 to USD 7,000 million in 2023. This shows an upward trend.
- Medical tourist arrivals also show growth from 120,000 to over 634,000 in the same period of analysis.
- A notable decrease in patient arrival has occurred in 2020 due to pandemic-induced travel restrictions. But this was overcome by noticeable recovery in subsequent following years.

## Growth Rate

**Table 2 Growth of Tourists in Percentage (2010-2023)**

Year	Growth of Medical Tourists in percentage
2011	16.7%
2012	14.3%
2013	15.6%

2014	18.9%
2015	18.2%
2016	11.5%
2017	13.8%
2018	15.2%
2019	18.4%
2020	-59.3%
2021	66.7%
2022	50.8%
2023	37.8%

**Table 3 Growth of Foreign Exchange Earnings (2010-2023)**

Year	Growth of Foreign Exchange Earnings in percentage
2011	14.1%
2012	23.6%
2013	13.6%
2014	16.0%
2015	10.3%
2016	12.5%
2017	16.7%
2018	23.8%
2019	15.4%
2020	26.7%
2021	31.6%
2022	26.0%
2023	11.1%

**Interpretation**

- Tourist arrivals have reduced enormously in 2020 due to COVID-19.
- Foreign exchange earnings continuously increased in 2020 because fewer tourists spent more on higher-value treatments.
- Strong recovery can be seen in the years 2021, 2022 and 2023. This indicates powerful resilience of Indian medical tourism sector.

**Foreign Exchange Earnings per Medical Tourist**

Year	Foreign Exchange Earnings Per Medical Tourist
2010	6,500
2011	6,357
2012	6,875
2013	6,757
2014	6,591
2015	6,154
2016	6,207

2017	6,364
2018	6,842
2019	6,667
2020	20,764
2021	16,393
2022	13,696
2023	11,043

- Contribution of Each Medical Tourist to Foreign Exchange Earnings of India (2010-2023) is approximately 8,000 USD.

### Correlation Analysis

From the calculated values considering Number of arrivals as X and Foreign Exchange earnings as Y, the final correlation coefficient is given by,

$$r = 51,585,510 / 59,230,000$$

$$r \approx 0.98$$

There is a strong positive correlation between arrival of medical tourists and foreign exchange earnings in India. This indicates that as the number of medical tourists increases, foreign exchange earnings also increase.

### Findings

The findings of the study reveal that there is an upward moving trend in number of medical tourists visiting India and in the corresponding foreign exchange earnings. The number of patients seeking medical treatment in India has increased from one lakh and twenty thousand to four lakhs and fifty thousand in the years 2010-2019. This reflects India's improved efficiency in providing quality and affordable medical treatments. From 2010-2019, the foreign exchange earnings rose from US\$ 780million to US\$ 3000million. This indicates the significant contribution of the medical tourism sector to the national economy. The findings show that there is a positive correlation between the arrival of medical tourists and foreign exchange earnings. The COVID-19 pandemic in 2020 caused decrease of tourist arrival, but the foreign exchange earnings continued to grow which denotes that patients traveled to India despite the pandemic. The medical tourism sector in India has shown its extreme resilience and adaptability after the pandemic. The foreign exchange contribution per patient has increased after COVID-19, which indicates the importance of exceptional medical

### Discussion

The findings highlight that India has successfully positioned itself as one of the top medical tourism destinations. Since there is a high correlation between tourist arrivals and foreign exchange earnings, if India invests in attracting more international patients, it would directly increase the foreign currency reserves. This ensures economic stability. The study showed that pandemic situation has reflected Indian medical tourism sector's strong resilience. It also indicated that healthcare system of India is capable of adapting to severe disruptions. The trend analyses before and after COVID-19 indicates the competitive advantage of India in Global medical tourism market. The average foreign exchange per medical tourist is constantly increasing, highlighting the increased profitable contribution from every visitor. The medical tourism sector also supports in generating employment, further infrastructural development of health care units and in increasing international recognition of India. This study suggests that India should concentrate in improving patient centered care and different marketing techniques to attract more medical tourists.

Supportive digital healthcare platforms and simple visa processes will enhance India's flexible service systems. India should monitor upcoming health trends to sustain in its competitive position.

### Recommendations

India should focus on providing specialized medical procedures that generate high foreign exchange contributing tourists. Indian hospitals should be equipped with modern machineries, digital support systems and staffs trained to speak multiple languages to provide seamless experience to medical tourists of different countries. India should incorporate marketing campaigns that specifically target patients of different regions and countries through digital media. As a competitive medical service provider, India should understand the expectations of safety, quality and convenience of its medical tourists to remain as a powerful competitor in future. Tie-ups with medical insurance companies of western countries may increase the arrivals and the foreign exchange earnings increase accordingly. Since India is known for its hospitality, patient centric approach and effective cross cultural communication

### Conclusion

Over the period of ten years from 2010-2023, the foreign exchange earnings has increased nearly ten times despite the pandemic situations. Flexible policies such as e-medical visa facilitation and strategic development of medical tourism sector played important role in making India, the easiest accessible medical tour destination. These interventions have increased international visibility of India. With efficient medical service from expert doctors, India stands among the leading medical tourism markets of the world like Thailand and Singapore. Although India faces healthcare access disparities, it receives patients from South Asia, Middle East and Western Countries. Eliminating small challenges would make India, the leader of medical tourism.

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