

A Rising Star: Medical Tourism In Switzerland

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One of the strongest growth areas in the travel and tourism industry in Switzerland is medical tourism.

With an ageing and financially strong consumer demographic happy to spend its money on health, travelling abroad for medical reasons, in combination with a holiday, is a fast-growing business and has become a lucrative part of travel and tourism.

Switzerland, with its mountain resorts and its spa tradition, is well geared up to expanding this area of its travel and tourism industry.

Switzerland well placed

Health and wellness tourism, along with medical tourism already plays a firm part in Swiss travel and tourism marketing, and Switzerland is identified as boasting health and nature resorts. Medical tourism is forecast to grow by 20% in constant value terms over 2010-2015, up from CHF850 million in 2010, as a result of increased and vigorous marketing activities from Switzerland Tourism.

A study produced by the independent research body Gottlieb Duttweiler Instituts (GDI) in Zurich into Switzerland's potential as a health destination shows that the country is well placed to be a leader in this area, not least because VIPs can count on privacy.

According to the institute, 30,000 people visit Switzerland every year for health reasons, spending in excess of CHF1 billion on treatment. Including family expenditure, Switzerland Tourism estimates that CHF500,000 of tourism spending is derived from health tourism.

Alliance to boost awareness

In 2010, health and tourism providers, jointly with the Swiss government's export specialist OSEC, finalised an alliance that is expected to boost growth in medical tourism and use the ample facilities Switzerland provides to the full.

The alliance is aiming to help smaller hospitals with their marketing to wealthy patients abroad, mainly in Russia, India and the Middle East. The Association of Swiss Hospitals (Verband der Schweizer Spitäler), which represents 370 public and private health institutions, estimates that currently 1-2% of all patients come from outside Switzerland.

Future opportunities

The future looks bright for medical tourism in Switzerland, as facilities are improving, new alliances are being set in motion and potential visitors are enjoying longer lives.

As Switzerland is comparatively expensive in terms of medical tourism, Eastern Europe, Hungary in particular, is a strong competitor, as it attracts dental tourists from countries such as the UK, Ireland, Germany, Austria, Switzerland and Scandinavia, with its lower prices and good facilities.

Such competing countries have created economies of scale that enable them to implement highly competitive pricing schemes. However, medical tourism there has much less significant global exposure and thus promotional efforts are not as developed as in Switzerland.

The latter's established reputation for medical tourism and its ongoing technological expansion will allow it to maintain a strong market position, despite greater competition.

The country has a strong strategic advantage over its regional competitors in medical tourism, thanks to existing infrastructure and training of professionals.

However, medical tourism in Switzerland may in fact benefit from the economic downturn, as the country still has the capacity to inject money into the development of its medical centres, whilst others, such as markets in Eastern Europe, are currently experiencing a strong blow from the impact of the global crisis, and may revise their future development plans.

This should be seen as an opportunity by the Swiss to speed up developments, taking the lead in this segment.

Analyst Insight by Nadejda Popova.

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