

FITMForum on Indian
Traditional Medicine**FITM POLICY BRIEF**

Special Wellness Zones for Wellness Tourism: Exploring prospects of creating dedicated ISM hubs

Introduction

Tourism industry is huge in India. It is the largest service sector industry and second largest foreign exchange earner. Tourism also provides for 9 per cent of total employment in the country. It is for these reasons that tourism has been identified as an important service sector industry with high spill over effects in the Economic Survey of India, 2018-19.

A special emerging area under tourism is wellness tourism, which is travelling to seek improved health and well-being through physical and spiritual activities (Wego, 2015). India has the potential to become the global market leader in Wellness Tourism. The country is endowed with diverse climatic zones, each with different natural environment.

This makes India, one of the few countries that can offer diverse range of tourism experiences within its borders. Coupled with the heritage of millennia old Indian Systems of Medicine (ISMs), the country can project itself as a unique destination for wellness tourism. This policy brief explores the advantages that India will have in setting up Special Wellness Zones (SWZs) that will promote both ISMs and Tourism, as well as create employment opportunities.

Economic growth, development and urbanisation across the globe

have drastically changed the disease and mortality pattern of the world. With the advancement in medical sciences, humanity has been able to eliminate diseases such as small pox and we are making headways to eradicate Polio, Malaria and Measles. These advancements have led to a nosedive decline in the incidence of communicable diseases, particularly in the developed countries. In 2016, only 20 per cent of global mortality was attributed to communicable diseases. The same figure was 56 per cent in the WHO African region (WHO Global Health Estimates, 2016).

While the global development and urbanisation did help in reducing the incidence of communicable diseases, other ailments such as stress, anxiety and depression and other mental disorders are on the rise. It is no wonder that mortality due to suicides and cardiac arrest have become common causes of deaths, particularly in the developed world. According to Global Health Risk report (2009), 9 out of top 10 leading causes of mortality in the world can be attributed to lifestyle choices.¹

In the context of above mentioned changes, the concept of wellness assumes a paramount position. The National Accreditation Board for Hospitals & Healthcare (NABH) defines the concept of wellness as

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Box 1: Wellness Towns in China

China has already established dedicated wellness towns in each of its province to promote domestic wellness tourism. For example, Miyi county of Panzhihua, Sichuan province has been developed as the go to place for wellness tourism for people of South-western China. Miyi is now taking strides to portray itself as a nationwide resort for preventive healthcare and wellness.⁵ Towns such as Miyi, have been developed in China with the support and cooperation from both Chinese central government and Sichuan provincial government. The support comes in the form of tax rebates and subsidies to the service providers. Another important wellness zone that China has created is the Hainan Island, also known as the Hawaii of China. The visa-free island has been established as a major wellness zone to attract foreign visitors. The island is emerging as a major global wellness tourism hotspot, which has been visited by over 800,000 tourists from Russia and Central Asia since 2010 (Lo and McGroarty, 2019). Almost 80 percent of these tourists try some form of TCM therapy during their stay.⁶

Source: Deccan Chronicle, April 5, 2018.¹⁰

a state of optimal health covering physical, mental, social, spiritual aspects of an individual. In this regard, NABH also defined wellness intervention as those interventions that do not require overnight stay at the wellness centre for medical reasons; and, leaving the treatment after any stage should not cause any harm to the individual.² Even in international forums, wellness forms an integral part of overall health policies. The Sustainable Development Goal (SDG) 3 emphasises on ensuring healthy life and promoting wellness for all at all ages. Promoting healthy lifestyles is a prerequisite if one hopes to attain that goal within stipulated time period.

With the rise in disposable incomes of urban population in developed and developing countries, many travellers now seek wellness and recreation as important motives for travelling. It is for this reason that 'Wellness Tourism' has experienced a surge in recent years. A report by Wego, a major travel search engine in Asia Pacific, defines Wellness Tourism as travelling to seek improved health and well-being through physical and spiritual activities (Wego, 2015). The wellness tourism market was valued at USD 639 billion in 2017 by the Global Wellness Institute. Between 2015 and 2017, the market grew at the rate of 6.5 per cent, which is twice as fast as the general travel Industry (Schweder, 2019).

According to Global Wellness Trends Report 2019, wellness tourism growth is very much a tale of developing markets, with Asia-Pacific, Latin America-Caribbean, Middle East-North

Africa, and sub-Saharan Africa accounting for 57 per cent of the increase in wellness trips since 2015.³ The large developing economies of BRICS nations have a long history of usage of Traditional Medicine and now these countries are redefining wellness services in the moulds of Traditional Medicinal Knowledge.⁴ To capture the growing market of wellness tourism, many developing countries have also developed certain areas, dedicated to attract wellness tourism. Box 1 points out major initiatives undertaken by China in order to promote wellness tourism by creating dedicated wellness towns.

Wellness Tourism in India

It is interesting to note that wellness may have been a relatively new term in the international platforms; it has been an age old concept in Indian subcontinent. In India, the Traditional Medicine system of Ayurveda and other ancient texts have defined the concepts of do's and don'ts related to diet, conduct, and other daily activities for healthy living.⁷ These concepts form the basis of modalities for prevention of diseases and restoration of health and wellness. Preventive healthcare services have been an integral part of Ayurveda since ancient times. Yoga is yet another Indian system that has proven to be a highly effective preventive healthcare practice. Yoga has also been found effective against many mental ailments such as depression and anxiety. It's no wonder that the alternative medicine systems of Ayurveda, Unani, Siddha, Naturopathy and Homeopathy as well as the non-drug therapies

including Yoga and meditation are increasingly becoming popular among foreign patients as non surgical methods of treatments for various ailments (Begum, 2013). It is because of our rich heritage of wellness and Traditional Medicine healing that in a 2015 survey by Wego, three Indian cities made it to Top 15 wellness cities in Asia (Wego, 2015).

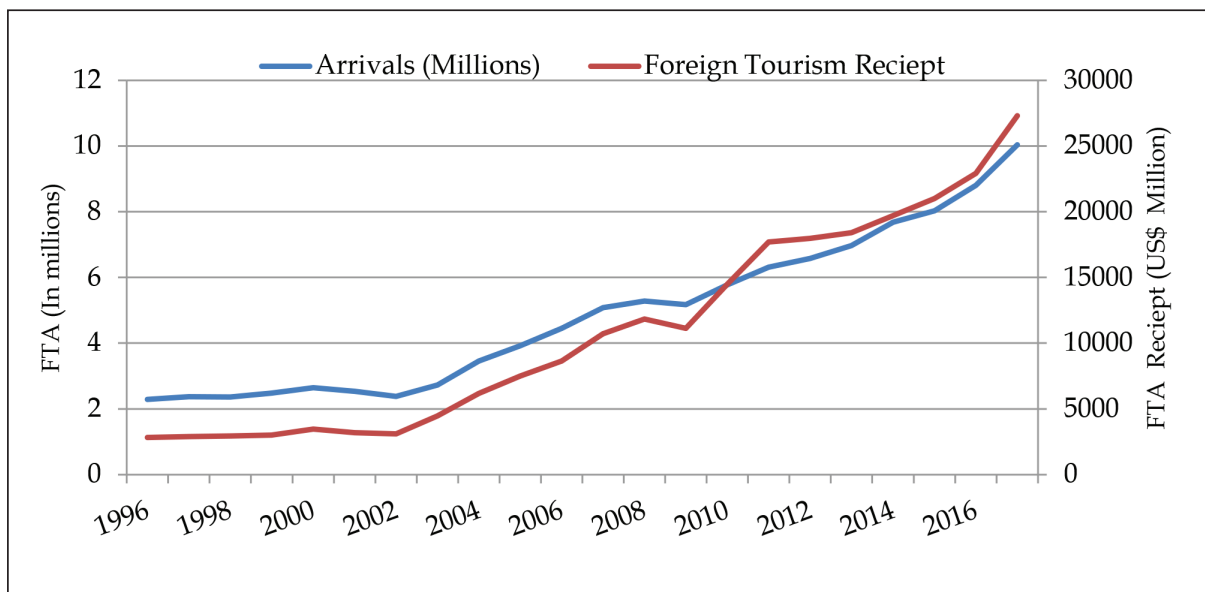
Travel and tourism is a huge industry in India. It is the largest service sector industry and second largest foreign exchange earner. Internationally, India has already positioned itself as a major tourist hotspot. India received more than 10 million Foreign Tourist Arrivals in 2017 alone. The Foreign Tourist Arrivals of India has been growing steadily with the Compounded Annual Growth Rate (CAGR) of 8.15 per cent from 2000 to 2017. As can be seen from Figure 1, the growth in foreign tourism has been accompanied by an almost equal rate of growth in foreign exchange revenue that resulted from foreign tourism. It is impressive to note that India’s rank in World Tourist Arrivals was 26th whereas it ranked 13th globally in the amount of global tourism receipts.

We have already seen that the global wellness tourism market is booming. The growth is even

higher in the Asian region. During 2015 to 2017, the region witnessed a growth of 13 per cent per year in wellness tourism, which is a much higher growth rate compared to any other region of the world.⁸ It is only practical, that India should now use this opportunity to place itself as the major player in this sphere.

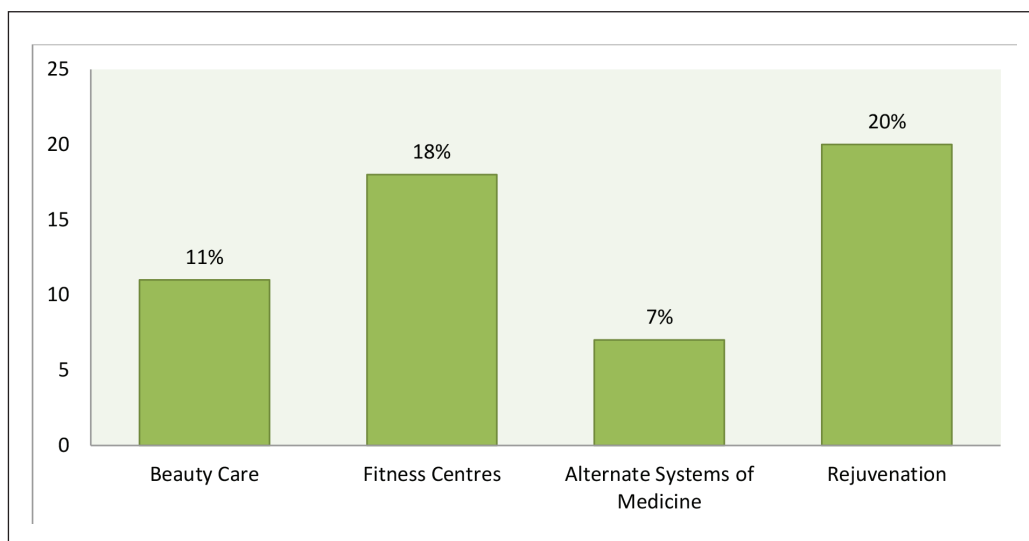
The Ministry of Tourism has identified wellness tourism as one of the nine niche tourism products that India can sell in order to overcome seasonality in tourism and promote India as an all-year travel destination attracting tourists with specific interest. The Ministry has also set up National Wellness and Medical Tourism Board to act as an umbrella organisation to promote wellness tourism in India in an organised manner.⁹ In this regard, the Ministry of Tourism provides financial assistance to the National Accreditation Board for Hospitals & Healthcare (NABH) certified wellness service providers to take part in Tourism Fairs/ Events/ Conferences etc, across the globe.¹⁰ Moreover, Indian government has identified major tourist hotspots in each of its state. Enhancing the connectivity, via roads and airways, between these hotspots is expected to boost economic activity along the entire route and also reduce the migration of the

Figure 1: Foreign Tourist Arrivals and Foreign Tourism Receipts in India, 1996-2017



Source: Indian Tourism Statistics at a Glance, Ministry of Tourism, Government of India.

Figure 2: Compounded Annual Growth Rates of Sectors of the Wellness Industry



Source: FICCI and EY, 2016.

rural labour force that forms a major proportion of the total labour force (Economic Survey, 2019).

India's wellness market, estimated at INR 85,000 crore, is expected to grow at a CAGR of 12 per cent between 2015 and 2020.¹¹ With this growth rate the wellness industry in India will reach at INR 1,50,000 crore by 2020 (FICCI, 2016). With ISM systems at its core, services account for around forty per cent this industry. With increasing demand for wellness tourism, and a robust industry backing India's supply of wellness services, India has the potential to become a leading service provider in this sector. The sectoral division of wellness market as well as the respective growth rate of these sectors are given in Figure 2. We can see from this table that rejuvenation services (which include massages, Spa and Sauna Treatments, Yoga courses and non-drug traditional therapies) grew at the highest CAGR of 20 per cent per annum.

Rejuvenation activities offered by Indian Traditional Medicine systems of Ayurveda and Yoga attract a lot of foreign tourism in India. As the disposable income of India's domestic population will grow, even their demand for preventive healthcare therapies offered by ISMs will increase. Although, the industry in India is growing at a rapid pace, there is still a lot of unexplored potential of wellness tourism

industry in India. One such potential lies in creation of special ISM hubs, such as dedicated ISM towns and villages that may offer the getaway most of the foreign and domestic wellness tourists are looking for.

Ayurveda/Yoga Towns and Wellness Tourism

There are few studies that talks of promoting 'Brand-India' in the field of wellness tourism (Begum 2013; Satya 2008). We take this idea forward and argue for creating of Special Wellness Zones (SWZs), across the country in order to promote both foreign and domestic wellness tourism in India. The SWZs in our understanding can be of the size of small towns and/or villages. In the proposed towns, the major wellness service providers can be incentivized to set-up ISM wellness centres, Ashrams, clinics, hospitals, resorts and hotels. Just like Special Economic Zones (SEZs), the incentives can be in the form of tax rebates or subsidized land or both.

Figure 3 sums up all the reasons that we have discussed so far that forms as the motivations for setting up SWZs based on ISMs across the country. One must note that few such towns do exist in India (look at Box 2 and Box 3 for example). But

Box 2: Igatpuri, a wellness town in Maharashtra

Maharashtra Tourism Development Corporation (MTDC) has proposed to develop a wellness hub in Igatpuri by creating wellness zones providing a range of treatments including yoga, ayurveda, reiki and physiotherapy. MTDC is also trying to secure 100 acres of Government land in the locality of Igatpuri to develop world class infrastructure and is also preparing to enter into partnerships with private entities. This project will certainly allure huge number tourists and will be an attractive tourist hotspot.

Igatpuri has immense potential for wellness tourism. Away from the chaos of urban life, this paradise proves to be a worthwhile getaway this season. One can visit Igatpuri the Vipassana Centre and other private wellness centers, which offers wellness therapies like ayurveda, yoga, naturopathy, reflexology, reiki, spa and many more. The vipassana meditation is a self-purification method, which commences by focusing on mind, by observing the breathing process. The meditation is powerful and most effective to refresh travellers' mind, body and soul.

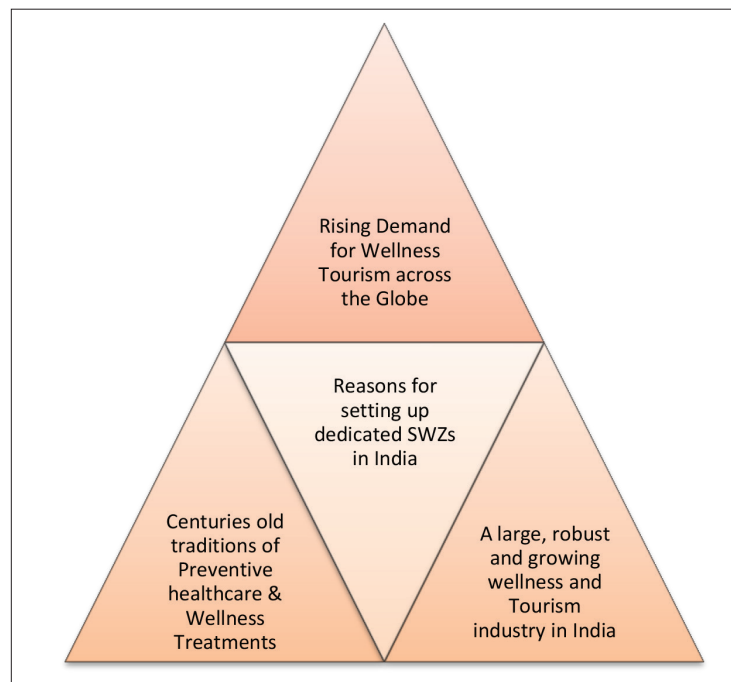
Source: Deccan Chronicle, April 5, 2018.¹²

in order to meet the growing demand of wellness tourism in the market, the country needs to increase the scale of operation as well as absolute quality of such towns if it hopes to become a global leader in this segment. Therefore, we propose to develop few service clusters in each state based on the strengths and natural as well as human endowments in each state.

Box 2 gives an example of Igatpuri, a small town situated around 100 Km away from

Mumbai. The important takeaway from Igatpuri is the role of state government in developing it as a major wellness hub in Maharashtra. The Kairali village in Kerala, as mentioned in Box 3 is also an attempt to create a wellness hub in the state. But the initiative is purely private and that reflects in the diversity and scale of Kairali Ayurvedic village, when compared to Igatpuri. It is important that SWZs must be based on Public Private Partnership in order to bring together

Figure 3: Motivations for Setting up Special Wellness Zones (SWZs) Across Country



Source: Authors' own.

Box 3: Kairali Ayurvedic Health Village, Kerala

The captivating beauty of the Western Ghats and the rich flora define the picturesque town of Palakkad in Kerala which is home to the Kairali Ayurvedic Health village. The 50-acre lush-green property is dotted with well-lit spacious cottages that serve as an ideal destination for those looking to experience the Ayurvedic lifestyle and healthy living as describes in our ancient texts.

Yoga and meditation are an essential part of the Ayurvedic way of life and the resort offers both private and group classes. Therefore, the resort asks its customers to follow a particular time-table based on traditional way of living.

Source: India Times, May 4, 2014.¹³

major stakeholders of the wellness market (product manufacturers, service providers and consumers) at a common place.

Just like Igatpuri, one can think of setting up these towns in regions bestowed with natural sceneries and near places that have a history of using Traditional Medicine services for wellness preventive health care. It is important to include local participation so that these projects can lead to overall inclusive development of the region. Doing this will also generate local employment opportunities in the region. In the following section we list out major benefits that may arise out of such projects.

Prospects of Setting up SWZs in India

Apart from strengthening 'Brand India' in the field of wellness tourism, there are many other prospective benefits that may arise out of the proposed wellness towns. The list below puts forward some arguments in favour of setting up Special Wellness Zones across India.

1. *An opportunity to generate employment and income:* The services sector has been the backbone of India's GDP but the employment generation capability of the sector has always been under question. Since services required in wellness industry has little scope of automation, the industry has a potential to absorb job seekers from the market, all the while generating valuable foreign exchange income. Ensuring local participation would also result in inclusive holistic development of the region. Therefore, Wellness Towns can help India to move towards SDG 8 of 'Decent Work and Economic Growth'.

2. *Boost to SME sector:* An estimated 85 per cent of AYUSH manufacturers and almost all of the AYUSH service providers belong to the SME sector. Special wellness zones would not only help AYUSH service industry, they may also generate demand for the AYUSH manufactured products as well. This rise in demand can give a much needed boost to the domestic SME sector in India.

3. *Ease of standardisation:* It is easier to standardise services that are provided by wellness service providers in a wellness town since most of them will be located in close proximity. Moreover, competition from peers is bound to compel the service providers to ensure best quality at affordable prices.

4. *A mission approach:* SWZs can be a part of wellness centre project of AYUSH ministry as well as the National AYUSH Mission. AYUSH ministry has been directed by the PMO to deliver and run more than 12,000 wellness centres across India under the Ayushman Bharat scheme¹⁴. Even the national AYUSH mission mentions setting up of special wellness centres across India that specializes in alternative medicine and treatments. These policy directives can easily be adapted with the proposed Special Wellness Zones (SWZs) and each of these projects can complement each other.

5. *A boost to Tourism as well as Wellness Industry:* Tourism plays a huge part in the service sector industry in India. It accounts for 9 per cent of total employment in the country and is the second highest foreign exchange earner. Wellness industry has been growing in India at a rate of 12 per cent per annum with expected market size of INR 15,000 crore by 2020. A positive policy shock such as this can help catalyse the growth process of both industries. It will

surely help portray India as a leading competitor in the wellness tourism market.

6. *Domestic and Global promotion of Indian Systems of Medicine:* Yoga is already making headways in terms of popularity in the world. In US alone it is estimated that nearly 32 million people practice Yoga. Ayurvedic treatments such as 'Panchkarma' have also gained impressive popularity across the globe. Creating of SWZs offering quality ISM services and treatments at the same place will help strengthen the branding of ISMs.

7. *Comparative advantage in Wellness Industry:* Qualified health professionals, qualified health professionals and top of the line medical and diagnostic equipments together with a huge proportion of fluent English speaking population has given India a competitive edge in Medical Tourism (Begum, 2013). Being the home to robust systems of medicine and healthcare practices such as Yoga and Ayurveda, one can argue that India has even more competitive edge in the wellness tourism market. Creation of SWZs would arguably help India usher this competitive edge in the global wellness tourism market.

Conclusion

Although, wellness tourism is still new concept, many countries and private players are developing this market very seriously. One must note that some Asian countries have already established dedicated wellness towns to attract wellness tourism. For example, China has dedicated wellness towns in each of its province. But till now these towns mostly cater to the needs of elderly and elite population within China.

India needs to move fast in the direction of building this industry in India in order to reap the fruits of first mover advantage. Creation of ISM wellness towns would give the much needed boost of confidence to both, the wellness industry as well as the AYUSH systems of medicine in India. It will also help popularise our traditional systems of medicine domestically and globally.

The project can be introduced by Ministry of AYUSH to complement the National AYUSH mission, in collaboration with the National Wellness and Medical Tourism Board, Ministry

of Tourism. If SWZs are to come up successfully, government support will be needed at every step right from its inception. Like in China, the support can come in the form of tax rebates to the service providers or AYUSH product manufactures. Continued government support would also be needed even after these towns are in place.

Once these towns have been established, marketing will assume a position of utmost importance. The SWZs at this stage might need government support, particularly for overseas branding and advertisement. In this regard, SWZs and wellness tourism can be fused with the 'Incredible India' campaign in order to popularize the concept.

Endnotes

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- 2 Accreditation Standards for Wellness Centres. NABH. Online at: https://www.nabh.co/Images/PDF/WellnessCentresStandards_2ndEdition.pdf
- 3 2019 Global Wellness Trends Report. Online at: <https://www.globalwellnesssummit.com/2019-global-wellness-trends/>
- 4 BRICS is the acronym used for five major emerging economies of the world, namely Brazil, Russia, India, China and South Africa. Together, they consist of 43 per cent of global population and contribute 37 per cent to the world GDP. See 'Health Nature and Quality of life: Towards BRICS wellness Index' by Research and Information system for Developing Countries for a detailed review concept of wellness and traditional medicine in BRICS countries.
- 5 China Market Research Company. Miya has eye on becoming winter health resort. Online at: <http://ceidea.com/html.asp?showid=1099>
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- 9 Ministry of Tourism, Statement Containing Brief Activities, 2018. Online at: <http://tourism.gov.in>
- 10 ibid

- ¹¹ FICCI and EY report on Wellness. Online at: <http://ficci.in/VAS-Report.pdf>
- ¹² Deccan Chronicle Article, April 5, 2018. Online at: <https://www.deccanchronicle.com/lifestyle/travel/050418/weekend-getaway-tripping-it-to-igatpuri-for-some-wellness-tourism.html>
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About FITM: The FITM has been established in the RIS with the participation of the Ministry of AYUSH as a common platform for all actors and stakeholders to contribute to pragmatic policy-making in the area of Traditional Medicine (TM) and Traditional Knowledge and to develop pro-active policies and strategies. The broad objectives of the FITM are to: undertake/ commission studies on various issues pertaining to Indian TMs, IPRs and regulatory frameworks for traditional medicinal knowledge; examine trade policy with reference to TMs; prepare cogent and coherent policy and strategy responses on emerging national and global developments; provide critical inputs such as policy briefs, briefings and reports to the Government of India in a continued and sustained way; and to facilitate interactions with experts and stakeholders and policy-makers from India and abroad. It would also provide Fellowships and Scholarships for studies in the area of TMs, arrange invited talks by national and international experts, and organize periodic consultations.



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