

OUTBOUND CHINESE HEALTH TOURISM

SILTA CHINA BUSINESS CONSULTING

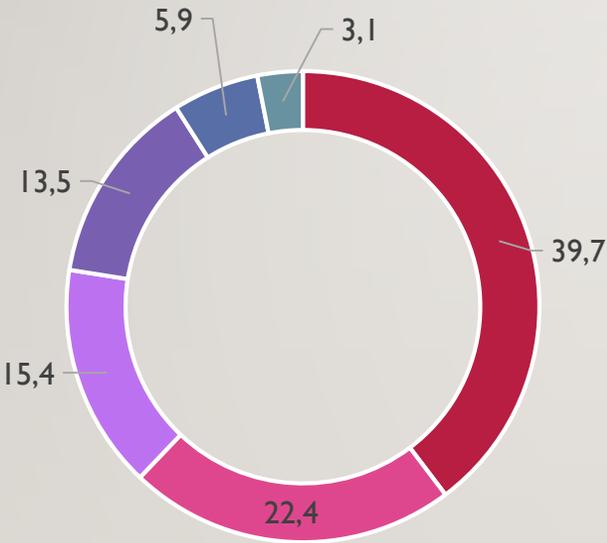
20TH MAY 2019, PORVOO

OUTBOUND CHINESE MEDICAL TOURISM - A USD 10 BILLION MARKET

- Chinese citizens are leaving their homes in search of the best care available, or for the care that they desperately need. Global Growth Markets research found that some **483,000 people travelled outbound from China for medical tourism in 2015.**
- This number has been growing rapidly over the past few years, with volumes of travellers estimated to be increasing at 31% annually since 2012. And this double-digit growth is set to continue, with the number of **outbound medical tourists from China expected to surpass 800,000 in 2020.**
- These medical travellers spent USD6.3 billion on treatment in 2015, and a further USD3.4 billion on related travel and accommodation, making **outbound Chinese medical tourism a USD9.7 billion business.** This market is being driven both by major changes in China's demographic make-up, and in its people's ability and willingness to spend.

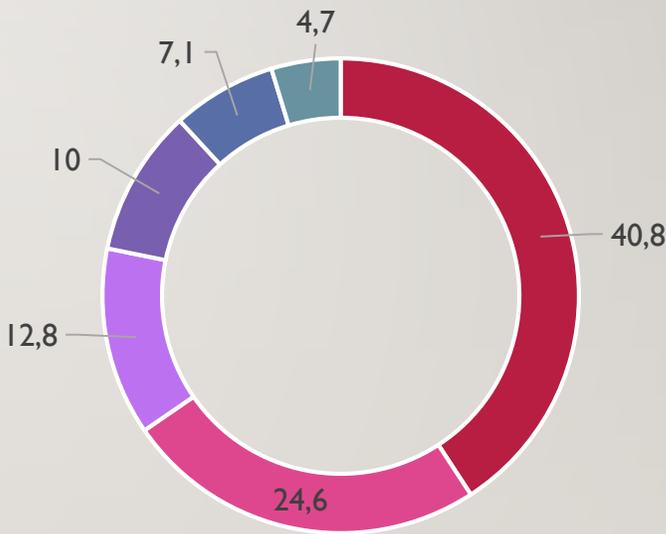
CHINESE OUTBOUND MEDICAL TOURISM MARKET SEGMENT

Total outbound medical tourism market segment



- Severe Disease Treatment
- Health Check
- Cosmetics
- IVF
- Wellness
- Others

Online outbound medical tourism market segment



- Severe Disease Treatment
- Health Check
- Cosmetics
- IVF
- Children care
- Others

FOUR TYPES OF MEDICAL TOURISM...

It has been identified four broad types of outbound medical tourism from Mainland China. Each type of trip has distinct demands in terms of treatment, care quality, price points, and trades these factors off differently.

- **1. 'Quality at any cost':** This type of trip is generally less price sensitive and is willing to travel long distance **to receive the most advanced medical technology and the best renowned physicians or surgeons.** Physician reputation, hospital track record and specialization are considered far above cost for patients in this segment. Typically these patients are travelling for major one-off inpatient treatment, severe disease: **cancer treatment, cardiac surgery, etc .**
- **2. 'Value for money':** Patients making trips in the value for money segment are searching for **better treatment quality at more competitive prices compared to those available in Mainland China.** This can include those travelling aboard **health check, such as cancer screening,** as well as more routine procedures, such as **plastic surgery.**

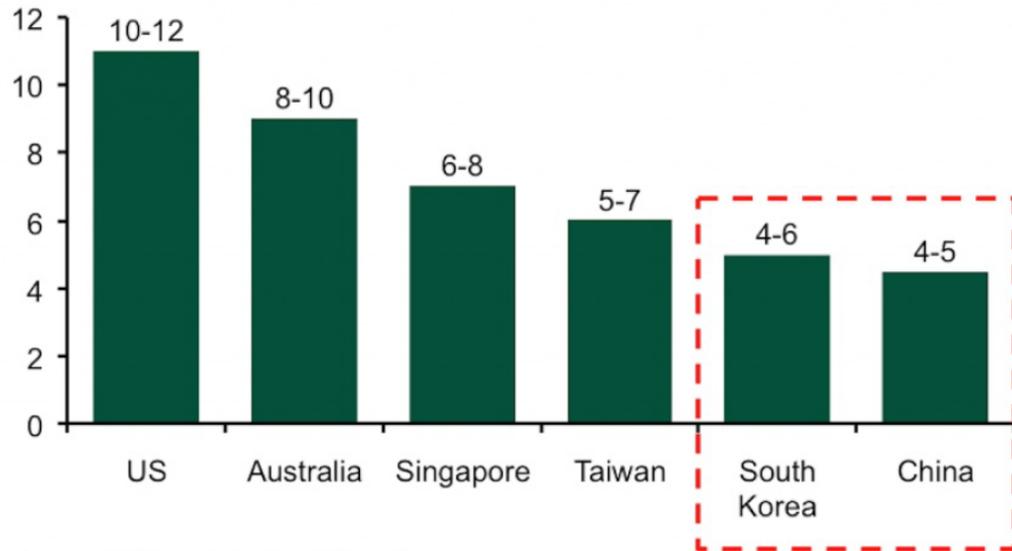


FOUR TYPES OF TOURISM ...

Figure 1: Comparison of Nose Surgery Cost by Destinations

**Nose surgery cost by destination
(2014)**

Thousands of US dollars



Source: L.E.K. analysis, Seoul TouchUp

For example, Chinese patients often opt to travel to South Korea for their medical aesthetic procedures. Treatment costs are substantially the same as in China, but China's patients recognize South Korean physicians as having far greater experience.

Overall this segment is currently relatively small, but with significant growth potential in the coming 3-5 years as providers become more sophisticated in the promotion of their 'core procedures' to China's consumers.

FOUR TYPES OF TOURISM ...

- **3. 'Prescription drug runs':** Mainland China **suffers from a lengthy queue for product registration and long approval process for innovative drugs and medical devices.** Whilst there are signs of some acceleration, many of the latest therapies remain unavailable to China's patients. Moreover, the regulatory costs, import duty / tax regime and value chain structure in Mainland China are such that by the time the patient receives the treatment, it can be much more expensive than neighbour countries.
- **Hong Kong and Macau are particularly popular destinations amongst Chinese patients for drug prescriptions.** As well as frequent flights and familiarity, these destinations benefit from not requiring visas for travellers from the Mainland. It is relatively well established and low cost to simply obtain a prescription from a local private clinic without requiring referring by physicians in China or help from medical agencies. So important has this business become to pharmacists in these destinations that there are reports of pharmacies **dispensing high value prescription drugs even without prescription.**
 - **A faster drug approval process in Hong Kong and other South East Asian countries also delivers earlier access to the latest drugs, well before they are launched in China.** For example, Chinese melanoma patients are referred by doctors to receive Zelboraf in Hong Kong - there are no other alternative treatments available in Mainland China. Similarly Gardasil, an **HPV vaccine, is popular amongst Chinese women, but the nearest destination where it is legally available is Hong Kong.**

FOUR TYPES OF TOURISM ...

- **4. 'General check-ups'**: The last type of medical tourism trips are those who travel **abroad for medical check-ups, or to seek a second opinion for initial diagnosis** and prognosis undertaken in China. These trips are generally **combined with leisure trips**.

Medical travel agencies, such as Saint Lucia or Hope+Noah, are favoured as offering a **price-competitive check-up package** and tour, and are aligned to leading hospitals in popular international leisure destinations, such as **Japan, Taiwan, and Singapore**. Many high-end check-up centers in China, such as Ciming Oasis Health Management, have also begun to refer patients overseas for more advanced diagnosis and second opinions. **Why not Beautiful Finland?**

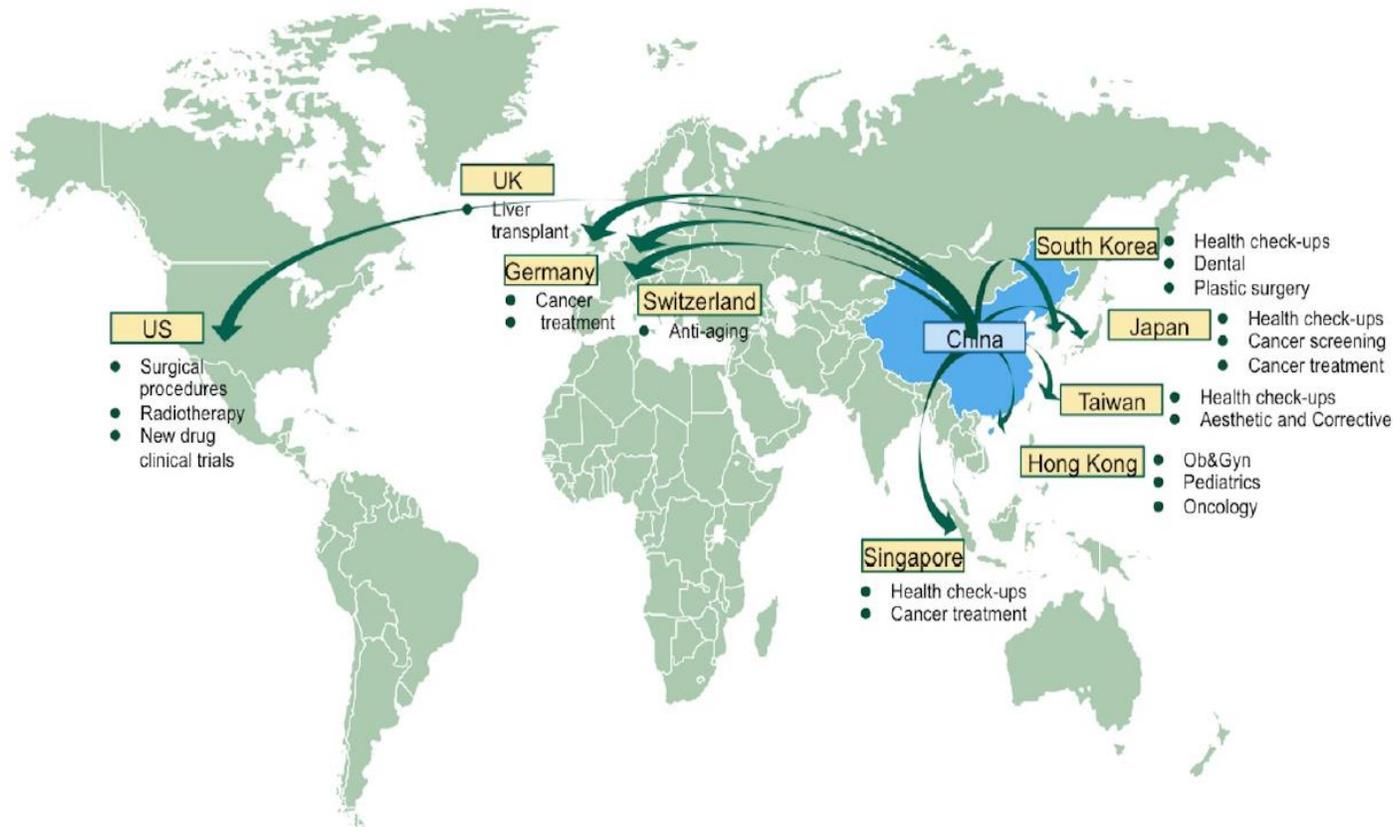


WHO IS LEAVING CHINA FOR CARE...

- With average hospital costs paid by Chinese medical tourists **ranging from USD1,500 for dental procedures, right up to USD146,000 for oncology treatment**, and major destinations ranging from as near as Hong Kong to as far as the US, it is clear that even though it is in the early stages of development, the Chinese outbound market is already multi-faceted.
- The new research by Global Growth Markets looks at the market in terms of **two key dimensions: treatment type (essential vs. elective) and willingness to spend (want to spend vs. have to spend)**.
- Those who need treatment overseas have serious conditions, such as certain cancers, that cannot be treated in China due to **lack of approved drugs, insufficient surgeons with the necessary skills, or lack of technologies**.

WHAT DESTINATION ARE CHINESE GOING FOR OUTBOUND MEDICAL TREATMENTS...

Figure 3: Popular destinations for Chinese medical tourists



- While China's **super wealthy favour** the US or parts of Europe for medical holidays, China's **middle-class** prefer more affordable treatment options in South Korea, Singapore, or Thailand.
- Here are 8 booming medical tourism destinations – and potential property hotspots – for Chinese that are set to grow

WHAT DESTINATION ARE CHINESE GOING FOR OUTBOUND MEDICAL TREATMENTS...

USA

- With **top ranking hospitals and best facilities in the world**, combined with extensive travel links between China and US cities, and **10 year visa policy quicken visa application processes**, it's no surprise why the US dominates as one of the most popular destinations for Chinese seeking medical treatment abroad. Like MD Anderson, Mayo Clinic etc

JAPAN

- As neighbor, **Japan is a highly-accessible** and popular medical tourism destination for Chinese, especially for **standard health checks**. Japan invests heavily in its health system, hence its health system is not only one of the world's best equipped and most cost-effective, but also one of the most fastidious and reliable ones. This makes Japan highly attractive to Chinese patients – many who are jaded with China's tenuous medical offerings – which explains the **310,000 Chinese medical tourists expected to visit Japan by 2020**.

WHAT DESTINATION ARE CHINESE GOING FOR OUTBOUND MEDICAL TREATMENTS...

GERMANY

- Boasting **first-rate medical facilities**, such as the Asklepios Klinik in Hamburg, Germany is ranked as **the fifth-best medical system** in the world by the US-based Commonwealth Foundation. Germany is also home to the second-best medical facilities in the world, as voted by Medical Tourism Index, and this largely due to the fact that the German government is the second-largest investor in healthcare among the countries in the OECD

UNITED KINGDOM

- Ranked top out of 11 of the world's wealthiest countries in a study by the US-based Commonwealth Foundation, the UK healthcare system is a huge draw for Chinese medical tourists, particularly for those in **search for liver transplants**. Besides that, its quality of care, efficiency, and low cost at the point of service are also other factors attracting Chinese medical tourists to the UK – now even more so with the pound's depreciation post-Brexit.

WHAT DESTINATION ARE CHINESE GOING FOR OUTBOUND MEDICAL TREATMENTS...

SINGAPORE

- **Proximity, cultural and language similarities, as well as great food** make Singapore a popular option for Chinese medical tourists. Singapore's excellent facilities, such as the Gleneagles Hospital, is made even more compelling by Singapore's move to relax visa requirements for Chinese travellers – **9,000 Chinese medical tourists** ventured to the Lion City in 2015 for treatment.

THAILAND

- Excellent and fast-growing range of medical facilities have rendered Thailand as one of **the biggest medical tourism markets** in the world, attracting an astonishing 2.81 million overseas patients in 2015. A big reason can be attributed to the Bumrungrad Hospital in Bangkok, which not only offers a range of **premier and VIP suites and 24-hour hotline service**, but even provides an embassy contact service, a visa application assistance service, reception service, and airport transfer service – making it a luxury medical experience that is on par with **a 5-star hotel**. Having received approximately **7,500 Chinese customers in the past year**, Bumrungrad Hospital added a ward staffed by Chinese speakers, adding to a customer base that has been growing at approximately 25% per year.

WHAT DESTINATION ARE CHINESE GOING FOR OUTBOUND MEDICAL TREATMENTS...

SOUTH KOREA

- A favourite for Chinese medical tourists seeking **cosmetic surgery**, South Korea's medical tourism drive, including specialised **medical visas for foreign patients**, saw **56,000 Chinese medical tourists** visits in 2014. In 2016, that number surged to 179,000 Chinese patients, who spent \$1 billion on hospital fees, accommodation, and travel in South Korea – making Chinese the largest group of foreign patients in South Korea.

INDIA

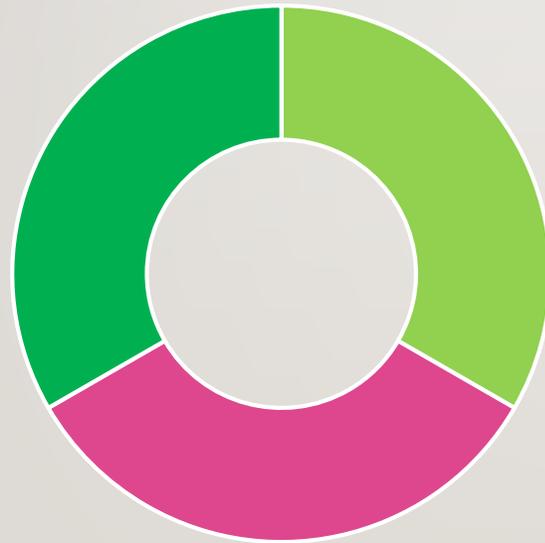
- **Low cost**, increasingly accessibility, and with an expanding range of **private hospital** chains like Fortis, Appollo, and Max, India – currently ranked as the top country in the world by Medical Tourism Index – is a rising major location for medical tourism with Chinese to keep an eye on. This is especially for those **seeking treatment for diseases, such as Hepatitis C**

MEDICAL TOURISM AGENTS

■ Traditional medical tourism agents

■ Online tourism agents

■ Representative office of foreign health organization



- Medical tourism agencies often have agreements or very well established relationships and partnerships with overseas hospitals, clinics, and medical facilities. Therefore, these agencies have the power to direct the customer's flow to very specific targeted medical facilities.

MAIN MEDICAL TOURISM AGENT (I)

The screenshot displays the website's interface. At the top right, there is a phone icon and the number 400-900-1233, along with a search icon. The header features the Auro Medical Consulting logo and the text '爱诺美康 专注肿瘤等重大疾病'. Below this is a navigation menu with links for '首页', '爱诺服务', '国外知名医院', '患者分享', '出国看病指南', '爱诺头条', and '关于我们'. The main banner shows a photograph of the MD Anderson Cancer Center building with the text '安德森癌症中心个人申请直通车' and 'AN EXPRESS TO MD ANDERSON CANCER CENTER'. The footer contains a '疾病专栏' (Disease Column) with icons for '肺癌', '乳腺癌', '结直肠癌', '淋巴瘤', '肉瘤', '卵巢癌', and '脑瘤', and a '了解更多' (Learn More) button.

Auro Medical Consulting

爱诺美康

- www.auromcs.com
- Offices: Beijing, Shenzhen
- Specialized in cancer and other severe disease treatment abroad.
- Telemedicine with US hospitals
- Partner hospitals: USA, UK, Germany, Japan

在线咨询

MAIN MEDICAL TOURISM AGENT (2)

CYCARES 春雨国际

400-898-8090

注册 登录

首页 服务项目 世界名医 全球医院 海外资讯 关于我们

远程咨询
肺癌

辅助生殖
试管婴儿 冻卵

海外转诊
肿瘤癌症

体检抗衰
早癌筛查 精密体检

健康管理
医学减脂

CYCARES 春雨国际

CHA Cambridge Health Alliance

春雨国际独家合作
美国坎布里奇健康联盟(美国CHA)

将国际化的医疗标准与服务引进国内

免费获取
专业医学顾问指导

视频会诊
试管婴儿
出国看病
精密体检
健康管理

400-898-8090
7X24小时咨询专线

始于春雨医生
国内医生保驾护航

整合全球资源
真正一站式服务

诊疗范围更广
汇集全球高端医疗资源

强大会诊技术支持
不出国门获第二诊疗意见

私人医生服务
赠送回国后一年健康随访

CYCARES 春雨国际

- www.cycares.com
- Offices: Beijing, Shanghai, USA, Europe (Spain), Thailand
- Largest online outbound medical tourism platform.
- Mainly focus on USA, Japan, South Korea, Thailand, Singapore market
- Specialized in anti-aging, IVF, Telemedicine, etc.

MAIN MEDICAL TOURISM AGENT (3)



Dr.Mayson 医疗人工智能解决方案

HUIMEI Healthcare 惠每医疗集团

- www.huimei.com
- Official representative agent of Mayo clinic in China, established by Mayo clinic and Hillhouse Capital Group
- Partnership with more than 20 hospitals in China.

MAIN MEDICAL TOURISM AGENT (4)

HOPENOAH 厚朴方舟
——让医疗更好——

出国看病行业标准制订者

全球服务热线 400-086-8008 出国看病治病, 海外医疗就医

出国看病 帮您快速寻找解决方案

出国看病 日本看病 美国看病 远程会诊 定制体检 服务案例 疾病专题 美日名医 权威医院 医学前沿 关于我们

肿瘤
肺癌 | 肝癌 | 食道癌
胃癌 | 宫颈癌 | 结肠癌

心脏疾病
冠心病 | 先天性心脏病

神经疾病
癫痫 | 脑瘫

质子重离子

其他
丙肝 | HIV | 消化科

暨华泰-厚朴方舟“享受无忧”癌症保障计划发布会

中央cctv4：海外医疗市场巨大 厚朴方舟欲填补国内高端医疗空白

出国看病 远程会诊 定制体检

请您留言

HOPENOAH 厚朴方舟

- www.hopenoah.com
- Office: Beijing, Shanghai, Shenzhen, USA (Boston), Japan (Tokyo)
- Partner hospitals: Japan, USA
- Specialized in Japanese market
- Offer tailormade health check, hepatitis C drugs from India, etc.

MAIN MEDICAL TOURISM AGENT (5)

盛诺一家 | 海外医疗服务专家
SAINT LUCIA CONSULTING | 中国获美国多家医院正式签约合作机构

Tel: 400-875-6700
English

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Mayo Clinic · 盛诺一家
Upgrading the Relationship between
Mayo Clinic and Saint Lucia Consulting
合作升级 发布会
主办: 盛诺一家 Mayo Clinic

合作升级! 盛诺一家获美国梅奥诊所RRF资质认证
2017-18美国医院综合排名第一 官方转诊渠道, 服务中国患者

肺癌 黑色素瘤 乳腺癌 结直肠癌 视网膜母细胞瘤 淋巴瘤 Car-T疗法 更多

公司动态 走进盛诺

Saint Lucia Consulting 盛诺一家

www.stluciabj.cn

- Office: Beijing, Shanghai, Guangzhou, Hangzhou, Shenzhen, Zhengzhou, USA (6 cities), UK(London), German (Berlin), Japan (Tokyo)
- One of the largest medical tourism agent
- Partner hospitals: USA, UK, Japan
- Offer tailormade health check, telemedicine, etc.

MAIN MEDICAL TOURISM AGENT (6)

The screenshot displays the website's header with the logo 'XKmed 携康国际' and a phone number '400-067-0509'. Below the header is a green navigation bar with the following menu items: '首页', '预防和筛查', '癌症治疗', '癌症康复', '相关资讯', and '关于我们'. The main content area features five portrait photos of professionals. A small mobile app interface is overlaid on the right side of the portraits, showing the company name, slogan '携康国际 数字就医', a tagline '还您健康人生', an '在线咨询' button, and contact numbers '400-067-0509' and '010-84865161'.

Name	Title
Jörg Hauffe	慕尼黑大学神经外科主席
金井达明	首席医学物理师
辻井博彦	世界重离子第一人
柴山 晃一	甘肃重离子XKmed首席放疗技师
拉梅什里根	医学博士 哲学博士

XK medical 携康长荣

www.xkmed.com

- Office: Beijing, Shanghai, Japan (Tokyo), German (Munich)
- Partner hospitals: Japan, Germany
- Focus on Proton, heavy ion treatment transfer to Japan and German hospitals

MAIN MEDICAL TOURISM AGENT (7)

新里程美家
Mega International

中国患者 全球诊疗

400-878-8066

首页 服务项目 国外医生 国外医院 治疗实例 国外技术 新闻资讯 关于我们 联系我们

在线咨询
ONLINE CONSULTING

中外专家联合诊疗
JOINT DIAGNOSIS AND TREATMENT OF CHINESE AND FOREIGN EXPERTS

疾病导航

肺癌 乳腺癌 卵巢癌 结直肠癌 肝癌 淋巴瘤
脑肿瘤 黑色素瘤 视网膜母细胞瘤 肉瘤

Mega International 新里程美家

www.megahealthcare.cn

- Office: Shanghai
- Partner hospitals: USA, Germany, Japan
- Focus on telemedicine, health check in Japan, proton therapy, gene detection

MAIN MEDICAL TOURISM AGENT (8)



7x24 热线
400-6868-021



首 页 质子专题 治疗案例 肿瘤专家 美国医疗 瑞弗服务 关于我们



质子治疗免费咨询活动顺利结束

质子治疗免费咨询活动已顺利结束，本次活动旨在为中国肿瘤患者提供一个质子治疗咨询的机会，不收取任何费用。

活动当天，上午8点就已经有患者家属来到现场早早等候。现场活动持续到下午13点，仍有患者家属在等候咨询，两位专家仍然耐心答复。

质子刀治疗方法也称为质子放射治疗或质子束治疗。是当今最精确、最先进的放射治疗形。

Ryavo Healthcare 瑞弗健康

www.ryavo.com

- Office: Shanghai, USA (LA)
- Partner hospitals: USA, Switzerland
- Focus on telemedicine, proton therapy, stem cell treatment, etc

SUCCESS FROM STRATEGIC DIFFERENTIATION

- To deliver success, there are five strategic questions that are needed to address both ‘where to play’ and ‘how to win’ in this fast evolving market:
 - Which segments of China medical tourist demand should we target? (Surgery, Cancer treatment, Rehabilitation, and health check-up etc)
 - Where should we focus our product / service offer for Chinese patients? (i.e., therapeutics areas or treatment types etc)
 - How can we attract those target patients? Where should we market and promote strongly for our target group, and why? (Competitive price, standard service manual, nice service package, social media involve)
 - Which channels should we use / collaborate with partners in China? (Representative office, partner agent, and partner hospital etc)
 - What new capabilities do we require to change our business today, to access this large and fast growing profit pool? (fast response, flexible option, and tailor-made unique service offer if needed)

FIVE KEY ACTIONS FOR FINLAND SEEKING CHINESE MEDICAL TOURISM BUSINESS



- Deliver **high quality service** as even the richest Chinese demand excellence
- Have **medical employees who speak fluent Chinese** rather than relying on translators
- **Competitive price level**. Do not assume all Chinese will pay top prices
- Offer new experiences with an element of **individualization**
- Have **simple health tourism visa or visa-on-request** policies