



German-Philippine Chamber of Commerce

February 17, 2010



ASIAN HOSPITAL AND MEDICAL CENTER

Medical Tourism in the Philippines – an objective View

Introduction: Asian Hospital and Medical Center

- Tertiary hospital in Alabang, South of Metro Manila area.
- A 217-bed, acute care hospital, with 29 ICU beds
- Operational since May 2002.
- Currently approx. 970 employees, 700 active physicians and some 250 outsourced staff.
- Known as a cardiac center due to Dr. Garcia, Founder.

German-Philippine Chamber of Commerce, February 17, 2010



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Introduction: Asian Hospital and Medical Center

- After a financial restructuring in early 2005, part of Bumrungrad International, Bangkok.
- First operational profit in 2007 followed by years of improving operational profitability and cash flow.
- Started an expansion process in 2009.
- Establish AHMC as a center of excellence for cardiac, orthopedic and oncology procedures.

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Medical Tourism in the Philippines – an objective View

Key Discussion Points

1. On a global scale, where is medical tourism today?
2. What is the source of medical tourism in the Philippines today?
3. Expected development of medical tourism and what is the potential for the Philippines?



Medical Tourism in the Philippines – an objective View

On a global scale, where is medical tourism today?

- In recent years, millions of medical tourists were seeking medical treatment abroad.
- The major centers for medical tourism are:
 - Thailand, Singapore, India, Malaysia
 - Mexico, Puerto Rico
 - Eastern Europe
 - South Africa
- Cosmetic surgeries, dental implants, lasik.



Medical Tourism in the Philippines – an objective View

The motivating factors for medical tourism:

- Elective surgery not covered by insurance.
- Underinsured patients.
- Uninsured patients.
- Health insurance companies realizing what savings potential there is.



Medical Tourism in the Philippines – an objective View

Reasons for medical tourism in terms of financial benefits:

- Savings.
- Quality of services.
- Immediate service, i.e. no waiting time.
- Convenience, medical care from start to finish.
- Travel opportunity.



Medical Tourism in the Philippines – an objective View

And where are the Philippines on that list?

- The Philippines are far, far behind in tourism and in medical tourism.
- Some statistics:
 - Total tourist volume.
 - Total revenue generation from tourism.
 - Total medical tourist volume.
 - Total revenue (approx.) from medical tourism.



Medical Tourism in the Philippines – an objective View

Some statistics

(in 1,000 / in USD)	Tourism	Revenue	MedTour	Revenue
❖ Thailand (2007)	14,460.0	16.6b	1,200.0	1.8b
❖ Singapore (2008, 2007)	10,115.6	14.1b	410.0	1.2b
❖ Malaysia (2008)	22,052.5	13.8b	341.3	0.6b **)
❖ India (2005, 2007)	3,900.0	5.7b	450.0	0.5b
❖ Philippines (2008, 2006)	3,100.0	3.5b *)	100.0	0.4b

*) assumption

**) target for 2010



Medical Tourism in the Philippines – an objective View

What is the source of medical tourism in the Philippines today?

- Filipinos with residency abroad.
- Source mainly from Pacific Islands (Guam, Saipan, etc.).
- Very little volume from Australia and New Zealand for cosmetic surgeries.



Medical Tourism in the Philippines – an objective View

Expected development of medical tourism and what is the potential for the Philippines?

- Medical tourism will continue to develop world-wide for the reasons mentioned earlier and will possibly generate the forecasted BUSD 100 by the year 2012, considering that
 - ❖ Obama-care will focus on alternative health-care opportunities.
 - ❖ Western governments will seek alternatives to reduce healthcare cost.



Medical Tourism in the Philippines – an objective View

Expected development of medical tourism and what is the potential for the Philippines?

- As far as the Philippines are concerned, **before** medical tourism will develop in this country on a larger scale, there is urgent need for investments in infrastructure such as:
 - ❖ Airports and airport facilities.
 - ❖ Road network.
 - ❖ Seaports.
 - ❖ Holiday resorts.



Medical Tourism in the Philippines – an objective View

Expected development of medical tourism and what is the potential for the Philippines?

- In other words, develop tourism first in order to generate
 - ❖ The volume to fill airplanes.
 - ❖ Win European airlines back to Manila.
- In addition, generate
 - ❖ New and more jobs.
 - ❖ Hard currency inflow.



Medical Tourism in the Philippines – an objective View

Expected development of medical tourism and what is the potential for the Philippines?

- With tourism, medical tourism will develop because
 - ❖ we have good and state-of-the art hospitals.
 - ❖ very good physicians, many of them educated abroad.
 - ❖ very good nurses.