

## Singapore: Growing market for health tourism

While other countries seek to cut their health spending, Singapore is spending billions of dollars to increase capacity and upgrade its health facilities. The city state's move towards a larger private market for health tourism, however, from a policy viewpoint bears the risk of rising inequality.



### Health tourism holds opportunities

Within the next five years, the Asian health tourism market is expected to grow into a huge business turning over \$7 billion a year. More and more customers from India and China are expected to arrive in Singapore. The city state already has one of the best reputations in Asia as a health service provider. "Singapore Medicine", a partnership between government and industry established in 2003, plans to turn the metropolis into a leading regional medical hub, leaving the main rivals Thailand and India behind.

### Increasing private sector demand

The number of foreign patients treated in Singapore rose from 200,000 to 400,000 between 2002 and 2005, an increase of over 20 percent a year. The government hopes to increase the number of foreigners coming to Singapore for treatment to 1 million a year by 2012. The reward for this rise in health tourism, it says, will be a turnover of \$3 billion a year and 13,000 new jobs.

### High-quality hospital care

Half of all the hospitals in the Asian region accredited by the Joint Commission International, a U.S. health standards body, are in Singapore. About 21 percent of hospital beds are owned by for-profit investors, mostly listed companies. As far back as 1993, the government has had a plan to increase the share of private hospital beds from 20 to 30 percent. But this

growth has not materialized, largely because the tiny country's inherent shortage of land has sent real estate prices skyrocketing. The Health Ministry is now seeking collaboration with other authorities to identify suitable land for new private hospitals. In future, foreigners will also be allowed to make bids to build and operate new private hospitals in the country.

#### “Singapore Inc.” pushes health tourism market

Singapore’s small size and flexibility offer advantages. Government agencies tend to work together to achieve a common goal. For example,

- the Economic Development Board aims to attract health care investors;
- International Enterprise Singapore, the international development arm, encourages regional expansion of health care service providers;
- and the Tourism Board concentrates on marketing people-oriented services in conjunction with the Ministry of Health.

### Threat of rising inequality

However, the growing market of healthcare tourism in Singapore might be two-sided. The government focuses on the rising quality of care that not only foreigners but also Singaporeans are expected to

profit from. But the risk of rising inequality within the system is prominent. Singaporean experts of the International Network Health Policy & Reform see the developments as ambiguous:

Quality of Health Care Services	marginal		fundamental
Level of Equity	system less equitable		system more equitable
Cost Efficiency	very low		very high

**Full report:**

Lim Meng Kin: “Singapore to expand health services”. HealthPolicyMonitor, October 2007. Available at [www.hpm.org/survey/sg/a10/4](http://www.hpm.org/survey/sg/a10/4)

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