

*Building bridges with Africa and Middle East:
the role of Gruppo San Donato and GK Investment Holding Group in the future of healthcare*

The importance of regional healthcare hubs to increase public health resilience

Business intelligence report



**Gruppo
San Donato**



In collaboration with

**The European House
Ambrosetti**

Creating regional healthcare hubs is key to foster healthcare quality and universality

Partnerships to increase healthcare cooperation and medical tourism can facilitate:

- Doctors and medical personnel's **skills training**
- **Medical research** improvements
- **Policy coordination** to prevent and manage epidemics
- **Critical patients'** treatment
- Medtech **industry development**

Did you know?

Travelling to seek better care is an ancient practice, dating back to at least 4,000 BC, when Sumerians built the first health complex near thermal hot springs. The “forefather” of today medical tourism was also found in ancient Greece, when people travelled to temples built in honor of Asclepius, the God of medicine, or in ancient India, where it came in the form of yoga and Ayurvedic medicine.



Medical tourism is a growing and strategic industry, complexly tied to other sectors of the economy



Medical tourism involves travel for the purpose of receiving medical, dental, or surgical care.

Its development is the result of a **complex interplay between the healthcare sector and other industries**, most notably infrastructure, tourism industry, and policy environment.

Global
market size



60-75 bln €
per year

*growing at a CAGR
of 12-15% yearly*

Medical tourism success factors

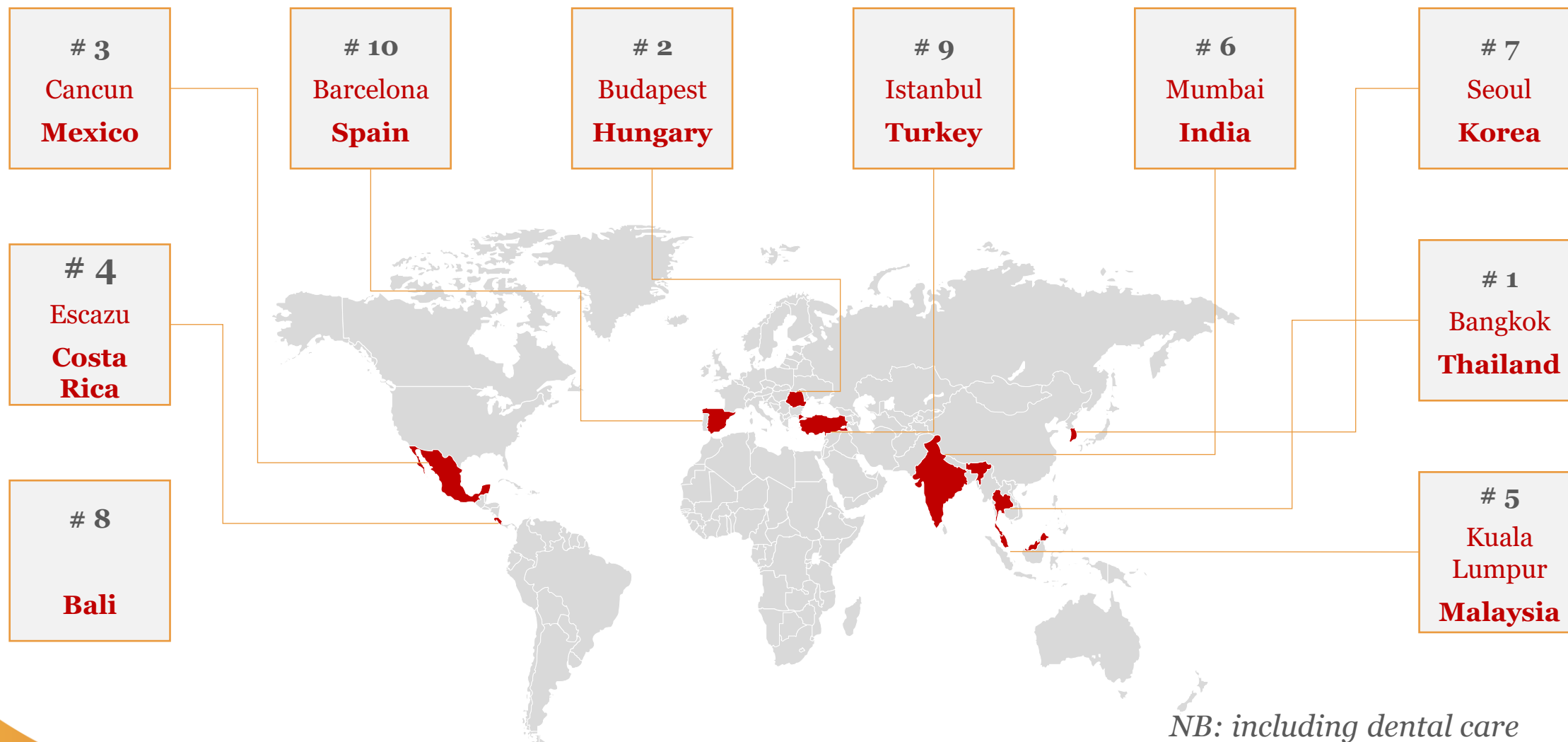
- Quality of hospital facilities
- Medical research excellence
- Travel and restaurant services
- Quality of infrastructure
- Short waiting times
- Visa and tax policy
- Cost-competitiveness
- Reputation and international network

10-15 mln
people per year



Number of
medical
tourists

Top 10 medical tourism destinations worldwide by arrivals



NB: including dental care

Source: The European House – Ambrosetti on Patients Beyond Borders, 2020.

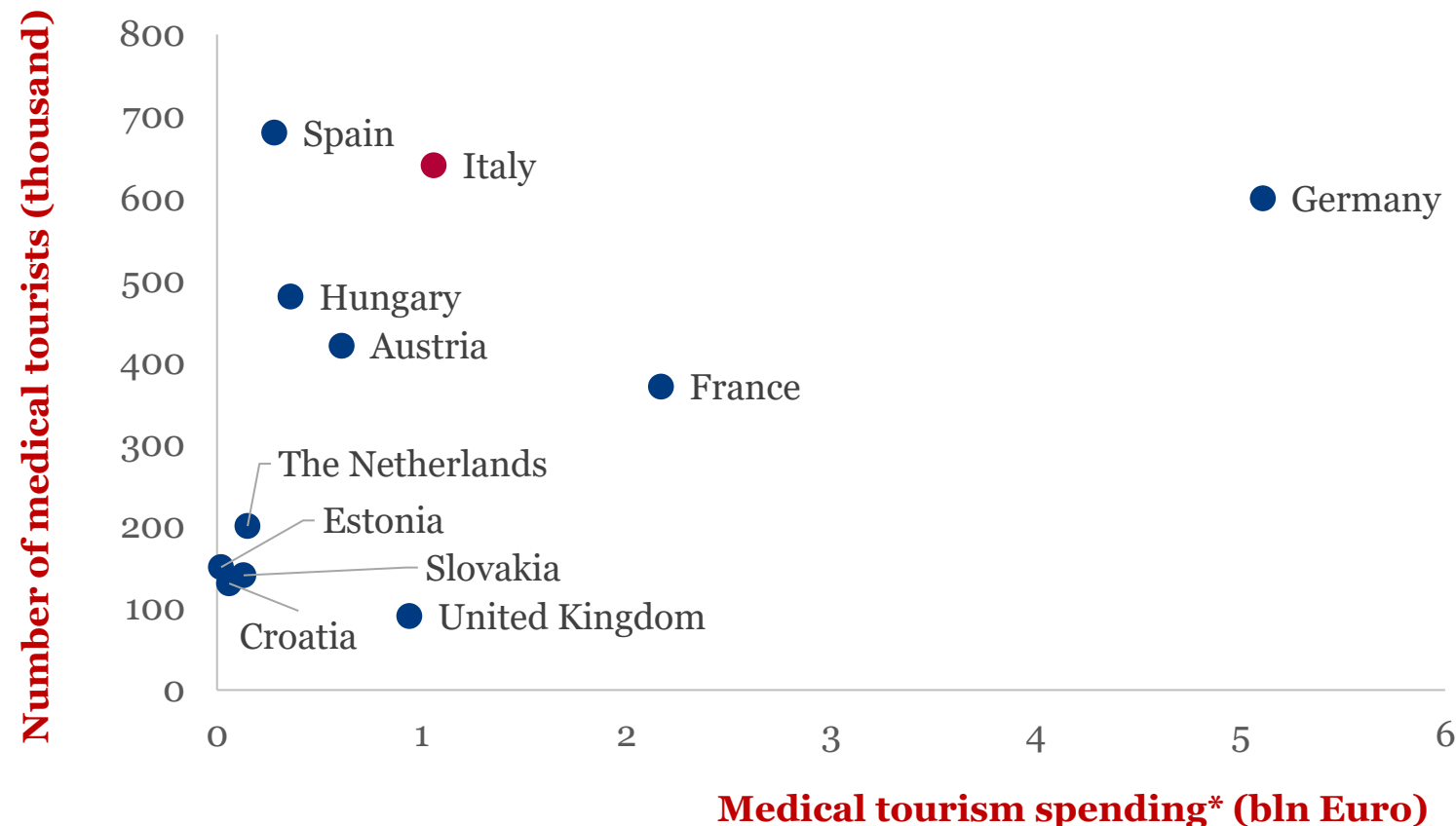
In the European Union, Germany leads the market in terms of dimension, though with less travellers than Spain and Italy



- **Germany is the first country by market size**, whereas **Spain is the first one in terms of medical tourists' international arrivals**
- Italy is second by international arrivals, but its industry is only a fifth of the German industry

**medical tourism spending includes all revenues generated by medical tourists*

Medical tourism spending and number of arrivals, thousand of tourists and bln of Euro (2017)



Price is not the only competitive advantage, especially towards the affluent segment



Strategies to increase attractivity for medical tourists cannot be based on cost-advantage alone, but also:

- Extreme healthcare **quality and safety**
- Five-star **hospitality** capabilities
- Direct **flight connections**
- Streamlined **visa and medical procedures**

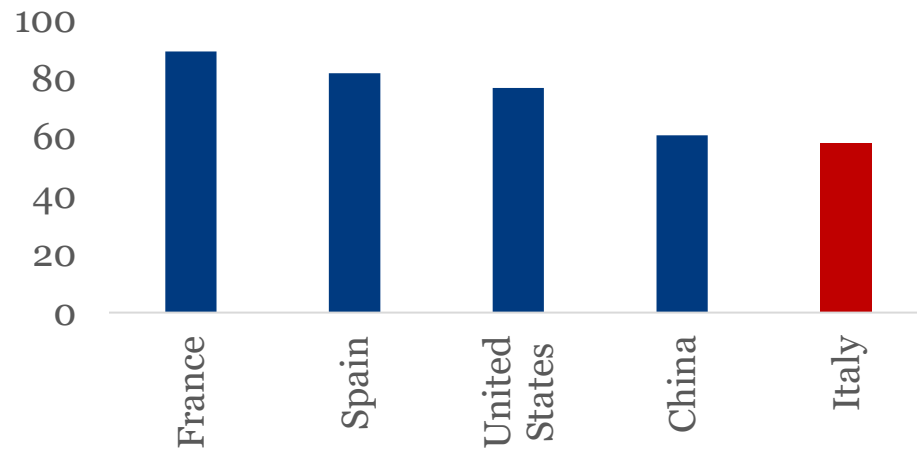
Medical tourism for affluent patients is an **opportunity** for countries with well developed healthcare and tourism industries.

The **challenge** is to integrate both industries in a coherent way

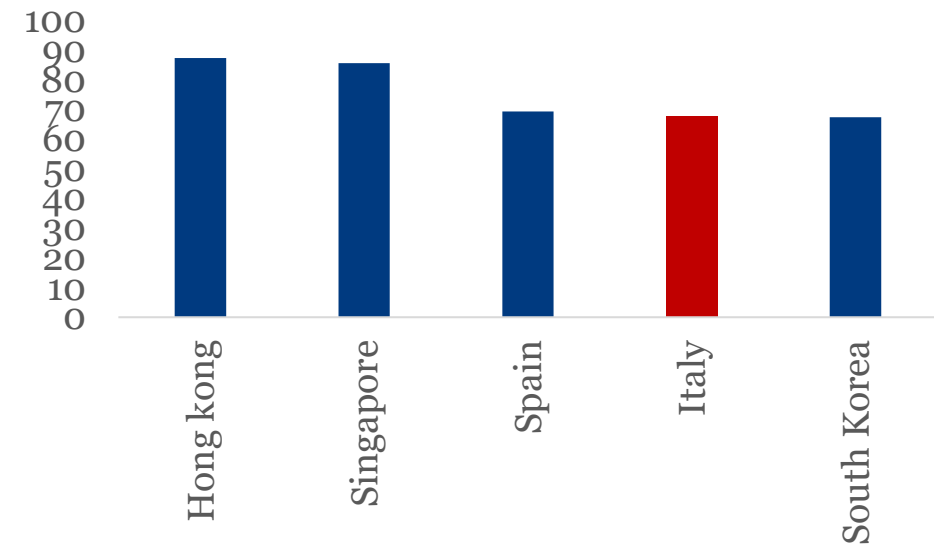
Italy is in the world top 5 both as tourism destination and as healthcare system



Top 5 most visited countries in the world
Millions of visitors (2018)



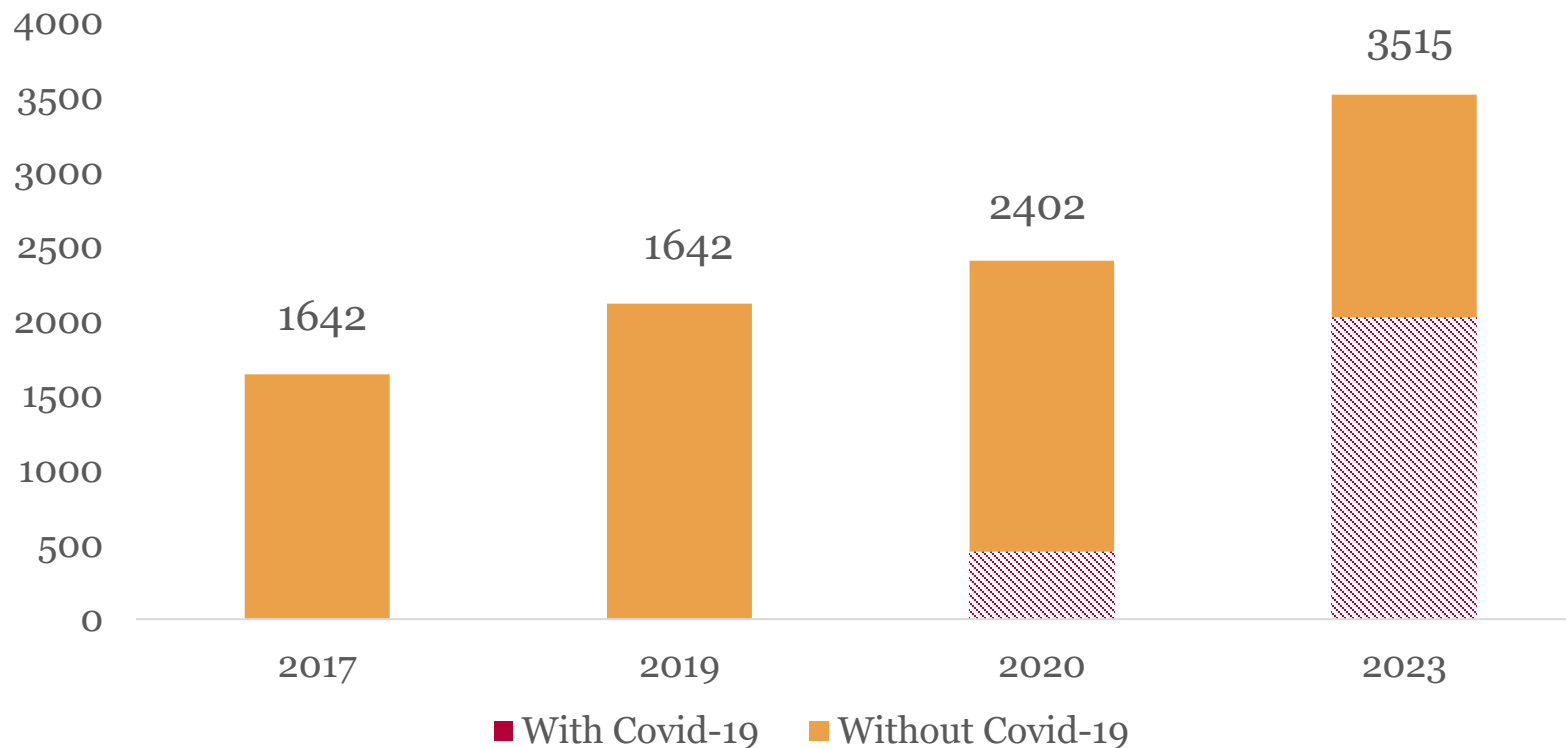
Top 5 countries in the healthcare efficiency index, index score, 1 – 100 (2019)



Before Covid-19, Italian medical tourism market stood at 2 billion Euro and in a double digit growth



Italian Medical tourism market

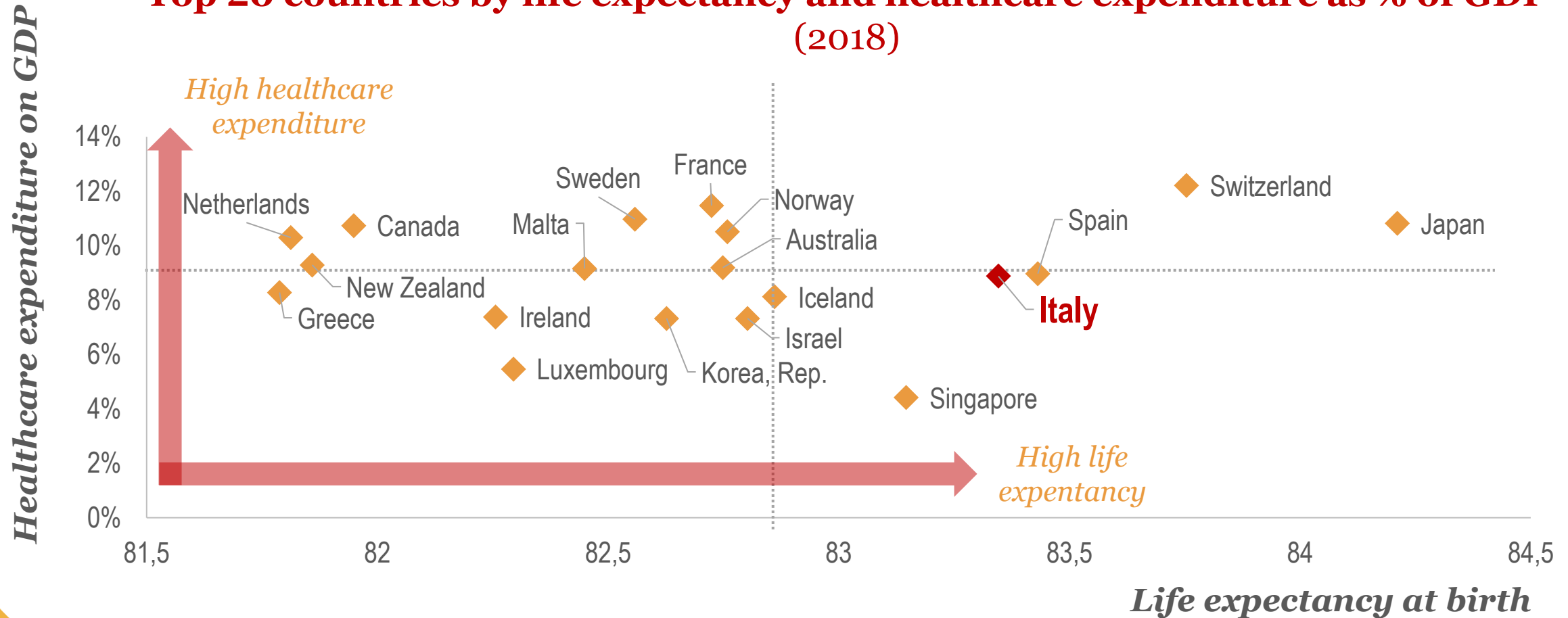


For more insights on medical tourism, please see: ***The potential of Medical Tourism***, position paper drafter by The European House – Ambrosetti and presented at Meridiano Sanità Sicilia Forum 2020

[Download the position paper](#)

Italian healthcare model combines public and private resources to provide universal and high-quality care

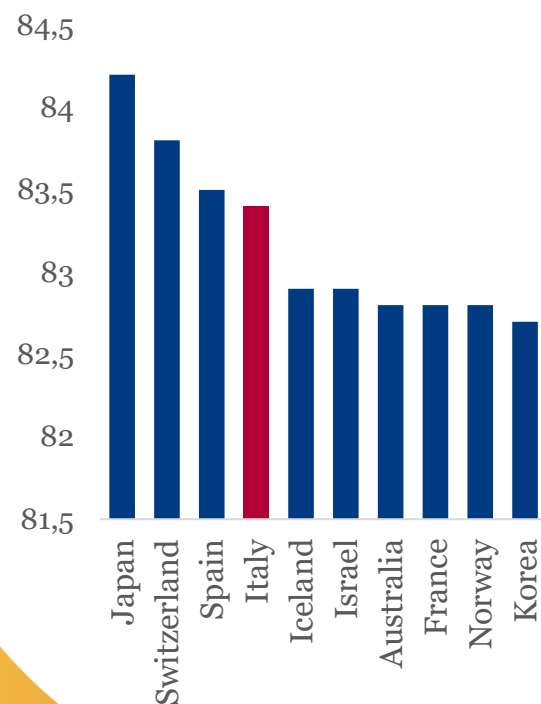
Top 20 countries by life expectancy and healthcare expenditure as % of GDP (2018)



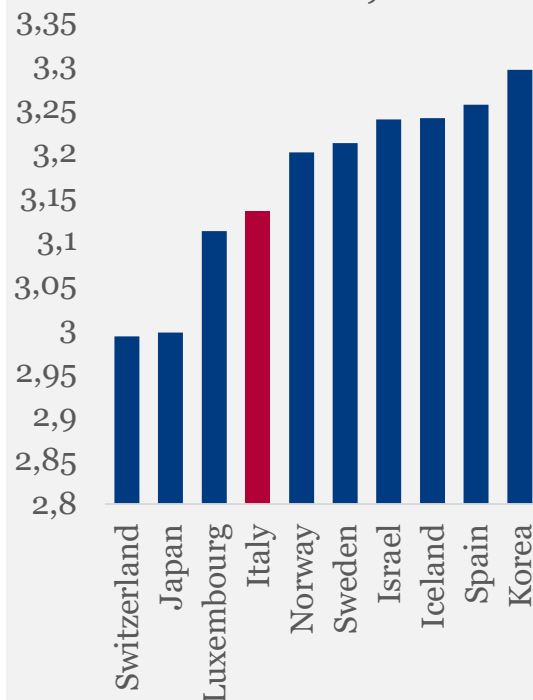
Source: The European House – Ambrosetti on World Bank data, 2020.

Not only diet and lifestyle: a wide array of healthcare indicators are behind Italy's healthcare excellence

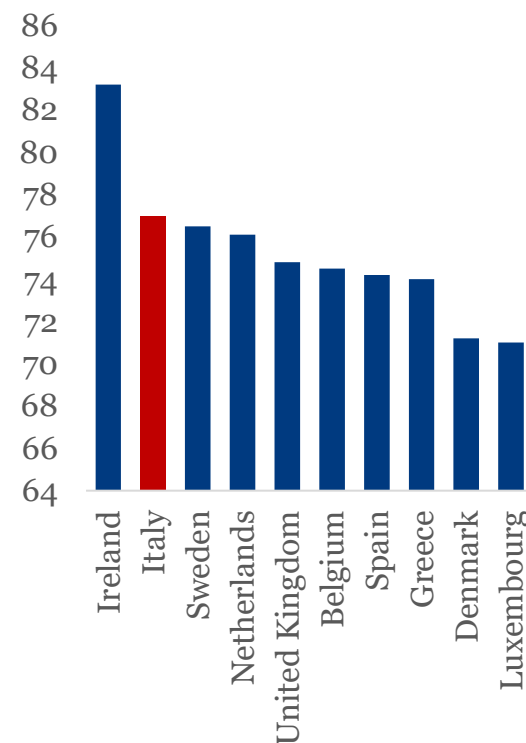
Life expectancy at birth, top performing 10 OECD countries (2019 or latest available)



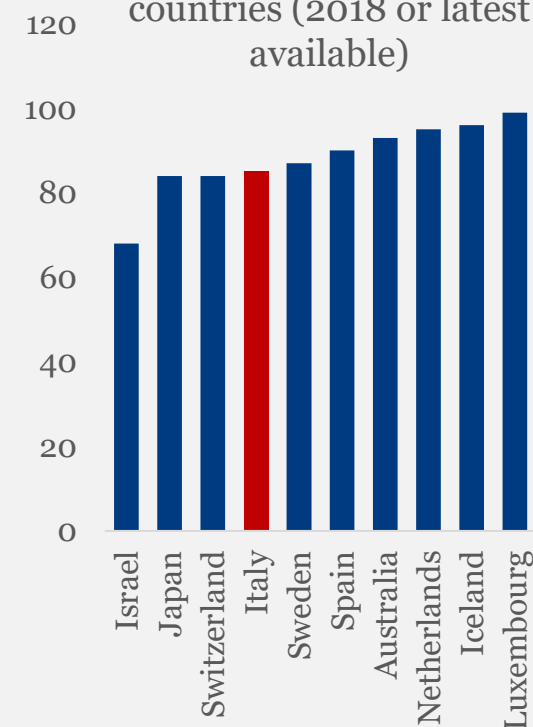
Years lost, /100 000 population, aged 75 years old, top performing 10 OECD countries (2018 or latest available)



Morbidity, % of population reporting to be in good health, top performing 10 EU countries (2018)



Preventable mortality, deaths per 100 000 population, top performing 10 OECD countries (2018 or latest available)



Source: The European House – Ambrosetti on OECD data, 2020.

Italy is a net exporter of patients, with an untapped potential in the medical tourism industry

Why Italy's medical and hospitality excellence does not make it a world center of medical tourism:

- Inadequate **direct flight connections** and infrastructure
- No coherent **country branding** campaigns
- **Asymmetry** in healthcare operators' dimension
- Unfavourable **policy and tax** framework

A simple proposal to increase Italian competitiveness: **VAT exemption on medical tourism**. Benefits:

- Increased competitiveness of the industry
- Increase affordability for patients

Italy medical tourism market SWOT analysis



Strengths

- Medical excellence
- Affordability
- Five-star hospitality capabilities



Weaknesses

- Tax policy
- Lengthy procedures
- Infrastructure
- No healthcare country branding



Opportunities

Affluent medical tourism market development



Threats

- International competition
- Brain drain (both medical and tourism industry)

If not managed, medical tourism result in an unsustainable system with no tangible benefits for the sending economies

Sustainability in the tourism industry means **creating deep partnerships** where the outbound flows of patients are matched by an inbound flow of managerial and technological, thereby becoming a tool to improve growth of the sending economies healthcare system



Italy is the right country to partner up to create
sustainable partnerships in the medical
tourism industry, thereby creating value for African
and Middle Eastern sending countries and for the
people of tomorrow

Making Italy a regional healthcare hub for Africa and the Middle East is a win-win game to increase healthcare resilience

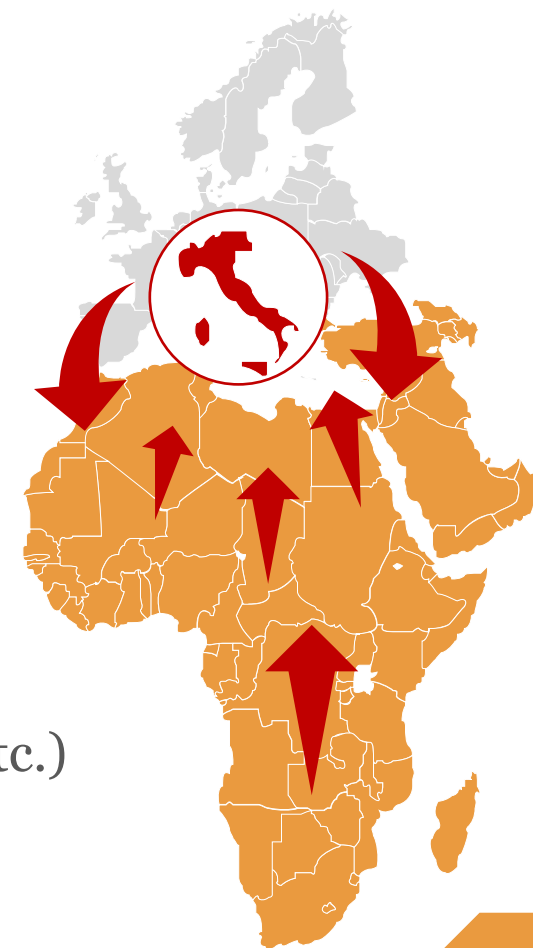


Benefits from Italy

- Untapping a potential market of at least 2 billion Euro
- Increase talents attractiveness in the medical industry
- Improve the country image

Benefits for partner countries

- Improve capacity for critical patients' treatment
- Doctors and medical personnel's skills training
- Medical research improvements
- Foster hospital growth and related value chains (biomedical, real estate, etc.)



Thank you!



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