



Economic Barriers to Health Tourism Development in Iran

Mohammadreza Sheikhy-Chaman^{1,2}, Majid Babaei³, Farshad Faghisolouk^{3*}

¹Department of Health Economics, School of Health Management and Information Sciences, Iran University of Medical Sciences, Tehran, Iran

²Health Management and Economics Research Center, Health Management Research Institute, Iran University of Medical Sciences, Tehran, Iran

³Social Determinants of Health Research Center, Clinical Research Institute, Urmia University of Medical Sciences, Urmia, Iran

Keywords: Health Tourism, Economic Barriers, Iran

***Correspondence to:**

Farshad Faghisolouk,
Social Determinants of Health
Research Center, Clinical Research
Institute, Urmia University of
Medical Sciences, Urmia, Iran
Email: f.solok@gmail.com

Article History:

Received: 24 April 2023

Accepted: 18 June 2023

Please cite this paper as:

Sheikhy-Chaman MR, Babaei M,
Faghisolouk F. Economic Barriers
to Health Tourism Development in
Iran. Health Man & Info Sci. 2023;
10(3): 167-169. doi: 10.30476/
JHMI.2024.102157.1214.

Dear Editor

Health tourism is a highly profitable industry that has experienced significant growth due to the internationalization of healthcare services. Different categories of health tourism exist, and many developing nations have recognized the advantages of attracting health tourists. Iran actively participates in the health tourism market, leveraging its rich history, cultural heritage, natural resources, low price of healthcare services, skilled medical professionals, and successful global surgeries (1, 2). The country strives to attract more tourists and compete with other regional destinations. This pursuit is of utmost significance for Iran, as its economy is predominantly unipolar and heavily reliant on oil revenues, as evident from examining its economic conditions (3). Health tourism plays a vital role in fostering economic growth and contributing to the overall health economy of the country (1). This has been highlighted in the national development plans. However, various barriers hinder the progress of Iran in this field at the micro, meso, and macro levels (4). In this study, our attention was directed toward four fundamental economic barriers that impede the development of health tourism in Iran, which are

directly and indirectly influential:

1. International sanctions: Following the Islamic revolution in Iran, several countries, notably the United States of America and the European Union, imposed various sanctions against Iran. These sanctions have had significant repercussions on the Iranian economy, resulting in a decline in GDP and a sharp increase in inflation, which have adversely affected the well-being of the people. The reliance of our country on oil revenues makes it particularly vulnerable to sanctions. The restrictions on oil sales and bank sanctions have had negative consequences for Iran. They disrupt the flow of funds from buyer countries for the sold oil and isolate Iran from the global financial system. Another important revenue stream for the Iranian government is general taxation. However, in the face of economic sanctions and their implications, both government and non-governmental entities encounter difficulties for achieving strong financial performance and engaging in international trade. Consequently, the capacity of the government to generate adequate income from taxation is constrained. Additionally, the negative political reputation associated with the sanctions creates an impression of insecurity, discouraging health tourists from considering

Iran as a viable destination for health tourism. Furthermore, sanctions restrict access to advanced medical equipment and technologies, hindering the ability of Iranian healthcare facilities to meet the expectations of international health tourists. These factors, coupled with the challenges of attracting foreign investment in the health tourism sector due to sanctions, create a significant barrier to development of Iran in this field.

2. Weakness in infrastructure due to insufficient investments: Developing health tourism in Iran requires a strong infrastructure supported by sufficient investments. This mega project involves various stakeholders beyond the health system, including marketing, transportation, hotels and accommodation facilities, entertainment, and recreational services. Collaborating and cooperating among these entities is crucial for creating the necessary infrastructure to attract health tourists. However, studies have shown that Iran has shortcomings in the above-mentioned infrastructure fields (2). By considering the short-term, medium-term, and long-term impacts of health tourism, allocating a specific budget becomes an investment that can yield substantial cost-benefit returns to society. In the health sector, policymakers and managers should conduct a comprehensive analysis to assess the current situation and take steps to improve the quality of medical science education courses, modernize existing health service centers, and establish new specialized healthcare facilities. Support should also be provided to internal non-governmental investors interested in this field, particularly in provinces with a high potential. In addition to this support, Iran should prioritize concluding international agreements and fostering cooperation with foreign partners. Collaborative efforts with international entities can further enhance the development of the infrastructure and attract foreign investment in the health tourism sector, bolstering the position of Iran as a competitive destination in the global market. Additionally, there is an opportunity to develop “health villages” in certain rural regions of Iran, leveraging their unique potential.

3. Lack of targeted marketing mechanisms: Even if the infrastructure of a country is adequately equipped to accommodate health tourists, the success of this mega project will depend on the effective introduction of services to the target group in the form of targeted

marketing. Iran can leverage its shared language and culture with neighboring countries like Iraqi Kurdistan, Turkey, and Azerbaijan to attract health tourists. Religious, historical, cultural, and natural attractions can also be effective if they are properly promoted. Establishing specialized health tourism offices in target countries, collaborating with domestic travel agencies, and utilizing online platforms for marketing and branding are important. These offices, while eliminating non-experts and profit-seeking people (intermediaries, brokers), can handle travel arrangements, accommodations, and coordination of health services. Diverse health tourism packages should be developed that cater to different needs and budgets. Access to these packages can be made through the mentioned official offices or direct communication with service providers. Providing comprehensive information to health tourists ensures a safe and convenient travel experience.

4. Economic instability: Economic instability refers to the unpredictable nature of a country's economy, characterized by fluctuating macroeconomic indicators such as inflation, exchange rates, interest rates, and economic growth (5, 6). Iran has experienced this instability in its economic conditions in recent years. Economic instability can significantly impact health tourism. Firstly, it can deter investors from entering the health tourism industry as they prefer stable economic conditions. Moreover, this instability can be exacerbated by investors making non-productive investments. Secondly, high inflation can lead to price fluctuations in health tourism packages, causing confusion among health tourists. In a competitive market, tourists are likely to choose countries with more stable economic conditions.

Ultimately, Iran is able to generate significant income from international sources, reduce reliance on oil revenues, create job opportunities, alleviate poverty, and benefit all segments of society through health tourism. To this end, it is crucial to restore the political, cultural, social, and economic image of Iran by establishing effective international relations and, of course, considering national interests. Additionally, politicians and managers at all levels must reduce the effects of sanctions, improve the infrastructure related to health tourism, implement targeted marketing mechanisms to introduce services to

health tourists, and stabilize the economy of the country's. These measures, taken together, can position Iran as a main hub for health tourism in competition with other countries in the region.

Ethical Consideration

There are no ethical considerations to be considered in this research.

Funding

This research did not receive any grant from funding agencies in the public, commercial, or non-profit sectors.

Authors' Contribution

All authors equally contributed to preparing this letter.

Conflict of Interest: None declared.

References

1. Sheikhy Chaman M. The Role of Health Tourism in Boosting Iran's Health Economy. *Journal of Health Administration*. 2020;23(2):9-10. doi: 10.29252/jha.23.2.9.
2. Raofi S, Khodayari-Zarnaq R, Ghasemyani S, Hamidi H, Vatankhah S. Barriers of medical tourism development in Iran. *Anatolia*. 2022;33(1):91-103. doi: 10.1080/13032917.2021.1907760.
3. Kokabisaghi F. Assessment of the Effects of Economic Sanctions on Iranians' Right to Health by Using Human Rights Impact Assessment Tool: A Systematic Review. *Int J Health Policy Manag*. 2018;7(5):374-93. doi: 10.15171/ijhpm.2017.147.
4. Gholipour Soute R, Amiry M, Zargham Boroujeny H, Kiani Feizabadi Z. Exploring the barriers of medical tourism development in Iran with an emphasis on policymaking requirements. *Journal of Tourism and Development*. 2019;7(4):38-60. doi: 10.22034/jtd.2018.142305.1473.
5. Moradi M, Appolloni A, Zimon G, Tarighi H, Kamali M. Macroeconomic factors and stock price crash risk: do managers withhold bad news in the crisis-ridden Iran market? *Sustainability*. 2021;13(7):3688. doi: 10.3390/su13073688.
6. Babaei M, Hasanzadeh S, Rezaei S, Alirezazadeh SD, Sheikhy CM. The impact of the COVID-19 pandemic on the tax revenues of West Azerbaijan Province. *Payavard Salamat*. 2023;17(2):134-44. [In Persian].