

**FOREIGN DIRECT INVESTMENT INTO MALDIVES THROUGH MEDICAL
TOURISM**

By

Hassan Haneef

THESIS

*Submitted to
KDISchool of Public Policy and Management
in partial fulfillment of requirements
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MASTER OF PUBLIC POLICY AND MANAGEMENT

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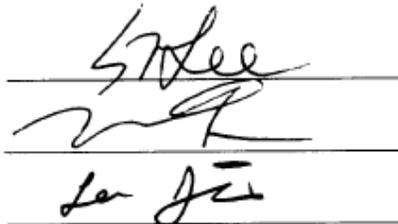
PUBLIC POLICY Committee in

charge:

Professor Seung-Joo LEE, Supervisor

Professor Younguck KANG

Professor Jinsoo LEE



The image shows three handwritten signatures, each written on a horizontal line. The top signature is in cursive and appears to be 'S. Lee'. The middle signature is also in cursive and appears to be 'Y. Kang'. The bottom signature is in cursive and appears to be 'J. Lee'.

Approval as of August, 2013

ABSTRACT

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In recent years, FDI is gradually becoming favorable form of capital flows to developing when compared to the other forms of capital flows. FDI has attracted due to the reason such as its perceived advantages in terms of capital injection. Like any other developing country, Maldives being no exception in suffering from financial resources and technological handicap to increase up its economy. Maldives requires ample amount of financial and technological support for economic growth. FDI into Maldives through medical tourism would be an innovative way to promote the tourism industry that will increase the country's economic growth for sustainable development.

The new concept of medical tourism is becoming more popular, and it is becoming a new and emerging global business that gradually increasing its importance throughout the world. Medical tourism is likely to increase over the next decade as more people are able to access information due to technology transfer. As a result this new idea of medical tourism can be a useful tool to accelerate the growing tourism industry and the healthcare industry in Maldives. For this reason, the main objective of this study aims to examine the investment climate of Maldives, in search of innovative strategy to promote tourism, and to find out the potential issues in promoting medical tourism to foreign investors.

The study revealed that the current trend of FDI inflow is visible but it is not sufficient enough to improve the economic condition of Maldives due to very low inflow, and only it was found that there are positive impacts of FDI in tourism sector but it was not visible in other sectors. This study also found out that one dominant factor that impedes to attract FDI into Maldives was due to small market size. In addition, the study further analyzed and shown that the major obstacles of medical tourism in the Maldives were the non existence of proper medical infrastructure.

Finally, this study suggested some possible measurements and recommendations that can attract foreign investor in the field of medicals tourism, such as creating a joint venture with the neighboring countries that are famous in medical tourism, and by leasing some uninhabited islands to develop as medical resort concept. And it also highlighted the importance of conducting further research, stating the limitations of this study because of qualitative in nature; however, the data from different sources were triangulated and revisited occasionally to mitigate the issue. Thus, this study has contributed to both FDI and tourism literature with emphasis on promoting medical tourism in the Maldives.

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ACRONYMS AND ABBREVIATIONS

ACP	Asian and African countries, Caribbean and Pacific countries
ADB	Asian Development Bank
AMA	American Medical Association
E&Y	Ernst and Young
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HSBC	Hong Kong Shanghai Banking Corporation
IMF	International Monetary Fund
JCI	Joint Commission International
JV	Joint Venture
KDI	Korean Development Institute
LDC	Least Developed Countries
M&A	Mergers and Acquisitions
MATI	Maldives Association of Tourism Industry
MDP	Maldivian Democratic Party
MFA	Ministry of Foreign Affairs
MFT	Ministry of Finance and Treasury
MIC	Maldives to Middle Income Countries
MIFCO	Maldives Industrial Fisheries Company
MMA	Maldives Monetary Authority
MNC	Multi National Corporation
MTAC	Ministry of Tourism, Arts and Culture

NESCAP	United Nations Economic and Social Commission for Asia and the Pacific
OECD	Organization for Economic Co-operation and Development Countries
PEST	Political, Economic, Social and Technological analysis
PWC	Price Waterhouse Coopers
R&D	Resource and Development
SIDS	Small Island Developing States
SME	Small and Medium Enterprise
SOE	Standards of Excellence
SWOT	Strengths, Weakness, Opportunities, and Threats Analysis
UN	United Nations
US\$	United States Dollar
UUNWTO	United Nations World Tourism Organization
WHO	World Health Organization
WTO	World Trade Organization

CHAPTER 1: INTRODUCTION TO THE STUDY

1.1 Introduction

Foreign Direct Investment¹ and its importance receive an ample amount of attention, specifically for OECD countries, developing countries, Asian and African countries, Caribbean and Pacific (ACP) countries, but prove to be lacking for small island developing states (SIDS)². Minimal attention was given to the role of FDI in SIDS because of the relatively low volume of capital inflows. Surprisingly, FDI could be an important source for small nations and was perceived to be an essential contributor to growth and development. In view with this, Maldives is one of the small island states that have immense prospective. Indeed, Maldives is one of the small nation that can be attracted FDI because of its unique and famous in tourism, which would lead to the development of business and the creation of entrepreneurial culture.

1.2 The Significance of Study

Maldives is one of the smallest nations in the world with totally depending upon tourism industry. There are millions of tourists arriving in Maldives every year with about ninety high class resorts, but when considering into Medical Tourism, it is equivalent to nil. Medical Tourism will be a new area to explore and research, for the reason that at present there is not any strong empirical research that focused into the FDI and Medical Tourism in

¹Foreign Direct Investment is an investment connecting a long-lasting interest and reflecting a lifelong and control by a local entity in one economy in an enterprise local in an economy other that of the investor. (<http://www.oecd.org/dataoecd/10/16/2090148.pdf>, p.7)

²SIDS are small island and low-lying coastal countries that share similar sustainable development challenges, including small population, lack of resources, remoteness, susceptibility to natural disasters, excessive dependence on international trade and vulnerability to global developments. In addition, they suffer from lack of economies of scale, high transportation and communication costs, and costly public administration and infrastructure. (<http://www.sidsnet.org/2.html>)

the country. Therefore, this study may attribute to provide some understanding on the investment climate, and new strategy to promote Tourism in the Maldives for foreign investors. In addition, this study may become an important piece of work for the relevant authorities in the policy making process, and also it can be an inspiring factor for researchers to carry out further studies.

1.3 Statement of the Problem

The problem that this research will address is the degree of importance of FDI to Maldives. Hence, the aim of this research is to analyze the investment climate of Maldives, and to examine some important aspects impediments regarding FDI inflow. The research will also provide analysis on how Maldives can be an attractive destination for Medical Tourism to promote tourism industry for development of the Maldives.

1.4 Research Questions

The study will answer the following research questions.

- a. What are the recent trend and development, and obstacles of attracting FDI inflow into Maldives?
- b. What are the major impediments of Medical Tourism in the Maldives?
- c. What are the possible measurements that can be taken to attract Medical Tourism into the Maldives?

1.5 Hypothesis

- a. FDI can be attracted through Medical Tourism in the Maldives
- b. Medical Tourism can be an innovative strategy to promote Tourism Industry in the Maldives

- c. Medical Tourism can increase the sustainable development of the Maldives economic growth

1.6 Research Methodology

The study will integrate an exploratory approach in the phenomenon since it is to determine the present fact as well as the facts that are not yet explored about the phenomenon. It will mainly look into the problem by exploring different existing literature related to study. For this study, secondary research will be used. The secondary sources of data will come from published articles, journals, thesis and related studies on FDI and Medical Tourism. Furthermore, acquiring secondary sources of data are more convenient to use due to the limited time, hence they are already condensed and organized which will make the analysis and interpretation more easily.

1.7 Limitations

Like many other study of this nature, this research also has its limitations, but it is hoped that this will lead to a more in depth and comprehensive study on this important topic. As a matter of fact that this study is a qualitative in nature, the study has the inherent drawbacks as the whole research relies on secondary data, and subjective judgments and interpretations of the researcher. To diminish this problem, wherever possible the data from different sources were triangulated and revisited occasionally, and the interpretations made by the researcher were cross checked before concluding to make sure the interpreted responses were correct. Moreover, lack of availability of data, especially due to almost non existence of published studies on FDI in the Maldives, time constrains, and heavy workload has created some obstacle in completing the thesis with ease and convenience.

1.8 Structure of Thesis

This dissertation is divided into five chapters. **Chapter One** explains the introduction and purpose of the study, Statement of the Problem, Research Questions, Hypothesis, Research Methodology, Limitations, the Significance of Study, and organization of the study. The Literature Review is divided into three chapters for the purpose to provide a clear distinction between the topics discussed which includes the empirical theoretical and empirical research on FDI and medical Tourism. **Chapter Two** provides a brief over view of Maldives, economic growth of Maldives which gives the glimpse of Maldivian economy, and preceding a description of previous studies on FDI in Maldives and Investment Climate in the Maldives which will shows the recent FDI inflow to Maldives with review of FDI policies over the study period. **Chapter Three** shows overall background of Medical Tourism in the World, that includes Definition and History of Medical Tourism, Description of Previous Studies on Medical Tourism, Scope and Benefits of Medical Tourism, and Key Issues in Medical Tourism. **Chapter Four** evaluates about Medical Tourism in the Maldives which comprise of Summary of Tourism in Maldives, Importance of Medical Tourism in Maldives, preceding a SWOT Analysis of Medical Tourism in the Maldives. **Chapter Five** highlights the summary of key findings, it also provides the policy implications, and finally continues with the concluding remarks of this dissertation.

CHAPTER 2

2.1 Country Profile

The Republic of Maldives was long a sultanate, first under Dutch and then under British protection which then became a republic in 1968, three years after independence. Former President Maumoon Abdul Gayoom dominated the islands' political scene for thirty years, elected to six successive terms by single-party referendums. The president and his government pledged to embark upon democratic reforms including a more representative political system and expanded political freedoms due to the following riots in the capital Male' in August 2004. Although the progress was sluggish, however, and many promised reforms were slow to be realized and nevertheless, political parties were legalized in 2005. On 5th of August 2008 the new constitution was ratified by the president and the first-ever presidential elections under a multi-candidate, multi-party system were held in October 2008. A political activist who had been jailed several years earlier by the Gayoom regime was defeated in a runoff poll and the Mohamed Nasheed of Maldivian Democratic Party (MDP) became the president in 11th November 2008 for five years term. Strengthening democracy, and combating poverty and drug abuse are some of the key challenges facing the new president (The World Fact Book, 2010).

Maldives is one of the smallest nations in the world with an average height of 1.5 meters above the sea level. Maldives is situated approximately 420 miles south west of Sri Lanka, which consists of a chain of 26 natural atolls comprising 1190 islands, and the land consists of around only one percent of its total 90,000 square kilometers. Male' is the capital which has an area of about 2.5 square kilometers and it is one of the densely populated (approximately 120,000) capital city in the world. The country's total population

approximately 395, 650 (July 2010 estimated), out of forty percent of the population is under fifteen years with a growth rate of 2.86 percent. Only two hundred islands are inhabited and around eighty percent of islands populations have less than thousand inhabitants. Thorough out the year the average temperature is between twenty six to thirty two degree Celsius, and Maldives experience tropical climate which is dry humid during northeast monsoon (November to March) and rainy from the period of southwest monsoon (June to August) (www.fco.gov.uk, 2009).

Tourism and Fishing are the main sources of income, and statistics shows that the annual number of tourists' arrival is much higher than the total population of the Maldives. There are more than 200 resort establishments, which are over ninety uninhabited islands dedicated to tourism. In 2008 about 683,000 tourists visited (mostly from Italy, United Kingdom, Germany, Japan, Russia, China, and recently South Korea). It is important to high light that Maldives economy, especially tourism industry was seriously affected after the Tsunami on 26thDecember 2004, many islands were virtually destroyed and some islands have been permanently abandoned, although only 83 people were killed but five percent of the population lost their homes.

2.2 An overview of Maldivian Economy

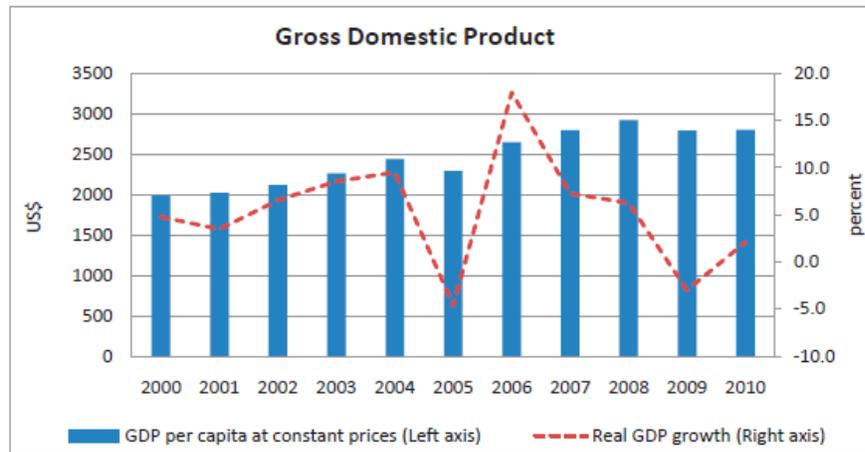
As aforementioned, the main sources of incomes are generated through tourism and fishing, Maldives has a small open economy largely driven by its buoyant tourism and fishery industries. According to The World Fact Book (2010), tourism “accounts for 28% of GDP and more than 60% of foreign exchange receipts, [and] over 90% of government tax revenue comes from import duties and tourism-related taxes, [which proceeds with] fishing. Agriculture and manufacturing continue to play a lesser role in the economy,

constrained by the limited availability of cultivable land and the shortage of domestic labor, [and most consumer products are imported].” In the beginning of 1989, Maldivian Government implemented economic reforms initially by lifting the import quotas, and opened some exports to the private sectors, and liberalized regulations in order to attract more foreign investment. It has been recorded that the real Gross Domestic Products (GDP) growth average over 7.5 percent per year for more than a decade, and registered 18 percent in 2006, due to rebound in tourism and construction following the tsunami in 2004. It is also seen that in 2007 and 2008 GDP slowed, and then contracted due to the global crisis. Consequently, falling tourist arrivals and fish exports, combined government expenditure on social protections, subsidies government and civil salaries contributed to a balance of payments recession, which was eased with International Monetary Fund (IMF) standby agreement in December 2009. The major challenges facing the government include, diversifying the economy beyond tourism and fishing, public finance reforming, and increasing employment opportunities. Thus, the impact of soil erosion and possible global warming on their low-lying country had been considered as sensitive and serious concern over the long term Maldivian authorities (ibid).

The nation’s modern economic history is both triumphant and tragic, while the United Nations (UN) currently list as a Least Development Countries (LDC) to promote Maldives to Middle Income Countries (MIC) in December 2004 due to the remarkable strides that had been achieved in social and economic spheres. However, the tsunami 2004 intrudes and the consequent impact on the economy has led to a decision to postpone the nation’s economic elevation until 2011 decision.

The following table 1 below shows GDP growth from the year 2000 until 2010:-

Table -1: GDP growth by year (2000-2010)



Source: Department of National Planning

As you can see that GDP growth was gradually increasing until 2004, which hits the Maldivian economy due to Tsunami. After 2005, again it gained the growth momentarily with the aid from international community to restructure the nation. Then, in 2007 the growth rate had declined due to political instability in the country and continues to decrease with the global financial crisis in 2008.

2.3 Foreign Direct Investment in the Maldives

It was quite difficult to analyze the FDI environment in Maldives due to lack of information and unavailability of previous studies and papers on the topic. According to WTO Secretariat Report on the trade policies and practices of the Maldives (2009: 18) states that “FDI statistics are not readily available: consequently, it is difficult to ascertain the stock and flows of FDI”. However, with the light of the few studies, this part of the paper intends to explore FDI in Maldives.

WTO Secretariat Report on the trade policies and practices of the Maldives (2009: 1) point out that “The Maldives is a physically and economically small vulnerable developing country heavily dependent on international trade for its prosperity”. This indicates the importance of FDI into the country for the growth and development. According to Country Watch (2007: 61) reports, “The Maldivian Government began an economic reform program in 1989 initially by lifting import quotas and opening some exports to the private sector. Subsequently, it has liberalized regulations to allow more foreign investment”. This shows that Maldives requires expansion of FDI into the country, and it also signifies that the greater the export potential of a country, the higher is its international competitiveness, which will be more profitable for the foreign investors. Moreover, to the credibility of liberalization, political stability and infrastructure, and domestic investments issues to attract FDI. Thus, many studies reveal that availability of sufficient and appropriate type of FDI can ensure export growth, technological improvement, employment generation, human resource management and marketing strategy, enhancing infrastructure development, strengthening balance of payment which is vital for a small country like Maldives for sustainable economic growth.

Taking considerations of importance of FDI into Maldives, FDI has the potential and a greater role in building a developing country like Maldives. But as a matter of fact there could be many factors which hinder the flow of FDI in a country especially small island nation with limited resources. So, before planning for attracting more FDI into the country, it is indispensable to point out the inadequacies and take appropriate actions to eliminate them to make sure ample FDI inflow to Maldives. In addition, it is very much necessary for Maldives to conduct researches and studies relating to FDI in Maldives

which was quite difficult to detect the major impediments to FDI inflow and the whole investment climate. Nevertheless, this paper tends to analyze the existing investment climate of Maldives, and proposed the implications to improve the investment climate in such a way that Maldives could become an attractive destination for foreign investors.

2.3.1 The inflow of FDI to Maldives

As aforementioned, it is difficult to determine the stock and FDI inflow due to lack of statistics, nevertheless based on the WTO Secretariat Report on the trade policies and practices of the Maldives (2009: 18) states that “Reinvested earnings of foreign enterprises in the Maldives rose from US\$ 13.5 million in 2003 to US\$ 15.4 million in 2008. However, as a proportion of GDP they declined from nearly 2% to 1.2 % over the same period. The stock of such investment nearly doubled from US\$ 118 million in 2000 to US\$ 209 million in 2007”. The following table illustrates FDI inflow into Maldives from 2003 to 2009.

Table -2: FDI inflow by year (2003-2009)

	2003	2004	2005	2006	2007	2008 ^a	2009 ^b
Direct investment, net	13.5	14.7	9.5	13.9	15.0	15.4	13.0
Direct investment in Maldives	13.5	14.7	9.5	13.9	15.0	15.4	13.0
Other investment, net	37.2	138.5	254.3	280.3	427.0	483.8	607.1

*Note; a Estimates, b Projection, US\$ in million *Extracted from WTO Secretariat Report on the trade policies and practices of the Maldives (2009: 4)*

2.3.2 FDI in Maldives by Sector

Maldives economy is mainly depending upon tourism, which accounts for 28 percent of the country's GDP and more than 60 percent of foreign trade receipts. Furthermore, more than 90 percent of government tax revenues generates from import duties and tourism-related taxes (www.tradingeconomics.com). Fishing is the second largest sector, although fishing is declining share of GDP from 7 percent in 2002 to 5 percent in 2009. It is seen that fishing is accounted for almost all (98.4%) merchandise exports and employed 11 percent of the total workforce in the year 2009. Thailand which takes over 30 percent exports for use in its canning industry, as the main export market for Maldivian fish. At the same time, Fish products canned in the Maldives are exported mainly to European market, on the other hand, almost all dried fish is exported to Sri Lanka (WTO Secretariat Report on the trade policies and practices of the Maldives 2009: 33). However, in other sector such as telecommunications, banking, and water and sewerage also play a role in the FDI in Maldives. According to an article published in the World Economy, Volume 27 states that about two-third of the stock of non- tourism FDI is in JVs with SOEs involved in public utilities.

2.3.3 FDI in Maldives by Country Origin

Though Maldives is tiny and small countries many reputed international brand names have established their presence in the country. The world class resort investments by international hotels such as One & Only, Four Seasons, Hilton and numerous other regional brands are among them. Other foreign investments are concentrated in the transport and telecoms, water production and distribution, and in the financial sector. Some of the global

brand names, such as Hong Kong Shanghai Banking Corporation (HSBC), Ernst and Young (E&Y), Price Waterhouse Coopers (PWC), KPMG, and some reputed insurance providers established themselves in the Maldives.

Table -3: Investors by country’s origin

Investment (Company)	Country Origin
Hilton Resorts, Four Seasons	Canada
Club Med	France
One and Only Luxury Resorts	South Africa
Holiday Inn, Taj Hotels, State Bank of India	India
Regent Hotels, Banyan Tree, Sheraton Hotels and Resorts	Singapore
Shangri La, Mandarin Oriental, Hong Kong Shanghai Corporation (HSBC)	Hong Kong
The Jumeirah Group	Dubai
Wataniya Telecom	Kuwait
Cable and Wireless	United Kingdom
UPS, Fedex, EMS, Hewlett Packard, Dell, Coca Cola Company, Ernst and Young, PricewaterhouseCoopers, KPMG, American Express,	USA
Bank of Ceylon	Sri Lanka
Habib Bank Limited	Pakistan
Mauritius Commercial Bank Ltd	Mauritius

2.4 Investment Climate in Maldives

For the purpose of evaluating the investment climate in Maldives, the framework of PEST Analysis is utilized in which PEST is an acronym for political, economic, social and technological analysis. Firstly, Political factors include government regulations and legal issues and define both formal and informal rules under which the country must

operate, such as tax policy, employment laws, environmental regulations, trade restrictions and tariffs, and political stability. Secondly, the economic factor includes the economic growth, interest rate, exchange rates, and inflation rates. Thirdly, social factors include the demographic and cultural aspects of the external macro-environment such as health consciousness, population growth rate, age distribution, career attitudes, and emphasis on safety. Finally, technological factors can lower barriers to entry, reduce minimum efficient production levels, and influence outsourcing decisions. Some technological factors include R&D activity, automation, technology incentives, and rate of technological change. In consideration with the concept of PEST analysis, the following are summarization of the investment climate.

Maldives has significant political changes and economic changes in the recent years, especially after the first multi-party Presidential election on 8th October 2008, and Parliamentary elections were held in 2009. The present President has pledged to establish a transportation networking linking the islands of the country, to reduce the cost of living, provide affordable housing and healthcare, and eliminate illegal narcotics, which was in the manifesto of the ruling party (Maldivian Democratic Party – MDP). In order to fulfill the pledges the government has a five year “Strategic Action Plan” which is the National Framework for Development 2009-2013 to put the country’s economic fiscal matters. After the country launched a new constitution, a series of new laws, including the first comprehensive employment act, which will eventually help the investors. It is also worthwhile to note that the government has set itself the ambitious goal of going carbon neutral in ten years, in which the President has taken an international leadership role on climate issues.

In 2009, the Maldives' economy was in recession and the global economic crisis severely hurt the Maldivian economy through a fall in tourism receipts, external financing, and exports. As a result, the Maldives is facing an acute currency shortage, curtailing normal business activities, which the fiscal situation also deteriorated sharply.

The government has plans to substantially downsize the civil servants and government workforce, privatization of many industries, and change the tax system to direct taxes. As to enhance the role of private sector the government aims to move from being a service provider to regulator. The government has also launched a program to establish public- private partnerships in service provision and privatization of selected State Owned Enterprise, targeting the key sector such as real estate (housing development), transport (inter-atoll and inter-island ferry services), utilities (water and sanitation, electricity, gas), education, healthcare, regional airports, regional ports, and broadcasting and entertainment. Basically the program intends to promote local and foreign investments which require major transformation in the legal system and regulatory frame work of different sectors.

The Maldives' economic freedom score is 49.0, making its economy the 148th freest in the 2010 Index. Its score has decreased by 2.3 points from last year, reflecting declines in half of the 10 economic freedoms. The Maldives is ranked 34th out of 41 countries in the Asia-Pacific region, and its overall score is below the world and regional averages.

Table -4: Ten Economic Freedoms of Maldives (2010)



Source: www.heritage.org

The Maldives scores above the world average in business freedom and fiscal freedom. The overall regulatory environment is streamlined and transparent. With no system of direct taxation, government revenue relies on import taxes, tourism taxes, and income generated by state-owned enterprises. The Maldives has undergone five years of steady economic growth, but continuing measures to enhance competitiveness will be vital as the economy becomes more integrated with global markets.

The Maldives' weaknesses include large government spending and widespread corruption. The government still plays a large role in the economy through state-owned enterprises, limiting and crowding out private-sector activity. Public ownership is widespread in every sector except tourism, and the public sector remains the largest source of employment, hiring over one-third of the labor force.

2.4.1 Existing policies to facilitate FDI

In an increasingly globalized world, countries have now lifted such barriers to open their economies and take advantages of the benefits of foreign. Maldives being no

exception, government has taken many initiatives to attract sufficient FDI. Foreign investors are offered a simple and transparent policy environment and continuous efforts are being made to make the investing environment more predictable and transparent. For this specific purpose government has established a separate entity called Invest Maldives with the following functions:

- Marketing and promotion of the Maldives as an investment destination
- Providing information on the Maldives and potential areas of investment to prospective investors.
- Providing information and guidance on the application process to foreign investors.
- Issuing licenses for foreign investors to conduct business operations in the Maldives.

With the above mentioned mandates, Invest Maldives commended with promoting, regulating and licensing foreign investment in the Maldives. They also play an active role in supporting investors in their establishment and operations. The registering process which is required is as simple and straight forward, within 10 days from the date that all the required documentations are submitted to Investment Maldives. Maldives enjoys a stable and transparent legal system and policy making environment, and the foreign investment law (Act No 25/79) guarantees the security of foreign and domestic investments. In addition, the Maldives' liberal trade environment, dynamic private sector and development-oriented legal structure all contribute to a climate conducive to trade and investment.

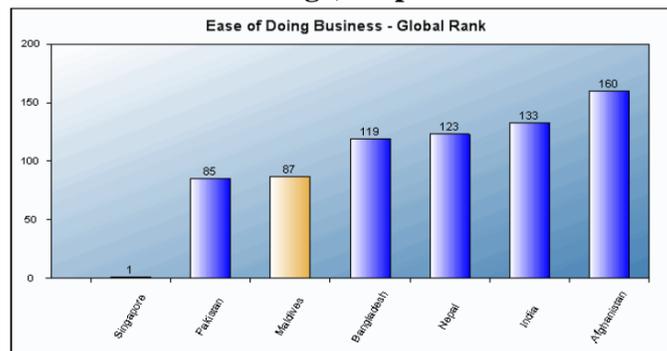
2.4.2 Incentives for foreign Investors

- Right to 100% foreign ownership
- Legally backed investment guarantee
- Provision for overseas arbitration of disputes
- Long term contractual agreements and long term lease of land
- Freedom to use foreign managerial, technical and unskilled workers
- No foreign exchange restrictions
- No restrictions on the repatriations of earnings or profits

2.4.3 Ease of Doing Business in Maldives

Maldives was the 87th out of 183 economies in terms of “Ease of Doing Business” published by the World Bank (www.doingbusiness.com, 2010). It replicates the doing business in Maldives is easier than most of the regional and many other developing economies.

Table -5: Ease of Doing (compared with some countries)



www.doingbusiness.org

Although there are variations in the different aspects of ease doing business in Maldives, it shows an overall improvement of Maldives position regarding different

aspects of ease of doing business in Maldives. Despite the improvement is not significantly huge but it gives a clear indication to the foreign investors that the situation is progressing and becoming more attractive to foreign investment than most of the developing countries.

2.4.4 Possible options for establishing foreign investments in the Maldives

Foreign investors may choose, either to set up an investment wholly owned by foreigners or form joint ventures with Maldivian Nationals or companies registered in the Maldives.

The government hopes to privatize airports and harbors and develop basic services such as water, sewage systems, harbors, roads and power utilities through public/private partnerships. The Government has started a public/private partnership program in health, education, transport, and housing projects. However, some state-owned enterprises, such as the electricity and water companies, are currently losing money and they need to be made more efficient and competitive to improve their prospects of becoming more profitable prior to privatization.

The Ministry of Economic Development is looking for local and foreign investors in media and broadcasting, entertainment industry, utilities, infrastructure, health care facilities, hospital management, regional airport management, and the development of residential infrastructure (vacation homes).

The Ministry of Economic Development encourages investment projects which: (1) are capital intensive; (2) enhance technology transfer; (3) introduce new skills and offer training to local employees; and, (4) are environmentally friendly.

2.4.5 Cost of doing business

The following fees are to be paid to the Registrar of Companies at the time of incorporation of a Company in the Maldives.

1. Annual fee USD 156 (approx)
2. Stamp fee USD 39 (approx)
3. Company registration fee; depends on the authorized registration fee capital of the Company (Minimum authorized capital of USD 156 [approx.] is required by Law)
4. All foreign investments incur an administrative fee of USD 2,000.

Cost of re-registering a Company in the Maldives, Re-registering a Company resident overseas in the Maldives is free

2.4.6 Potential areas to investment

Irrespective of size foreign investments are welcomed to enter and operate in the Maldives. Broadly speaking except a few, all sectors of the Maldivian economy and is open for foreign investors. Nevertheless, it is encouraged to small investors to form joint-ventures (JV's) with local or companies registered in the Maldives. The following industries offer good potential for foreign investors:

Tourism: Opportunities exist in the entire range of services, including development and management of resorts, tourist activities, and land and sea transportation. New resorts require a range of equipment and products.

Value-Added Fisheries: Fish processing is open to foreign investment, particularly for new technology and capital investment. The government owned Maldives Industrial Fisheries Company (MIFCO) is identified for substantial restructuring with private investment. Areas such as fish canning, cold storage, tuna farming and aquaculture also open for foreign investment.

Financial, banking, accounting, and management consulting:the Maldives' financial sector consists mainly of banks, one of which is partially state-owned and four branches of foreign-owned banks. The lack of adequate banking laws has deterred entry, however. Financial services consulting and management services are also areas that offer potential.

Transportation and Shipping: The transport sector is dominated by maritime and air transportation. However, transportation is inadequate. There is potential to develop air and sea transport including inter-atoll transport services, bunkering, transshipment, and passenger cruises.

Telecommunications and information technology; also offer potential opportunities. There are currently 3 licensed operators in the telecommunication sector. The telecommunications sector offers good potential for equipment and technology input suppliers.

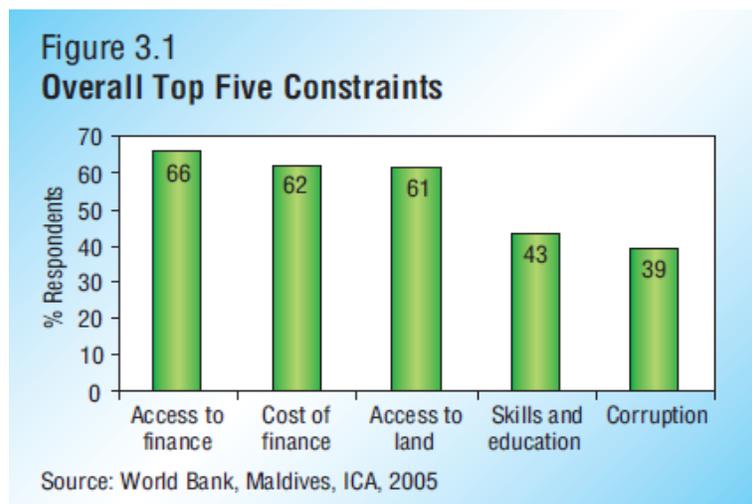
Power: Virtually all electricity is provided by diesel generators. Tourist resorts consume about 60 percent of electricity used in the Maldives. There is scope to provide renewable sources such as solar, wind and biomass for energy needs. Studies have revealed good potential for wind energy-based power generation with some pilot projects underway.

The Maldives has announced its objective of being the first carbon neutral nation by 2020 which would provide extensive opportunities for renewable power suppliers.

2.4.7 Factors affecting to investment climate in Maldives

Many factors are generally affecting the investment climate of Maldives. A survey conduct by World Bank sates that the overall top five constraints include access to finance, cost of finance, access to land, skills and education, and corruption.

Table 6: Top five constrains which affects to investment Climate in Maldives



Source; siteresources.worldbank.org

CHAPTER 3: MEDICAL TOURISM

3.1 History and Definition of Medical Tourism

Patients have long traveled in search of better health care since for centuries, despite the fact that the concept of traveling for specific medical purpose has gained huge popularity in recent years. Many people believe that the concept of medical travel is as old as medicine itself, in fact Medical tourism dates back to ancient time. Many studies of ancient cultures portray a strong connection between religion and health care, which traced back thousands of years. Most ancient civilizations recognized the therapeutic effects³ of mineral thermal springs and sacred temple baths. For instance, Herzlinger and Green (2009: 1) states that “Medical Tourism dates back to 500-300 BC., when pilgrims traveled to a small territory in the Saronic Gulf, called Epidauros, a sanctuary of the healing god Askleios, for purification and spiritual healing.” It was evident that at the end of the 19th century as wealthy British invalids traveled in large numbers to the French Riviera to improve their health at local spas was a more modern version of travel for restorative care. And more recently when looking back in the 1960s, some Americans traveled in search of “alternative” forms of medicine. Furthermore, the current notion of medical travel began in the mid 1970’s when developed countries began traveling abroad for less expensive elective care and or higher quality health care (ibid).

According to Dhaene (2009: 12), Medical Tourism is defined as “the abroad looking for available quality combined with cost effective and low price health services while offering a similar level of safety to the patient.” Jagyasi (2008) defined Medical

³A therapeutic effect is a consequence of a medical treatment of any kind, the results of which are judged to be desirable and beneficial. (http://en.wikipedia.org/wiki/Therapeutic_effect)

Tourism as “the set of activities in which a person travels often long distance or across border, to avail medical services with direct or indirect engagement in leisure, business or other purposes.” Herzlinger and Green (2009: 1) define Medical Tourism as “the process of traveling for medical care.” Wikipedia defines “Medical tourism (also called medical travel, health tourism or global healthcare) is term initially coined by travel agencies and the mass media to describe the rapidly-growing practice of traveling across international borders to obtain health care.” In a more conventional sense, the notion of Medical Tourism can be said that where people travel to overseas countries to obtain medical care at the same time being holidaymakers. In short, medical tourism can be defined as the activities which include utilization of health care services by medical tourist, directly or indirectly, such examples include hospitality, cultural exposure, sightseeing, and many more.

3.2 Studies on Medical Tourism

A Study done by Deloitte (2008) titled name “Medical Tourism: Consumers in Search of Value” estimates that medical tourism world market at US\$ 60 billion, growing to US\$100 billion in 2012, and the report also estimates that 750,00 Americans traveled abroad for medical care in 2007, growing to 9,000,000 in 2012. On the other hand, one of the contemporary studies done by McKinsey and Company states that in 2006, the medical tourism industry grossed about US\$ 60 billion worldwide, and it is estimated this total will rise to US\$ 100 billion by 2012. Likewise, a study done by UNESCAP⁴ (2007: 2) argues that the medical travel industry is increasingly grounded in tourism, though exact statistics are not available, and it is normally estimated that the present global medical tourism is

⁴ The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is the regional development arm of the United Nations for the Asia-Pacific region. With a membership of 62 Governments, Established in 1947 with its headquarters in Bangkok (<http://www.unescap.org/about/index.asp>)

approximately US\$ 40 billion with annual growth rate of 20 percent, and medical tourism could grow into US\$ 188 billion global business by the year 2013.

The American Medical Association (AMA) released a report in June 2007, entitled “Medical Travel outside the U.S.,” cited in www.associatedcontent.com that tried to explain why people are going abroad for medical care. According to the AMA report, the primary reasons that Americans are traveling for treatment are the ever escalating cost of healthcare and the lack of affordable health insurance. In contrary, a report by McKinsey and Company title “Mapping the Market for medical travel “published in May 2008 indicates that most of the people go abroad to get medical treatment for seeking advance technology. In the report, 40% out of 49,980 patients’ responds that they travel to United States to seek advance technology, whereas 32% states that they travel to get better healthcare. On the other hand 15% of the responded to seek faster medical services, and only 9% of travelers seek lower costs. This shows that most of the medical tourist not only travels to seek cheap and fast medical attention. The same report by McKinsey and Company (2008, 1) also suggests that “most medical travelers seek high quality and faster service instead of lower cost.”

Smith (2008) on her paper titled “Medical Tourism: For Richer or Poorer” argues that for a long time medical tourism was commonly the travel of rich patients from less developed country to the health facilities in more developed countries had advanced medical facilities to obtain better treatment. However, today the world market place for health and medical care has changed and medical tourists go in both directions, from rich and poor countries in a similar way and developing countries became the main destinations depend upon the availability of high quality and affordable healthcare facility. Garcia-

Altes (2005) cited by Leng (2007: 3) of Asia Research Institute Developing in the Working Paper Series titled “Medical Tourism in Malaysia: Institutional Movement of Healthcare Consumers and the Commodification of Healthcare” claims that it is a quite new phenomenon that of many people from developed countries travel to developing countries to seek medical care for many reasons, such as due to “the long waiting lists in the healthcare service of some developed countries, and the high costs of care in these countries with lack of medical, or under insurance.”

According to a study by UNESCAP (2007) indicates that the key drivers for the Medical Travel industry are due to increased costs of health services, reasonably priced and high quality options, limited medical insurance coverage, increasing accessibility to information and communication technology and linkages between the key players of the industry, and reducing the trade barrier across border in the field of health by WTO⁵.

3.3 Scope and Benefits of Medical Tourism

In recently medical tourism occurs both across borders of both richer and poor countries, and one of the first countries actively promote this new concept of medical tourism was Cuba. During early 1990s the Cuban government advertised “sun and surgery” packages which include dental, cardiac, organ transplant and cosmetic procedures in combination with spa or “wellness adventures.” However, today medical tourism is becoming more popular for various people across the globe, and as result the industry has started to grow rapidly. As fusion product of these industry various countries such as India,

⁵The World Trade Organization (WTO), established in 1995, aims to reduce trade barriers including health. The main WTO agreements related to health include the Agreements on Technical Barriers to Trade, the Agreement on Sanitary and Phytosanitary Measures, the Agreement on Trade-Related Intellectual Property Rights (TRIPS) and the General Agreement on Trade in Services (GATS) (<http://www.unescap.org/ESID/hds/lastestadd/MedicalTourismReport09.pdf>)

Thailand, Malaysia, Singapore, and so on are promoting medical tourism at a fast pace. China, Hong Kong, South Africa Lithuania is now considered as the major other destinations. In addition to these countries, there are many other countries including Greece, Croatia, Philippines, and South Korea is also making themselves as an attractive healthcare destinations. Thus, Aniza et al (2009) stated that globalization and trade liberalization of trade in health services has made health tourism possible and continues to flourish in those countries with the provision of world class healthcare service and facilities at competitive prices.

Reflecting upon the major claims in the rising literature on medical tourism, a great deal is framed around the speculated economic benefits for the so called “destination country” and the prospects of medical tourism in driving FDI inflow into the host country for rapid growth of economy which will eventually help to developed the country. This can be revealed by a study conducted by Bookman & Bookman (2007), which is a book published and titled as the “Medical tourism in Developing Countries.” This study predominantly examines medical tourism’s potential for promoting economic development within the developing countries.

Bookman & Bookman (2007) argued that the benefits are usually framed by three fundamental arguments. First, it is the contended that it will increase export earnings through attracting foreign exchange into the country, thus lowering fiscal deficit and supporting the growth of the national economy. Second, it is argued that the combination of increased medical technologies and the growth of health specialists and greater levels of expertise will generally increase the standards of health care across the country all the way through competitive market practices, which will ultimately translate to an increase of the

standards in the public sector. Third, it is argued that the economic growth medical tourism could generate would result in an overall increase of national income, as a result creating equity in access through allowing more of the population access to private care.

Although, there may be several reasons and many benefit in getting Medical treatment abroad, Aniza et al (2009) argues that the main reason for a patient seeking healthcare abroad is cost. For instance, in the United Kingdom, healthcare is expensive not in monetary terms but due to high time cost from long waiting lists. Conversely, in United States of America, healthcare is expensive not because of time cost from waiting lists, but from high costs. Furthermore, another major reason patients travel abroad is because of waiting time for a specific treatment or surgery. For example, in Canada the waiting period for hip replacement can be a year or more, while in Thailand or India, a patient can be in the operating room the morning after getting off a plane. Hence, by providing the patient world class treatment, and fraction of comparative cost in western countries. Precisely, the five main reasons to go oversea as medical tourist in broad perspective are price, service, quality, availability, and tourism.

3.4 Key Issues in Medical Tourism

Many studies and papers have been written about the benefits and opportunities that medical tourism suggest. However, there are many cross-cutting issues and obstacles which would hinder the patients to seek of medical care in foreign countries. For instance, Human resource shortage is one of the most reasonable issues at global level with massive shortage. Resources are not enough for instance; tourist can be demanding and high maintenance. Though there would be excellent resources, proficiency in foreign languages, variety of medical specialization and shown on. In many countries the challenges to growth

of medical tourism includes, cultural and language barrier, issues of international accreditation of medical institutions, concerns regarding the quality of service and competency of service delivers, growing customers expectations, strategies to enhance service experience and many more. Nevertheless, these all cross-cutting issues and obstacles will depend upon to country to country.

CHAPTER 4: EVALUATION OF MEDICAL TOURISM IN THE MALDIVES

4.1 Summary of Tourism in Maldives

Significantly tourist⁶ first started coming to the Maldives when the first tourist resort was opened with a bed capacity of 280 in 1972, and since the early 1980s tourism has established itself as the most important economic activity in the Maldives. At the beginning, tourism in the Maldives was based on leisure tourism; the industry has developed by capitalizing on the environmental features of the Maldivian Islands. Hence, due to the exceptionally unique geography as a small island country, Maldives is well-known for its segregation, pristine environment and exceptionally magnificent underwater world (Amira, 2009).

With the expansion of tourism, Maldives became a member state of UNWTO⁷ in 1981, and forming a non-governmental and non-profit organization called the Maldives Association of Tourism Industry (MATI) in 1982 for the purpose of promoting tourism started to further develop the industry continuously with its strategic goals. The tourism industry of the Maldives operates in a free market economy where the government acts as the regulator and the facilitator, is in the hands of public sector. As a result the growth and success of the industry is anchored in this public-private partnership and the industry

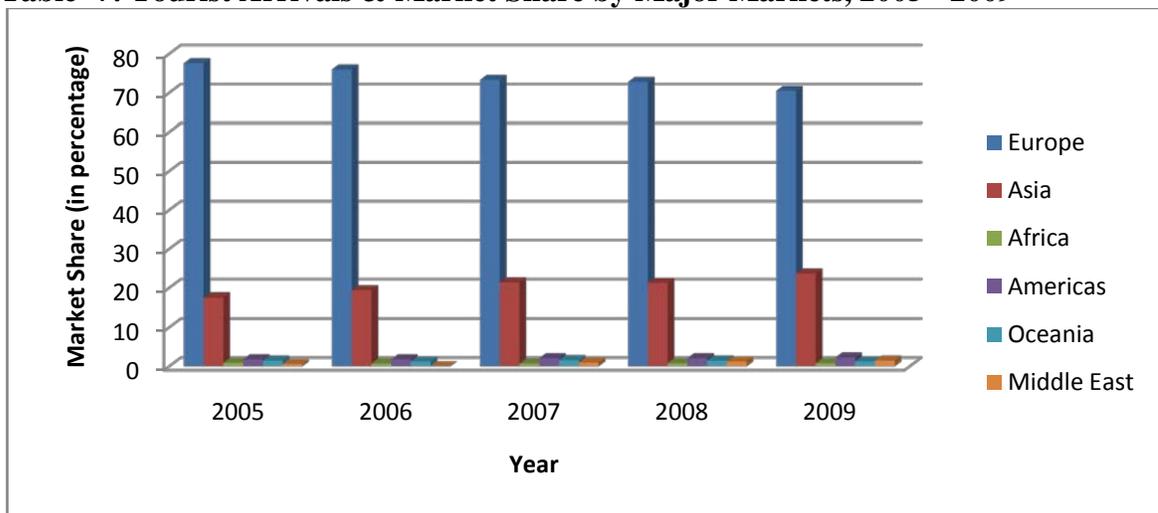
⁶Tourist (overnight visitor) is a visitor who stays at least one night in a collective or private accommodation in the country visited. (MTCA (2010))

⁷The World Tourism Organization (UNWTO/OMT) is a specialized agency of the United Nations. It serves as a global authority on tourism and its development. Its membership includes 154 countries (<http://www.unwto.org/aboutwto/index.php>)

continues to attract FDI into the Maldives. As a result, foreign investors are involved in over 57 percent of the resorts, figuring either as the lease holder or joint venture partner of the investments, or as the operator of the resorts.

As a result today, there are 89 resorts in the Maldives with a bed capacity of over 17,000, providing world class facilities for tourist whose annual figure exceeds 655,852. According to MTAC (2010), Europe has been the leading tourist source market to the Maldives which contributes an average of more than 74% of the total tourist arrival over the last five years. Trends in source markets between 2005 and 2009 are shown in Table 7

Table -7: Tourist Arrivals & Market Share by Major Markets, 2005 - 2009



Source: MTAC (2010)

Out of the leading source markets, United Kingdom ranked first in 2009 with a share of 16.2%. Italy was the second largest (13.6%), followed by Germany (10.5%), then France (7.7%), after that Russia (6.1%). Switzerland and Austria had shares of 4.1% and 2.0% respectively. From Asia, China was the largest contributor in 2009 with 9.2% of market share, followed by Japan (5.6%), then Korea and China had shares of 2.5% and 2.4%

in that order. In the year 2009 the market share of Americas was 2.3%, while the countries from Middle East contributed 1.5%, and from Oceania and Africa was 1.3% and 0.8% respectively. The top ten markets for Maldives in 2009 are six markets from Europe and four markets from Asia and except for the fourth and sixth positions of the list remained the same of 2008. The tourist arrivals and market share of top ten markets of 2009 are United Kingdom, Italy, Germany, China, France, Russia, Japan, Switzerland, South Korea, and India which is illustrated in Table 8.

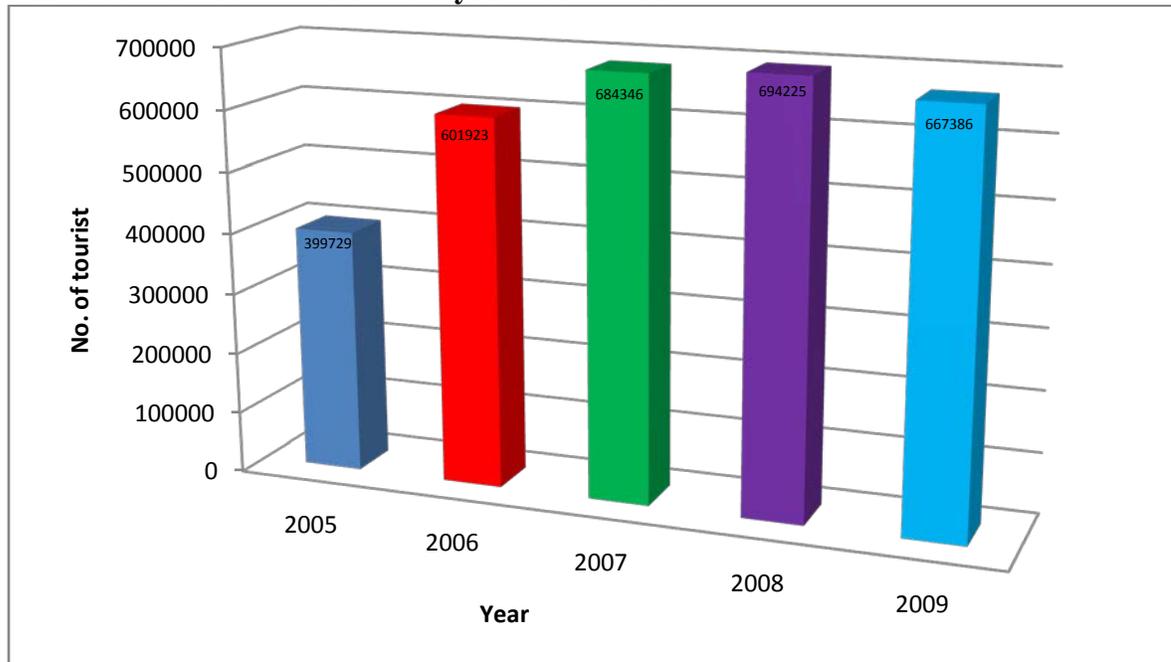
Table 8: Tourist Arrivals and Market Share of Top Ten markets of 2009

Rank 2009	Country	2009		2008		Rank 2008
		Arrivals	Market Share (%)	Arrivals	Market Share (%)	
1	United Kingdom	105,950	16.2	116,821	17.1	1
2	Italy	89,292	13.6	103,824	15.2	2
3	Germany	69,085	10.5	69,240	10.1	3
4	China	60,666	9.2	41,511	6.1	6
5	France	50,373	7.7	48,100	7.1	5
6	Russia	40,014	6.1	48,978	7.2	4
7	Japan	36,641	5.6	38,193	5.6	7
8	Switzerland	26,783	4.1	26,983	4.0	8
9	Korea	16,135	2.5	20,934	3.1	9
10	India	15,850	2.4	16,663	2.4	10
	Global Total	655,852				

Source: Ministry of Tourism, Arts & Culture

Although, tourism industry was continuously growing with a fast pace, it was seen that right after the tsunami 2004 the tourists arrival rate had started to decline. However, after post-tsunami with the restructuring of the tourism industry, it had been growing healthier, but with the global recession in 2008 again it declines and the average arrival rate was constant which is illustrated in the Table 9.

Table -9: Tourist Arrivals in the year 2005 – 2009



Source: MTAC (2010)

Up until now, in 2010 the industry started to grow and the tourist arrival rate had been increased according to the reports from the Ministry of Tourism, Arts and Culture. Since, Tourism is the main economic activity and the source of foreign currency into Maldives, it had and has been promoting as both industry and brand name in the globe. However, Maldives is searching for new avenues to make more attractive destinations by exploring its sustainable policy.

4.2 SWOT Analysis of Medical Tourism in the Maldives

As above mentioned, one way for sustainable growth of Maldives tourism industry would be through introducing the concept of medical tourism. So in this part, the paper will look at the present status of Medical tourism in the Maldives with the hope to capture some of the existing and emerging positive trends and to shed light on some of the

problem areas through a SWOT analysis⁸. Although, SWOT analysis is used, it will be broadly look into the political, economical, social, technological, and environmental aspects of the Maldivian context, and drawing comparisons and examples from some of the leading medical tourism countries such as India, Thailand, and Singapore will be found where necessary and relevant with good reasons.

4.2.1 Strengths

When we look at the strengths of Maldives in promoting medical tourism, the “Political Will” from the president Nasheed and government support through favorable policy is one positive aspect. According to The Hindu (2009) which is an online edition of India’s national Newspaper article states that Minister of Education and delegates from the Maldives is exploring the possibility to tie up with some Indian Hospitals for medical tourism and health education. This is one good example, where the present government of Maldives shows the high level of interest to fulfill the pledge and to induce new strategy to develop the health sector. Another such examples is that the privatization policy of the government, especially the health sector in which opening the doors for private parties, and to attract foreign investor will not only reduce the government expenditure but also increase the inflow into the country. Good example from the international arena where the government supports for medical tourism is the case of Singapore. UNESCAP (2007, 13) states that “Singapore medicine, a multi-agency government initiative, a launched by the Acting Minister of Health on 20 October, leads and coordinates the medical drive...[and

⁸SWOT is an abbreviation for Strengths, Weaknesses, Opportunities and Threats, and SWOT analysis is an important tool for auditing the overall strategic position of a business and its environment (http://tutor2u.net/business/strategy/SWOT_analysis.htm)

they] identified three key growth areas ...[that] promotes new investments... ,[and] the growth and expansion of Singapore's health care players.”

The Maldives itself is world renowned brand name for its natural beauty with its amazing underwater sceneries, famous for honeymoon destination, and more importantly the high quality of service and hospitality provided to the tourists in an environmental friendly atmosphere. Adding value to these facts, many Maldivian resorts provide the facility of various well being treatments like Ayurvedic therapies⁹ which are said to be part of medical tourism. An interview given by Permanent Secretary for the MTAC of Maldives, claims that “a number of the Maldives’ resorts are already offering “alternative treatments” ... [such as,] Ayurvedic treatments, which originated in India and combine disciplines such as yoga, massage and herbal remedies to encourage a feeling of wellbeing, is one type of service already popular among guest” (maldivestraveller.my, 2010). Reflecting to the best practice and one of the dominant markets in medical tourism in Asia is India, where they promote medical tourism by giving much emphasize on Ayurvedic treatments. For instance, ICRI Global Research group states that “...the combination of traditional Indian therapies with modern treatments ...has made India a popular amongst health tourists.”

Another positive aspect to promote medical tourism in the Maldives is that of skilled and well established tourism industry with the high literacy rate and widely English spoken throughout the country. Language competencies is a huge advantage when it comes to communication skills of its entrepreneurs who established the medical tourism business which will finally helped marketability of physicians and support staff. At the same time,

⁹Ayurvedic therapy which is, the ancient traditional method of treatment involving combinations of herbal medicines, physical massages and various other forms of therapy, offers excellent remedies for many illnesses. (<http://www.indian-medical-tourism.com/ayurvedic-therapies-in-india.html>)

Maldives open foreign policy will encourage the foreign investors to invest in the medical tourism related areas. Hence, there are and still many globally known hotels chains and companies exist in Maldives tourism industry.

4.2.2 Weakness

In viewing the weakness in medical tourism in Maldives, the main drawback is lack of medical infrastructure; especially there are not enough hospitals. Kishore (2008) claims that “the reason for not promoting Medical Tourism in Maldives is the lack of Health facility and the cost of Health facility is very high.” In the capital city Male’, there are two main hospitals in which one is a public hospital and a private hospital, and there are some private owned healthcare clinics. In other atolls, there are some government hospitals but with a very limited resource in terms of capacity, specialists, and equipments. Kishore further argues that the tourists use these healthcare facilities in the case of emergencies but not as a medical tourism concept.

Another drawback of medical tourism in Maldives is that there are no accredited hospitals to evaluate the quality of healthcare issue and standard setting. For instance, in Singapore one of the leading medical hubs in Asia has obtained JCI accreditation that includes 44 advanced research capabilities, 9 hospitals, and 2 medical centers. Similarly in India, international accreditations of hospitals are increasing with insurance coverage for treatment to support medical travel (UNESCAP, 2007: 11).

One more weakness is due to lack of human resource in medical field that has limited national health work force with high dependence on expatriates both on professional and unskilled labor force. According to WHO (2008), 77% of doctors

practicing are expatriates working in Maldives. Although, Maldives is giving greater emphasis for capacity building in the health sector in both in and abroad, but due to the shortages in professionally and technically skilled health manpower in almost all areas and level of the health sector has led to the hiring of expatriates to cater the demand. For example, one reason that India is leading in the globalization and gaining prominence for medical tourism is because there are ton of very well-trained doctors (Harvard Business School, 2007), and in the case of medical tourism in Singapore and Thailand have similar trends.

In addition, high government expenditure and fiscal deficit in implanting of government reform would be one major obstacle that hinders to enhance to develop the health sector. During the regime of former president Maumoon Abdul Gayoom, all the hospitals were run by government and the services provided were almost free and there is no social welfare system established, as a result the burdened on the government increased year by year. However, after the first multiparty election in 2008 with the democratic reform into the country, the health reform was one of the key strategic goals of the present government. With the new policies, Public Health Corporation was formed, and hospitals are started to run under the corporation, social welfare system established, policy on privatization started to reduce the government expenditure and to make more competitiveness advantage, but the policy of privatization became a national debate. The cost of new independent and other intuitions increased and many other factors contributed increase the expenditure. As result the health sector reform process becomes sluggish.

4.2.3 Opportunities

Even though, there are many obstacles and weakness in a small country like Maldives, still there are scopes of medical tourism in the Maldives. Maldives has closer relationship with almost all the countries, but Maldives has an edge closer to the Asian huge economy such as China, Japan, South Korea and India with its foreign policy. This could be a positive sign to generate and negotiate path in establishing the medical tourism concept in Maldives.

India, Thailand, and Singapore are major growth driver in the region that can be utilized to develop the medical sector in Maldives. Capacity building and technology transferring are areas that could be negotiate, such as sharing and exchanging tourism and medical experience among the countries. For instance, the Pacific Asia Travel Association believes that there is a wealth of attractions for the medical tourist in the deserted tropical luxury of the Maldives (maldivestraveller.mv, 2010).

Skilled and unskilled labor force is one of the challenges that Maldives face, however this could be an opportunity for the foreign medical Specialist to earn high with more incentives. For example, in the case of tourism sector many professional expatriates are working and are paid very attractive salary and other benefits, when compared to the amount that they will be paid in their country.

4.2.4 Threats

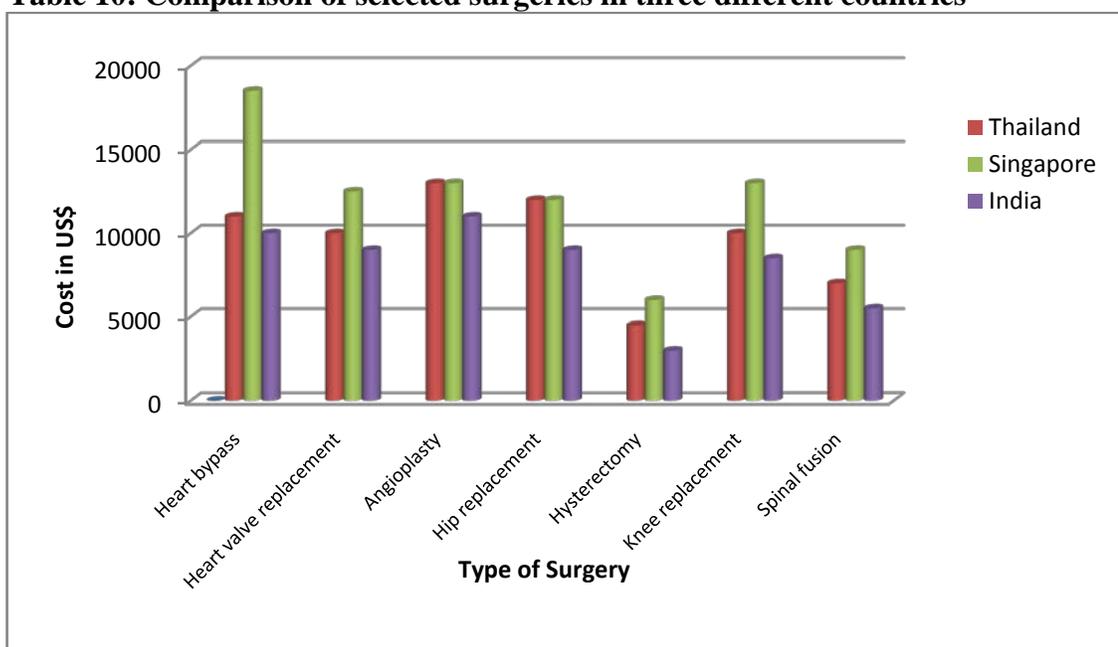
One of the vulnerable and the highest risk to Maldives is the issue of Global warming due to the climate change.¹⁰ The United Nations foresees that the seas are likely to rise by up to fifty nine centimeter by the year 2100 (Ramesh, 2008). Many years ago, environmental scientists warned that the Maldives are among the areas endangered with disappearance if the warm gases emission into the atmosphere continues in irresponsible manner. Many reports issued by some Global Environmental Organizations mentioned that the Maldives face the risk of disappearance within this century or the next one, because of the increased sea levels due to Global warming. Despite the fact, Maldives is trying level best to reduce carbon emission by creating awareness locally and globally. For example, Maldives was the first country to sign the Kyoto protocol to fight global warming.¹¹ Furthermore, to attract international attention the dangers of global warming, the government of Maldives has held its first underwater cabinet to attract international attention the dangers of global warming (www.telegraph.co.uk, 2009). In addition to that recently, Maldivian government has developed plan to make Maldives carbon neutral by 2020 for sustainable development. So due to sensitivity level, many foreign investors might not have interest to invest in Maldives in the medical tourism, nevertheless one should not forget that tourism in Maldives growing at fast pace with many foreign investors.

¹⁰Climate change is a long-term change in the statistical distribution of weather patterns over periods of time that range from decades to millions of years. It may be a change in the average weather conditions or a change in the distribution of weather events with respect to an average, for example, greater or fewer extreme weather events. Climate change may be limited to a specific region, or may occur across the whole Earth. (http://en.wikipedia.org/wiki/Climate_change)

¹¹The Kyoto Protocol is an international agreement linked to the United Nations Framework Convention on Climate Change. The major feature of the Kyoto Protocol is that it sets binding targets for 37 industrialized countries and the European community for reducing greenhouse gas (GHG) emissions. The Kyoto Protocol was adopted in Kyoto, Japan, on 11 December 1997 and entered into force on 16 February 2005. (http://unfccc.int/kyoto_protocol/items/2830.php)

Another disadvantage to Maldives would be difficult to compete in the market with the dominant countries like India, Singapore and Thailand in the field of medical tourism. Already these countries are well established in the global market for their affordable high quality health care facilities. Since, one of the key factors that medical tourists assess a potential destination based on its track records, and low cost of the traveling destination. For example, if a medical tourist wants to select a destination to travel for specific surgery, the person will analyze and compare the available options and the benefits he/ she would get. The following table 10 below illustrates the cost of selected surgeries in India, Singapore and Thailand.

Table 10: Comparison of selected surgeries in three different countries



Source: American Medical Association, June 2007

Based on the above facts, these countries would have the competitive advantage in the market due to the good reputation, however, if Maldives could develop medical industry with innovative idea and with proper marketing, it could work the other way round.

Furthermore, another threat which would have negative impact into Maldives will be the rapid growth of tourism industry of the neighboring Sri Lanka after the civil war¹². After ending the 30 years war, Sri Lankan tourism industry is growing rapidly. Tourist arrivals grew by an impressive of about fifty percent or an increase to 160000 from 106000 visitors in the first quarter of 2010 when compared to 2009 (Mangalassery, 2010). Beside, increasing the number of tourist, Sri Lanka is promoting tourism with the slogan of “Miracle of Asia” focusing on eight key products which includes medical tourism (www.srilankaholidayhomes.com, 2010). Thus, tourism industry in both the neighboring allies would be more competitive in the area newly raising concept of medical tourism, which will eventually have a negative impact to the economy that relies mainly on tourism industry with a relatively small population.

Moreover, massive increase of expatriate is a bottleneck in the labor market that will hinder sustainable growth of Maldivian economy. MFT (2009) postulates that the total expatriate employee’s accounts one third which is 30 percent of the total employed population in the country. They further claims that this high level and fast rates of growth in the expatriate labor force will mismatches and rigidities not only in the country’s labor market but it also will reflect the social perceptions and cultural factors as well. Despite the fact, the reason for increasing the number of expatriate are due to the rapid economic growth and social development of Maldives compared to the most nearby countries, the unwillingness of Maldivians to work as unskilled laborers to recruit from the poor and over populated neighboring countries, unavailability of adequately trained locals, shortage and

¹²Civil war and terrorism had seriously disrupted the country since 1983. However, on May 19, 2009, the Sri Lankan government declared victory after more than 26 years of civil conflict with the Liberation Tigers of Tamil Eelam (LTTE). (http://travel.state.gov/travel/cis_pa_tw/cis/cis_1025.html)

serious gap between the skilled locals to operate a modern economy, constant flow of legal and illegal migrants from neighboring countries, and the absence of proper mechanism to enforce labor law in the country (MFA: 2010, Rasheed, Castley: 2005). In order, to cater the bottle the government should formulate a sustainable strategy to tackle the threat of the huge number of increasing expatriate in the Maldives.

Religious extremism and terrorism is also a threat to Maldives in attracting foreign investor into the country. Although this issue is not that severe, one should not forget the tragic incident which was targeted to some tourists in September 2007, wounding 12 tourists by a homemade bomb was detonated in the Sultan Park of the Capital city in Male'. This incident alarmed that Maldives has not escaped the global problem of religious extremism and terrorism, though traditionally it is believed Maldives as a moderate Muslim nation. After the blast, in 2009, nine armed Maldivian men were arrested in Waziristan of Pakistan, resulting the government became more concerned at the rising influence of extremists in the Maldives when the numbers of young Maldivians were increasing to travel abroad and come under the influence of extremist organizations (MFA, 2010).

CHAPTER 5: CONCLUSION

This chapter brings to a closure of the dissertation which synchronizes all the imperative findings, and put focus on the lessons learnt from the study with suggesting some policy implications. This chapter also highlights the need for future research that includes a concluding remark.

5.1 Summary of Key Findings

The main objectives placed out in the beginning of this study was to examine the investment climate of Maldives, to find innovative strategy to promote tourism, and to find out the possible issues in promoting medical tourism for attracting foreign investor. In this posture, based on the analysis from the previous chapters, the key findings with regard to the three research questions of this study will discussed below.

Firstly, the recent trend and development, and obstacles of attracting FDI inflow into Maldives were not the clearly identified due to lack of data, however the findings revealed that trend of FDI inflow is visible but it is not sufficient enough to improve the economic condition of Maldives to a reasonable extent, because of the very low inflow, and even positive impacts of FDI are non-existence in almost all areas except in the tourism sector due to the comparative advantage. Furthermore, one of the obvious reason in which hinders to attract FDI is the small market size. For example, only few green field investments, M&A, and JVs, that is also in the tourism related investments. Therefore, there is no significant development and positive impact to the Maldives by FDI. Thus, to mitigate the impediments of FDI, some precautions and necessary steps shall have to be carrying out as soon as possible to attract foreign investors.

Secondly, the key finding on major obstructions of medical tourism in the Maldives are the non existence of proper medical infrastructure in term of hospitals and latest equipments, lack of highly trained and skilled professional medical specialists, high government expenditure and fiscal deficit in implanting of government reform, lack of coordination between institutions and weak government policy, and the small market size and speculation of disappearing Maldives that will have an uncertainty in the projected investment. Although, there are no signs of medical tourism, but it was found that many Maldivian resorts provide the facility of various well being treatments.

Thirdly, the possible measurements that can be taken to attract Medical Tourism into the Maldives will be discussed in the next part of this study that is policy implication.

5.2 Policy Implications

In considerations with the analysis and the key findings, there are many important areas in order to improve the effectiveness and efficiency to attract FDI in Maldives through medical tourism. The possible measurements which should be immediately responded in short runs, and long runs to attract medical tourism in the Maldives are separately presented.

The government should encourage and support private sector to act in all related area of medical tourism from participating in policy making and strategic planning up to marketing and introducing Maldives health services to target countries and act as medical tourism facilitators and providing health and medical services. Likewise, to attract foreign investor in the field of medical tourism in the Maldives needs to enact a policy frame work that is attractive enough to the world consumers. The framework must include strategies to

exert a pull on the clients into coming to the Maldives to receive the healthcare practice they desire. The policy makers also should pay attention that medical area would not be succeeded without participating private sector. The government of Maldives can also take initiation to speed up the health reform, and this process must take place with respect to the principle that the first priority of health care system is providing health for the country populations, and the commitments should not be so called “lip service.”

This study indicates that Maldives has potential opportunities, challenges, and barriers to enter medical tourism field. The impacts of entering into this field varies between countries, and successful countries came to this attractive market also involved with many obstacles but the countries utilized their competencies to overcome the challenges and barriers of this multibillion dollars project. For example, in the case of one of the two giants in Asian market in medical tourism industry faced and struggled at the beginning but they utilized their competencies such as high quality and low costs of health service, and in this way they could strengthen the expansion of health infrastructure in terms of human capabilities, physical, and technological infrastructures and the quality of the service by integrating the three basic aspects of medical tourism which are health services, hotels, and travels with the back up support from the government.

For the existence of and to provide for brighter prospects in this field in Maldives, the first step the government should set up is to create a focus group that encompasses of stakes holders from both government and public sectors that includes players from tourism, health, education, civil aviation, information technology, policy makers, independent institutes, non-governmental organizations and so on. The objective and the role of the focal group should be clearly define, and with autonomous power to plan and implement

the project in aligned with the government goals. The role of this group should be to formulate a conceptual frame that can be implemented in short and long term in the Maldives. In addition to strategic planning of medical tourism the other actions should be done are to define the target market of Maldives medical tourism, ways to utilize appropriate market and promotion approaches, strategy to maintain quality of service, ways and sources of funding, and many more.

Apart from the above recommendation, this study also suggests some of the possibility that can be done to promote medical tourism into Maldives. According to the analysis from this study, one of the best policy options that would be feasible to a country that lacks healthcare facilities will be to have a JV with a foreign partner that already have the medical facility. In searching for the partner, Hospitals in India would be one viable place because of many reasons such as geographically, latest technological and accredited hospitals, highly qualified professional staff and famous in medical tourism, and more importantly close diplomatic relation with Maldives. For example, a JV between Maldives tourism industry and Indian medical industry could be a solution to cater the immediate necessity of introducing medical tourism in Maldives, initially a holiday package can be offered from a Maldivian resorts who gets medical treatment in a hospital of India. This collaboration will have competitive advantage to both the countries because India is famous in medical healthcare, and Maldives is excellence in tourism, resulting FDI inflow into the two countries.

Another option would be leasing some of the uninhabited islands to develop as a medical resort concept of a specific area such cancer treatment. Although this requires a very huge capital investment, one should not forget that already Maldives have world class

tourist hotels invested by international hotel chains. By setting such a mega project, it will not only help to develop Maldivian economy but due to the job creations, the highly trained and qualified professionals nearby countries from India, Sri Lanka, Bangladesh and other neighboring countries also will benefit in getting jobs with attractive wages compared to the amount which they earn in home county. Thus, with sound policies and good marketing of launching such a project can provide significant opportunity for economic growth and infrastructure development to Maldives, ultimately inducing FDI inflow into the country through the model of medical tourism in an innovative and sustainable manner.

5.3 Future Research

Future research might take up issues that were not considered in the present study, however, this research will contribute significantly to get an overall idea of the investment climate, and poor inflow of FDI in the country and potential corners that expect emphasis in action from both public and private entities of government in the country to generate more FDI required for rapid growth of the Maldives. Therefore, this research has contributed to both FDI and tourism literature with a particular emphasis on the importance of medical tourism in promoting tourism. Since this is the first research on this nature to be conducted in the Maldives, the findings from this study will be enlightening for policy makers and stakeholders as an eye opener because it represents an imperative first step towards understanding tremendously significant issues and areas for the next generations of economic development of Maldives. Hence, the results of this study provides a basis for future research on this topic, further research is required to extend and build upon the work of this study. So, the following are some of the areas where further research is required.

Future research should further explore the role and trend of FDI, the impact of investment climate and investors perception in the Maldives. This will provide a deeper insight to the feasibility of connecting tourism and medical tourism. Further exploration is also required on tourist perception survey stressing on medical tourism in order to get clear picture for analyzing the purpose of visit. This will bring quantifiable data which will show the kind and level of medical tourism exists in the Maldives. Another important area that requires further exploration is on healthcare and medical facility available in Maldives putting emphasis on out bound and the reason locals go abroad for medical treatments, this will help to collect a baseline data for analyzing and comparing. Finally, future studies that also required includes designing to systematically planning of the proper function of related organizations for promoting medical tourism in Maldives, identifying the future demand and objective countries that could be expressed of future market development for promoting medical tourism in Maldives, and analyzing the issues that competitors and recognizing advantages of other countries and Maldives.

Thus, with the evaluation provided by this study and through the future research, it will be possible to begin the process of tourism connecting medical tourism will not only inflow FDI into the country, but it will capitalize on the medical industry for rapid and sustainable development of Maldives.

APPENDICES

APPENDIX 1

Tourist Arrivals & Market share by Major Markets, 2005-2009

By Nationality	2005	2006	2007	2008	2009
Europe	306,856 (71.6)	457,535 (74.8)	495,371 (73.3)	497,565 (72.8)	462,192 (70.5)
Austria	9,358 (2.4)	14,100 (2.3)	13,673 (2.0)	13,462 (2.0)	13,274 (2.0)
Belgium	1,595 (0.4)	3,990 (0.7)	3,552 (0.5)	3,368 (0.5)	3,437 (0.5)
Czech Republic	1,433 (0.4)	2,295 (0.4)	2,766 (0.4)	3,811 (0.6)	3,851 (0.6)
Denmark	1,095 (0.3)	1,499 (0.2)	1,819 (0.3)	1,834 (0.3)	1,722 (0.3)
Finland	357 (0.1)	518 (0.1)	789 (0.1)	865 (0.1)	1,088 (0.2)
France	21,640 (5.5)	43,627 (7.2)	45,301 (6.7)	48,100 (7.0)	50,373 (7.7)
Germany	55,782 (14.1)	70,830 (11.8)	72,269 (10.7)	69,240 (10.1)	69,085 (10.5)
Greece	1,703 (0.4)	3,584 (0.6)	4,850 (0.7)	4,926 (0.7)	5,406 (0.8)
Hungary	1,124 (0.3)	2,661 (0.4)	2,568 (0.4)	2,052 (0.3)	1,848 (0.3)
Ireland	1,452 (0.4)	2,648 (0.4)	3,148 (0.5)	2,884 (0.4)	2,420 (0.4)
Israel	567 (0.1)	846 (0.1)	1,308 (0.2)	1,588 (0.2)	1,380 (0.2)
Italy	70,115 (17.7)	118,929 (19.8)	117,246 (17.3)	103,824 (15.2)	89,292 (13.6)
Netherlands	4,151 (1.1)	8,050 (1.3)	6,479 (1.0)	5,595 (0.8)	5,355 (0.8)
Norway	1,141 (0.3)	1,613 (0.3)	1,808 (0.3)	2,596 (0.4)	2,120 (0.3)
Poland	1,019 (0.3)	1,844 (0.3)	2,659 (0.4)	3,325 (0.5)	3,357 (0.5)
Portugal	2,238 (0.6)	3,655 (0.6)	4,188 (0.6)	4,150 (0.6)	4,822 (0.7)
Russia	14,582 (3.7)	21,955 (3.6)	31,845 (4.7)	48,978 (7.2)	40,014 (6.1)
Slovakia	501 (0.1)	944 (0.2)	1,469 (0.2)	1,916 (0.3)	1,970 (0.3)
Slovenia	569 (0.1)	796 (0.1)	1,204 (0.2)	1,372 (0.2)	1,324 (0.2)
Spain	3,510 (0.9)	6,678 (1.1)	8,798 (1.3)	8,217 (1.2)	7,279 (1.1)
Sweden	1,318 (0.3)	1,800 (0.3)	2,149 (0.3)	3,542 (0.5)	3,165 (0.5)
Switzerland	19,321 (4.9)	26,251 (4.4)	26,183 (3.9)	26,983 (4.0)	26,783 (4.1)
Turkey	869 (0.2)	2,044 (0.3)	2,442 (0.4)	3,235 (0.5)	2,758 (0.4)
Ukraine	1,060 (0.3)	2,427 (0.4)	3,545 (0.5)	5,399 (0.8)	4,643 (0.7)
United Kingdom	87,264 (22.1)	107,995 (17.9)	125,158 (18.5)	116,821 (17.1)	105,950 (16.2)
Other Europe	3,092 (0.8)	5,956 (1.0)	8,155 (1.2)	9,482 (1.4)	9,476 (1.4)

APPENDIX 1 (CONTINUATION)

Asia	69,498	(17.0)	117,055	(19.4)	144,363	(21.6)	145,494	(21.2)	155,538	(21.7)
Bangladesh	643	(0.2)	1,050	(0.2)	1,284	(0.2)	455	(0.1)	388	(0.1)
China	11,609	(2.9)	26,396	(4.4)	35,976	(5.3)	41,511	(6.1)	60,666	(9.2)
India	10,260	(2.6)	12,071	(2.0)	17,327	(2.6)	16,663	(2.4)	15,850	(2.4)
Indonesia	520	(0.1)	625	(0.1)	943	(0.1)	581	(0.1)	677	(0.1)
Japan	23,269	(5.9)	39,528	(6.6)	41,121	(6.1)	38,193	(5.6)	36,641	(5.6)
Korea	6,543	(1.7)	16,157	(2.7)	20,976	(3.1)	20,934	(3.1)	16,135	(2.5)
Malaysia	2,366	(0.6)	2,915	(0.5)	2,999	(0.4)	3,137	(0.5)	3,139	(0.5)
Pakistan	940	(0.2)	1,119	(0.2)	1,013	(0.1)	1,191	(0.2)	1,046	(0.2)
Philippines	565	(0.1)	666	(0.1)	982	(0.1)	871	(0.1)	979	(0.1)
Singapore	3,258	(0.8)	4,255	(0.7)	4,456	(0.7)	4,956	(0.7)	5,214	(0.8)
Sri Lanka	7,165	(1.8)	7,954	(1.3)	9,654	(1.4)	9,752	(1.4)	7,833	(1.2)
Taiwan	685	(0.2)	1,281	(0.2)	2,018	(0.3)	2,233	(0.3)	1,975	(0.3)
Thailand	1,114	(0.3)	2,251	(0.4)	3,663	(0.5)	3,952	(0.6)	3,813	(0.6)
Other Asia	561	(0.1)	787	(0.1)	1,951	(0.3)	1,065	(0.2)	1,182	(0.2)
Africa	3,460	(0.9)	4,169	(0.7)	4,846	(0.7)	5,694	(0.5)	5,034	(0.5)
South Africa	2,392	(0.6)	2,973	(0.5)	3,293	(0.5)	3,732	(0.5)	2,975	(0.5)
Other Africa	1,068	(0.3)	1,196	(0.2)	1,553	(0.2)	1,962	(0.3)	2,059	(0.3)
Americas	7,244	(1.8)	10,813	(1.8)	14,198	(1.1)	14,480	(1.1)	15,159	(1.2)
Brazil	429	(0.1)	564	(0.1)	708	(0.1)	1,327	(0.2)	1,304	(0.2)
Canada	1,426	(0.4)	2,196	(0.4)	2,851	(0.4)	2,966	(0.4)	3,043	(0.5)
U.S.A	4,833	(1.2)	7,150	(1.2)	9,348	(1.4)	8,853	(1.3)	9,438	(1.4)
Other Americas	556	(0.1)	903	(0.2)	1,291	(0.2)	1,334	(0.2)	1,374	(0.2)
Oceania	5,858	(1.5)	7,979	(1.2)	10,661	(1.6)	10,574	(1.5)	8,404	(1.2)
Australia	5,087	(1.3)	6,892	(1.1)	9,406	(1.4)	9,368	(1.4)	7,392	(1.1)
New Zealand	697	(0.2)	1,006	(0.2)	1,142	(0.2)	1,184	(0.2)	991	(0.2)
Other Oceania	74	(0.0)	81	(0.0)	113	(0.0)	22	(0.0)	21	(0.0)
Middle East	2,404	(0.6)	4,372	(0.7)	6,450	(1.0)	9,205	(1.2)	9,525	(1.5)
Kuwait	290	(0.1)	668	(0.1)	1,004	(0.1)	1,340	(0.2)	1,181	(0.2)
Lebanon	238	(0.1)	402	(0.1)	660	(0.1)	1,139	(0.2)	984	(0.2)
Saudi Arabia	691	(0.2)	1,530	(0.3)	1,940	(0.3)	2,747	(0.4)	3,036	(0.5)
United Arab Emirates	230	(0.1)	492	(0.1)	807	(0.1)	1,394	(0.2)	1,580	(0.2)
Other Middle East	955	(0.2)	1,280	(0.2)	2,039	(0.3)	2,585	(0.4)	2,744	(0.4)
Global Total	395,320		601,923		675,889		683,012		655,852	

APPENDIX 1 (CONTINUATION)

<i>REGISTERED CAPACITY 2010</i>											Average	
RESORTS	Nos.	97	97	97	97	97	97	97	97	97	97	97
	Beds	20,804	20,906	20,930	21,044	21,044	21,040	21,040	21,040	21,040	21,184	21,004
HOTELS	Nos.	14	14	15	15	16	16	15	15	16	16	15
	Beds	1,344	1,344	1,344	1,368	1,396	1,398	1,368	1,368	1,398	1,398	1,370
GUEST HOUSES	Nos.	22	23	23	23	23	23	23	23	23	23	23
	Beds	469	487	487	487	487	487	474	487	487	487	484
SAFARI VESSELS	Nos.	147	149	149	149	151	151	152	153	153	153	150
	Beds	2,145	2,286	2,318	2,318	2,369	2,379	2,395	2,420	2,423	2,423	2,339
TOTAL	Nos.	280	283	284	284	287	287	287	288	289	289	285
	Beds	24,762	25,023	25,079	25,217	25,296	25,304	25,277	25,315	25,492	25,196	25,196

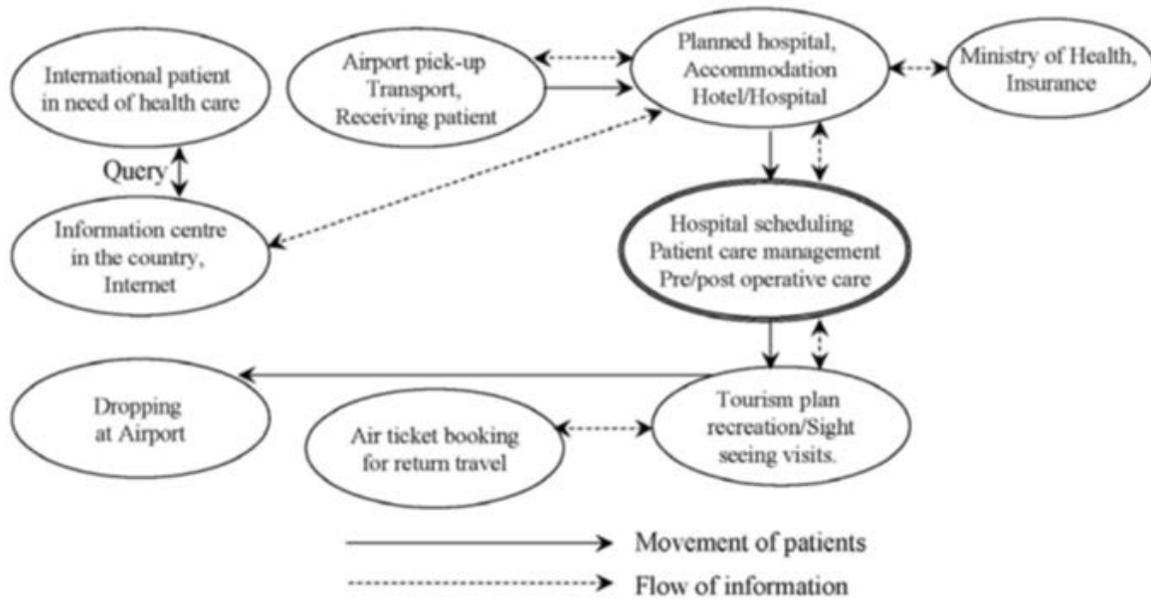
<i>OPERATIONAL CAPACITY</i>											Average	
RESORTS	Nos.	2009	82	82	82	84	85	84	85	86	85	84
		2010	88	91	92	92	91	89	89	90	89	90
	Beds	2009	18,412	18,416	18,498	18,724	19,140	19,042	19,428	19,528	18,982	18,908
		2010	19,562	20,312	20,486	20,550	20,322	19,974	19,974	20,174	20,190	20,172
HOTELS	Nos.	2009	13	13	13	13	13	13	13	13	14	13
		2010	13	13	15	15	15	15	15	15	14	14
	Beds	2009	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,188	987
		2010	1,344	1,344	1,368	1,368	1,368	1,368	1,368	1,368	1,291	1,354
GUEST HOUSES	Nos.	2009	-	-	-	-	-	-	-	-	-	-
		2010	18	15	18	21	22	19	20	21	19	19
	Beds	2009	-	-	-	-	-	-	-	-	-	-
		2010	399	297	423	464	474	424	452	464	420	424
SAFARI VESSELS	Nos.	2009	-	-	-	-	-	-	-	-	-	-
		2010	39	80	99	101	110	103	100	97	106	93
	Beds	2009	-	-	-	-	-	-	-	-	-	-
		2010	618	1,122	1,410	1,426	2,376	1,593	1,539	1,475	1,547	1,456
TOTAL	Nos.	2009	95	95	95	97	98	97	98	99	99	97
		2010	158	199	224	229	238	226	224	223	228	217
	Beds	2009	19,522	19,526	19,608	19,834	20,250	20,152	20,538	20,638	20,170	20,026
		2010	21,923	23,075	23,687	23,808	24,540	23,359	23,333	23,481	23,448	23,406

APPENDIX 1 (CONTINUATION)

<i>OPERATIONAL CAPACITY</i>											Average	
RESORTS	Nos.	2009	82	82	82	84	85	84	85	86	85	84
		2010	88	91	92	92	91	89	89	90	89	90
	Beds	2009	18,412	18,416	18,498	18,724	19,140	19,042	19,428	19,528	18,982	18,908
		2010	19,562	20,312	20,486	20,550	20,322	19,974	19,974	20,174	20,190	20,172
HOTELS	Nos.	2009	13	13	13	13	13	13	13	13	14	13
		2010	13	13	15	15	15	15	15	15	14	14
	Beds	2009	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,188	987
		2010	1,344	1,344	1,368	1,368	1,368	1,368	1,368	1,368	1,291	1,354
GUEST HOUSES	Nos.	2009	-	-	-	-	-	-	-	-	-	-
		2010	18	15	18	21	22	19	20	21	19	19
	Beds	2009	-	-	-	-	-	-	-	-	-	-
		2010	399	297	423	464	474	424	452	464	420	424
SAFARI VESSELS	Nos.	2009	-	-	-	-	-	-	-	-	-	-
		2010	39	80	99	101	110	103	100	97	106	93
	Beds	2009	-	-	-	-	-	-	-	-	-	-
		2010	618	1,122	1,410	1,426	2,376	1,593	1,539	1,475	1,547	1,456
TOTAL	Nos.	2009	95	95	95	97	98	97	98	99	99	97
		2010	158	199	224	229	238	226	224	223	228	217
	Beds	2009	19,522	19,526	19,608	19,834	20,250	20,152	20,538	20,638	20,170	20,026
		2010	21,923	23,075	23,687	23,808	24,540	23,359	23,333	23,481	23,448	23,406

APPENDIX 2

Hospital Supply Chain for an International Patient



(UNESCAP, 2007)

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