



Making Future of Bali: a leading destination for Medical Tourism

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ABSTRACT

Bali Provincial Government has taken several steps to diversify the Balinese economy sectors. Medical Tourism became a proposal in line with the Indonesian government's tourism sector development plan for the past five years. They continue to improve the domestic health industry. Not wanting to depend on imports continuously, Authorities since 2020 has committed to making improvements in the governance of state-owned and private companies, especially in the pharmaceutical, medical devices, and health facilities. The construction of an International Hospital (RSI) in Sanur, Bali, in collaboration with the Mayo Clinic Cancer Hospital in the United States, has been seriously monitored to create leading health service standards in Indonesia. Later, the community can use Bali RSI to carry out various medical treatments. Therefore, in the future, health tourism can be properly established. Another image would be emerging: Bali, a top-class holiday destination that serves as a sanctuary to rejuvenate one's health.

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BACKGROUND

World Health Organization (WHO) reported COVID-19 cases outside China had increased thirteen times per March 2020. The number of infected countries has risen to 114, followed by death cases sharply rose to 4,291 people. Countless people worldwide were treated in the hospital, fighting for their lives against the novel coronavirus. Likewise, since two Indonesians were infected after their overseas travel in March 2020, COVID-19 cases have increased with various symptoms that have overwhelmed thousands of hospitals and exhausted health workers.

Not only did the health sector experience a shock, but the tourism industry also collapsed instantly. Deputy Governor of Bali Tjokorda Oka Artha Ardana Sukawati or Cok Ace said the Covid-19 pandemic hardly impacted tourism. In 2020, Bali's economic growth experienced a deep contraction due to tourism's contribution of 54 percent to gross regional domestic product (GRDP) was lost. Namely, Quarter I of -1.2 percent (YoY), Quarter II of -11.06 percent (YoY), Quarter III to -12.32 percent (YoY), and

Quarter IV to -12.21 percent (YoY).¹

Thus, for the long-term sustainability of the Balinese economy, the Bali Provincial Government has taken several steps, such as reducing dependence on the tourism sector. Then the authority decided to balance the structure and fundamentals of the Balinese economy between the tourism sector and others such as agriculture and industry. In addition, to diversify the sectors supporting the Balinese economy, Medical Tourism became a proposal in line with the tourism sector that the Indonesian government has been developing for the past five years. The government accelerated health tourism development in the country, which previously had not been fully established for years.²

Health tourism is often associated with tourist who visits a foreign country for medical treatment. For instance, Malaysia, Singapore, Japan, and the United States have started this sector with the support of drug and top-notch medical devices in the industry, with regularly updated technology. Indonesia's pursuit to has the same idea, where in the future, people may visit Indonesia not only for vacation

but also to experience the best health treatment.

HEALTH TOURISM DESTINATION'S PROFILE

Health tourism is defined as an activity to travel abroad for health interests. In the past, this activity was usually carried out by people in a country with poor health quality.⁵ Thus, the public can access the needs of better health care and therapy provided in other countries. In recent years, health tourism has broadened its meaning as an activity carried out by someone who visits a developed country for health purposes to receive health care at a more affordable price. People's perspectives on the quality of treatment and health services were varied due to different policies between health institutions such as the FDA, EMA or other health institutions in several countries to determine what kind of drug or treatment would be applied to the patient in a country. Different policies mean different treatments can be done. Even in Europe, despite several treatment protocols that have been established by the European Medical Agency (EMA), some countries

can set their standard through domestic health organizations. The common reason was to determine an effective therapy with a high possibility of success yet cost-less. In addition to medical treatment, health tourism is popularly associated with cosmetic surgery, transplant procedures, and genital reconstruction.

Hitherto, the Indonesians are the biggest contributors in terms of health tourism. It was shown by the results of the Patients Beyond Borders' research that mentioned Malaysia and Singapore as the main destinations for Indonesian patients to seek treatment.⁶ Singapore was said as a top-class medical destination for

Indonesians. The Singapore health system supported the country as a medical tourism hub in Southeast Asia. The primary factor is a good health system, including several aspects such as high-qualified personnel/practitioners as well as health institutions/facilities. In terms of practitioners, citing data from the Ministry of Health of Singapore, The country has 13,766 doctors for its 5.5 million population, or equivalent to 1 doctor for 400 people. Meanwhile, Indonesia has more than 260 million people and only has 205,597 doctors or the equivalent of 1 doctor for 1,264 people. Indeed, the proportion is lower than in Singapore. Furthermore, Singapore has 42,125 registered nurses, 2,363 dentists, 3,216 pharmacists. Thus, their human resources (HR) number in health was superior to Indonesia. Singapore was also focused on building health infrastructure in the country. Currently, the country has 28 hospitals with international standard facilities. According to the Medical Tourism Index (MTI) study, Singapore is ranked fourth under Canada, the UK and Israel.⁷ These reasons clearly describe why many Indonesian choose 'the neighbor' to cure their various health problems.

In addition to the high-quality facilities and human resources, Indonesian people tend to be confident with overseas medication. They strongly believe there is a high possibility that their illness will be cured if they go abroad for treatment. The decision to seek treatment abroad was reported caused by dissatisfaction with general health workers. Unfriendly Health Workers, Lack of precise diagnosis in hospitals often made person of means reluctant to trust their medical therapy in Indonesia. Small factors such as good food standards and entertainment facilities at overseas hospitals also influenced their decision to seek treatment abroad.

Nevertheless, the high cost did not stop people from choosing medical treatment in neighboring countries. Minister of Health Budi Gunadi Sadikin stated that the data collected at the Ministry of Health that the total public expenditure for medical treatment abroad reaches IDR 161 trillion per year.⁸ Changing people's beliefs and psychology to prefer treatment in their own country is a common challenge for the government,



Figure 1. President Joko Widodo, accompanied by the Minister of State-Owned Enterprises Erick Tohir, the Minister of Trade Muhammad Lutfi, the Coordinating Minister for Maritime Affairs and Investment General TNI (Ret.) Luhut Binsar Pandjaitan and the Governor of Bali, Wayan Koster, while reviewing the development plan of International Hospital in the Sanur Area.³



Figure 2. President Joko Widodo on His working visit to the Province of Bali on Monday, December 27, 2021.⁴

health workers, and health organizations. Improvements in this matter can be started from the government's grand plan to improve the quality and quantity of the availability and quality of medical devices, pharmaceuticals, and health workers.

PROFILE OF INDONESIA'S MEDICAL INDUSTRY

General TNI (Ret.) Luhut Binsar Pandjaitan, the Coordinating Minister for Maritime Affairs and Investment revealed that Indonesia's trade deficit in medical devices has increased. This trade deficit was caused by imports of medical devices, which have continued to grow since 2015. According to him, the trade deficit has almost quadrupled from US\$ 161 million in 2013 to US\$ 531 million in 2020. Imports rose by double digits (>10% YoY) in the last two years and reached US\$ 703 million in 2020. Meanwhile, export growth was limited in which only grew 3%-5% YoY over the previous three years and only went to US\$ 171 million in 2020. "Indonesia relies mostly on imported products for complex medical devices, while export products were limited. We have everything in this country, but imports of Indonesian medical devices continue to increase. The highest imported device were electrodiagnosis devices (US\$ 87 million), ultrasonic scanning devices

(US\$ 70 million), needles, catheters, cannula & others (US\$ 43 million). According to Luhut, the high number of imports of raw materials for medicines and medical devices in Indonesia has caused the price of services and medical treatment to skyrocket.

Of course, Indonesia should no longer rely on the situation. The new strategy was revealed at the groundbreaking of the Bali International Hospital. Indonesia would immediately improve the quality of health workers and stop medicines, medicinal raw materials, and medical equipment imports. Therefore, in the future, Indonesia will be able to control the price and availability of the best standard equipment, medicines, and infrastructure in the field of health.¹⁰ The health services in Indonesia can attract patients and domestic workers who have been choosing other countries for medical treatment.

The Indonesian government observed all the health sector situations, especially when the Covid-19 pandemic outbreak, the demand for vitamins, supplements and drugs to increase immunity increased. Along with the high demand in the sector, the government added the medical device and pharmaceutical sectors to be the priority sector in Making Indonesia 4.0.¹¹

Minister of Industry (Menperin) Agus Gumiwang Kartasasmita stated that the government seeks to increase

product competitiveness by encouraging digital-based technology transformation. Digital technology would be utilized from the production stage to the consumer distribution phase.

Secretary of the Directorate General of Pharmacy and Medical Devices of the Ministry of Health, Arianti Anaya, said that the Ministry of Health made a road map to accelerate the development of pharmaceutical and medical device industry 4.0. Arianti noted that the roadmap accelerated the development of the pharmaceutical and medical device industry, including the steps to be taken, product development targets, and timeframe. The target of the roadmap is industrial progress to produce high-tech raw material products.

On the other hand, he also revealed a growth in producing medical-related goods. From 193 companies in 2015, there were 891 companies or an increase of 361.66% in 2021. According to the Ministry of Health data, the figure has increased from year to year: 18 natural product extraction industries, 271 pharmaceutical formulation industries, 132 traditional medicine industries, 17 pharmaceutical raw material industries. The local pharmaceutical products and medical devices have been reached several countries' markets, such as Europe, South East Asia, East Asia and the United States.

Other information was conveyed by the Director of Assessment of Medical Devices and Household Health Supplies, Ministry of Health, Sodikin Sadek. He stated that investment in medical equipment reached IDR 441 billion, consisting of IDR 209 billion local investment and IDR 232 billion foreign investment. Sodikin, in a press release Saturday (18/9/2021), stated that The 16 medical devices with the largest use could already be produced domestically. Of the 19 medical devices, three medical devices were imported. The remaining 16 can be produced domestically, although imported raw materials.¹¹



Figure 3. The government has improved the medical device and pharmaceutical industries to support Indonesia's standards and quality of health facilities.⁹

HEALTH TOURISM AS FUTURE PROSPECT

The government has improved the medical device and pharmaceutical industries to support the standards and quality of health facilities in Indonesia.

State-Owned Enterprise Minister Erick Thohir, in the groundbreaking event of the International Hospital Bali, said His party had succeeded in consolidating the health cluster into an ecosystem. The Ministry merged Bio Farma as a Holding Company oversees Kimia Farma, Indo Farma, and hospitals under BUMN, such as Pertamina Hospital and Pelni Hospital. In this health and holding ecosystem, Bio Farma is the holding leader. According to him, Bio Farma has opened up new opportunities in health development, such as health services and vaccinations. Erik explained that Biofarma cooperated with various parties. Vaccines, for example, Bio Farma, produced vaccines to fight the pandemic. In 2022 he believed Indonesia would no longer import vaccines. Through this health ecosystem, imports of medicinal raw materials, which were high, would be reduced. The minister added that his party would develop the herbal industry to eliminate 95 percent of imported raw materials. Indonesia has a high-potential nature and local pearls of wisdom regarding medicinal ingredients. Later, Kimia Farma will produce generic drugs, a cheap medicine for everyone.¹³

Furthermore, the development of a quality Indonesian health industry climate would be supported by international hospital (RSI) establishment in the Special Economic Health Zone of Sanur. The project was starting at the end of 2021. President Joko Widodo laid the first stone or groundbreaking for the Bali International Hospital (RS) on Monday, December 27, 2021. The President stated that Indonesian citizens (WNI) would no longer be seeking treatment abroad with the hospital's existence. The construction of the Bali International Hospital would later collaborate with the Mayo Clinic from America. It was expected that Sanur would become a Special Economic Zone (SEZ) for Health. Thus, there would be no more reason to go abroad to afford high-quality health services.¹⁴

According to Jokowi, approximately two million Indonesians travel abroad to receive medical services every year. Some destination countries include Singapore, Malaysia, Japan, the United States, and others. President noted the country lost

IDR 97 trillion due to that reason. The President appreciated and expected that in the middle of 2023, the international hospital would be completed and ready to launch.¹⁵ This international hospital was built on 41.3 hectares around The Inna Grand Bali Beach Hotel, Sanur. This golf course in the Hotel area has been transformed into a Bali Hospital with a capacity of 300 rooms.

Complete hospital infrastructure is a strategy to be a leading medical tourism destination. Then, followed by creating excellence in health services, comprehensive and modern medical equipment facilities, qualified health personnel human resources competency, and prioritizing patient satisfaction. On the same occasion, Minister of State-Owned Enterprise Erick Thohir said that this international hospital has two functions. In addition to helping Bali attract new tourism potential, this hospital is expected to support health services for investors, foreign workers, or professionals living in Indonesia.

The Ministry of State-Owned Enterprises planned to build an Ethnomedical Botanic Garden, Retail Village, Bali Beach Hotel Development, Bali Beach Garden, Bung Karno Convention Center, Parking Area, and Commercial Area. In collaboration with the United States Mayo Clinic Cancer Hospital, RSI Bali will later serve various types of treatment, including cancer. From the existing master plan, RSI Bali will be connected to world-class commercial areas, such as Inna, The Grand Bali Beach Hotel and Sanur Beach as the mainstay destination. In the future, the government plan to build hospitals (RS) or health facilities with international standards in several parts of Indonesia that would have high selling points.

In addition to the readiness of health infrastructure, the Ministry of Tourism and Creative Economy, together with the Coordinating Ministry for Maritime Affairs and Investment of the Republic of Indonesia (Kemenkomarves), the Ministry of Health, and other Ministries were composing the formation of a legal umbrella as the basis for the Indonesia Health Tourism Board (IHTB) establishment. IHTB will be a National

Action Plan for the development of medical tourism. Deputy for Tourism Products and Organizers of Tourism and Creative Economy Activities, Rizki Handayani, commented that the formation of this IHTB is expected to be a body that synergizes the entire ecosystem in health tourism.¹⁶

CONCLUSION

The Indonesian government continues to improve the domestic health industry. They continue to improve the domestic health industry. Not wanting to rely on imports continuously, Authorities since 2020 has committed to making improvements in the governance of state-owned and private companies, especially in the pharmaceutical, medical devices, and health facilities. The construction of an International Hospital (RSI) in Sanur, Bali, in collaboration with the Mayo Clinic Cancer Hospital in the United States, has been seriously monitored to create leading health service standards in Indonesia. Later, the community can use Bali RSI to carry out various medical treatments. Therefore, in the future, health tourism can be properly established. Another image would be emerging: Bali, a top-class holiday destination that serves as a sanctuary to rejuvenate one's health.

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