

HEALTHCARE TOURISM DEVELOPMENT IN MALAYSIA: A POLICY ANALYSIS OF GROWTH DRIVERS AND THE MALAYSIA HEALTHCARE TRAVEL INDUSTRY BLUEPRINT 2021–2025

^{i,*}Noriah Ramli & ⁱⁱViana Hassan

ⁱAhmad Ibrahim Kulliyah of Laws (AIKOL), International Islamic University Malaysia (IIUM),
Jalan Gombak, 53100 Kuala Lumpur, Malaysia

ⁱⁱAmerican University of Malta, Triq San Ġwann t'Għuxa, Bormla (Cospicua), BML 1013, Malta

*(Corresponding author) e-mail: noriahr@iium.edu.my

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ABSTRACT

Malaysia is a well-known tourist destination for its natural, cultural, and historical attractions and is also recognised as a growing hub for medical tourism. Over the past decade, Malaysia has strengthened its reputation as a safe and trusted global destination for healthcare, attracting visitors from around the world for a wide range of treatments. The industry continues to focus on core treatment services such as in vitro fertilisation (IVF), cardiology, oncology, orthopaedics, neurology, dental care, aesthetics, and general health screening, while simultaneously expanding into preventive treatments and holistic healthcare services. Government initiatives have played a key role in positioning Malaysia as a reputable choice for medical travellers. The establishment of the Malaysian Healthcare Travel Council (MHTC) in 2005 marked a significant milestone in the coordination and promotion of Malaysia's healthcare travel industry, particularly through extensive public-private partnerships. Malaysia's efforts have been internationally recognised, including being named "Health and Medical Tourism: Destination of the Year" award at the 2020 International Medical Travel Journal (IMTJ) Medical Travel Awards. This paper examines healthcare tourism as an increasingly important sector of the Malaysian economy. It analyses the existing regulatory and policy framework governing healthcare tourism in Malaysia, including the Healthcare Travel Industry Blueprint and related policies, while drawing insights from relevant secondary literature. It also evaluates the current market landscape and examines the strategic priorities outlined in the Malaysia Healthcare Travel Industry Blueprint 2021–2025, alongside other relevant policy initiatives.

Introduction

Tourism remains one of the world's largest and most dynamic economic sectors, contributing substantially to global gross domestic product (GDP), employment generation, foreign exchange earnings, and socio-economic development (Roman et al., 2022; Ramli & Zawawi, 2021). The sector has demonstrated remarkable resilience despite major disruptions caused by global crises, particularly the COVID-19 pandemic, and continues to play a crucial role in supporting national economies and facilitating international mobility (United Nations World Tourism Organization (UNWTO), 2023). Within this broader tourism landscape, healthcare tourism has emerged as one of the fastest-growing niche markets, reflecting the increasing globalization of healthcare services and the growing willingness of patients to seek medical treatment beyond their national borders (Büyüközkan et al., 2021; Mohd Amin et al., 2024).

Healthcare tourism, commonly referred to as medical tourism, encompasses the movement of individuals across international borders to obtain medical treatment, health-related services, or wellness interventions (Connell, 2013; Wong & Hazley, 2020). The rapid growth of healthcare tourism has been attributed to several interrelated factors, including escalating healthcare costs in developed countries, long waiting periods for medical procedures, advancements in medical technology, improved transportation networks, increased affordability of international travel, and greater access to healthcare information through digital platforms (Crooks et al., 2011; Lunt et al., 2011; Turner, 2007). These developments have transformed healthcare from a predominantly domestic service into a global industry characterized by increasing competition among destinations seeking to attract international patients.

Recent studies indicate that healthcare tourism has become a significant contributor to the global services economy. The global healthcare tourism market was valued at approximately USD 54 billion in 2020 and is projected to exceed USD 200 billion by 2027, reflecting strong growth driven by increasing patient mobility and cross-border healthcare consumption (Gholipour & Esfandiar, 2025; Koshta, 2025). Contemporary medical travellers seek a broad spectrum of healthcare services ranging from elective procedures such as cosmetic surgery, dental care, and wellness treatments to complex medical interventions including cardiology, oncology, orthopaedics, fertility treatments, and specialized diagnostics (Grand View Research, 2020; Koshta, 2025). Furthermore, advancements in telemedicine, digital health technologies, and online healthcare platforms have enhanced patients' ability to compare destinations, evaluate providers, and access healthcare information, thereby facilitating international healthcare decision-making (Mohd Amin et al., 2024; OECD, 2023).

The post-pandemic period has further accelerated structural changes within the healthcare tourism industry. Emerging research suggests that healthcare travellers increasingly prioritize safety, healthcare quality, accreditation standards, digital healthcare integration, and destination resilience when selecting medical tourism destinations (Yu et al., 2023; Mohd Amin et al., 2024). Consequently, healthcare tourism competitiveness is no longer determined solely by affordability but increasingly depends on governance quality, healthcare infrastructure, regulatory frameworks, technological readiness, and destination reputation (Büyüközkan et al., 2021; Yu et al., 2023). As countries compete to capture a larger share of the expanding healthcare tourism market, strategic policy interventions and effective institutional coordination have become critical determinants of industry success.

Within Southeast Asia, Malaysia has emerged as one of the region's leading healthcare tourism destinations, competing alongside countries such as Thailand, Singapore, and India. Malaysia's success has been attributed to its combination of internationally accredited healthcare facilities, highly qualified medical professionals, relatively affordable treatment costs, multilingual healthcare services, political stability, and strong government support for healthcare travel development (Musa et al., 2012; Wong & Hazley, 2020). These advantages have enabled Malaysia to establish a reputation for delivering high-quality healthcare services at competitive prices while catering to diverse international patient markets from ASEAN countries, the Middle East, China, and other regions.

Prior to the COVID-19 pandemic, Malaysia's healthcare tourism industry experienced sustained growth, receiving approximately 1.22 million healthcare travellers in 2019 and generating substantial economic contributions through medical expenditures and tourism-related spending (Malaysia Healthcare Travel Council (MHTC), 2021). However, international travel restrictions and border closures significantly disrupted the industry between 2020 and 2022. Following the transition into the endemic phase and the

gradual reopening of international borders, Malaysia has actively pursued recovery strategies aimed at restoring its position as a leading healthcare tourism destination (MHTC, 2021; Malaysia Investment Development Authority (MIDA), 2022).

Central to these efforts is the Malaysia Healthcare Travel Council (MHTC), an agency established under the Ministry of Health Malaysia that is responsible for coordinating and promoting the country's healthcare tourism industry. Recognizing the changing dynamics of global healthcare travel, MHTC launched the Malaysia Healthcare Travel Industry Blueprint 2021–2025, which provides a comprehensive strategic framework for industry development and post-pandemic recovery (MHTC, 2021). The Blueprint outlines an ambitious target of RM1.7 billion in healthcare travel revenue by 2025 and emphasizes several strategic priorities, including strengthening Malaysia's global healthcare brand, accelerating digital transformation, enhancing patient experience, fostering industry collaboration, expanding market diversification, and maintaining accessible and affordable healthcare services. These initiatives reflect broader global trends emphasizing healthcare innovation, sustainability, and patient-centred care as key drivers of healthcare tourism competitiveness (OECD, 2023; Mohd Amin et al., 2024).

In addition to its economic significance, healthcare tourism contributes to broader national development objectives by stimulating foreign direct investment, generating employment opportunities, facilitating knowledge transfer, encouraging healthcare innovation, and strengthening the international competitiveness of domestic healthcare institutions (Hall, 2011; Lunt et al., 2011). Nevertheless, scholars have increasingly highlighted the need for robust governance mechanisms to ensure that healthcare tourism growth remains sustainable, equitable, and aligned with public healthcare priorities (Johnston et al., 2010; Hall, 2011). Issues relating to healthcare regulation, quality assurance, accreditation, patient safety, ethical considerations, and healthcare accessibility continue to generate debate among policymakers and researchers alike.

This paper aims to highlight the emerging healthcare tourism industry as an increasingly important component of the Malaysian economy. Specifically, the study analyses the existing regulatory and policy framework governing healthcare tourism in Malaysia, including the Malaysia Healthcare Travel Industry Blueprint 2021–2025 and related institutional arrangements. Drawing upon secondary literature, government reports, and policy documents, the paper examines the current healthcare tourism landscape and evaluates the strategic directions outlined within the Blueprint. Particular attention is given to the role of governance, regulatory mechanisms, and institutional coordination in supporting the sustainable growth and international competitiveness of Malaysia's healthcare tourism sector.

Despite the growing economic importance of healthcare tourism and the increasing body of literature examining patient satisfaction, service quality, destination competitiveness, and healthcare marketing, relatively limited scholarly attention has been devoted to critically assessing the policy and regulatory framework underpinning Malaysia's healthcare tourism industry (Wong & Hazley, 2020; Mohd Amin et al., 2024). Existing studies have primarily focused on consumer behaviour and destination attractiveness, while comparatively little research has examined how government policies, regulatory institutions, strategic planning initiatives, and governance structures collectively shape industry development. Furthermore, the introduction of the Malaysia Healthcare Travel Industry Blueprint 2021–2025 provides a timely opportunity to evaluate the effectiveness of Malaysia's policy direction in addressing emerging challenges associated with digital transformation, post-pandemic recovery, healthcare sustainability, and global competitiveness (Nor et al., 2023). Addressing this gap, the present study offers a policy-oriented analysis of Malaysia's healthcare tourism framework by examining the regulatory landscape alongside the strategic objectives and implementation mechanisms contained within the Malaysia Healthcare Travel Industry Blueprint 2021–2025.

Health Tourism

Healthcare tourism, commonly referred to as medical tourism, remains a concept without a universally accepted definition, and the terms health tourism, medical tourism, and wellness tourism are frequently used interchangeably within academic literature. Broadly, healthcare tourism encompasses the movement of individuals across international borders to obtain medical treatment, health-related services, or wellness interventions (Connell, 2013; Hall, 2011). The sector has experienced substantial growth over the past two decades due to increasing globalization, advancements in healthcare technology, greater international

mobility, and growing consumer awareness of healthcare options beyond national boundaries (Büyüközkan et al., 2021; Mohd Amin et al., 2024; Smith & Puczkó, 2014).

The emergence of healthcare tourism is closely linked to disparities in healthcare systems across countries. Rising healthcare costs in developed nations, lengthy waiting times for elective procedures, limited insurance coverage, ageing populations, and the increased affordability of international travel have encouraged patients to seek treatment abroad (Lunt et al., 2011; Ramli, 2022; Turner, 2007). Additionally, advancements in information and communication technologies have enabled patients to access medical information, compare healthcare providers internationally, and make informed decisions regarding treatment destinations (Bookman & Bookman, 2007; Crooks et al., 2011).

Although healthcare tourism serves as an umbrella term, researchers distinguish between several related concepts. Medical tourism generally refers to travel undertaken specifically for clinical interventions such as surgery, dental treatment, fertility procedures, cosmetic surgery, and specialized medical care provided in hospitals or healthcare facilities (Connell, 2013; Wong & Musa, 2013). Wellness tourism, in contrast, focuses on preventive healthcare and activities aimed at enhancing overall well-being, including spa therapies, yoga retreats, traditional healing practices, and holistic health programmes (Smith & Puczkó, 2014). Health tourism therefore encompasses both medical and wellness tourism, reflecting a continuum of services that range from disease treatment to health promotion and lifestyle enhancement (Hall, 2011; Wong & Hazley, 2020).

Historically, the practice of travelling for health-related purposes is not a recent phenomenon. Records indicate that individuals travelled to thermal springs, healing waters, and religious sanctuaries for health benefits as early as ancient Greek and Roman civilizations (Goodrich & Goodrich, 1987). Wong and Hazley (2020) note that the term “health tourism” has been documented since the seventeenth century, demonstrating the longstanding relationship between travel and healthcare. However, modern healthcare tourism differs significantly from historical forms due to advances in medical technology, international accreditation systems, and the commercialization of healthcare services across borders (Connell, 2013).

A health tourist can be defined as an individual who travels internationally to obtain medical treatment, health-related services, or wellness experiences that contribute to physical, mental, or emotional well-being. According to the United Nations World Tourism Organization (UNWTO, 2008), health tourism involves travel motivated primarily by activities that improve physical condition, mental health, or overall quality of life. Similarly, Carrera and Bridges (2006) define medical tourism as the organized travel of patients across international borders to access healthcare services that are available, affordable, or perceived to be of higher quality than those available in their home countries.

The profile of health tourists has evolved considerably over time. Historically, patients from developing countries travelled to advanced economies to obtain specialized treatments unavailable in their home healthcare systems (Cooper, n.d.). However, contemporary healthcare tourism increasingly involves patients from developed nations seeking treatment in emerging healthcare destinations such as Malaysia, Thailand, India, Singapore, Turkey, and Mexico due to lower costs and comparable standards of care (Connell, 2013; Lunt et al., 2011; Turner, 2007). This reverse flow reflects broader changes in global healthcare markets and the growing competitiveness of healthcare providers in developing economies.

Numerous studies have identified the factors motivating individuals to seek healthcare abroad. Cost savings remain one of the most significant drivers, particularly for procedures such as dental care, cosmetic surgery, orthopaedic surgery, and cardiac treatment, where patients may save between 30% and 80% compared to treatment costs in their home countries (Bookman & Bookman, 2007; OECD, 2020). Long waiting times within publicly funded healthcare systems also encourage patients to travel abroad for more immediate access to treatment (Lunt et al., 2011). Furthermore, access to advanced medical technologies, specialized expertise, innovative treatments, and procedures unavailable or restricted in home countries has emerged as an important motivating factor (Crooks et al., 2011; Turner, 2007).

In addition to economic and clinical considerations, socio-cultural factors influence destination choice among medical tourists. Patients often prefer destinations that offer linguistic familiarity, cultural affinity, religious compatibility, and supportive social environments (Johnston et al., 2010). Recommendations from family members, friends, healthcare professionals, and online patient communities also play an

important role in shaping healthcare travel decisions (Crooks et al., 2011). The reputation of healthcare institutions, physician qualifications, international accreditation, and perceptions of service quality further contribute to destination attractiveness (Han & Hyun, 2015; Heung et al., 2011).

Another distinctive feature of healthcare tourism is the integration of medical care with leisure and tourism activities. Many patients combine treatment with vacation experiences, rehabilitation stays, or post-treatment recovery in attractive destinations, creating a synergistic relationship between healthcare and tourism industries (Connell, 2013; Heung et al., 2011). This combination of treatment and travel has encouraged governments and healthcare providers to position healthcare tourism as a strategic economic sector capable of generating foreign exchange earnings, attracting international investment, and supporting broader tourism development (Hall, 2011; Lunt et al., 2011).

Consequently, healthcare tourism has become a significant component of the global healthcare economy. The growing willingness of patients to cross international borders in search of accessible, affordable, timely, and high-quality healthcare services demonstrates the increasingly globalized nature of healthcare provision (Büyükoçkan et al., 2021; Wong & Hazley, 2020). As healthcare systems continue to evolve and patients become more informed consumers of healthcare services, healthcare tourism is expected to remain an important and expanding phenomenon within both the healthcare and tourism sectors.

Malaysia's Position as a Leading Healthcare Tourism Destination

Malaysia has emerged as one of the world's most competitive and trusted destinations for healthcare tourism, supported by strong national branding, high-quality medical services, and strategic government–public and private sector collaboration. Although the "Malaysia Healthcare" brand was introduced in 2009 following the establishment of the Malaysia Healthcare Travel Council (MHTC) within the Ministry of Health, the incorporation of MHTC as a standalone entity in 2011 represented a major institutional milestone that strengthened the governance and promotion of Malaysia's healthcare travel industry. With its tagline, "Quality Care for Your Peace of Mind," the brand has propelled Malaysia from being recognised as the "Hidden Jewel of Asia" to earning multiple international accolades, including the Destination of the Year award for healthcare travel in 2015, 2016, 2017, and again in 2020. Today, Malaysia is widely acknowledged as a premier destination for fertility and cardiology services and is often referred to as the World's Healthcare Marvel (Malaysia Healthcare Travel Council, 2020).

A key driver of Malaysia's success is the nation's commitment to adopting cutting-edge medical technologies and clinical innovations. For example, the National Heart Institute (IJN) became the first hospital outside the United States to successfully implant the Micra AV pacemaker in 2020, an achievement that demonstrates Malaysia's capability in delivering advanced cardiac procedures. Such milestones strengthen international confidence in Malaysia's healthcare expertise and its capacity to compete with leading global medical centres (Institut Jantung Negara, 2020).

Malaysia's healthcare workforce also contributes significantly to the industry's credibility. Doctors, nurses, and allied health professionals are trained to international standards, with many receiving education and specialised training from reputable institutions locally and abroad. The Malaysian Medical Council (MMC) and the Malaysian Medical Association (MMA) serve as regulatory bodies that uphold professional ethics, ensure mandatory practitioner registration, and promote continuous professional development, thereby helping to maintain high standards of clinical care nationwide (Malaysian Medical Council, n.d.; Malaysian Medical Association, n.d.).

In addition, Malaysia's strong clinical research ecosystem enhances its position as a medical innovation hub. Organisations such as the Ministry of Health (MOH), the National Committee for Clinical Research (NCCR), and Clinical Research Malaysia facilitate ethical clinical trials, strengthen research infrastructure, and promote good clinical and laboratory practices. These coordinated efforts have contributed to a steady increase in clinical research participation and the development of innovative medical solutions (Institute for Clinical Research, n.d.; Ministry of Health Malaysia, 2023).

Malaysia also holds a unique competitive advantage in the Muslim-majority market through its emphasis on halal healthcare services. The availability of halal-compliant treatments, ranging from pharmaceuticals to medical devices, caters to the specific needs of Muslim patients seeking assurance regarding the permissibility of medical products and procedures (Latiff, 2017; Malaysian Investment Development

Authority, 2023). The introduction of MS 2424:2012 Halal Pharmaceuticals – General Guidelines, the world’s first halal pharmaceutical standard, and MS 2636:2019 Halal Medical Devices (Department of Standards Malaysia, 2019) further strengthens Malaysia’s position as a pioneer in halal healthcare standardisation. These developments have attracted Muslim medical travellers from countries such as Indonesia, Saudi Arabia, Kazakhstan, Libya, and Oman (Maierbrugger, 2015). Despite growing interest in halal healthcare, its implementation in Malaysia remains at a developmental stage. At present, halal healthcare practices are primarily confined to selected Islamic-friendly or Shariah-compliant hospitals and have yet to be widely adopted throughout the country’s healthcare system (Rahman et al., 2023; Shariff et al., 2018; Saefullah et al., 2025; Suhartini et al., 2024). Its implementation remains largely limited to a small number of private hospitals and is generally governed by their respective in-house standard operating procedures (SOPs).

In addition, Malaysia has successfully developed halal-certified medical innovations, such as the internationally recognised GranuMas synthetic bone graft, a halal-certified calcium phosphate-based graft used in orthopaedic, dental, and maxillofacial applications. Such innovations highlight Malaysia’s capability not only in healthcare delivery but also in biomedical manufacturing, adding value to the broader halal and healthcare tourism ecosystem (Granulab (M) Sdn Bhd, n.d.).

Underpinning Malaysia’s competitiveness is its strategic pricing model. By offering high-quality treatments at significantly lower costs compared to many developed countries, Malaysia effectively adopts a low-cost–high-volume approach that attracts a diverse international patient base while maintaining quality and safety. This pricing advantage, combined with internationally accredited hospitals, modern infrastructure, and patient-centred service delivery, reinforces Malaysia’s global appeal (Malaysia Healthcare Travel Council, 2025).

The Malaysia Healthcare Travel Council expresses optimism that, collectively, these factors, including technological advancement, skilled medical professionals, a robust regulatory and research ecosystem, pioneering halal healthcare initiatives, and affordable pricing, position Malaysia as one of the most attractive destinations for healthcare tourism worldwide, in line with the aspirations outlined in the Malaysia Healthcare Travel Industry Blueprint 2021–2025 (Malaysia Healthcare Travel Council, 2021).

Malaysia Healthcare Travel Council (MHTC)

A pivotal factor underpinning Malaysia’s emergence as a leading healthcare tourism destination has been the establishment of a dedicated institutional mechanism to coordinate and govern the sector’s development. Recognising the growing international demand for high-quality and cost-effective healthcare services, the Malaysian Government established the Malaysia Healthcare Travel Council (MHTC) under the Ministry of Health to serve as the central agency responsible for promoting, coordinating, and facilitating the healthcare travel industry (Malaysia Healthcare Travel Council [MHTC], n.d.-a). Rather than functioning solely as a promotional agency, MHTC represents an institutional governance model that integrates public policy, healthcare providers, tourism stakeholders, and investment promotion into a coordinated national strategy (MHTC, 2021; Wong & Hazley, 2020). The introduction of the Malaysia Healthcare brand in 2009 marked a strategic shift from hospital-level marketing to destination branding, while the incorporation of MHTC as a standalone entity in 2011 enhanced its organisational autonomy and strengthened public-private collaboration (MHTC, n.d.-b). Nevertheless, sustaining Malaysia’s competitive advantage requires continuous policy innovation, stronger regulatory integration, digital transformation, workforce development, and resilience against external disruptions such as global health crises (MHTC, 2021; OECD, 2020; WHO, 2021).

MHTC plays a comprehensive role in the development of Malaysia’s healthcare travel sector. Its core responsibilities include:

MHTC performs a multifaceted role in advancing Malaysia’s healthcare travel industry through destination promotion, industry coordination, quality assurance, market facilitation, and long-term strategic planning. Beyond its promotional mandate, the council has played an important role in strengthening institutional coordination among government agencies, private healthcare providers, tourism operators, airlines, and related service industries, thereby contributing to a more integrated healthcare travel ecosystem (Malaysia Healthcare Travel Council (MHTC), 2021).

One of MHTC's most significant contributions has been the international promotion of the Malaysia Healthcare brand, which has enhanced Malaysia's visibility as a destination offering affordable, high-quality, and patient-centred healthcare services. Coordinated marketing campaigns, participation in international healthcare exhibitions, and strategic partnerships have contributed to the steady growth of healthcare traveller arrivals prior to the COVID-19 pandemic, culminating in approximately 1.22 million healthcare travellers and RM1.7 billion in healthcare travel revenue in 2019 (MHTC, 2021). These achievements suggest that destination branding, supported by coordinated institutional governance, has strengthened Malaysia's competitiveness within the regional healthcare tourism market.

MHTC has also contributed to industry development by encouraging participating hospitals to comply with internationally recognised quality standards and accreditation systems while promoting service excellence and patient safety. These initiatives have reinforced international confidence in Malaysia's healthcare system and supported the country's reputation for delivering high-quality healthcare at competitive costs (Connell, 2013; Wong & Hazley, 2020). Furthermore, collaboration between government agencies and private healthcare providers has facilitated the development of specialised medical services, including cardiology, oncology, orthopaedics, fertility treatment, rehabilitation, and Islamic-friendly healthcare services, thereby diversifying Malaysia's healthcare tourism offerings.

Nevertheless, sustaining the effectiveness of these initiatives requires continuous policy adaptation. Intensifying regional competition, rapid digital transformation, evolving patient expectations, workforce constraints, and the experience of the COVID-19 pandemic demonstrate that healthcare tourism governance must extend beyond destination marketing to encompass regulatory resilience, digital health integration, service innovation, and sustainable workforce development. Consequently, MHTC's future effectiveness will depend not only on attracting international patients but also on its capacity to strengthen institutional coordination, support healthcare innovation, and enhance the long-term resilience of Malaysia's healthcare travel ecosystem (MHTC, 2021; Organisation for Economic Co-operation and Development (OECD), 2020).

Through its coordinated efforts, MHTC has contributed significantly to Malaysia's emergence as a recognised healthcare travel destination, particularly among travellers from Muslim-majority countries seeking halal-compliant and culturally congruent medical services. The council continues to play an important role in supporting the development of Malaysia's healthcare tourism and in promoting alignment with international best practices (Malaysia Healthcare Travel Council, n.d.-c).

Malaysia Healthcare Travel Industry Blueprint 2021–2025

Malaysia has long been recognised as a trusted and competitive destination for international healthcare travellers, attracting patients from diverse regions including Southeast Asia, the Middle East, China, and other parts of the Asia-Pacific region. The country's healthcare tourism sector has developed steadily over the past two decades, supported by internationally accredited healthcare facilities, highly qualified medical professionals, multilingual healthcare services, relatively affordable treatment costs, and strong government support for healthcare travel development (Musa et al., 2012; Wong & Hazley, 2020). Prior to the COVID-19 pandemic, Malaysia was widely regarded as one of the most established healthcare tourism destinations in Southeast Asia, recording approximately 1.22 million healthcare traveller arrivals and generating RM1.7 billion in healthcare travel revenue in 2019 (Malaysia Healthcare Travel Council (MHTC), 2021). Beyond direct medical expenditures, healthcare tourism contributed to broader economic activities through accommodation, transportation, retail spending, and other tourism-related services, highlighting its importance as a strategic economic sector (Hall, 2011; Lunt et al., 2011).

However, the COVID-19 pandemic, which emerged in late 2019, severely disrupted the global healthcare tourism industry. International border closures, travel restrictions, quarantine requirements, and concerns regarding patient safety significantly reduced cross-border healthcare mobility worldwide (Organisation for Economic Co-operation and Development (OECD), 2023). Malaysia was similarly affected, with healthcare travel revenue declining from RM1.7 billion in 2019 to RM777 million in 2020 and further to RM585 million in 2021 (Bernama, 2022). The substantial decline in patient arrivals demonstrated the vulnerability of healthcare tourism to external shocks and highlighted the extent to which the industry depends on international mobility and cross-border patient flows. More importantly, the pandemic exposed structural challenges relating to market concentration, digital preparedness, healthcare system

resilience, crisis management capacity, and institutional coordination, all of which became increasingly important considerations for the future development of healthcare tourism (Tan, 2022; Mohd Amin et al., 2024).

The pandemic also accelerated broader transformations in healthcare delivery and patient expectations. Emerging evidence suggests that international healthcare travellers have become increasingly concerned with issues such as healthcare quality, patient safety, infection control measures, digital accessibility, and service continuity (Yu et al., 2023). Simultaneously, healthcare providers have been compelled to adopt digital technologies, telemedicine platforms, electronic health records, and virtual consultation services to maintain patient engagement and improve service efficiency (OECD, 2023; Mohd Amin et al., 2024). These developments have altered the competitive landscape of healthcare tourism, requiring destinations to move beyond traditional cost-based advantages and focus increasingly on innovation, digital transformation, governance effectiveness, and healthcare system resilience.

In response to these challenges, the Malaysia Healthcare Travel Council (MHTC) introduced the Malaysia Healthcare Travel Industry Blueprint 2021–2025, a comprehensive strategic framework designed to guide the sector's recovery, strengthen institutional resilience, and enhance Malaysia's long-term competitiveness as a healthcare tourism destination (MHTC, 2021). Established under the Ministry of Health Malaysia, MHTC serves as the principal coordinating agency responsible for facilitating collaboration among healthcare providers, government agencies, tourism stakeholders, and industry partners. The introduction of the Blueprint reflects a proactive policy response aimed at addressing both immediate recovery needs and longer-term structural challenges facing the healthcare tourism industry.

Although the Blueprint is not a legally binding instrument, it represents an important policy framework that aligns government priorities with industry development objectives by providing strategic guidance for healthcare providers, policymakers, and industry stakeholders. From a governance perspective, the Blueprint functions as more than a promotional strategy; it serves as a coordinating mechanism that seeks to enhance institutional collaboration, encourage innovation, strengthen service integration, and support digital transformation across the healthcare travel ecosystem (MHTC, 2021). Such an approach is consistent with contemporary policy literature, which emphasises the importance of collaborative governance and multi-stakeholder engagement in managing complex sectors that operate across multiple policy domains, including healthcare, tourism, investment, and economic development (Ansell & Gash, 2008; Hall, 2011).

The Blueprint articulates Malaysia's vision of delivering the "Best Malaysia Healthcare Travel Experience" through three interrelated strategic pillars: market development, service excellence, and ecosystem sustainability (MHTC, 2021). These pillars collectively seek to strengthen Malaysia's international competitiveness by improving patient experiences, enhancing healthcare quality and safety, expanding digital capabilities, promoting innovation, and fostering stronger collaboration between public institutions and private healthcare providers. Importantly, the Blueprint reflects a strategic shift from conventional destination marketing approaches towards a more integrated model of healthcare tourism development that prioritises value creation, sustainability, resilience, and long-term industry transformation (Mohd Amin et al., 2024).

The emphasis on ecosystem sustainability is particularly significant given the increasing recognition that healthcare tourism competitiveness depends not only on healthcare quality and affordability but also on broader institutional and regulatory factors. Previous studies have shown that effective governance, regulatory certainty, healthcare accreditation, workforce capacity, infrastructure development, and policy consistency are critical determinants of healthcare tourism success (Johnston et al., 2010; Lunt et al., 2011; Wong & Hazley, 2020). In this regard, the Blueprint acknowledges the need to strengthen industry capabilities while simultaneously ensuring that healthcare tourism growth remains aligned with national healthcare priorities and broader socioeconomic objectives.

Nevertheless, the successful implementation of the Blueprint depends largely on effective execution rather than policy formulation alone. As the Blueprint operates primarily as a strategic guidance document, its recommendations are voluntary and rely heavily on the willingness and capacity of healthcare providers and industry stakeholders to adopt and implement its proposed initiatives. Consequently, implementation outcomes may vary significantly across organisations depending on factors such as financial resources,

technological readiness, workforce competencies, organisational leadership, and institutional commitment to innovation and service improvement (Ansell & Gash, 2008; MHTC, 2021).

Furthermore, achieving the Blueprint's strategic objectives requires sustained investment in digital health infrastructure, healthcare workforce development, research and innovation, data management systems, and international marketing capabilities. The industry must also remain responsive to evolving patient expectations, emerging healthcare technologies, changing regulatory requirements, and increasing competition from regional healthcare tourism destinations such as Thailand, Singapore, India, and Turkey (Connell, 2013; Wong & Hazley, 2020). In addition, policymakers must ensure that healthcare tourism expansion does not create unintended pressures on domestic healthcare resources, workforce availability, or healthcare accessibility for local populations, concerns that have been raised in broader healthcare tourism literature (Hall, 2011; Johnston et al., 2010).

Consequently, while the Malaysia Healthcare Travel Industry Blueprint 2021–2025 provides a comprehensive strategic direction for the sector, its long-term effectiveness should be assessed through measurable and evidence-based outcomes. These may include healthcare traveller arrivals, revenue generation, patient satisfaction levels, service quality indicators, digital transformation achievements, workforce development outcomes, stakeholder participation, and the extent of policy implementation across participating healthcare institutions. Establishing robust monitoring and evaluation mechanisms will therefore be essential to ensuring accountability, identifying implementation gaps, and supporting continuous policy improvement. Such measures will not only facilitate post-pandemic recovery but also contribute to the long-term sustainability, resilience, and international competitiveness of Malaysia's healthcare tourism industry in an increasingly dynamic global healthcare environment.

Conclusion

This paper has examined the development of Malaysia's healthcare tourism industry through an analysis of its policy and institutional framework, with particular emphasis on the role of the Malaysia Healthcare Travel Council (MHTC) and the Malaysia Healthcare Travel Industry Blueprint 2021–2025. The analysis indicates that Malaysia has established a well-developed healthcare tourism ecosystem supported by quality healthcare services, internationally accredited medical facilities, strategic government initiatives, and coordinated institutional governance. The discussion further demonstrates that the Malaysia Healthcare Travel Industry Blueprint 2021–2025 provides a comprehensive strategic framework for industry recovery and growth following the disruptions caused by the COVID-19 pandemic, particularly through its focus on service excellence, digital transformation, market diversification, and ecosystem sustainability.

The findings suggest that Malaysia's healthcare tourism sector derives its competitiveness from a combination of relatively affordable healthcare services, established medical expertise, supportive government policies, and collaboration among healthcare providers, tourism stakeholders, and relevant public agencies. In addition, initiatives promoting Muslim-friendly healthcare services, including halal pharmaceuticals, halal-certified medical devices, and culturally responsive healthcare practices, offer opportunities for Malaysia to further strengthen its appeal among Muslim healthcare travellers and diversify its healthcare tourism offerings within an increasingly competitive global market.

However, the analysis also highlights several challenges that may influence the long-term development of the sector. While the Blueprint provides clear strategic directions, its implementation depends largely on the commitment, resources, and coordination of multiple stakeholders across both public and private sectors. As a strategic policy framework rather than a legally binding instrument, the effectiveness of the Blueprint may be affected by variations in institutional capacity, resource allocation, and implementation consistency. Furthermore, the industry continues to face external pressures, including intensifying regional competition from other healthcare tourism destinations, evolving patient expectations, rapid technological advancements, healthcare workforce shortages, and potential disruptions arising from future global health crises.

To enhance the sustainability and resilience of the healthcare tourism sector, future policy efforts should focus on strengthening regulatory coordination, accelerating digital health integration, investing in workforce development, encouraging service innovation, and improving data collection and performance monitoring mechanisms. Greater emphasis on policy evaluation and evidence-based decision-making will also be important to assess the effectiveness of existing initiatives and identify areas requiring further intervention. Additionally, balancing healthcare tourism growth with domestic healthcare priorities remains an important policy consideration to ensure that industry expansion contributes positively to the broader healthcare system.

In conclusion, Malaysia possesses favourable institutional, policy, and healthcare service foundations that support the continued development of its healthcare tourism industry. Nevertheless, sustaining long-term growth and competitiveness will require effective implementation of strategic initiatives, adaptive governance, ongoing stakeholder collaboration, and responsiveness to emerging industry challenges. Addressing these issues will be critical to ensuring that Malaysia's healthcare tourism sector remains resilient, sustainable, and capable of adapting to future changes in the global healthcare and tourism environment.

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