

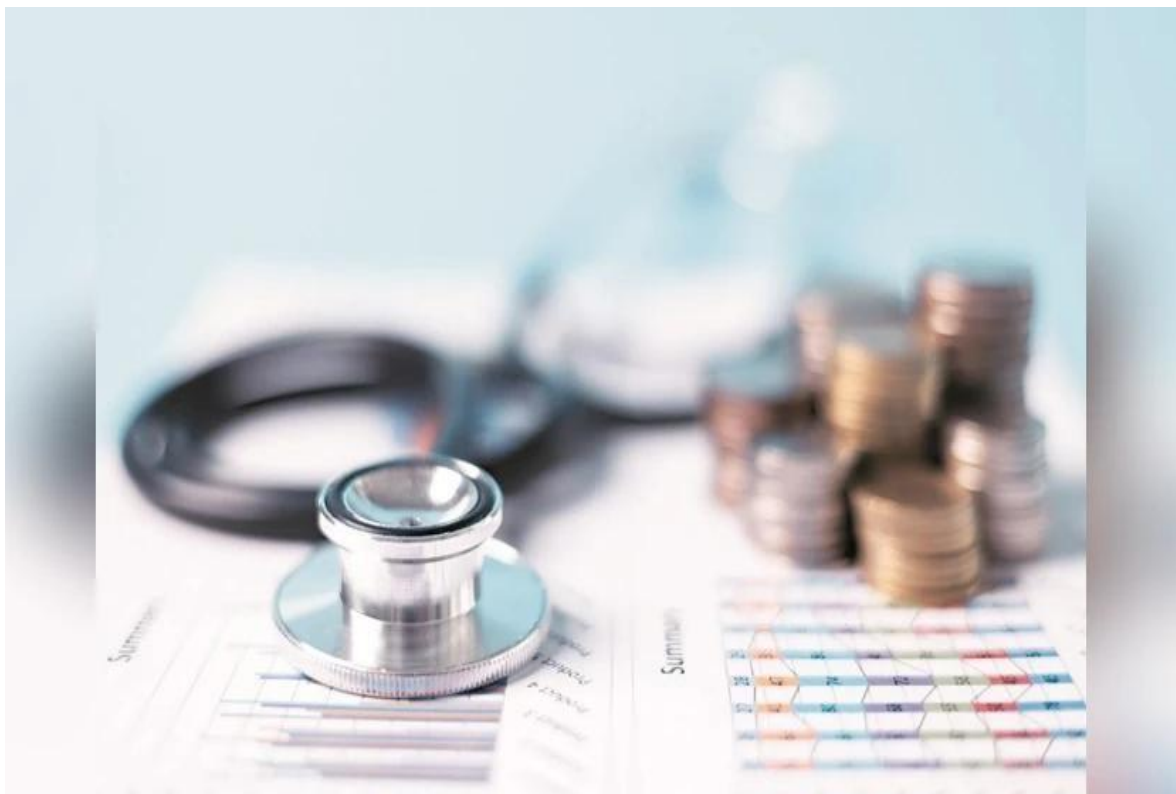
Quote by Nilaya Varma, Group CEO and Co-Founder, Primus Partners

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Budget 2026: India's medical tourism sector gears up for next growth phase

With the medical value tourism market projected to cross ₹1.23 trillion by 2026, industry players see Budget 2026's proposal for regional hubs as a structural boost to India's global healthcare ambitions



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Article Content:

With India's medical value tourism market projected to cross ₹1.23 trillion by 2026, industry experts are optimistic about the sector's medium-to-long term growth, despite short-term disruptions.

The Union Budget 2026 proposes to set up five regional Medical Value Tourism hubs. This has reinforced confidence across hospitals, diagnostics players and policy think tanks, who see the move as a structural positive for India's global healthcare ambitions.

Commenting on the initiative, Nilaya Varma, chief executive officer (CEO) and co-founder of Primus Partners, said the proposed hubs could "position India as a global

healthcare leader” by integrating advanced medical services with Ayush, education and research. Beyond improving care delivery, he noted that the model could act as a strong economic catalyst by generating employment across allied healthcare services and driving investments in diagnostics and research.

From an industry perspective, analysts at India Ratings C Research see the move as structurally positive for hospitals and diagnostics.

According to the agency, the creation of integrated hubs will encourage private sector participation and support capex-led expansion across hospitals, medical colleges and allied healthcare infrastructure. It will improve India’s long-term competitiveness in medical value tourism.

Hospital operators remain optimistic that policy support will translate into higher-value international patient inflows.

“India is well positioned to attract medical travel across specialties such as oncology, cardiac care, orthopaedics and transplants,” said Ashutosh Raghuvanshi, managing director (MD) and CEO of Fortis Healthcare.

Raghuvanshi added that the focus on strengthening tertiary care infrastructure and medical education would further reinforce India’s standing as a trusted global healthcare destination. Similarly, Anisha Chandy Eckardt, MD, HOSMAT Hospitals stated, “From a hospital perspective, the emphasis on medical value tourism hubs is especially significant. It creates the framework for hospitals to scale high-quality, protocol-driven care for international patients while also upgrading systems, technology, and patient safety standards domestically. This has a multiplier effect: better infrastructure, better processes, and better outcomes for all patients, not just inbound ones.”

The improving medium-term outlook comes after a phase of pronounced near-term stress for the medical tourism sector, triggered by a disruption in inflows from Bangladesh. Between April and September of 2024-25, major hospital chains and healthcare providers reported a 25–40 per cent decline in medical tourist arrivals from the neighbouring country. It traditionally accounts for nearly 50–60 per cent of India’s total medical tourism volumes.

The slowdown followed visa restrictions imposed after political developments in Bangladesh, leading to postponement of elective procedures. It also resulted in cancellations of planned treatments and lower bed occupancy at several tertiary care hospitals, with India only allowing emergency visas during the period.

Industry executives, however, believe in the sector’s longer-term growth trajectory. It would be supported by policy clarity, private investment and rising global demand for affordable, high-quality healthcare