

A descriptive analysis with management perspective on the strategic role of Alternative Medicine - AYUSH (Ayurveda, Yoga and Naturopathy, Unani, Siddha, Homeopathy) and wellness programs in the Indian Medical Tourism

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ABSTRACT

Introduction: The Indian healthcare sector has witnessed rapid growth in medical tourism, driven by cost-effectiveness and high-quality services. Concurrently, there is a global paradigm shift toward holistic health, positioning India's traditional systems of medicine—Ayurveda, Yoga, Unani, Siddha, and Homeopathy (AYUSH)—as pivotal components of this industry. **Objective:** This study aims to analyze the integration of AYUSH and wellness programs within the Indian medical tourism sector, assess their economic impact (Direct employment, Direct revenue contributing to GDP (Gross Domestic Product) of India) and evaluate the management strategies driving this growth.

Materials and Methods: A descriptive research design was employed utilizing secondary data sources including government reports, market analyses, and budget allocations over a period of eight weeks. A PESTEL framework (a strategic managerial tool covering political, economical, social ,technological, environmental and legal factors for assessing viabilities, risks and opportunities in medical tourism) was applied to analyze the macro-environmental factors influencing the sector. **Results:** The AYUSH manufacturing sector grew at a CAGR exceeding 30% between 2014-2020, with the industry valuation reaching approximately US\$ 24 billion by 2024. Wellness services are anticipated to hold a dominant industry share of 61.50% of the medical tourism market in 2024. Government support is evident through consistent budgetary increases, reaching Rs. 3647.50 Crores in 2023-24. **Conclusion:** The integration of AYUSH with conventional medical tourism creates a unique value proposition for India. However, management challenges regarding insurance coverage and standardization remain. Strengthening regulatory frameworks and promoting evidence-based integrative practices are recommended.

Key-words: AYUSH, Medical Tourism, Health Management, Wellness Industry, Integrative Healthcare.

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INTRODUCTION

The healthcare sector in India has emerged as a significant domain in terms of both revenue and employment. India’s competitive advantage lies in its large pool of well-trained medical professionals and the low cost of services, which has catalyzed a rise in medical tourism. Within this landscape, the "AYUSH" system (Ayurveda, Yoga and Naturopathy, Unani, Siddha, Homeopathy) serves as a distinct segment attracting international visitors seeking holistic and natural healing methods.¹ The Alternative medicine has evolved tremendously from time immemorial. India has always been an attraction and favoured destination among foreigners for its unique healing practices. A systematic and accredited system of AYUSH places India on the heatmap of medical tourism. The organised healthcare from AYUSH from apex institution to integrating at primary care level not only reaffirms faith in the traditional healing methods but also draws attention of Foreign population to explore this even more.^{1,2} The term AYUSH, derived from the Sanskrit phrase "ayushman bhava" (meaning long life), represents a time-tested holistic approach to healthcare. While these systems faced negligence during the colonial period, the post-independence era, particularly following the formation of the Ministry of Ayush in 2014, has seen a revival of these traditional systems.^{1,2} The Ministry of AYUSH has established a well-structured training program to create a trained, qualified and skilled workforce. The practices of AYUSH are now accredited through National Accredited Board of Hospitals (NABH) leading to improved and quality care access to domestic and international population.²

In the context of health management, the integration of AYUSH into medical tourism represents an evolution in healthcare offerings, combining traditional wisdom with modern amenities. This study aims to examine the management of these alternative medicine methods within medical tourism packages and explore the economic impact and market trends driving this integration.

2. Materials and Methods

2.1 Study Design

This study utilized a descriptive research design to analyze the role of alternative medicine and wellness programs in the Indian medical tourism industry. The descriptive method was chosen to provide a detailed profile of the industry's current status, market trends, and integration strategies based on secondary data.

2.2 Data Collection

The study relied on secondary data sources, including government publications (Ministry of Tourism, Ministry of Ayush), industry reports, and existing literature. The research was conducted over a period of eight weeks. 1-15

2.3 Framework of Analysis

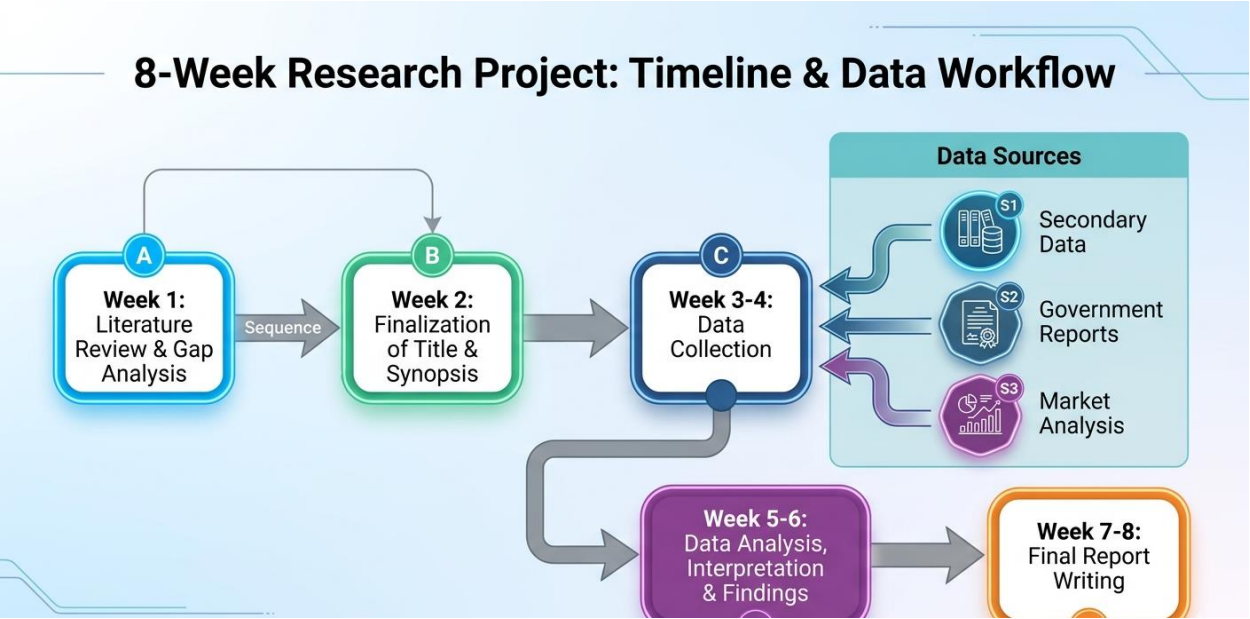
A PESTEL (Political, Economic, Social, Technological, Environmental, and Legal) analysis was employed to understand the external macro-environmental factors influencing the AYUSH and wellness sectors within medical tourism. This framework assists in understanding the management challenges and opportunities within the sector. The six parameters were assessed on the basis of weighted indicators. The performance was assessed and ranked on the five (5) point likert scale. 4

Table 1: The PESTEL framework used in the study to assess medical and wellness tourism

PESTEL Factor	Description	Key Performance Indicators (KPIs)	Performance Ranking (1-5)	Analysis and Strategic Implications
Political	Factors related to government stability, policies, regulations, and political risks.	* Government stability index * Regulatory burden (ease of doing business)	[1-5]	[Analyze the political environment, its impact on the business, and suggest strategic

		* Trade barriers and tariffs * Taxation policies * Political lobbying and influence		responses.]
Economic	Factors related to economic conditions, growth, inflation, interest rates, and consumer spending.	* GDP growth rate * Inflation rate * Interest rates * Unemployment rate * Consumer confidence index * Exchange rates	[1-5]	[Assess the economic climate and its influence on business operations and profitability.]
Social	Factors related to societal trends, demographics, cultural values, and consumer behavior.	* Population demographics (age, education, income) * Consumer lifestyle changes * Cultural norms and values * Attitude towards work and leisure * Social media trends	[1-5]	[Analyze social shifts and their implications for product development, marketing, and workforce management.]
Technological	Factors related to technological advancements, innovation, and technological obsolescence.	* Investment in R&D * Innovation rate * Technological breakthroughs in the industry * Rate of technological adoption by competitors * Infrastructure quality (internet access, etc.)	[1-5]	[Evaluate the technological landscape, identify opportunities for innovation, and assess risks of obsolescence.]
Environmental	Factors related to ecological and	* Environmental regulations and	[1-5]	[Assess the impact of environmental

	environmental concerns, sustainability, and climate change.	compliance * Resource scarcity and costs (water, energy, raw materials) * Green initiatives and practices * Carbon footprint * Climate change impacts on business operations		factors on business sustainability and reputation.]
Legal	Factors related to laws and regulations, including labor laws, intellectual property rights, and consumer protection.	* Labor laws and regulations * Intellectual property laws and enforcement * Consumer protection laws * Competition laws and antitrust regulations * Health and safety standards	[1-5]	[Evaluate the legal environment and its implications for compliance, risk management, and competitive advantage.]



3. Results

3.1 Market Growth and Economic Impact

The AYUSH sector has witnessed substantial

growth. The manufacturing component of the AYUSH industry recorded a Compound

Annual Growth Rate (CAGR) exceeding 30% from 2014 to 2020. By 2024, the manufacturing sector reached a valuation of US\$ 24 billion, and when combined with the service sector (US\$ 26 billion), the total industry value exceeded US\$ 50 billion. Exports of AYUSH and herbal products also saw growth, reaching US\$ 651.17 million in the fiscal year 2023-24.¹⁻⁴

3.2 Budgetary Support

Government commitment to the sector is evident in the consistent increase in budget allocations. The budget estimate for the

AYUSH industry rose from Rs. 1272.15 Crores in 2014-15 to Rs. 3647.50 Crores in 2023-24. This financial support is crucial for the development of infrastructure and promotion of wellness tourism. This budgetary allocation was used for development of teaching and training institutes. Development of Ayurvedic medical colleges and Pakwasa centres. Increased Naturopathy centres at district level. At primary care level BAMS (Bachelor of Ayurvedic Medicine) graduates were given employment.⁵⁻⁷

Table 2: Budgetary Allocation for AYUSH Industry (2014-2024)

Fiscal Year	Budget Estimate (Rs. In Crores)
2014-15	1272.15
2015-16	1214.00
2016-17	1326.20
2017-18	1428.65
2018-19	1626.37
2019-20	1939.76
2020-21	2122.08
2021-22	2970.30
2022-23	3050.00
2023-24	3647.50

[Source: Union Budget Documents, Government of India]

3.3 Medical Tourism Segmentation

Analysis of the medical tourism industry reveals distinct segment preferences:

- Wellness Segment: Anticipated to hold a

dominant industry share of 61.50% in 2024.

- Cardiovascular Treatment: Anticipated to hold a share of 40.20% of the overall industry.⁸⁻¹⁰

Table 3 : Market Share by Service Type in Indian Medical Tourism (2024)

Service Category	Industry Share
Wellness Services	51.50%
Cardiovascular Treatment	40.20%
Others (Prosthetics and dentistry, urology , orthopedics)	9.30%

[Source: Industry Analysis Reports]

3.4 Infrastructure and Key Destinations

India has developed specific hubs for wellness tourism. Kerala is renowned for Ayurvedic

treatments, while Rishikesh is recognized globally as a center for Yoga and meditation. Infrastructure development has been

bolstered by the presence of 38 Joint Commission International (JCI) accredited hospitals and numerous National Accreditation Board for Hospitals (NABH) accredited facilities.¹⁰

4. Discussion

4.1 The Holistic Management Advantage

The findings indicate that the primary appeal of AYUSH in medical tourism is its holistic approach. Unlike the reactive paradigm of conventional medicine which treats illness, wellness programs in India focus on proactive well-being. For instance, Ayurveda aims to keep structural and functional entities in equilibrium to maintain health (Swasthya). This aligns with global management trends where international tourists seek preventive and lifestyle-oriented health solutions.⁵

4.2 Strategic Drivers (PESTEL Analysis Findings)

- Political: The introduction of a specific 'Medical Visa' and government-led promotional campaigns like "Incredible India" have facilitated sector growth.
- Economic: The cost-effectiveness of treatments compared to Western countries remains a major driver.
- Social: Increasing global awareness of "natural" healing and cultural acceptance of systems like Yoga contribute to high demand.⁶

4.3 Challenges in Sector Management

Despite the growth, the study identified gaps

in the sector. A significant limitation is that alternative therapies are not always covered by insurance plans, reducing accessibility. Furthermore, there is a need for stricter standardization of practices and quality assurance to maintain international credibility. The variability in quality across different centers necessitates rigorous accreditation processes.¹¹⁻¹⁵

5. Conclusion

The role of AYUSH and wellness programs in the Indian medical tourism industry is pivotal and expanding. The sector creates a unique value proposition by blending ancient healthcare wisdom with modern medical infrastructure. With the wellness market projected to reach US\$ 26.55 billion by 2029, India is well-positioned to lead the global wellness tourism market. However, to sustain this growth, stakeholders must address the lack of insurance coverage and ensure robust quality standards. Future management strategies should focus on obtaining international accreditations for AYUSH centers and fostering deeper collaboration between traditional practitioners and modern medical institutions.

6. Limitations

This secondary data analysis draws attention to expansion of medical tourism and quality service provision by traditional and alternative medicine. Longitudinal analytical studies can be planned on the findings of our study.

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