

An analysis of the readiness of Surabaya city government to implement international medical tourism

Tasya Rachmadila Ramadhani

Universitas Islam Negeri Sunan Ampel Surabaya
Email: tasyaaarachma@gmail.com

Abstract – Surabaya has great potential to develop international medical tourism, but the city is still in the early stages of this process. One of the challenges is that the preparation for launching this project has been ongoing for a long time, starting from the COVID-19 period. This study aims to analyse the efforts made by the Surabaya City Government in preparing the development of international medical tourism, focusing on the city's readiness to enter the international market. This research uses an evaluative approach by adopting the Uppsala Model to understand and assess the stages of readiness and the actions that have been taken. The findings show that the Surabaya Tourism Office has taken an important step by looking for local travel agencies with international networks, working together with hospitals, clinics, and laboratories in Surabaya. Bappedalitbang also plays a leading role in coordinating and strengthening collaboration among related sectors in developing medical tourism. Based on the Uppsala Model analysis, Surabaya is expected to gain a better understanding of international market needs by collecting in-depth information about medical political regulations, patients' socio-cultural backgrounds, and the types of medical services needed, including economic and tourism-related aspects, especially from patients in Southeast Asian countries. This will serve as an important foundation for improving the city's readiness and accelerating its expansion into the international medical tourism market.

Keywords: international medical tourism, Surabaya tourism development, uppsala model, medical tourism readiness, Southeast Asian health tourism

1. Introduction

Each year, international medical tourism continues to demonstrate global growth, driven by the increasing public interest in obtaining high-quality healthcare services abroad. which in turn stimulates the tourism sector and the economy of destination countries (Jus, 2020). According to the United Nations World Tourism Organization (UNWTO), medical tourism refers to the travel of individuals beyond their local area or abroad to obtain healthcare services, ranging from routine check-ups and treatments to medical procedures and post-illness recovery (United Nation World Tourism Organization, 2023). In addition, the World Travel and Tourism Council (WTTC) defines medical tourists as individuals who travel abroad to purchase medical products and services. Furthermore, they also spend on accommodation, food, and local transportation (Jus, 2020). In Indonesia, this is regulated under the Regulation of the Minister of Health of the



Republic of Indonesia No. 76 of 2015, which defines medical tourism as travel to other cities or abroad to obtain medical services at hospitals (Menteri Kesehatan Republik Indonesia, 2015).

This is part of cross-border practices that usually emerge in response to inequalities in access to healthcare services. It encourages individuals to travel abroad to receive medical care that is unavailable, unaffordable, or restricted in their home countries. This practice indirectly challenges the sovereignty of states in shaping their healthcare systems, opens space for cross-border solidarity, and creates new forms of international relations in the social and economic fields (Ormond, 2020). Such cross-border interactions or visits also create opportunities for cultural exchange, social understanding, and positive perceptions among citizens, which ultimately contribute to the image, reputation, and ties between countries (Alsoud et al., 2021).

In Indonesia, many citizens choose to seek medical treatment abroad, particularly in neighbouring countries such as Malaysia and Singapore, due to the perception that domestic healthcare services are inadequate, expensive, and unreliable. This phenomenon greatly benefits destination countries like Malaysia and Singapore, as Indonesian patients are among the largest contributors to their medical tourism sectors, accounting for more than 75% of Malaysia's medical tourism revenue and 60% for Singapore. For these countries, Indonesian patients are not only an economic resource but also help strengthen the reputation of their healthcare services in the Southeast Asian region (Asa et al., 2024)

One of the cities in Indonesia whose residents most frequently seek medical treatment abroad is Surabaya. According to the Surabaya City Tourism Office, around 70% of Indonesians who choose to receive medical treatment in Malaysia come from Surabaya. To reduce this number and to maximize the potential of millions of international tourists visiting each year, the Surabaya City Government has been preparing the development of international medical tourism since the COVID-19 pandemic. This strategy is aimed not only at retaining local patients but also at attracting foreign tourists who come specifically to receive medical services in Surabaya. However, despite early preparations, the official launch of this program is scheduled for 2025, lagging behind other cities such as Malang and Denpasar, which have already introduced similar programs. The internationalization process of medical tourism in Surabaya also faces managerial challenges, even though it holds significant potential to enhance the city's competitiveness in the global healthcare and tourism sectors.

This situation reflects that the internationalization process of medical tourism in Surabaya is still at an early stage, in line with the ideas of Jan Johanson in the Uppsala model, which he developed together with Jan-Erik Vahlne. According to them, internationalization is not the result of an instant strategy, but rather a gradual process influenced by limited market knowledge and the high level of uncertainty perceived by policymakers or business actors (Johanson et al., 1977). In the context of Surabaya, although the initiative began during the pandemic, the delayed launch of the program compared to other cities in Indonesia such as Denpasar and Malang highlights the need to build a deeper understanding and experience of the dynamics of international medical tourism markets. This model emphasizes that knowledge gained directly through experience (experiential knowledge) is a key factor in driving decisions to expand market commitments (Johanson et al., 1977). Thus, the gradual approach taken by Surabaya is not merely a form of delay, but reflects an adaptive strategy in responding to the complexities of the global market that they have not yet fully mastered.

This study examines that the efforts made by the Surabaya City Government have not been optimal. Therefore, this research aims to analyse the initiatives carried out by the Surabaya City Government in preparing and developing this sector. The author will examine Surabaya's readiness to implement international medical tourism using the Uppsala Model developed by Jan Johanson and Jan Erik Vahlne. Through this study, the author will also provide recommendations on steps that can be taken to improve the effectiveness of international medical tourism development in Surabaya.



A number of previous studies have explored the dynamics of international medical tourism from various perspectives. Medhekar et al (2014) developed a conceptual framework that positions medical tourism as an innovation in global healthcare services, highlighting three main drivers: low cost, short waiting times, and high-quality services meeting international standards (Medhekar et al., 2013). Meanwhile, Chee et al (2017) emphasized that although international medical travel in Asia has grown rapidly, the sector still faces challenges such as unequal access, questions of state legitimacy, and the readiness of domestic systems. (Chee et al., 2017) On the other hand, Borg and Ljungbo (2018) stressed the importance of market-oriented strategies in enhancing the competitiveness and service quality of medical tourism destinations (Borg & Ljungbo, 2018).

Moreover, the development of medical tourism presents challenges not only at the national level but also at the city level, requiring a gradual strategy as explained in the Uppsala Model. For example, Supriadi et al. (2023) identified three major obstacles often faced by Indonesia: difficulties in obtaining visas for foreign patients, unclear regulations regarding malpractice, and ethical concerns in promoting health services. These issues indicate that a gradual and experience-based approach is necessary to understand and mitigate the risks of entering foreign markets. (Supriadi et al., 2024) Furthermore, according to Zijian Zhao (2022), if a city aims to be recognized as an international medical tourism destination, it is crucial to develop a strong city image, clear communication, and cross-sectoral collaboration. This is particularly important given that health services are intangible and require a high level of patient trust. (Zhao et al., 2022) In addition, Coviello and Martin (1999) once questioned whether the Uppsala Model could be applied to the service sector. However, they concluded that despite the unique characteristics of services—such as intangibility and the need for human interaction—the step-by-step process through relationships and experiential learning remains relevant, including for services like medical tourism (Coviello & Martin, 1999).

The lack of studies at the city level, particularly in the context of developing cities like Surabaya, presents a significant gap for further exploration. Although various studies have discussed the dynamics of medical tourism at national and regional levels, there is still limited research that specifically examines how city governments prepare infrastructure, regulations, and promotional strategies step by step to enter the international market. Therefore, this study seeks to fill this gap by analysing the readiness of the Surabaya City Government in implementing international medical tourism.

2. Method

This study uses an evaluative approach with the aim of gaining a deeper understanding of the readiness for the internationalization process of medical tourism being developed by the Surabaya City Government. This approach was chosen because it aligns with the objective of this study, which focuses on describing the ongoing process and dynamics. Primary data was collected during the author's four-month internship at the Department of Culture, Youth and Sports, and Tourism of Surabaya City.

During this period, the author conducted direct interviews with several department staff members, particularly with the internship supervisor who also serves as the Head of Tourism Development, with an academic background in public health. The interview technique was chosen because, according to Klotz & Prakash, the researcher has the freedom to ask questions that might not be raised in ordinary conversations with strangers. Moreover, active and supportive listening can empower the interviewee. This kind of attentive listening can help the researcher reflect more deeply and creatively, opening space to think in new or deeper ways about their experiences and insights. (Klotz, Audie and Prakash, 2008) In addition to interviews, the author also participated in several internal meetings and discussions regarding the medical



tourism agenda, which provided contextual understanding of the strategies and policies being formulated.

To complement the primary data, this study also uses secondary data obtained through document analysis from various official sources, such as the official websites of the Surabaya City Government and the Regional Development Planning, Research, and Development Agency (Bappedalitbang) of Surabaya, as well as websites of travel agencies that collaborate with the government to support medical tourism. Due to time limitations, the author was unable to conduct direct interviews with travel agencies, even though such data is important to understand promotional strategies from political, legal, economic, and socio-cultural aspects, which are part of the Uppsala Model analysis. Therefore, to fill the gap in primary data, the author used secondary data from journal article and particularly ASEAN reports article for analysis. All collected data was then analysed evaluatively to describe the processes, patterns of collaboration, and internationalization strategies adopted in the development of medical tourism in Surabaya. As explained by Klotz & Prakash, this method allows analysis of local dynamics in relation to the structures and actors involved. (Klotz, Audie and Prakash, 2008)

3. Results and Discussion

3.1 Surabaya's Potential as an International Medical Tourism Destination

In the middle of increasing global mobility in the healthcare sector, Surabaya is starting to show its potential as a medical tourism destination in Southeast Asia. The presence of hospitals with specialized services such as orthopedics, neurology, fertility, and oncology strengthens Surabaya's role in the regional competition among medical cities. Moreover, internationally accredited hospitals also support Surabaya's position. One example is Dr. Soetomo General Hospital, which has received international accreditation from the Joint Commission International (JCI), making it one of only 66 General Academic Medical Centers in the world. (*RSUD Dr. Soetomo Berhasil Mendapatkan Kembali Akreditasi Internasional Sebagai General Academic Medical Center Dari Joint Commission International (JCI)*, 2025) The Surabaya City Government is also confident that the availability of an oncology center can reduce the number of patients seeking treatment abroad by up to 50 percent. This shows a shift in people's preferences when accessing healthcare services and opens space for local actors to take part in the global development of the medical sector.

However, the readiness among healthcare institutions is uneven. Private hospitals tend to be more adaptable to international market demands due to their operational flexibility, ability to package services, and partnerships with travel agencies and insurance companies that reach global markets. A profit-based approach allows private hospitals to be more proactive in responding to international healthcare service opportunities. For instance, Siloam General Hospital in Surabaya recorded the highest number of international patients among other hospitals in the city. Data from 2019 to 2023 shows that Surabaya received an average of around 1,300 international patients annually. This number indicates Surabaya's connection to the cross-border patient mobility network and its role as a subnational actor contributing to health diplomacy and regional integration. On the other hand, government-owned hospitals still face various structural challenges, especially regarding administrative capacity and the high domestic service burden, most of which are related to the implementation of the National Health Insurance Scheme.

Beyond the medical aspect, tourism attractions further strengthen Surabaya's position as a competitive medical tourism destination in the region. International tourists now seek not only high-quality healthcare services but also a comfortable recovery experience integrated with relaxation and local culture. Surabaya has great potential through its diverse cultural and culinary destinations, supported by accommodation infrastructure such as star-rated hotels with recovery facilities and good transportation connectivity. Some of the most visited locations by



international tourists include the Submarine Monument (Monkasel), Ciputra Golf, Surabaya Zoo, 10th November Museum, and Cheng Hoo Mosque. The millions of international tourists visiting Surabaya annually also make medical tourism a strategic opportunity, allowing visitors to undergo health check-ups while enjoying the tourism experience in one visit.

In the regional medical tourism competition, Malaysia serves as an example for Surabaya. As Indonesia's neighbouring country, Malaysia actively promotes its medical tourism by opening up markets in Indonesia. This move demonstrates that medical tourism is not only about the quality of hospitals or medical personnel but also involves cross-regional cooperation, ease of access, and public trust in foreign services. For cities like Surabaya, this situation serves as a reminder of the importance of strengthening capacity, not only in medical services but also in building competitiveness and enhancing the city's image as an alternative medical tourism destination in a rapidly growing region.

The Ministry of Health Regulation No. 76 of 2015 on Medical Tourism Services is an effort by the government to provide a legal framework for hospitals wanting to develop medical tourism services. This regulation includes service standards, cooperation mechanisms with third parties (such as travel agencies and insurance companies), and integrated reporting systems. On the other hand, this policy also encourages hospital branding, the improvement of human resources, and the promotion of services based on local excellence. In other words, this regulation not only regulates technical matters but also opens up strategic space for regions to become more actively involved in the health tourism ecosystem. This regulation can be seen as an instrument bridging local interests and global dynamics. If implemented consistently, accompanied by synergy between the city government, hospitals, tourism stakeholders, and international partners, Surabaya has a great opportunity to stand out. This will also serve as a contribution from Surabaya to health diplomacy and regional integration through the soft power route.

3.2 Efforts to Develop Surabaya's International Medical Tourism

The development of international medical tourism in Surabaya has progressed through a dynamic process. Initially, the efforts did not originate from formal government institutions but rather from the initiatives of health professionals acting as local private entities. These individuals began promoting Surabaya's hospital services to international markets independently. This initiative involved creating online platforms, promotional networks, and direct partnerships with several hospitals. While informal and limited in scope, this marked the beginning of Surabaya's aspiration to engage in the global healthcare sector.

However, as these efforts began to touch upon hospital funding, resistance from the local government emerged. The government then took over the narrative of developing medical tourism and sought to build a more structured approach. The establishment of a dedicated agency for medical tourism became a significant turning point in transforming Surabaya's role, from a local actor to an institution aiming for regional influence. A model integrating hospitals, educational institutions, insurance sectors, and tourism promotion was even developed—structurally resembling the national medical tourism agencies in countries like South Korea. The process reached the stage of signing memorandums of understanding and planning funding through local state-owned enterprises, but institutional limitations prevented the project from being officially launched.

Subsequently, tension arose between the two main agencies—health and tourism—regarding cross-sector coordination challenges. Each institution viewed the promotion or service as the responsibility of the other, slowing down the formation of institutional consensus. At this point, Bappedalitbang (the Regional Development Planning Agency) emerged as an intermediary, acting as a policy broker to unite the interests of the two previously opposing sectors. This coordination became a key part of the early institutionalization process, a crucial prerequisite for the transformation of domestic actors toward international arenas.

In parallel, the promotion and development approach shifted towards a more pragmatic model. The city government began exploring direct collaborations between hospitals and



international travel agencies, without waiting for the formal launch of a program. International travel agencies such as Kaha Tours and Monas Travel—considered top international travel agencies—were involved in discussions to develop medical service packages that included specialist consultations, accommodation, transportation, and even recovery tourism itineraries. This model is based on trust and flexibility, two key elements for Surabaya’s medical tourism expansion into international markets. The travel agencies even set standards for pricing and service quality to avoid discriminatory practices often faced by foreign patients in developing countries. This highlights a collective awareness that competition in the global healthcare market demands professionalism and competitiveness on par with strong medical tourism destinations such as Penang, Malaysia.

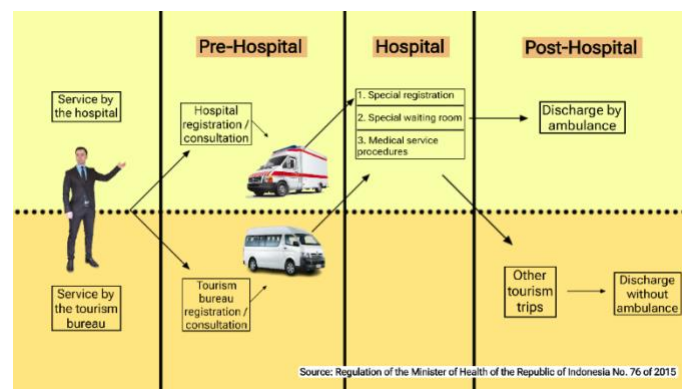


Figure 1 Medical Tourism Service Flow in Indonesia
Source: Regulation of the Minister of the Republic Indonesia No. 76 of 2015
(Menteri Kesehatan Republik Indonesia, 2015)

The medical tourism service scheme in Surabaya is structured in three stages. First, patients are picked up from the airport and taken to their hotel or accommodation, where they are assisted with registration either through the hospital or travel agency. After the medical procedure is completed, patients can either be directly returned home by ambulance or continue with light tourism in Surabaya before returning to their home country. This model is designed to integrate medical services with a safe and structured tourism experience.

The Surabaya City Tourism Office plays a key role in connecting hospitals, travel agencies, and service providers to support the development of medical tourism. They actively seek out and recommend travel agencies capable of serving international patients, while also facilitating coordination in the creation of medical service packages. Several travel agencies, including Monas Tours & Travel, Kaha Tours, Felia Tour & Travel, Elveka Tour and Travel, Ashanty Tour and Travel, and Haryono Travel, have partnered to offer medical tourism packages that cover transportation, accommodation, and recovery itineraries designed to meet global comfort standards and expectations. These agencies promote the various health service packages created by hospitals, clinics, and laboratories in Surabaya to international markets. Additionally, they handle travel arrangements for international patients during their stay in Surabaya.

As part of long-term planning, in 2024, Bappedalitbang (the Regional Development Planning Agency) developed a roadmap for medical tourism development consisting of four stages. The first stage, starting in early 2025, will focus on meeting hospital requirements and the official launch of Surabaya Medical Tourism. At this stage, hospitals will be formally designated as medical tourism providers in accordance with national regulations. The second stage, designed for the short term (1-2 years), will focus on strengthening medical infrastructure, training human resources, and obtaining international accreditation. These efforts aim to ensure that the services



provided meet not only national standards but are also accepted in regional and international markets. The third stage, covering the medium term (2-4 years), will focus on enhancing the city's appeal as a recovery destination. Improving non-medical services such as hospitality, tourism comfort, and security will be prioritized, alongside expanding research and promotion of medical tourism at the national level. The fourth stage, a long-term goal (4-10 years), will target regional and international promotion and collaboration, especially within the ASEAN region. The city's branding as a medical tourism destination will be strengthened, alongside cross-border promotional efforts and participation in forums for city and medical institution cooperation in the region.

This entire process illustrates how Surabaya is beginning to establish itself as a sub-national actor involved in the globalization of health services. Although it started from a local initiative, Surabaya's development of medical tourism is now being directed in a gradual, structured manner, with sectoral cooperation. This marks the beginning of Surabaya's transformation into a part of the Southeast Asian network of cities competing in health diplomacy and services based on cross-border mobility.

3.3 Internationalization through the Lens of the Uppsala Model

Surabaya as the second-largest city in Indonesia (*Penduduk & Tenaga Kerja*, n.d.), has great potential for developing medical tourism, supported by high-quality healthcare facilities such as Siloam Hospital, Mitra Keluarga Hospital, and Dr. Soetomo Hospital, all of which are internationally accredited. The internationalization efforts of medical tourism in Surabaya can be seen through collaborations with medical travel agencies to offer health and tour packages, as well as active support from the city government in developing supporting infrastructures such as transportation, accommodation, and other facilities. This indicates that Surabaya has a strong foundation to expand further as an international medical tourism destination.

Considering the ongoing process, the Uppsala Model becomes a relevant framework to analyse these internationalization efforts. The Uppsala Model explains that the internationalization process occurs gradually, beginning with cautious approaches in the domestic market or in psychologically close markets, before expanding into broader international markets. This model emphasizes that expansion is carried out progressively, in line with the growth of experience and available resources (Johanson et al., 1977).

The Uppsala Model is suitable for analysing the internationalization process of Surabaya's medical tourism because this approach acknowledges the limitations of resources and experience during the initial stages of expansion. (Johanson, Jan and Vahlne, 1977) In line with the principles of the Uppsala Model, Surabaya's internationalization process in developing medical tourism is carried out gradually. Surabaya initially focuses on strengthening the domestic market to accumulate experience and reduce uncertainty before expanding its reach to international markets. This gradual approach enables Surabaya to build a stronger foundation, consistent with the Uppsala Model's assumption that international expansion should ideally occur after a company or city has gained sufficient experience in more familiar markets. (Johanson, Jan and Vahlne, 1977)

In addition to its relevance for the manufacturing sector, the Uppsala Model can also be applied to analyse the internationalization of service sectors such as medical tourism. This is because, although services possess distinct characteristics—such as intangibility, high customer involvement, and a strong reliance on trust—they still tend to follow a similar step-by-step expansion pattern. Research by Blomstermo et al. (2006), who were among those who extended the application of the Uppsala Model to the service sector, demonstrates that service firms also progressively accumulate market knowledge and build local networks before making deeper commitments in international markets (Blomstermo et al., 2006).





Figure 2 Stages of International Market Entry and Expansion Strategy
Source: Uppsala model of 1977 (Johanson et al., 1977)

The Uppsala Model explains that the internationalization process of a company takes place gradually, starting from indirect exports, then moving through agents, establishing sales subsidiaries, and eventually engaging in production abroad as the company gains more experience and market knowledge (Johanson & Vahlne, 1977). The main function of this model is to help companies understand and manage risks in global markets through a step-by-step learning process. However, in the context of modern business, this process is influenced by new dynamics such as digitalization and international networks, which accelerate internationalization decisions (Forsgren, 2016). In addition, companies also need dynamic capabilities, such as the ability to adapt to rapid external changes, in order to remain relevant in global competition (Vahlne & Johanson, 2017).

The internationalization process undertaken by Surabaya can be understood within the framework of the Uppsala Model. Based on this model, the city appears to be building its expansion gradually, starting from a domestic focus and slowly moving toward international markets.

3.3.1 Stage 1: No Export

The first stage of this model is clearly seen in Surabaya's current focus on the domestic market, namely Indonesia, and on ensuring stability in the medical sector. In this phase, Surabaya is trying to reduce its citizens' dependence on seeking medical treatment abroad by introducing remote medical services and strengthening promotion in the domestic market. One of the efforts is designing health and tourism packages that will later be offered to international patients. This initiative is carried out by travel agencies in collaboration with hospitals, and coordinated by the Surabaya City Tourism Office. This reflects a more cautious and gradual approach in developing the medical sector, in line with the early stage of the Uppsala Model, which emphasizes expansion in the domestic market before entering international markets.

3.3.2 Stage 2: Exporting Via an Agent

In the next stage, Surabaya strengthens its local network by establishing collaborations with various stakeholders, including health departments, hospitals, and travel agencies. As noted by Blomstermo et al. (2006) such efforts represent a form of local commitment to developing toward international markets. However, while Surabaya has taken several steps to unlock its international potential, such as partnering with international travel agencies, the city still faces constraints in moving to the next stage. At this point, Surabaya has only begun to introduce itself to the international market, but there has not yet been any significant development toward broader international expansion. This reflects a common challenge described in the Uppsala



Model, in which newly internationalizing firms or cities typically require more time and resources to adapt to new markets and to build a stronger international network.

Although Surabaya has not yet reached a stage of significant international expansion, several strategic steps have been taken that reflect its potential to move into the second stage of the Uppsala Model. One such step is establishing collaborations with international travel agencies. This is consistent with the early phase of the Uppsala Model, which involves expansion through intermediaries or agents. These collaborations open opportunities for Surabaya to introduce its medical and tourism services to the international market. However, despite these initiatives, greater efforts in marketing and higher service standards are necessary to meet international market expectations.

3.3.3 Stage 3: Sales Subsidiary

Although Surabaya has not yet reached this stage. To continue its international expansion, it is important for Surabaya to understand the next stage, which involves establishing a sales subsidiary. One example that could serve as a reference is South Korea through the Korea Health Industry Development Institute (KHIDI), which established branch offices in various countries to expand its medical services market. Through this model, South Korea not only promotes its healthcare services but also builds trust by establishing a direct presence in international markets. (*About Korea Health Industry Development Institute*, n.d.) Surabaya could adopt a similar strategy by establishing an official unit or representative office abroad to ensure service standards are maintained and to meet the specific needs of international patients.

3.3.4 Stage 4: Foreign Production and Sales Subsidiary

However, when it comes to the production subsidiary stage, applying it to international medical tourism would be less relevant. The main characteristic of medical tourism is to attract foreign patients to visit the home country, rather than providing medical services through physical facilities abroad. Therefore, instead of building production units in other countries, a more appropriate strategy would be to strengthen promotion efforts, expand international cooperation networks, and maintain the quality of domestic services. (Felix, 2021) Particularly in terms of establishing partnerships, this is essential because it represents one of the key patterns of expansion in the Uppsala Model for the service sector. Building partnerships helps expand networks. The updated version of the Uppsala Model emphasizes that in the service sector, reliance on the quality of relationships is crucial, as sustainable collaboration between service providers and partners is necessary for market expansion (Carneiro et al., 2008).

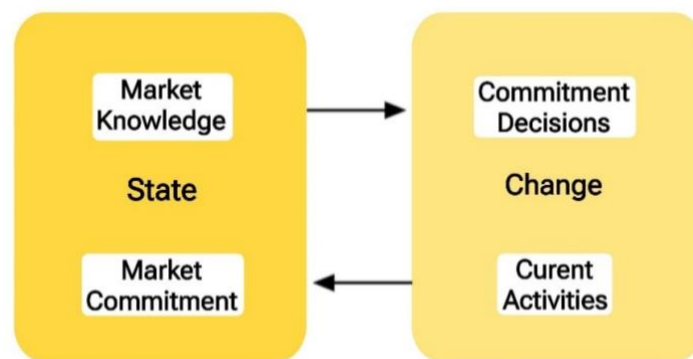


Figure 3 Basic Mechanism of Internationalization State and Change Aspects
Source: Uppsala model of 1977 (Johanson & Vahlne, 1977)

In addition, in understanding the strategic steps that need to be taken, Surabaya should pay closer attention to *market knowledge*, particularly in gaining deeper insights into the needs and



preferences of international markets. This includes understanding the socio-cultural backgrounds of foreign patients, medical policy regulations in target countries, and patient service preferences from an economic perspective. Ideally, this process should begin at the regional level—such as within Indonesia—before expanding to the broader Southeast Asian market. Based on this understanding, Surabaya can make more strategic *commitment decisions*, such as establishing representatives in responsive markets or creating customized service packages tailored to the target market's needs.

Moving forward, Surabaya should also increase its *current activities* that directly engage with foreign markets, such as participating in international medical tourism exhibitions, providing online consultation services for foreign patients, and offering medical interpreter services to support cultural diversity. These activities will enrich Surabaya's market understanding and provide valuable practical experience. Once sufficient knowledge and experience have been accumulated, the city can reinforce its *market commitment* by not only building partnerships with travel agencies but also making tangible investments—such as upgrading internationally standardized medical facilities, improving human resource capabilities, and expanding official partnerships abroad. To support the development of medical tourism, Surabaya must also analyse international markets, as seen in countries like South Korea and Malaysia. Learning from the types of services favoured by medical tourists in those countries can help Surabaya design healthcare facilities and programs that meet global demand while minimizing strategic missteps.

3.4 Regional Opportunities and Challenges

To understand the potential of Surabaya as a medical tourism destination at the regional level, it is important to analyse the Southeast Asian market using social, cultural, political, legal, and economic perspectives. These five aspects are key to identifying both the opportunities and challenges in promoting and developing Surabaya as a medical tourism hub in Southeast Asia.

Based on the ASEAN Tourism Strategic Plan (ATSP) 2016–2025, the social aspect of medical tourism development is shown through the focus on health and wellness tourism, which aims to meet people's needs for a healthy lifestyle and meaningful travel experiences. This reflects the growing interest among ASEAN citizens, especially the middle class, in combining travel with health. The ATSP includes services such as spas, fitness centers, and specialized medical care as part of regional cooperation. With better quality of life and more urban lifestyles, people are becoming more aware of health and well-being. Surabaya can respond to these trends by offering medical tourism that supports not only healing, but also recovery and relaxation—making it attractive to regional tourists seeking both treatment and comfort (The ASEAN Secretariat, n.d.).

The ATSP also states that preserving and promoting cultural heritage is an important part of a sustainable and inclusive tourism strategy. This is highly relevant to medical tourism, as international patients are not only looking for quality medical services, but also for a comfortable, familiar experience rooted in local values. Surabaya, located in the heart of East Javanese culture known for its friendliness, religious life, and strong community ties, has a great opportunity to include these local cultural values in welcoming and serving foreign patients. For example, hospitals and travel agencies can design services that respect spiritual needs and traditions unique to Surabaya. By making culture part of the service, Surabaya can promote itself not only as a medical city but also as a place that offers a meaningful and memorable experience for patients from neighbouring countries with similar cultural backgrounds (The ASEAN Secretariat, n.d.).

The political aspect of developing medical tourism in the ASEAN region is marked by the collective commitment of member countries to strengthen regional cooperation in the tourism sector. The ASEAN Tourism Agreement highlights the importance of collaboration among member states in building ASEAN as a single, competitive, and sustainable tourism destination. This includes the development of joint policies, harmonization of service standards, and



integrated promotion involving both public and private sectors. These efforts provide an opportunity for Surabaya to benefit from the regional cooperation framework to improve its competitiveness as an international healthcare destination. Through policy integration, standard alignment, and support from ASEAN initiatives, Surabaya can strengthen its position in attracting medical tourists from both the region and beyond (The ASEAN Secretariat, 2011).

In terms of legal development and regulations, Indonesia, especially Surabaya is not yet as advanced as neighbouring countries like Thailand. The lack of a clear legal framework can slow down the growth of the medical tourism sector. One major concern is the protection of personal data belonging to foreign patients, especially with the risk of data leaks during cross-border medical information exchanges. There is a need to strengthen legal and regulatory measures, particularly in Surabaya, as Indonesia's current laws do not yet specifically address cross-border medical data protection. This gap can affect the level of trust that international patients have in seeking treatment in the country (Hadiyantina et al., 2022)

In terms of cost, this can be seen from the economic perspective of the Southeast Asian region. Economic growth in ASEAN countries, along with the rise of the middle class and increasing purchasing power, has created a new market for premium healthcare services. The ASEAN Investment Report 2019 noted that the services sector, including healthcare, became the top recipient of foreign direct investment (FDI) in the region, rising from 50% during 1999–2003 to 66% in 2014–2018. The growing demand for healthcare services in ASEAN is driven by population growth, demographic changes, universal health programs, and a rise in non-communicable diseases – indicating a need for further investment in this sector.

Countries like Singapore and Malaysia have taken advantage of this by developing medical tourism as a leading service export sector. Indonesia, especially major cities like Surabaya, is still behind but has the potential to catch up. With lower living and medical costs compared to established medical cities like Penang or Bangkok, and with the presence of internationally accredited private hospitals and good transport infrastructure, Surabaya has promising initial capital. However, to truly become part of the ASEAN medical tourism map, Surabaya must promote itself using data-driven strategies and address the specific needs of the regional market. This approach aligns with ASEAN's recommendation to build a competitive healthcare environment in the region. (The ASEAN Secretariat, 2019)

Overall, the opportunities and challenges show that Surabaya has strong potential to be promoted and recognized as an international medical tourism destination. The city's strengths lie in its more affordable healthcare services compared to regional medical hubs like Penang or Bangkok, and its ability to combine medical care with friendly and religious local cultural values, offering a comfortable and memorable experience for foreign patients. This opportunity is further supported by the growing awareness of healthy lifestyles among ASEAN citizens, the expansion of the middle class, and regional policy support through the ASEAN Tourism Strategic Plan 2016–2025. Although there are still obstacles, such as underdeveloped regulations and limited cross-border medical data protection, Surabaya has a solid foundation to be actively promoted as a leading medical tourism city in Southeast Asia.

4. Conclusion

Based on the analysis conducted, Surabaya shows promising potential to develop its international medical tourism sector. However, further steps are needed to expand into international markets. Currently, Surabaya remains in the early stages of the Uppsala Model, focusing more on strengthening the domestic market and establishing a stable foundation. Some of the initiatives already taken include introducing telemedicine services to increase access for patients and enhancing domestic promotional efforts. The Surabaya City Government has also initiated collaborations with hospitals and international travel agencies to promote and facilitate the



arrival of international patients, although these partnerships remain limited and need to be expanded. These efforts are crucial as a strong base before Surabaya can move forward into broader international market engagement. Despite positive progress, these efforts must be reinforced with more structured and internationally oriented strategies.

Before advancing further into the development of international medical tourism, it is essential for Surabaya to deepen its understanding of international market needs by gathering comprehensive information on medical policy regulations, the socio-cultural context of patients, and the types of medical and tourism services in demand, including economic factors. In addition, Surabaya needs to begin building stronger relationships with international markets, such as exploring the possibility of establishing official representatives or branches abroad—similar to strategies adopted by countries like South Korea, which have successfully built their global networks. These steps can strengthen international trust in the services offered and ensure that the city's medical service standards align with the expectations of foreign patients in the future.

For future research, it is recommended to conduct field studies by interviewing travel agencies and hospitals that are engaged in partnerships. This approach aims to explore how these actors consider marketing strategies for the international market, particularly in Southeast Asia, in terms of both tourism packages and pricing strategies. Such qualitative insights can enrich the understanding of practical challenges and opportunities in the implementation of Surabaya's international medical tourism initiatives.

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