



## BACKGROUND PAPER

# Global Wellness Industry and its Implications for Asia's Development

Ophelia Yeung and Katherine Johnston

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# **THE GLOBAL WELLNESS INDUSTRY AND ITS IMPLICATIONS FOR ASIA'S DEVELOPMENT**

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White Paper for the Asian Development Bank

Ophelia Yeung and Katherine Johnston

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## Authors

Ophelia Yeung and Katherine Johnston, Senior Research Fellows at the Global Wellness Institute, prepared this white paper. Together, they have four decades of experience in leading research and strategy development for businesses, universities, research institutions, and multilateral and government organizations. Since 2008, Ms. Yeung and Ms. Johnston have pioneered research on the global wellness economy for the Global Wellness Summit and the Global Wellness Institute. Ms. Yeung and Ms. Johnston want to thank Dr. Gerry Bodeker (public health academic and clinical psychologist, University of Oxford and Columbia University) for providing advice on this white paper.

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# I. Introduction and Background

Wellness is a word that was not often spoken or seen in print just 10 years ago. Yet, in the last few years, it has become ubiquitous in consumer and trade media and has entered the vernacular all around the world. Consumer interest in all things related to wellness is accelerating, and wellness has become a selling point for all kinds of products and services—from food and vitamins to real estate and vacation packages, and from gym memberships and health care plans to meditation apps and DNA testing kits. The wellness economy is estimated to be a \$4.5 trillion market in 2017–2018.<sup>1</sup> This white paper, commissioned by the Asian Development Bank, examines the definitions and drivers of the global wellness industry, its current size in Asia and globally, its future prospects, and the implications of an expanding wellness industry for Asia’s development.

**Wellness has emerged as an industry only recently, but wellness as a concept and practice has existed for thousands of years.**

Wellness is a modern word with ancient roots. The key tenets of wellness as both preventive and holistic can be traced back to ancient civilizations from the East to the West. Ayurveda, an ancient health care system that was recorded more than 2,000 years ago in sacred Hindu texts, strives to create harmony between body, mind, and spirit.<sup>2</sup> Traditional Chinese medicine (TCM), another one of the world’s oldest systems of medicine, is influenced by Buddhist and Taoist philosophies and extends the concept of health through harmony from the individual to the family, community, and environment.<sup>3</sup> Hippocrates, the ancient Greek physician, was possibly the first member of the medical profession to emphasize the prevention of disease; Hippocrates’ wellness concept is captured in the modern Hippocratic Oath: “I will prevent disease wherever I can, for prevention is preferable to cure.”<sup>4</sup>

A variety of intellectual, religious, and medical movements, which developed in parallel with conventional medicine in 19th century United States and Europe, have provided a firm foundation for wellness today. These focused on holistic and natural approaches, self-healing, and preventive care, including homeopathy, osteopathy, chiropractic, and naturopathy. These kinds of wellness-focused, holistic modalities have gained more visibility since the 1960s and the 1970s under the writings and thought leadership of an informal network of United States physicians and thinkers (such as Halbert

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<sup>1</sup> Global Wellness Institute (GWI). 2019. *Move to be Well: The Global Economy of Physical Activity*. <https://globalwellnessinstitute.org/industry-research/global-economy-physical-activity/>; and GWI 2018. *Global Wellness Economy Monitor 2018*. <https://globalwellnessinstitute.org/industry-research/2018-global-wellness-economy-monitor/>.

<sup>2</sup> A. Guha. No date. Ayurvedic Medicine. *Taking Charge of Your Health & Wellbeing*. Earl E. Bakken Center for Spirituality & Healing, University of Minnesota. <https://www.takingcharge.csh.umn.edu/explore-healing-practices/ayurvedic-medicine> (accessed 19 November 2018).

<sup>3</sup> C. Hafner. No date. Acupuncture and Traditional Chinese Medicine. *Taking Charge of Your Health & Wellbeing*, Earl E. Bakken Center for Spirituality & Healing, University of Minnesota. <https://www.takingcharge.csh.umn.edu/explore-healing-practices/acupuncture> (accessed 19 November 2018).

<sup>4</sup> P. Tyson. 2001. The Hippocratic Oath Today. *Public Broadcasting Service (PBS)*. <https://www.pbs.org/wgbh/nova/article/hippocratic-oath-today/>.

Dunn, Jack Travis, Don Ardell, and Bill Hettler), informing much of the healthy-living, self-help, well-being, fitness, diet, and spirituality movements that are flourishing today.<sup>5</sup>

In regions around the world, the popular understanding and usage of the word wellness may vary because of cultural, historical, and linguistic differences. For example, in Europe, “wellness” is often used in association with activities such as spas, health resorts, thalassotherapy, and the types of nonmedical treatments offered at such facilities. Many Europeans use the term “wellbeing” when referring to a concept of holistic health. In Asia, many ancient spiritual traditions, healing modalities, and life philosophies, including yoga, Ayurveda, TCM, tai chi, reiki, meditation, herbal medicines, and ikigai, are deeply ingrained in the culture and daily life. However, in Asia, these activities may not be associated with the word “wellness” like they are in the West. For example, in the Chinese language, the concept closest to wellness is *yangsheng*, which means “looking after one’s health” or “keeping fit;” while the word “wellness” is translated simply as “health” in Chinese.

As the popularity of wellness practices has grown in recent years, the understanding and usage of the term “wellness” is gradually converging to a universal definition. Simply put, wellness is closely related to, and complementary with, health. Since 1948, the World Health Organization (WHO) has defined “health” as a state of complete physical, mental, and social wellbeing and not merely the absence of disease or infirmity.<sup>6</sup> This definition was significant for going beyond a physical state of simply being free of disease, and also emphasizing a holistic approach that includes the social and mental dimensions.

Notwithstanding some regional variations in the usage of the term, several common threads stand out in the definitions of wellness.

- **Wellness is multidimensional.** It incorporates physical, mental, emotional, social, and other dimensions.
- **Wellness is holistic.** Each dimension influences the other dimensions of wellness, and they must work in harmony.
- **Wellness changes over time and along a continuum.** Wellness is not a static state or an endpoint, but is experienced along a continuum where an individual attempts to move toward an optimal sense of health and wellbeing.
- **Wellness is individual and environmental.** Wellness depends upon individual choices, behaviors, and lifestyles, but is also significantly influenced by the physical, social, and cultural environments in which people live.
- **Wellness is a self-responsibility.** Wellness requires individuals to be aware and proactively make choices that lead to better health and wellbeing.

Wellness is often used synonymously with terms like health, wellbeing, and happiness. While there are common elements among these concepts, especially the multidimensional and holistic aspects, wellness is distinguished from them by not referring to a static state of being (i.e., being happy, in good

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<sup>5</sup> SRI International and Global Spa Summit. 2010. *Spas and the Global Wellness Market: Synergies and Opportunities*. <https://globalwellnessinstitute.org/industry-research/spas-global-wellness-market/>.

<sup>6</sup> WHO. 1948. *Constitution of World Health Organization: Principles*. <https://www.who.int/about/mission/en/>.

health, or a state of wellbeing); rather, wellness is associated with a process of being aware and actively making choices that lead toward an outcome of optimal health. The authors and the Global Wellness Institute (GWI) now use and advocate a definition of wellness that emphasizes its active qualities: “wellness is the active pursuit of activities, choices, and lifestyles that lead to a state of holistic health”.<sup>7</sup>

## The quantification of the global wellness industry is a recent endeavor, and it remains limited and incomplete.

The recent measurement of the global wellness economy as a \$4.5 trillion industry is based on the work of the authors conducted under the auspices of GWI. This work originated in 2008 with the measurement of the global spa industry, a study that was launched to support a newly founded, knowledge-sharing, and “visioning” event known as the Global Spa Summit. Over time, this annual event (renamed the Global Wellness Summit [GWS] in 2015) has grown in both scope and attendance to include more than 600 wellness industry executives across a broad spectrum of wellness segments (e.g., spa, fitness, healthy eating, mental wellness, integrative medicine, and public health) and occupations (e.g., investors, technology experts, physicians, academics, real estate developers, and architects).<sup>8</sup> In 2015, the not-for-profit GWI was established by the GWS founders and leadership to support the activities that are championed by GWS delegates and other wellness industry stakeholders throughout the year. Wellness industry research is one of GWI’s major focuses.

Over the last 10 years, the authors have conducted a number of studies under the auspices of GWI and GWS to quantify six wellness sectors: spas, thermal/mineral springs, wellness tourism, workplace wellness, wellness real estate, and physical activity. For each of these six sectors, the authors created a conceptual framework to define the industry and its boundaries and estimated their size country-by-country to arrive at globally aggregated figures. To our knowledge, these are the only studies that have estimated the size of these six sectors across all the countries in the world using a consistent framework.<sup>9</sup>

In 2014, GWI/GWS commissioned the authors to estimate the size of the global wellness industry for the first time. The authors identified 10 key wellness sectors, estimated their global size at \$3.4 trillion in 2013, and created the term “global wellness economy” to describe these 10 sectors collectively.<sup>10</sup> For the four sectors where we do not produce original country-level data, we employ a variety of secondary sources to derive a global aggregate for each one: healthy eating, nutrition, and weight loss; personal care, beauty, and anti-aging; preventive and personalized medicine and public health; and traditional (indigenous) and complementary medicine. To our knowledge, this was the first time that wellness was defined and measured as a global industry. GWI’s global wellness economy figure has

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<sup>7</sup> GWI. 2018. *Global Wellness Economy Monitor 2018*. <https://globalwellnessinstitute.org/industry-research/2018-global-wellness-economy-monitor/>.

<sup>8</sup> *Global Wellness Summit: About Us*. <https://www.globalwellnesssummit.com/about-us/>.

<sup>9</sup> *Global Wellness Institute: Wellness Industry Research*. <https://globalwellnessinstitute.org/industry-research/>.

<sup>10</sup> GWI. 2014. *Global Spa & Wellness Economy Monitor*. <https://globalwellnessinstitute.org/industry-research/global-spa-wellness-economy-monitor-2014/>.

been updated since, most recently in 2019 (using 2017 and 2018 data).<sup>11</sup> However, we believe that a considerable amount of work remains to be done on sector definitions, data collection, and estimation, especially in the four remaining wellness sectors that have not been studied in detail by GWI, in order to measure the size of the overall wellness industry by country and by region (for the Asia and Pacific region and other regions around the world).

The authors acknowledge that other researchers, economists, and industry analysts may have differing opinions on what constitutes the global wellness industry or the wellness economy. The data and estimates put forth in this white paper are based on our decade of work via GWI/GWS, as well as our collaborations with industry stakeholders worldwide, to understand the history and concept of wellness, how it is translated into economic activities, and how these activities can be defined and quantified. The next sections will present our definitions and measurements of the global wellness economy, both worldwide and in the Asia and Pacific region.

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<sup>11</sup> GWI. 2019. *Move to be Well: The Global Economy of Physical Activity*. <https://globalwellnessinstitute.org/industry-research/global-economy-physical-activity/>; and GWI. 2018. *Global Wellness Economy Monitor 2018*. <https://globalwellnessinstitute.org/industry-research/2018-global-wellness-economy-monitor/>.



### Box 1: A chronology of wellness industry research under the auspices of the Global Wellness Institute, the Global Wellness Summit, and SRI International

- **Global Spa Economy (2008).** Defined the size of the global spa industry for the first time.
- **Spa and the Global Wellness Market (2010).** Offered preliminary definitions of wellness and estimates of the global wellness market, traced the history of wellness as a consumer trend and an emerging industry, and highlighted major trends and drivers.
- **Medical Tourism and Wellness Tourism: Where Do Spas Fit? (2011).** The first comprehensive global study of medical tourism and wellness tourism; understanding their differences; and highlighting global, regional, and country trends.
- **The Global Wellness Tourism Economy (2013).** Defined the category of wellness tourism for the first time, and measured wellness tourism globally and across regions and individual countries (2012 data).
- **The Global Spa & Wellness Economy Monitor (2014).** First global study that defined and measured the 10 sectors in the wellness economy (2013 data), including original data for the global thermal/mineral springs industry for the first time.
- **The Future of Wellness at Work (2016).** Examined issues related to wellness in the workplace and estimated the size of the workplace wellness market across countries and regions.
- **The Global Wellness Economy Monitor (2017).** A global update of data for the 10 wellness sectors and global wellness economy size (2015 data).
- **Build Well to Live Well (2018).** Provided the first global definitions for wellness real estate and communities, estimated the global market size, and catalogued the development pipeline.
- **The Global Wellness Economy Monitor (2018).** Provided updated 2017 data and analysis for the 10 wellness sectors, with original regional- and country-level data for five sectors: wellness real estate, workplace wellness, wellness tourism, spas, and thermal/mineral springs.
- **Move to be Well: The Global Economy of Physical Activity (2019).** The first global study to define and measure physical activity as an industry encompassing three recreational physical activity segments (sports and active recreation, fitness, and mindful movement) and three enabling segments (technology, equipment and supplies, and clothing and apparel).

Source: Global Wellness Institute. <https://globalwellnessinstitute.org/industry-research/>.

## II. The Global Wellness Economy: Definitions, Data, Drivers, and Growth

### What is wellness?

Measuring the size of the wellness economy first requires a clear definition of wellness. In previous research for GWI, the authors have defined wellness as the active pursuit of activities, choices, and lifestyles that lead to a state of holistic health. There are two important aspects to this definition. First, wellness is not a passive or static state, but rather an “active pursuit” that is associated with intentions, choices, and actions. Second, wellness is linked to holistic health, that is, it extends beyond physical health and incorporates many different dimensions, including physical, mental, emotional, spiritual, social, and environmental dimensions (Figure 1).

While this definition aligns with the most common understanding and practice of wellness as it has developed in recent years, other conceptual frameworks for wellness may incorporate additional dimensions such as intellectual wellness, occupational wellness, or financial wellness. The important point is not which specific dimensions are or are not included in the wellness framework, but merely that wellness is multidimensional and is about more than just physical health.

**Figure 1: Wellness is Multidimensional**



Source: Global Wellness Institute.

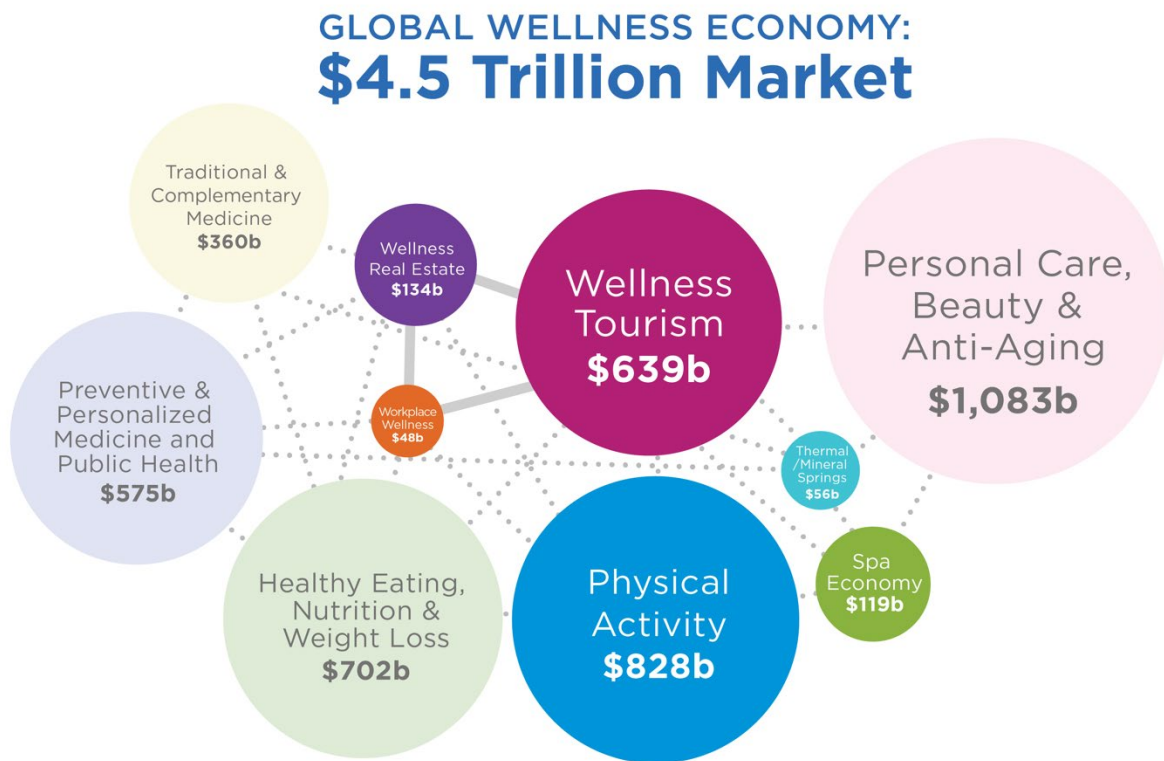
**Wellness** is about more than just physical health. Most models of wellness include at least 6 dimensions (sometimes up to 9 or 12).

- **Physical.** A healthy body through exercise, nutrition, sleep, etc.
- **Mental.** Engagement with the world through learning, problem-solving, creativity, etc.
- **Emotional.** Being in touch with, aware of, accepting of, and able to express one’s feelings (and those of others).
- **Spiritual.** Our search for meaning and purpose in human existence.
- **Social.** Connecting with, interacting with, and contributing to other people and our communities.
- **Environmental.** A healthy physical environment free of hazards; awareness of the role we play in bettering rather than denigrating the natural environment.

## What is the wellness economy?

With this conceptual understanding of wellness, the authors define the wellness economy as “industries that enable consumers to incorporate wellness activities and lifestyles into their daily lives”. Further, the authors identified 10 sectors that are associated with the wellness economy (Figure 2). By aggregating the size of these industries, the authors and GWI estimate the global wellness economy to be worth \$4.5 trillion in 2017–2018.

Figure 2:



Source: Global Wellness Institute.

The 10 sectors in the wellness economy are defined as follows:

- **Wellness real estate.** Expenditures on construction of residential and commercial/institutional (e.g., office, hospitality, mixed-use/multifamily, medical, and leisure) properties that incorporate intentional wellness elements in their design, materials, and building as well as their amenities, services, and/or programming.
- **Workplace wellness.** Expenditures on programs, services, activities, and equipment by employers aimed at improving their employees' health and wellness. These expenditures aim to raise awareness; provide education; offer incentives that address specific health risk factors and behaviors (e.g., lack of exercise, poor eating habits, stress, obesity, and smoking); and encourage employees to adopt healthier lifestyles.

- **Wellness tourism.** The aggregation of all expenditures made by wellness tourists (primary and secondary, international and domestic), including spending on lodging, food and beverage, activities and excursions, shopping, and in-country transportation.
- **Spa economy.** Includes the revenues of spa facilities and the related cluster of sectors that support and enable spa businesses, such as spa education, spa consulting, spa capital investments, spa associations, and spa-related media and events.
- **Thermal/mineral springs.** Encompasses the revenues of business establishments associated with the wellness, recreational, and therapeutic uses of water with special properties, including thermal water, mineral water, and seawater.
- **Physical activity.** Consumer spending associated with intentional physical activities performed during leisure and recreation, including three recreational activity subsectors (sports and active recreation, fitness, and mindful movement) and three enabling subsectors (technology, equipment and supplies, and clothing and apparel).
- **Healthy eating, nutrition, and weight loss.** Includes consumer expenditures on vitamins and supplements, fortified/functional foods and nutraceuticals, natural and organic foods, health foods, sports nutrition, nutrition and dietary services, and weight loss/management products and services.
- **Personal care, beauty, and anti-aging.** Includes consumer expenditures on beauty and salon services (excluding spas); skin, hair, and nail care services and products; cosmetics, toiletries, and other personal care products; dermatology; prescription pharmaceuticals for skin care; as well as products and services that specifically address age-related health and appearance issues, such as cosmetics/cosmeceuticals for skin/face/body care, hair care/growth, and pharmaceuticals/supplements that treat age-related health conditions.
- **Preventive and personalized medicine and public health.** Includes expenditures on medical services that focus on treating “well” people, preventing disease, or detecting risk factors; for example, routine physical exams, diagnostic and screening tests, and genetic testing. Personalized health uses sophisticated information and data for individual patients (including genetic, molecular, and environmental screening, analysis, and diagnostics; personalized disease management services; and health IT such as electronic health records, telemedicine, and remote patient monitoring) to provide tailored approaches for preventing disease, diagnosing and managing risk factors, or managing and treating conditions.
- **Traditional and complementary medicine.** Encompasses expenditures on diverse medical, health care, holistic, and mentally or spiritually based systems, services, and products that are not generally considered to be part of conventional medicine or the dominant health care system, including homeopathic, naturopathic, chiropractic, TCM, Ayurveda, energy healing, and traditional/herbal remedies and supplements. The nomenclature for this sector is evolving alongside growing consumer adoption of traditional/indigenous, complementary, alternative, and integrative medical practices outside of the conventional/Western medical system.

## Box 2: Research Scope and Methodology

The global wellness economy and industry data presented in this report are for 2017 and 2018. The definitions, conceptual framework, and estimation models for the various wellness sectors are developed by the authors under the auspices of the Global Wellness Institute (GWI), consistent with the data and methodologies used in prior GWI studies over the last decade. The authors have developed original, country-level data estimates for six wellness economy sectors: spas, wellness tourism, thermal/mineral springs, workplace wellness, wellness real estate, and physical activity, based on GWI's proprietary models and databases. Global figures for the other four wellness sectors are aggregated from secondary sources.

The 10 wellness sectors that the authors and GWI measure in detail or in aggregate are not defined as industries in national accounts or in national/international industry classification systems; therefore, they are not tracked by governments, and very little data exist to measure them. Similar to the challenges of measuring “high-tech” industries or “green” industries, wellness-related activities cut across traditional industry boundaries, include a mix of products and services, and are not easily categorized. Most wellness sectors are not well-defined or understood across countries and first require definition before they can be measured, especially for very new and emerging segments such as wellness tourism and wellness real estate. The estimation methodologies were developed by the authors, sector-by-sector, over a span of 11 years, to address the needs of public and private sector stakeholders who are interested in understanding these sectors and their growth. The estimation methodologies are not consistent across each sector because they are driven by each sector's definition, availability of data inputs, and the need to develop estimates that are easily communicated to key audiences. For example, some sectors (such as spas and thermal/mineral springs) lend themselves to a “bottom-up” approach, where we can count or estimate the number of business establishments, and then estimate revenues and employment based on key benchmark figures across different subcategories, sizes, and regional contexts. Other sectors (such as wellness tourism and wellness real estate) use a “top-down” approach because overall tourism or construction/real estate expenditures data are available across different countries and regions, and we can estimate the “wellness portion” out of these totals. Since wellness industry measurement is a new and challenging endeavor, the figures and methodologies are still a work-in-progress, and the authors welcome and encourage others to help add rigor to these figures and contribute to definitional and data-collection efforts.

The figures presented in this white paper are based on extensive primary and secondary research conducted in 2018–2019, including literature reviews, data research, and dozens of expert interviews. Key public and private sources consulted include: Euromonitor International, World Bank, International Monetary Fund, World Health Organization, International Labour Organization, World Travel & Tourism Council, World Tourism Organization (UNWTO), U.S. Bureau of Labor Statistics, U.S. National Institutes of Health, ISPA, IHRSA, global travel promotion and booking websites; along with numerous country-specific and industry-specific organizations, databases, publications and media sources (e.g., the *2018 Global Wellness Trends Report* by the Global Wellness Summit, *Spa Business Handbook*, and *Spa Business Magazine*).

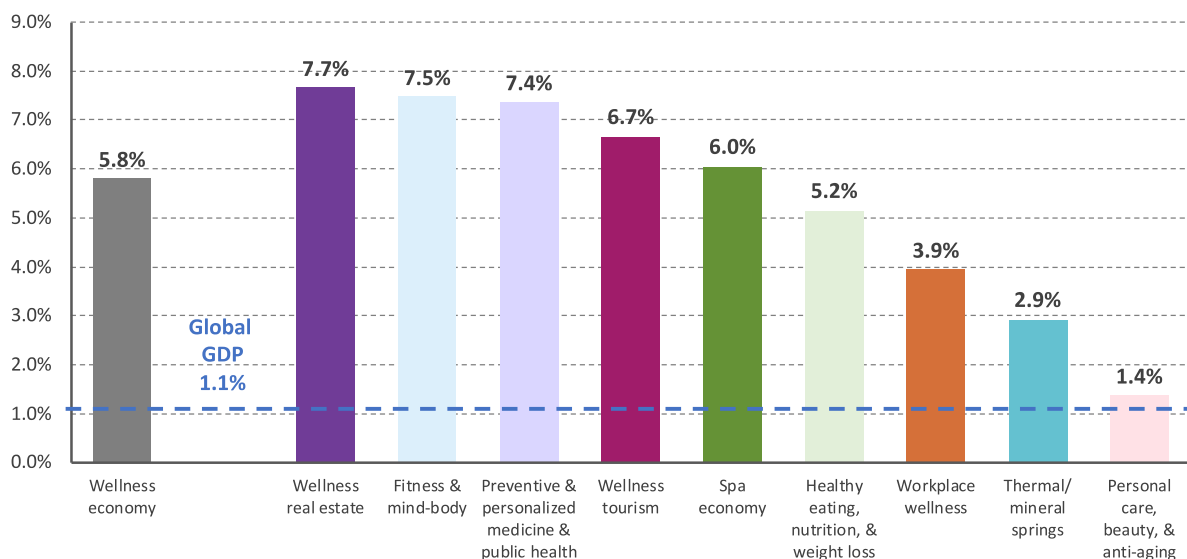
The authors also benefited from the industry insights and technical inputs from several Global Wellness Institute Initiatives, including: Wellness Tourism Initiative, Wellness Communities Initiative, Wellness at Work Initiative, and Hot Springs Initiative.

Source: The Authors.

## Wellness economy size and projections

The authors estimate that the wellness economy is currently a \$4.5 trillion market, accounting for roughly 5.5% of global economic output in 2017. By comparison, global health expenditures were estimated at \$7.4 trillion in 2016.<sup>12</sup> From 2013 to 2017, the wellness economy grew from \$3.4 trillion to \$4.2 trillion, or by 5.8% annually, a growth rate over five times as fast as global economic growth (1.1% annually).<sup>13</sup> Figure 3 illustrates the average annual growth rates of nine sectors included in the wellness economy from 2013 to 2017.<sup>14</sup> During this period, the fastest-growing sectors were wellness real estate, fitness and mind-body, and preventive and personalized medical and public health.<sup>15</sup>

Figure 3: Average Annual Market/Revenue Growth, 2013–2017



GDP = gross domestic product.

Source: Global Wellness Institute.

Within a relatively short span of time, wellness has emerged globally as a dominant lifestyle value, driving consumer interest in exercise, healthy eating, self-care, mindfulness, stress reduction, healthy aging, complementary medicine, holistic health, and other wellness practices. For an expanding set of

<sup>12</sup> Authors' analysis of health expenditures data from WHO, *Global Health Expenditures Database*. <http://apps.who.int/nha/database/Home/Index/en>. 2016 is the most recent year available.

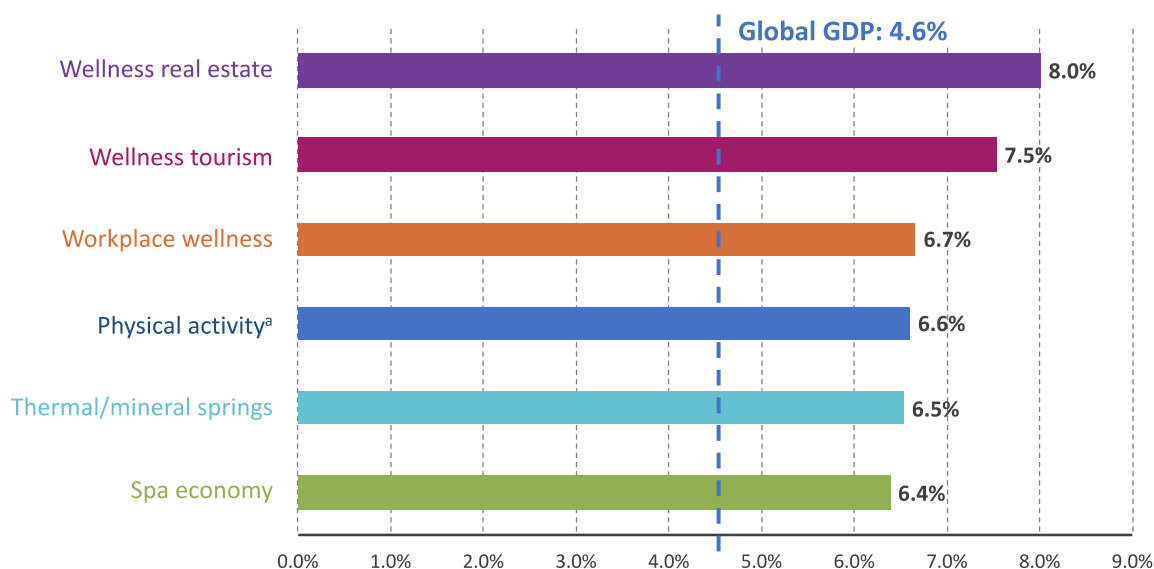
<sup>13</sup> Global gross domestic product (GDP) data from the International Monetary Fund, *World Economic Outlook Database*, October 2019 Edition. <https://www.imf.org/external/pubs/ft/weo/2018/02/weodata/index.aspx>.

<sup>14</sup> The tenth sector, traditional and complementary medicine, is not included in this figure because the definition and measurement of this sector was changed by GWI in 2017, and therefore the size estimates cannot be directly compared as a time series.

<sup>15</sup> In the past year, the authors have defined and measured a new segment within the wellness economy, "physical activity," which replaces the segment previously called "fitness and mind-body." The \$4.5 trillion figure for the wellness economy reflects the new 2018 figures for physical activity, combined with 2017 figures for the other nine segments. The \$4.5 trillion figure is not directly comparable with the \$4.2 trillion figure published by the authors/GWI in 2017 (or earlier figures for the wellness economy), because of the change in the definition of this segment. Therefore, when analyzing growth rates, the authors are using 2017 figures for the wellness economy and its segments, because they can be directly compared as a time series with previous years.

consumers, wellness has become an important value system used to filter daily life and decision-making, with a growing focus on issues such as food quality and the way food is prepared and consumed; mitigating stress and boosting mental wellness; incorporating movement into daily activities; environmental consciousness; the yearning for connection; the desire for self-actualization; and a search for happiness. There is no sign that this trend is slowing down. For the next 5 years, the authors project robust growth in the six wellness sectors that we track in detail (Figure 4). The upward momentum for the wellness economy is strong because the underlying trends that propel it remain as compelling as ever (see the following section).

Figure 4: Projected Average Annual Growth Rate, 2017–2022



<sup>a</sup> Projection for physical activity segment is for 2018–2023.

GDP = gross domestic product.

Sources: Global Wellness Institute. Global GDP data from International Monetary Fund. *World Economic Outlook Database*, October 2019 edition.

## The macro drivers of the global wellness economy

In recent decades, vast economic, technological, social, demographic, and environmental changes have brought both positive and negative impacts for human health and wellbeing. The growth of the wellness economy is fundamentally a consumer response to these megatrends, and this response is turning into a major societal and economic force.

### The world's population is growing sicker, lonelier, and older.

Consumers are seeking different approaches and models in their personal lives, not only to deal with aging, but also rising chronic and lifestyle diseases, alongside increasing stress and mental health issues. Global statistics in these areas are alarming.

- **Lifestyle and environmental disease.** Noncommunicable diseases (NCDs) are now the leading causes of death (replacing communicable/infectious diseases), collectively responsible for 71%



of deaths worldwide. More than three-quarters of global NCD-related deaths occur in low-income and middle-income countries.<sup>16</sup> According to the WHO, at least 80% of heart disease, stroke, and type 2 diabetes, as well as 40% of cancers, could be prevented by addressing key risk factors.<sup>17</sup> Consumers are becoming aware that they can reduce risks through physical activity, healthy diets, moderated use of tobacco and alcohol, lower levels of stress, and healthier lifestyles overall.

- **Loneliness and mental health.** In 2017, there were an estimated 1.1 billion cases reported worldwide of mental and substance use disorders (affecting about 15% of the world's population).<sup>18</sup> According to the WHO, depression increased by more than 18% from 2005 to 2015, and it is the leading global cause of illness and disability.<sup>19</sup> Policymakers and physicians in developed countries are also worried about the rise of loneliness and isolation as a public health epidemic. A recent cross-country survey found that 9% of adults in Japan, 22% in the United States, and 23% in the United Kingdom report always or often feeling lonely or socially isolated.<sup>20</sup> Loneliness is closely linked with physical and mental illness and has significant health impacts. The growing visibility of mental health/illness and its gradual de-stigmatization have opened the door to people seeking help through wellness modalities, such as meditation, mindfulness, and yoga.
- **Population aging.** Globally, the population aged 60 and over is growing faster than all younger age groups.<sup>21</sup> In 2020, adults over age 65 will outnumber children under age 5,<sup>22</sup> and by 2050 all regions of the world except Africa will have nearly a quarter or more of their populations at age 60 and above.<sup>23</sup> With aging populations also comes the rise of chronic disease. For individuals, the important question is no longer about increasing life span, but how to maximize healthy life span (compression of morbidity). This aging population, who has collectively amassed considerable wealth, is an important market force behind the wellness economy.

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<sup>16</sup> WHO. 2018. *Fact Sheet: Noncommunicable diseases*. <http://www.who.int/en/news-room/fact-sheets/detail/noncommunicable-diseases>.

<sup>17</sup> WHO. 2005. *Preventing Chronic Diseases: A Vital Investment – Misunderstanding #4*. [https://www.who.int/chp/chronic\\_disease\\_report/part1/en/index11.html](https://www.who.int/chp/chronic_disease_report/part1/en/index11.html).

<sup>18</sup> Authors' analysis of data from Institute for Health Metrics and Evaluation, *Global Health Data Exchange*. <http://ghdx.healthdata.org/>, accessed November 30, 2018.

<sup>19</sup> WHO. 2017. 'Depression: let's talk' says WHO, as depression tops list of causes of ill health. *WHO News Release*. <http://www.who.int/en/news-room/detail/30-03-2017--depression-let-s-talk-says-who-as-depression-tops-list-of-causes-of-ill-health>.

<sup>20</sup> B. DiJulio, L. Hamel, et al. 2018. *Loneliness and Social Isolation in the United States, the United Kingdom, and Japan: An International Survey*. <https://www.kff.org/other/report/loneliness-and-social-isolation-in-the-united-states-the-united-kingdom-and-japan-an-international-survey/>.

<sup>21</sup> United Nations. No date. *Global Issues: Ageing*. <http://www.un.org/en/sections/issues-depth/ageing/> (accessed 30 November 2018).

<sup>22</sup> W. He, D. Goodkind, and P. Kowall. 2016. *An Aging World: 2015*. U.S. Census Bureau, *International Population Reports*. Washington, DC: U.S. Government Publishing Office. <https://www.census.gov/content/dam/Census/library/publications/2016/demo/p95-16-1.pdf>.

<sup>23</sup> United Nations. No date. *Global Issues: Ageing*. <http://www.un.org/en/sections/issues-depth/ageing/> (accessed 30 November 2018).



## The environmental crisis is also a health crisis.

As the world heads into an environmental crisis, governments around the world are not treating it with adequate urgency, partly because the ramifications of things like climate change may seem remote or indirect to most people. However, there is mounting evidence that environmental degradation and its causes are also causing immediate, direct, severe, and widespread harm to human health and wellbeing.

- **Pollution and health.** Modern living and human activities release enormous toxins into our air, water, soil, and food that harm human health. Pollution is now the largest environmental cause of disease and premature death, responsible for 9 million avoidable premature deaths worldwide (or 16% of all deaths) in 2015. Over 90% of these deaths were in low-income and middle-income countries.<sup>24</sup> Nearly three-quarters of these deaths were because of outdoor and indoor air pollution, which increases the incidences of asthma, lung cancer, heart disease, stroke, and other chronic diseases.<sup>25</sup> In low-income regions, people who cook with coal or biomass fuels face particularly high risks from indoor air pollutants, suffering as many as 4 million premature deaths every year from these practices.<sup>26</sup> Even in high-income countries, where research on “sick-building syndrome” is only emerging, studies have shown that indoor air pollution can be twice or 5 times worse than outdoors.<sup>27</sup> The shifting of focus from environmental to human welfare is also beginning to bring attention to some of the sustainability practices that can be harmful to health, such as sealing windows and insulating buildings with toxic materials and substances.
- **Agriculture, food, and health.** Another area of consumer wellness interest that has grown out of environmental concern is the modern agricultural system. The impacts of monoculture, reduction of biodiversity, nutrient depletion in soil, pesticides and runoff, genetically modified organisms, and greenhouse gas emissions are not merely environmental, but are also profoundly adverse to human health. The proliferation of the modern, industrialized system of farming and food production, distribution, and marketing is linked to the spread of unhealthy, nutrition-poor, highly processed Western diets, which contribute to the rise of obesity and chronic disease worldwide. According to the Global Burden of Disease study, poor diet is a factor in one out of five deaths around the world.<sup>28</sup> In addition, contaminated foods are responsible for 600,000 million illnesses (nearly 1 in 10 people) and 420,000 deaths every year, resulting in the loss of 33 million healthy life years.<sup>29</sup>
- **Car dependence and unwell lifestyles.** The growing dominance of the automobile over the last century is not only a major contributor to pollution and climate change, but also has

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<sup>24</sup> P.J. Landrigan et al. 2018. The *Lancet* Commission on Pollution and Health. *The Lancet*, 391(10119), 462-512. [https://doi.org/10.1016/S0140-6736\(17\)32345-0](https://doi.org/10.1016/S0140-6736(17)32345-0).

<sup>25</sup> WHO. No date. *Air pollution*. <https://www.who.int/airpollution/en/> (accessed 30 November 2018).

<sup>26</sup> WHO. 2018. *Household Air Pollution and Health Fact Sheet*. <http://www.who.int/mediacentre/factsheets/fs292/en/>.

<sup>27</sup> U.S. Environmental Protection Agency. No date. *Volatile Organic Compounds' Impact on Indoor Air Quality*. <https://www.epa.gov/indoor-air-quality-iaq/volatile-organic-compounds-impact-indoor-air-quality> (accessed 30 November 2018).

<sup>28</sup> S. Boseley. 2017. Poor diet is a factor in one in five deaths, global disease study reveals. *The Guardian*. <https://www.theguardian.com/society/2017/sep/14/poor-diet-is-a-factor-in-one-in-five-deaths-global-disease-study-reveals>. Cites data from: *The Lancet*, Global Burden of Disease Study, <https://www.thelancet.com/gbd>.

<sup>29</sup> WHO. 2017. *Food Safety Fact Sheet*. <http://www.who.int/news-room/fact-sheets/detail/food-safety>.

enormous health ramifications. Rising rates of car ownership and congestion, along with urban planning that invests in driving over active/public transit, contribute to stress, sedentary behavior, lack of time for social and leisure activities, and other unhealthy lifestyle risk factors for chronic disease. While North America has long been the epicenter of these issues, these development patterns are now spreading throughout other rapidly urbanizing regions around the world.

## Health systems are failing to keep up, while the economic burden rises.

Health systems around the world are largely based on the paradigm of conventional Western medicine and focused on “sick care,” and they are failing to meet the needs of a growing number of aging, chronically ill, and mentally ill patients. While global health expenditures grew from 8.6% of global gross domestic product (GDP) in 2000 to 10.0% in 2016,<sup>30</sup> only about 4%–5% of the \$7.4 trillion in annual health expenditures are on prevention, risk reduction, and public health.<sup>31</sup> Meanwhile, research now indicates that up to 80%–90% of our health outcomes may be determined by external and environmental factors that are outside the purview of the health care system.<sup>32</sup> The burden of disease is immense, affecting families (out-of-pocket costs, lost work and income, and suffering); businesses (e.g., rising health premiums for employees, lost productivity, and absenteeism); and governments (e.g., rising costs for national health care systems). Thus, it is not surprising that consumers, employers, and even governments are turning to wellness approaches to complement and address deficiencies in existing health care systems.

## Consumer demographics, value systems, and lifestyles are rapidly evolving.

Rapidly evolving global demographics, lifestyles, and value systems are increasing consumer interest in; knowledge of; and access to wellness modalities, products, and services, even as these developments create more need for wellness.

- **Urbanization and growth of the middle class.** September 2018 marked a “tipping point” where more than 50% of the global population (3.8 billion people) are now “middle class” or “rich.” Most of the new entrants to the middle class are Asian and from developing countries.<sup>33</sup> Middle class consumers drive global economic growth, with their large numbers and their discretionary funds to spend on enhancing quality of life or searching for fulfillment and happiness (e.g., health, education, travel, entertainment, and experiences). The wellness economy has benefitted from this growing consumer base. Parallel to this development is rapid urbanization. In 2018, 55% of the global population is living in urban areas, and their share will reach 68% by 2050. Much of this growth will come from developing countries,

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<sup>30</sup> Authors’ analysis of WHO *Global Health Expenditures Database*, and WHO data cited in World Bank, *World Development Indicators*. <https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS> (accessed 30 November 2018).

<sup>31</sup> Authors’ analysis of WHO *Global Health Expenditures Database*.

<sup>32</sup> GWI. 2018. *Build Well to Live Well: Wellness Lifestyle Real Estate and Communities*.

<https://globalwellnessinstitute.org/industry-research/wellness-real-estate-communities-research/>.

<sup>33</sup> H. Kharas and K. Hamel. 2018. A global tipping point: Half the world is now middle class or wealthier. *Brookings*.

<https://www.brookings.edu/blog/future-development/2018/09/27/a-global-tipping-point-half-the-world-is-now-middle-class-or-wealthier/>.

especially India, the People's Republic of China (PRC), and Nigeria.<sup>34</sup> The twin phenomenon of urbanization and a growing middle class has upended traditional lifestyles and aspirations, including living arrangements, eating habits, physical activities, work, families, communities, values, tastes, and much more. This “new” lifestyle has many unhealthy aspects, such as automobile dependency, consumption of processed foods, sedentary lives, stress, loneliness and social isolation, and increased exposure to pollutants,<sup>35</sup> which in turn increase the risk factors for chronic disease, as well as the demand for wellness.

- **Consumer awareness, openness, and self-responsibility.** Wellness first took hold in the West 30–40 years ago, when the interest of baby boomers in complementary and non-Western health modalities, wellness, foods, and mind-body brought practices, such as chiropractic, yoga, meditation/mindfulness, acupuncture, TCM, herbal remedies, and vitamins/supplements, into the mainstream culture in the West. More recently, aging baby boomers have fueled the birth and growth of the modern fitness, spa, organic/healthy food, and workplace wellness industries. Meanwhile, the values of younger generations are driving further cultural, social, and economic shifts, especially as they head into their peak earning years. Millennials now account for over 31% of the world's population,<sup>36</sup> and nearly 9 out of 10 millennials live in developing countries.<sup>37</sup> Core values of this generation include meaningful work and self-fulfillment, work-life balance and flexibility, collaboration and connection, diversity, experience, and authenticity. These values are driving growth and major shifts in health and wellness, travel, media, technology, and many other industries.
- **Technology and connectivity.** Technological innovations, especially in information and communication technology, have brought both positive and negative impacts for human health and wellbeing. The rise of the internet and digital technologies has exposed billions of people to different healing practices, health care approaches, and philosophies and beliefs across countries and cultures, supporting the rising interest in and business growth around non-Western and traditional wellness modalities, such as yoga, Ayurveda, TCM, reiki, and balneotherapy. Technology also brings new wellness and preventive health opportunities, including wellness apps and trackers for individuals, DNA screening and analysis, new diagnostic methods and tools, and personalized medicine.

However, technology is also a double-edged sword. Some of its adverse effects on wellbeing include (i) reduced sleep quantity and quality; (ii) inactivity, obesity, and other physiological effects from prolonged sitting and screen time; (iii) reduced mental wellness linked with screen time and social media usage (including depression, anxiety, and childhood cognitive development and

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<sup>34</sup> United Nations. 2018. *World Urbanization Prospects: The 2018 Revision – Key Facts*. <https://esa.un.org/unpd/wup/Publications/Files/WUP2018-KeyFacts.pdf>.

<sup>35</sup> H. Kharas. 2017. The Unprecedented Expansion of the Global Middle Class: An Update. *Brookings Global Economy & Development Working Paper* 100. Washington, DC: Brookings. [https://www.brookings.edu/wp-content/uploads/2017/02/global\\_20170228\\_global-middle-class.pdf](https://www.brookings.edu/wp-content/uploads/2017/02/global_20170228_global-middle-class.pdf).

<sup>36</sup> L.J. Miller and W. Lu. 2018. Gen Z Is Set to Outnumber Millennials Within a Year. *Bloomberg*. <https://www.bloomberg.com/news/articles/2018-08-20/gen-z-to-outnumber-millennials-within-a-year-demographic-trends>.

<sup>37</sup> K. Hamel, K. Fenz, and M. Hofer. 2018. How to harness the spending power of millennials: Move beyond the US. *Brookings*. <https://www.brookings.edu/blog/future-development/2018/04/30/how-to-harness-the-spending-power-of-millennials-move-beyond-the-us/>; and C. Tilford. 2018. The Millennial Moment – In Charts. *Financial Times*. <https://www.ft.com/content/f81ac17a-68ae-11e8-b6eb-4acfcfb08c11>.

attention); (iv) reduced quality of social relationships and loneliness; (v) distraction and safety (e.g., texting while driving); and (vi) reduced productivity because of an always-on culture and stress.<sup>38</sup> Growing consumer awareness of the many unhealthy aspects of technology is supporting a burgeoning backlash; recognition of the need to disconnect, slow down, and be more mindful; and growth of many wellness-related movements and offerings, such as digital detox and digital-free zones, nature-based therapies and getaways (e.g., forest bathing, thermal bathing), off-the-grid travel, silent retreats, bans on after-hours emails in workplaces, a new industry of sleep-related therapies and products, and much more.

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<sup>38</sup> J. McCarthy, B. Bauer, et al. 2018. Wellness in the Age of the Smartphone. *Global Wellness Institute: Digital Wellness Initiative*. <https://globalwellnessinstitute.org/wp-content/uploads/2018/06/pdfs/Wellness-in-the-Age-of-the-Smartphone-Whitepaper.pdf>.

### III. The Asian Wellness Economy: Data and Developments in Six Sectors

As discussed in section I, the quantification of the wellness industry in individual countries remains incomplete. Therefore, at this moment, there is no estimate for the size of the overall wellness industry in Asia. However, country-level data exists in six wellness sectors where the authors have developed estimates under the auspices of GWI. Section III focuses on those six sectors.

**Figure 4: Asia and the Pacific Wellness Sector Highlights (2017 and 2018)**



#### Wellness real estate (2017)

**Wellness real estate market:** \$46.8 billion (7.3% CAGR from 2015 to 2017)  
**Wellness lifestyle real estate (residential) project pipeline:** 293 projects



#### Workplace wellness (2017)

**Number of workers with access to workplace wellness programs and services:** 97.8 million (5.2% of employed workers)  
**Expenditures on workplace wellness:** \$9.3 billion (5.1% CAGR from 2015 to 2017)



#### Physical activity (2018)

**Expenditures on physical activity:** \$240.4 billion  
**Share of population participating regularly in recreational physical activities:** 33.2%



#### Wellness tourism (2017)

**Number of wellness trips:** 257.6 million (15.3% CAGR from 2015 to 2017)  
**Wellness tourism expenditures:** \$136.7 billion (10.9% CAGR from 2015 to 2017)  
**Average expenditure per trip:** \$1,741 for international/inbound (33% premium); \$268 for domestic (120% premium)



#### Spas (2017)

**Number of spas:** 48,679 (12.0% CAGR from 2015 to 2017)  
**Spa revenues:** \$26.5 billion (11.2% CAGR from 2015 to 2017)  
**Spa employment:** 918,675 (12.8% CAGR from 2015 to 2017)



#### Thermal/mineral springs (2017)

**Number of thermal/mineral springs establishments:** 25,916 (13.4% CAGR from 2015 to 2017)  
**Thermal/mineral springs establishment revenues:** \$31.6 billion (4.0% CAGR from 2015 to 2017)  
**Thermal/mineral springs establishment employment:** 1,244,661 (17.5% CAGR from 2015 to 2017)

CAGR = compound annual growth rate.

Source: Global Wellness Institute.

## Wellness Real Estate

In the 2018 GWI report *Build Well to Live Well: Wellness Lifestyle Real Estate and Communities*, the authors defined wellness real estate as “the construction of residential and commercial/institutional properties that incorporate intentional wellness elements into their design, materials, and building as well as their amenities, services, and/or programming”.<sup>39</sup> Valued at \$46.8 billion in 2017, the Asia and the Pacific wellness real estate market represents more than one-third of the global market (\$134.3 billion). Compared with the broader construction and real estate sector in Asia, wellness real estate is a nascent industry. Consumers are only recently beginning to recognize that the built environment has a major impact on healthy lifestyles, health outcomes, and longevity.

**Table 1: Top Fifteen Wellness Real Estate Markets in Asia and the Pacific, 2017**

	Market Size (US\$ million)
People’s Republic of China	\$19,939.6
Australia	\$9,471.4
India	\$6,088.3
Republic of Korea	\$4,194.8
Japan	\$2,246.4
Malaysia	\$917.1
Singapore	\$818.7
New Zealand	\$802.6
Taipei, China	\$652.0
Indonesia	\$570.6
Viet Nam	\$482.4
Hong Kong, China	\$297.7
Thailand	\$248.2
Philippines	\$35.0
Macau, China	\$16.6

Source: Global Wellness Institute.

The wellness real estate market data presented here encompass both residential projects (what we refer to as “wellness lifestyle real estate”) and commercial/institutional projects (such as office, hospitality, mixed-use/multifamily, medical, and leisure) that have intentional wellness components.<sup>40</sup> However, the primary focus of the authors’ research and this section is on residential—the building of homes with wellness features and elements. The recent rise of wellness lifestyle real estate can be traced to consumer interest in extending wellness experiences from their vacation destinations and

<sup>39</sup> GWI. 2018. *Build Well to Live Well: Wellness Lifestyle Real Estate and Communities*.

<https://globalwellnessinstitute.org/industry-research/wellness-real-estate-communities-research/>.

<sup>40</sup> It is not possible to separate the residential and nonresidential components in commercial/institutional projects (e.g., mixed-use and hospitality); therefore, GWI estimates wellness real estate in aggregate.

leisure activities to their homes and everyday life. In major Asian cities, the demand for these types of homes or vacation properties is also driven by environmental concerns and rising stress levels.

The wellness elements and features that are being incorporated into wellness lifestyle real estate can span a wide range, and address the interior, exterior, and community/neighborhood features of homes. They may include, but not be limited to:

- **Interior features.** Building materials with minimal toxicity; air and water purification systems; sound and lighting features that optimize rest and sleep; biophilic, universal, ergonomic, and active design features; energy saving and sustainability features; natural, organic, and locally sourced materials.
- **Exterior features.** Fitness, recreational, and spa facilities; walking and cycling paths and trails; social and community spaces; community gardens and organic farms; parks and nature areas; design elements that prioritize walkability, active lifestyles, and social interactions; events, classes, and community-building activities.

In Asia, wellness lifestyle real estate projects tend to take several forms: (i) high-end, mixed-use, and master-planned communities in rapidly growing metropolitan areas; (ii) luxury multifamily high-rise buildings in urban centers (which are most likely to use formal wellness/sustainability certification schemes); (iii) luxury vacation/second homes built as part of wellness resorts and destination spas, especially in Southeast Asia and the PRC; and (iv) coliving-style projects that appeal to young singles living in cities, especially in the PRC. Many of the wellness lifestyle real estate developments currently ongoing across the region are hospitality focused. These projects typically cater to foreign guests, expatriates, and local residents who are looking to incorporate wellness as part of their destination experience, or who are seeking preventive/medical care that is augmented by wellness facilities and offerings.

Across the region, Australia has the most established wellness lifestyle real estate market, which emerged between 2000-2010 and was encouraged by public policy in a number of metropolitan areas. In recent years, several large developers have planned and built a large number of medium-scale to large-scale suburban mixed-used and master-planned communities in every major metropolitan market across the country. The PRC also has a rapidly growing number of projects in the pipeline, and the market is poised for robust growth, driven by its growing middle/upper class and rising concerns about unhealthy urban pollution and sprawl. India is similarly positioned for strong growth but is less far along than the PRC in terms of its development pipeline. Wellness-focused projects in the PRC and India include luxury high-rises and co-living-style projects in urban centers, suburban master-planned developments, and high-end resort-based homes.

Healthy growth is occurring in Southeast Asia as well (notably, in Malaysia, Singapore, and Viet Nam), including a growing number of master-planned, mixed-use, and urban high-rise developments. Some of these communities are adding a health care angle to target aging populations, leveraging existing medical tourism infrastructure. For example, Medini Iskandar in Malaysia, a 9-square kilometer project with an expected population of 450,000 when it is fully completed in 10–15 years, touts wellness-driven urban living and tourism, world-class health care services and medical tourism; and smart-healthy city infrastructure for its residents and visitors. Other Asian countries with a strong wellness



tourism sector (e.g., Indonesia and Thailand) are also growing in the resort-based wellness lifestyle real estate segment.

## Workplace Wellness

In the 2016 GWI research report *The Future of Wellness at Work*, the authors defined the workplace wellness market as the “expenditures made by employers to improve employee wellness”.<sup>41</sup> This market includes a wide variety of services, products, and platforms (such as health screening assessments; diagnostic tests; in-house amenities or subsidized memberships for fitness clubs and exercise classes; healthy food offerings at company cafeterias; wearable devices; health fairs, educational programming, and counseling services for wellness; and incentives for participation in wellness activities), which serve a wide range of employee needs, from exercise, healthy eating, and sleep, to chronic illness, obesity, addiction, depression, and stress. Much of this spending is motivated by employers’ desires to lower health care costs; improve morale, retention, and recruitment; and increase productivity and competitiveness. Estimated at \$9.3 billion, the workplace wellness market in Asia and the Pacific represented about 20% of global workplace wellness expenditures in 2017.

**Table 2: Top Twenty Workplace Wellness Markets in Asia and the Pacific, 2017**

	Number of Workers Covered (million)	Expenditures (US\$ million)
Japan	21.39	\$3,915.2
Republic of Korea	8.33	\$1,524.8
Australia	5.85	\$1,112.1
Taipei, China	3.47	\$634.6
People’s Republic of China	33.11	\$496.7
Indonesia	2.54	\$222.6
Hong Kong, China	1.20	\$220.4
New Zealand	1.16	\$212.5
Singapore	1.02	\$186.5
India	9.21	\$184.2
Thailand	1.55	\$130.5
Viet Nam	1.47	\$119.9
Philippines	1.41	\$115.9
Malaysia	0.57	\$47.7
Bangladesh	2.03	\$40.6
Pakistan	1.81	\$36.3
Macau, China	0.12	\$20.1
Myanmar	0.91	\$18.3
Sri Lanka	0.22	\$17.6
Brunei Darussalam	0.05	\$7.5

Source: Global Wellness Institute.

<sup>41</sup> GWI. 2016. *The Future of Wellness at Work*. <https://globalwellnessinstitute.org/industry-research/the-future-of-wellness-at-work/>.



These workplace wellness expenditures are modest when viewed from the perspective of employee coverage. The authors estimate that about 97.8 million workers benefit from some form of workplace wellness program, representing only 5.2% of employed workers in Asia and the Pacific in 2017. Across the region, workplace wellness is still not a widespread concept, benefiting only a small slice of workers who mostly work for multinational corporations and in knowledge-intensive industries (e.g., finance, investment, consulting, information technology, high-tech, higher education, and creative industries). This luckier slice of the workforce lives mostly in the region's wealthiest countries/cities and, for these workers, workplace wellness concerns typically revolve around preventable/chronic disease, mitigating stress, improving work-life balance, enhancing engagement, and improving workplace culture and management structures. However, across the region, a far greater share of the workforce suffers from dire and often life-threatening issues related to exploitation, workplace safety/health threats, and lack of living wages or a secure job. These issues are not being adequately addressed by government regulation or by workplace wellness programs in their current incarnation.

Wellness needs in the context of work can vary dramatically—from basic rights and working conditions in lower-income/middle-income countries, to stress and work-life balance in the metropolises. In fast-paced, competitive cities, the costs of unwell workplaces can be very high. A 2017 survey by AIA Vitality found that 64% of employees in Hong Kong, China suffer from at least one dimension of work-related stress, 85% have at least one musculoskeletal condition; and health productivity loss averaged 70 days per year.<sup>42</sup> In a 2017 study of GSK Consumer Healthcare, more than 67% of workers in the PRC, India, the Philippines, and Indonesia felt that their work environment caused their body pain, and more than 60% said their work environment caused head pain to them, leading to significant productivity loss and human suffering.<sup>43</sup> In Japan, where grueling work hours have been the norm for decades, and where there is a word (*karoshi*) for “dying from overwork,” the government decided to limit overtime work to 720 hours per year, or 60 hours per month.

Across the region, worker wellbeing is garnering increased attention alongside growing concerns about employee recruitment and retention, managing corporate health care costs, and increasing business competitiveness. A recent survey of office-based companies in the Asia and Pacific region found that about 60% of the companies surveyed either had started or intended to start some type of workplace wellness program in the near future.<sup>44</sup>

## Physical Activity

In the 2019 GWI research report *Move to Be Well: The Global Economy of Physical Activity*, the authors defined the physical activity market as consumer spending associated with intentional physical activities performed during leisure and recreation.<sup>45</sup> The core of the market is the services that allow consumers to participate in three categories of recreational physical activities: fitness, sports and

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<sup>42</sup> AIA Vitality. 2018. *Healthiest Workplace Survey*. <https://healthiestworkplace.aia.com/regional/eng/#>.

<sup>43</sup> GSK Consumer Healthcare. 2017. *GSK Global Pain Index 2017, Global Research Report*. <https://www.gsk.com/media/3814/global-pain-index-2017-report.pdf>.

<sup>44</sup> CBRE Group. 2017. *Workplace Wellness gains traction in Asia Pacific*. <https://www.cbre.com.au/about/media-center/workplace-wellness-gains-traction-in-asia-pacific0>.

<sup>45</sup> GWI. 2019. *Move to be Well: The Global Economy of Physical Activity*. <https://globalwellnessinstitute.org/industry-research/global-economy-physical-activity/>.

active recreation, and mindful movement. The market also includes three supporting sectors that enable and facilitate consumer participation in these activities: technology, equipment and supplies, and apparel and footwear.

Valued at \$240.4 billion in 2018, the physical activity market in Asia and the Pacific is large, diverse, and dynamic. It accounts for 29% of the total global economy for physical activity (\$828.2 billion). The Asia and Pacific region is the second largest regional market in the world for physical activity, after North America. Within the Asian physical activity market, \$116.6 billion (48%) represents direct consumer expenditures on participating in a variety of recreational physical activities, primarily sports and active recreation, as well as fitness and mindful movement. The remaining 52%, or \$125.5 billion, represents expenditures on a variety of enabling and supporting sectors, primarily clothing and footwear, along with fitness equipment, sporting goods, and related supplies, and fitness- and exercise-related technologies.

**Table 3: Physical Activity Economy in Asia and the Pacific, 2018**

	<b>Market Size<sup>a</sup></b> Participation Rate <sup>a</sup> / (US\$ billion)		<b>Average Spending per Participant</b>
<b>Recreational Physical Activities</b>	<b>33.2%</b>	<b>\$116.6</b>	<b>\$85</b>
Sports and active recreation	30.4%	\$83.0	\$66
Fitness	1.1%	\$22.7	\$494
Mindful movement	4.5%	\$10.9	\$58
<b>Enabling Sectors</b>	<b>\$125.5</b>		<b>\$92</b>
Apparel and footwear	\$87.5		\$8
Equipment and supplies	\$27.6		\$20
Technology	\$10.8		\$64
<b>Total Physical Activity Economy in Asia and the Pacific</b>	<b>\$240.4</b>		<b>\$176</b>

<sup>a</sup> Market size measures consumer expenditures on classes, memberships, entry fees, trainers, and related services and methods of participation. Participation rate measures the share of the total population who participate in one or more of the three physical activity categories on a regular basis (at least monthly).

Note: Numbers may not sum precisely because of overlap between segments and rounding.

Source: Global Wellness Institute.

Not surprisingly, the region is led in expenditures by the PRC and Japan, which also rank second and third globally (after the United States) for the overall size of their physical activity markets. The top three markets in Asia (the PRC, Japan, and the Republic of Korea [ROK]) account for nearly three-quarters of all physical activity spending in the region. However, a higher level of spending on recreational physical activity does not necessarily correspond to a higher level of participation in these activities, which is currently at 33.2% in Asia (just below the global average of 35.5%). Across Asia, recreational physical activity participation varies widely, from a high of 84% in Australia and Taipei, China to a low of 13%–15% in India and Pakistan.

**Table 4: Top Twenty Markets for Recreational Physical Activity in Asia and the Pacific: By Participation Rate and Market Size, 2018**

Recreational Physical Activities: Participation			Recreational Physical Activities: Spending		
	Participation Rate <sup>a</sup>	Rank		Market Size <sup>a</sup> (US\$ billion)	Rank
Australia	84.1%	1	People's Republic of China	\$109.35	1
Taipei, China	84.0%	2	Japan	\$43.89	2
New Zealand	83.8%	3	Republic of Korea	\$23.46	3
Mongolia	75.0%	4	Australia	\$16.73	4
Republic of Korea	73.7%	5	India	\$13.39	5
Japan	69.6%	6	Taipei, China	\$7.73	6
Singapore	64.9%	7	Hong Kong, China	\$4.11	7
Hong Kong, China	58.2%	8	New Zealand	\$3.03	8
Macau, China	51.1%	9	Thailand	\$2.89	9
People's Republic of China	48.6%	10	Indonesia	\$2.61	10
Papua New Guinea	46.4%	11	Malaysia	\$2.04	11
Malaysia	41.1%	12	Pakistan	\$1.95	12
Lao People's Democratic Republic	39.8%	13	Philippines	\$1.90	13
Viet Nam	35.7%	14	Bangladesh	\$1.79	14
Indonesia	34.2%	15	Singapore	\$1.73	15
Philippines	32.7%	16	Viet Nam	\$1.00	16
Thailand	27.8%	17	Sri Lanka	\$0.60	17
Timor-Leste	26.3%	18	Macau, China	\$0.47	18
Bangladesh	25.2%	19	Myanmar	\$0.47	19
Cambodia	21.4%	20	Cambodia	\$0.21	20

<sup>a</sup> Participation rate measures the share of the total population who participate in one or more of the three physical activity categories on a regular basis (at least monthly). Market size measures consumer expenditures on classes, memberships, entry fees, trainers, and related services and methods of participation.

Source: Global Wellness Institute.

Importantly, many people in Asia conduct their leisure-time sports and recreational physical activities in public places and free venues (e.g., in public parks and plazas, in free sporting facilities such as neighborhood basketball courts or ball fields, in vacant lots, in the streets, and at home). For example, no-cost individual and group exercise in public outdoor gyms, plaza dancing (or *guangchang wu*), and tai chi in parks are very popular in the PRC, especially among seniors. In Asia's developing countries and rural regions in particular, out-of-pocket spending on physical activity is lower (or zero) because private fitness and recreation businesses, facilities, and infrastructure are less developed. In a few higher-income countries (Japan; Singapore; the ROK; Australia; and Hong Kong, China), governments

have invested in widespread publicly subsidized fitness and sports facilities and infrastructure, which allow their populations to participate with very low out-of-pocket expenditures. Recognizing the growing public health crisis associated with inadequate levels of physical activity, a number of governments across Asia have recently committed to increasing participation rates through greater public investment in exercise and sports facilities and infrastructure.

## Wellness Tourism

The visibility of wellness tourism as a distinct tourism segment has risen significantly in recent years. Hardly mentioned by the mainstream travel trade media just 5 years ago, wellness tourism is now recognized as one of the fastest-growing tourism niches in the world, with the Asia and Pacific region as a growth leader. Importantly, for some communities, wellness tourism holds the promise of expanding the tourism “pie”, while mitigating some of the challenges facing many destinations with respect to mass tourism and seasonal fluctuations.

In two prior research studies, the authors defined wellness tourism as “travel associated with the pursuit of maintaining or enhancing one’s personal wellbeing”. Based on this definition, the authors have estimated the size of the global wellness tourism industry (since 2013) by aggregating expenditures made by two types of tourists:<sup>46</sup>

- **Primary wellness tourist.** A tourist whose trip or destination is motivated primarily by wellness.
- **Secondary wellness tourist.** A tourist who seeks to maintain wellness while traveling, or who participates in wellness experiences while taking any type of trip, for leisure or business.

In 2017, the market for wellness tourism in Asia and the Pacific was estimated at \$136.7 billion, constituting 257.6 million inbound and domestic wellness tourism trips. The expenditures by wellness tourists include lodging, food and beverage, activities and excursions, shopping, in-country transportation, and other services—some of which may be specifically wellness-related (such as getting a massage, attending a meditation retreat, or staying at a wellness hotel), while others may be generic (such as hiring a local car). In 2017, the Asia and Pacific region accounted for 21.4% of global wellness tourism expenditures and 31.0% of all wellness tourism trips. The authors estimated that wellness tourism accounted for 10.1 million direct jobs in the region. Some of the world’s fastest-growing wellness tourism markets include the PRC, India, Malaysia, Viet Nam, Thailand, Japan, Indonesia, the ROK, and the Philippines.

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<sup>46</sup> GWI. 2013 and 2018. *The Global Wellness Tourism Economy and Global Wellness Tourism Economy 2018*. <https://globalwellnessinstitute.org/industry-research/>.

**Table 5: Top Twenty Wellness Tourism Markets in Asia and the Pacific, 2017**

	Number of Arrivals/Trips (‘000)			Receipts/Expenditures (US\$ million)
	Inbound/Intl.	Domestic	Total	
People’s Republic of China	7,724.3	62,442.2	70,166.5	\$31,705.9
Japan	1,585.5	38,900.0	40,485.5	\$22,466.1
India	4,542.4	51,426.3	55,968.6	\$16,299.7
Thailand	5,691.9	6,764.1	12,456.0	\$12,018.4
Australia	876.2	9,122.1	9,998.3	\$10,520.9
Republic of Korea	1,709.8	17,908.6	19,618.3	\$7,186.6
Indonesia	5,183.5	3,151.7	8,335.2	\$6,928.5
Malaysia	3,331.7	4,956.1	8,287.8	\$5,019.2
Viet Nam	3,149.5	6,465.8	9,615.3	\$4,001.1
New Zealand	341.0	2,736.5	3,077.5	\$3,036.0
Philippines	1,552.2	1,169.0	2,721.2	\$2,592.5
Taipei, China	675.4	3,235.7	3,911.1	\$2,477.5
Hong Kong, China	1,723.9	360.5	2,084.5	\$2,439.5
Cambodia	1,741.5	656.1	2,397.6	\$1,853.7
Singapore	777.7	125.8	903.5	\$1,159.7
Maldives	483.2	103.8	587.0	\$938.4
Macau, China	174.9	36.7	211.6	\$770.9
Sri Lanka	416.8	220.5	637.3	\$720.2
Fiji	583.5	125.6	709.1	\$708.5
Nepal	759.2	433.3	1,192.5	\$611.0

Note: These figures include both primary and secondary wellness trips. Expenditures data combine both international/inbound and domestic wellness tourism spending.

Source: Estimates by the Global Wellness Institute, based on tourism industry data from Euromonitor International.

Not only is wellness tourism a sizable and high-growth market, it is also high-yield compared with the general tourism sector. Wellness tourists—whether international or domestic—spend more than the average tourist. In 2017, inbound/international wellness tourists in the Asia and Pacific region on average spent \$1,741 per trip, 33% more than the typical international tourist. The premium for domestic wellness tourists was even higher, with average spending of \$268 per trip or 120% more than the typical domestic tourist. This is because wellness travelers are typically more affluent, educated, well-traveled, and willing to seek out new and novel experiences.

**Table 6: Wellness Tourism Spending Premiums in the Top Twenty Markets, 2017**

	Average Spending per Inbound/International Trip		Average Spending per Domestic Trip	
	Wellness Trip	Average Trip	Wellness Trip	Average Trip
People's Republic of China	\$2,226	\$1,417	\$232	\$146
Japan	\$2,192	\$1,436	\$488	\$307
India	\$2,937	\$1,941	\$58	\$36
Thailand	\$1,885	\$1,206	\$191	\$120
Australia	\$2,992	\$2,490	\$866	\$487
Republic of Korea	\$2,054	\$1,307	\$205	\$126
Indonesia	\$1,184	\$793	\$251	\$115
Malaysia	\$1,109	\$717	\$267	\$102
Viet Nam	\$959	\$634	\$152	\$97
New Zealand	\$2,758	\$2,115	\$766	\$478
Philippines	\$1,549	\$1,040	\$161	\$103
Taipei, China	\$1,877	\$1,429	\$374	\$212
Hong Kong, China	\$1,393	\$931	\$103	\$47
Cambodia	\$1,029	\$694	\$95	\$60
Singapore	\$1,351	\$777	\$867	\$661
Maldives	\$1,934	\$1,147	\$37	\$22
Macau, China	\$4,216	\$3,390	\$912	\$645
Sri Lanka	\$1,444	\$891	\$536	\$343
Fiji	\$1,124	\$758	\$418	\$268
Nepal	\$612	\$410	\$338	\$209

Note: These figures include both primary and secondary wellness trips.

Source: Estimates by the Global Wellness Institute, based on tourism industry data from Euromonitor International.

In recent years, wellness tourism has experienced rapid growth in the Asia and Pacific region as more stressed-out people travelled for respite and rejuvenation. To meet the growing sophistication of Asian travelers, wellness travel offerings have expanded tremendously in breadth and depth, moving far beyond typical offerings such as detox, weight loss, spa treatments in a gazebo, and yoga on the beach. Across Asian destinations, there has been a tremendous increase in demand for all types of wellness modalities and experiences—from hot springs bathing to sound therapy, from tai chi to reiki, and from meditation to spiritual guidance. With the alarming rise of air pollution across major cities in the PRC, India, and other Asian countries, some travelers are even traveling in search of healthier air, planning “lung-cleansing” and “smog-escape” wellness trips.

More than 20 countries in the Asia and Pacific region now promote wellness on their national tourism websites. Governments in many of these countries also actively engage in supporting the development of wellness tourism products, especially around thermal tourism sites. Some countries are promoting other aspects of their wellness sectors, such as beauty and traditional bathhouses in the ROK; healthy eating in Viet Nam; meditation, Ayurveda, and yoga in Sri Lanka and India; and spirituality, meditation,

and healing in Nepal and Bhutan. Several countries, including Bhutan, India, Malaysia, the PRC, the Philippines, and Sri Lanka, provide economic incentives to companies investing in wellness-related developments. For example, India, through its Market Development Assistance Scheme, supports new and redevelopment projects in the wellness tourism sector.

## Spas

Spas are defined as “establishments that promote wellness through the provision of therapeutic and other professional services aimed at renewing the body, mind, and spirit”. The authors created this definition for the first time in a 2008 report for the Global Spa Summit.<sup>47</sup> Since then, this definition has been employed to estimate the global revenues of spas, which include: hotel/resort spas; day/club/salon spas; destination spas and health resorts; medical spas; thermal/mineral springs spas; and other spa facilities, such as cruise ship spas, airport spas, mobile spas, and historically/culturally based facilities that have incorporated spa-like services into their offerings (e.g., hammams, Ayurveda centers, and onsens). The authors estimated that there were more than 48,000 spas in Asia and the Pacific in 2017, earning \$26.5 billion in revenues and representing 28.3% of the global spa market.<sup>48</sup>

**Table 7: Top Twenty Spa Markets in Asia and the Pacific, 2017**

	Number of Spas	Spa Revenues (US\$ million)	Spa Employment
People’s Republic of China	15,664	\$8,244.5	376,576
Japan	7,359	\$5,717.6	121,781
India	5,990	\$2,127.1	74,977
Republic of Korea	3,146	\$1,620.8	41,434
Thailand	2,760	\$1,317.4	84,176
Indonesia	2,692	\$1,299.0	77,309
Australia	1,593	\$1,089.9	16,303
Hong Kong, China	825	\$813.0	14,037
Viet Nam	1,652	\$612.8	17,677
Taipei, China	959	\$585.1	13,280
Singapore	801	\$490.3	8,864
Philippines	1,159	\$423.4	12,676
Malaysia	800	\$292.3	8,307
New Zealand	390	\$274.9	4,002
Maldives	138	\$240.6	2,853
Sri Lanka	652	\$233.6	7,440
Cambodia	448	\$232.2	9,237
Macau, China	71	\$128.0	1,563
Nepal	209	\$126.8	3,831
Fiji	160	\$103.6	3,082

Source: Global Wellness Institute.

<sup>47</sup> Global Spa Summit and SRI International. 2008. *The Global Spa Economy 2007*.

<https://globalwellnessinstitute.org/industry-research/global-spa-economy/>.

<sup>48</sup> Global Wellness Institute. 2018. *Global Wellness Economy Monitor 2018*. <https://globalwellnessinstitute.org/industry-research/2018-global-wellness-economy-monitor/>.

In 2017, spa facilities employed more than 900,000 people in Asia and the Pacific, including over 500,000 spa therapists and 90,000 spa managers and directors. Spa employment is projected to increase to 1.2 million in 2022, which means the region's industry will need an additional 160,000 trained spa therapists and 30,000 experienced spa managers/directors (above the current level) within the next several years.

To measure the size of the global spa industry, the authors have developed a framework based on the industry cluster approach, encompassing a host of enabling and related businesses, including: spa capital investment; spa consulting; training of spa therapists and education of managers; and associations, media, and events businesses that promote spas. In 2017, these related sectors added \$12.5 billion to the spa facilities revenues of \$26.5 billion to create a \$39.0 billion "spa economy" in the Asia and Pacific region.

**Table 8: Asia and the Pacific Spa Economy, 2017**

	Spa Economy Sector Revenues (US\$ billion)
Spa facilities	\$26.48
Spa capital investments	\$12.14
Spa education	\$0.21
Spa media, associations, and events	\$0.08
Spa consulting	\$0.04
<b>Total Spa Economy</b>	<b>\$38.96</b>

Source: Global Wellness Institute.

The Asia and Pacific region hosts the largest number of spas in the world, and it also gained the greatest number of new spas from 2015 to 2017, with the hotel/resort spa category leading in new investments and openings. Much of this growth is catering to an increasing number of wellness tourists. Luxury urban hotels and resort hotels have been best able to adapt their facilities and offerings to meet this growing demand, and numerous luxury hotels/resorts have opened with sumptuous spas in diverse markets stretching from the PRC to Viet Nam to the Maldives. In recent years, there has been a marked increase among Asian hotels and resorts advertising their spas and wellness packages, as well as expanding their offerings into new areas, such as yoga, meditation, detox, fitness/boot camps, and personal transformation retreats.

The underlying demand for the Asian spa industry is driven by growing consumer interest in living healthier lives. It is increasingly common for consumers to turn to body work to relieve stress and chronic pain, and to seek treatments that help maintain vitality and good health. In many Asian metropolises, spas have turned into urban sanctuaries where guests seek much more than just a facial or massage, but a full range of holistic wellness services (e.g., body work, hydrotherapy, sound healing, energy treatments, and coaching/spiritual guidance). Since Asia has some of the fastest-growing beauty markets in the world, many spas have entered the cosmetic-enhancements market as well.



Less-stringent industry regulation sometimes allows the region's spas to offer technology-enhanced and invasive treatments that may not be available in North America and Europe.

## Thermal/Mineral Springs

The authors define the thermal/mineral springs industry as encompassing “revenue-earning business establishments associated with the wellness, recreational, and therapeutic uses of waters with special properties”. For 2017, the authors estimated that there were 25,916 thermal/mineral springs establishments in Asia and the Pacific, earning \$31.6 billion in revenues, and employing more than 1.2 million workers. The global thermal/mineral springs industry is heavily concentrated in the Asia and Pacific region; the region accounted for 76% of all establishments and 56% of all revenues in the global sector in 2017.<sup>49</sup>

**Table 9: Top Eighteen Thermal/Mineral Springs Markets in Asia and the Pacific, 2017**

	Number of Establishments	Revenues (US\$ million)
People's Republic of China	3,900	\$17,501.1
Japan	20,972	\$12,795.5
Taipei, China	251	\$434.5
Republic of Korea	108	\$336.1
New Zealand	120	\$285.2
Philippines	153	\$70.7
Australia	42	\$68.1
Viet Nam	32	\$23.7
Indonesia	46	\$22.9
Thailand	58	\$16.9
Malaysia	42	\$13.7
Mongolia	29	\$9.9
Myanmar	13	\$6.5
India	50	\$2.5
Nepal	36	\$1.8
Bhutan	26	\$1.8
Sri Lanka	6	\$1.2
Lao People's Democratic Republic	9	\$0.8

Note: This list includes countries with more than five establishments.

Source: Global Wellness Institute.

The Asia and Pacific region has vast thermal water resources and bathing traditions dating back thousands of years. As countries begin to recognize thermal springs' potential for wellness tourism and economic development, a growing number of destinations (including Japan; Taipei, China; New

<sup>49</sup> Global Wellness Institute. 2018. *Global Wellness Economy Monitor October 2018*.

<https://globalwellnessinstitute.org/industry-research/2018-global-wellness-economy-monitor/>.

Zealand; Australia; Viet Nam; and the Lao People's Democratic Republic) are highlighting their springs-based attractions to international visitors and are investing in undeveloped and underdeveloped thermal sites and regions.

The Chinese hot springs sector, while enormous, mainly caters to domestic visitors. With rising consumer interest in wellness and leisure, the PRC continues to see steady investment in new hot spring resorts and strong growth in hot spring-based tourism, while seeking to infuse more wellness-focused services (such as TCM) into its primarily recreational hot spring offerings. Japan's onsens and hot spring inns (ryokans) have become enormously popular among international (especially Chinese) tourists. Recently, the industry has received substantial new investments in preparation for a visitor surge for the 2020 Tokyo Olympics. These include new high-end bathing facilities and hotels/resorts with onsen in the center of Tokyo, as well as several large hotel brands opening new properties with their own private and communal hot springs. Elsewhere in East Asia, the ROK and Taipei, China also have active hot springs sectors and traditions, and they are actively leveraging these resources to develop wellness tourism.

While they may receive less international attention, South Asian and Southeast Asian countries also have considerable thermal resources, but their hot springs sectors are generally at earlier stages of development. In recent years, the governments of Cambodia, the Lao People's Democratic Republic, and Thailand have designated hot spring areas for tourism development. India has hundreds of hot springs, many of which are located near temples with religious significance. In 2016, the State of Uttarakhand tourism department announced plans to develop five thermal sites to establish the region as a thermal wellness destination (including facilities for spa, golf, yoga, meditation, and other wellness activities). In Bhutan and Nepal, thermal springs are mostly rustic, and they have traditionally been used by local populations for medical and therapeutic purposes. There is an emerging interest in Nepal to further develop these resources into wellness tourism destinations by tying thermal bathing with yoga, Ayurveda, traditional healing systems, and even shamanism.

## IV. Opportunities and Potential Development Impacts of Wellness Industries in Asia

Wellness is an important strategy to embrace in developing countries: (i) as a concept of holistic health encompassing physical, mental, social, and other dimensions; (ii) as a lifestyle choice focusing on disease prevention and thriving; and (iii) as an attitude characterized by personal responsibility and individual agency. Low-income and marginalized populations are the most vulnerable to chronic disease, which is growing in developing countries; disease and health care cost burdens are rising when they can scarcely afford it. So wellness is very relevant for developing countries to frame economic and human development strategies.

As an industry, wellness has many potentially crosscutting impacts in Asian countries, not only for economic development, but also in the arenas of social/cultural affairs, health, workforce, competitiveness, urban planning, environmental and cultural sustainability, equity, and other development impacts.

### Wellness is an economic growth driver.

The \$4.5 trillion economy of wellness is fast-growing, resilient, and pervasive. The forces driving consumers to spend on wellness are sufficiently strong that wellness industry growth around the world has been robust and has exceeded GDP growth (even in years in which the global economy shrank). These trends are expected to continue, with much of the industry's growth driven by domestic demand and met by domestic supply.

- **Employment creation and small business development.** A large portion of wellness activities and businesses are service-oriented and, therefore, help create jobs. In addition, many wellness sectors are dominated by small and locally owned enterprises that serve a local clientele and use local products and services (e.g., yoga studios, fitness studios, spas, retail, traditional/indigenous and complementary medicine practitioners, and nutritionists). A growing wellness industry, therefore, creates opportunities for micro/small enterprises, entrepreneurship, and new business models.
- **Promotion of locally sourced, produced, and branded products.** Wellness consumers increasingly favor authentic, organic, locally sourced, and sustainable products (e.g., fresh produce and foods, skincare and personal care products, and herbal and traditional remedies), and are often willing to pay a premium for them. The development of the wellness industry can stimulate the development of homegrown products and services, while encouraging regions to value their own heritage and unique place-based products and offerings.
- **Women's empowerment and benefits to families.** The majority of wellness consumers are women, and many wellness-related occupations are traditionally dominated by women (e.g., massage therapists, traditional healers, and tourism and retail workers). Therefore, growth of this industry supports job creation for women. In addition, traditional wellness knowledge (e.g., healing modalities, herbal remedies) is often transmitted through matrilineally based lines, passing from grandmother to mother to daughter. The rise of the wellness industry

creates economic and entrepreneurship opportunities for women at all levels, while strengthening the preservation of cultural heritage and indigenous knowledge. The benefits of female economic empowerment to families are extensive, including greater investment in health and education for children, especially girls. However, an ongoing challenge is that because many wellness jobs/skills are traditionally considered to be “female”, such as hands-on caring and healing, serving, teaching, food production, and gardening, they are undervalued in most societies and have below-average wages. Worse, sometimes wellness occupations face stigma and misunderstanding (e.g., conflating massage therapists with sex workers).

## Wellness improves public health.

People’s lifestyles, behaviors, health outcomes, and longevity are largely determined by social and environmental factors that are outside the purview of health care systems. Expansion of the wellness industry can help address the rising global health epidemic, improve public health, and improve the financial sustainability of health care systems.

- **Mitigating rising health care costs.** In countries worldwide, health care expenditures are growing at an unsustainable rate, driven by the rise of chronic disease and mental illness. Wellness services that focus on prevention and healthy behaviors are the only way to address critical risk factors (e.g., sedentary life, unhealthy diets, and smoking) and the social and environmental determinants of health (e.g., loneliness, food inequity). According to the WHO, even a limited set of interventions to address NCDs in developing countries would yield a return of \$7 for every \$1 invested, not only from direct reduction of health care costs, but also from reduction in premature death and disability and the resulting increase in employment and productivity.<sup>50</sup>
- **Improving health equity by engaging wellness workers in the community.** A critical issue in public health today is how to improve health delivery to all people at all income levels, across geographically dispersed areas. As outlined in a paper by Sachs and Sachs, leveraging community health workers (CHWs), especially in low-resource settings, is critical to achieving the United Nations Sustainable Development Goal 3.<sup>51</sup> The CHWs in Asia, large numbers of whom practice traditional/indigenous medicine, represent an important resource to deliver preventive health services and health care education. Because they are local, trusted, and embedded in the communities they serve, CHWs are well-positioned to help adapt nutritional guidelines and healthy lifestyle habits to local contexts, provide culturally based framing of health messages, and engage in mental wellness conversations.
- **Addressing the growing mental health epidemic.** The wellness movement is a leading force that draws attention to the rise of stress, anxiety, loneliness, and other mental health issues around the world. This public conversation helps reduce the stigma of mental illness and shifts

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<sup>50</sup> WHO. 2018. Investing in noncommunicable disease control generates major financial and health gains. *WHO News Release*. <https://www.who.int/news-room/detail/16-05-2018-investing-in-noncommunicable-disease-control-generates-major-financial-and-health-gains>.

<sup>51</sup> S. Sachs and J. Sachs. 2018. The community health worker revolution. *Achieving SDG 3: Policy Brief Series 2018*. Sustainable Development Solutions Network. <http://unsdsn.org/wp-content/uploads/2018/10/181020-Policy-Brief-Series-5.pdf>.

attention to the critical importance of mental wellness. The wellness industry is a channel for delivering new solutions to address mental health both within and outside the medical system, including meditation and mindfulness activities, sleep-focused products and solutions, coaching and counseling, stress-reducing and social built environments, and much more.

- **Harnessing wellness knowledge, traditions, and modalities indigenous to Asia.** Wellness industry growth spurs the revival, modernization, and mainstreaming of numerous wellness traditions and healing modalities originating in Asia—from TCM, Ayurvedic medicine, and Tibetan medicine, to yoga, meditation, tai chi, qigong, and Japanese forest bathing. As consumers increasingly seek out these approaches, more and more scientific research is being conducted on their efficacy. Individuals have a growing number of options to engage in traditionally based healthy lifestyle activities, while evidence-based and cost-effective modalities are being adopted into the conventional/Western medical system alongside or as a substitute for allopathic treatments (e.g., acupuncture for migraines or back pain, manual therapy for neck pain, spa therapy for Parkinson’s, and fish oil substitutes for preventing heart attacks).<sup>52</sup> However, far more research is needed across all modalities to provide evidence of the treatment and cost-effectiveness of traditional, complementary, and integrative approaches.

## Wellness supports protection of natural and cultural assets.

As wellness consumers become more sophisticated and discerning, they start to care more about where products come from, how things are produced, and how their purchases impact local people and communities. The rise of the wellness economy increases incentives to communities and regions to protect their unique natural and cultural assets, and to build upon these as an economic development strategy.

- **Environmental protection.** There is a growing recognition that individual wellness is inextricably linked to wellness of place and planet. Therefore, wellness products, services, and businesses are increasingly focusing on sustainability and environmental health alongside delivering health and wellness to the consumer. Regions and policymakers are encouraged to pursue development strategies that consider environmental sustainability alongside human and social sustainability.
- **Preserve and celebrate local culture and heritage.** Wellness consumers seek out things that are authentic, local, and unique; in response, wellness industries and businesses are increasingly supporting and developing local culture and heritage rather than cookie-cutter, mass-produced offerings. In turn, this supports regional efforts toward community-building, diversity and inclusion, and quality of life, as well as market differentiation (place-based branding) and discovery of new local/culturally rooted products and services in the self-care, nutritional, and medical categories.
- **Mitigate tourism-related challenges.** Successful wellness tourism development depends upon environmentally and socially sustainable destinations that preserve and celebrate the

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<sup>52</sup> P.M. Herman et al. 2012. Are complementary therapies and integrative care cost-effective? A systematic review of economic evaluations. *BMJ Open*, 2(5). <https://doi.org/10.1136%2Fbmjopen-2012-001046>.

uniqueness of local natural and cultural assets. Wellness tourism brings tourists with higher spending patterns, interest in getting “off-the-beaten path,” and interest in traveling off-season. Therefore, it provides opportunities for regions to address a number of growing tourism-related challenges, including seasonality, mass tourism, and overtourism. In particular, the vast thermal/mineral spring resources across Asia offer opportunities to spread the benefits of wellness to less-traveled areas. In this sector, the development, operation, and promotion of onsens and ryokans in Japan could offer a useful model.

## Wellness supports workforce development and worker welfare.

The wellness movement is bringing new attention to the critical relationship between individual health and wellbeing and business productivity and growth. Workplace wellness is a growing segment of the wellness economy that is developing new models and solutions that can benefit both businesses and their workers.

- **Worker development, retention, and recruitment.** Businesses around the world face challenges with employees’ physical and mental health, absenteeism, and disengagement/presenteeism, and their negative impacts on productivity, competitiveness, health care costs, and the “bottom line.” Well-run and targeted workplace wellness initiatives can help improve employee health, motivation, productivity, and retention, while enhancing recruitment efforts. At a regional level, efforts to improve worker and population health can also support workforce development and business retention/attraction more broadly. However, the effectiveness of different types of workplace wellness initiatives is not adequately studied or understood, and these initiatives are still concentrated in wealthier countries and larger companies. Thus, far more work is needed to identify the most effective models and their replicability across different types of organizations, industries, worker populations, and regional contexts.
- **Worker welfare.** Workers around the world face innumerable challenges, which range from abusive working arrangements and environments in some countries and industries (including within the wellness industry), to fair pay, equity and discrimination, work conditions/safety, work-related stress, work-life balance, and relationships with coworkers and management, even among the most privileged workers. The wellness movement is bringing a burgeoning awareness of these issues and is encouraging businesses to explore new models and solutions (e.g., occupational safety/health initiatives, pay equity, diversity initiatives, flexible work, new leadership and management approaches, and triple bottom line and for-benefit enterprises). Importantly, the workplace wellness industry is also bringing attention to models and approaches that can be benchmarked and replicated. Simultaneously, some employers are starting to recognize that caring for employees as a number one priority is critical to the future success of their businesses, and a small but growing body of research is providing evidence of this reality.

## Wellness enhances quality of life and social capital.

Our living environments have an immense influence on individual lifestyles, behaviors, health, and happiness, as well as on relationships, communities, and social capital. While the green/sustainable building movement has gone from niche to mainstream over the last few decades, the newer wellness real estate movement is beginning to shift development, infrastructure, and planning approaches toward human-focused aims that simultaneously enhance quality of life and individual, community, and planetary wellbeing.

- **Urban/community planning, zoning, and infrastructure.** Wellness real estate incorporates human health and wellness as a central concept in urban planning, real estate, and infrastructure development, rationalizing and reinforcing other development priorities, such as sustainability, community safety, walkability, livability, and diversity, in addition to health. Key features of wellness-focused built environments include design and infrastructure that encourage physical activity (e.g., sidewalks/walkability, paths/trails, parks, and active transit options); healthy eating (e.g., community gardens, farmers' markets, and edible landscaping); social connections (e.g., public spaces/plazas, housing density/setbacks, mixed-use zoning, and community events/programming); and mental/emotional wellness (e.g., green space, biophilic design, and public art). These kinds of planning approaches serve multiple purposes. They not only create neighborhoods and communities that are healthier for residents, but also enhance quality of life, happiness, wellbeing, sustainability, and economic growth.
- **Social capital and trust.** A new but growing body of evidence is demonstrating that the built environment has an enormous effect on relationships and civic life within communities. In recent decades, many urban planning approaches have reinforced individual and societal patterns toward loneliness, isolation, segregation, and distrust. Wellness-focused design and infrastructure emphasizes parks, plazas, and other social/community spaces as a critical part of a healthy living environment for individuals. Simultaneously, the investment in design, upkeep/maintenance, and equitable distribution of these kinds of civic assets and public spaces also encourages trust in public institutions and other people, civic engagement and pride, and other types of social capital that are critical to civil society and a healthy democracy.<sup>53</sup>

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<sup>53</sup> Center for Active Design. 2018. *Introducing the Assembly: Civic Design Guidelines*.  
<https://centerforactivedesign.org/assembly>.

## V. Policy Implications for Developing Wellness Industries in Asia

Wellness is a quickly emerging industry, and its implications and development impacts are not well understood by community and government stakeholders. Below is a set of wellness-specific and crosscutting policy issues that can be considered by governments who are interested in supporting the development of wellness sectors, and in broadening wellness's positive development impacts for people, communities, and regions.

### Wellness-specific policy issues

- **Planning, zoning, and building codes and regulations.** Do building and construction codes, regulations, and policies (and urban planning approaches) encourage or discourage human health and wellbeing and healthy lifestyle behaviors?
- **Health care policies.** Does the health system accept/encourage wellness and nontraditional modalities? Does it encourage/incentivize prevention and healthy lifestyle behaviors? Does the system address mental health and wellness issues?
- **Human resource/workforce development.** Are there adequate trainings, certifications, and credentials in wellness-related occupations to ensure safety and quality, and to protect workers from exploitation?
- **Workplace health and safety.** Are workplace- and occupation-related regulations and policies supporting an adequate level of health and safety for workers, in addition to broader wellbeing?
- **Democratization of wellness.** What policies can ensure equity and access to wellness, prevention, and health care across demographic and income groups?
- **Tourism product development and promotion.** Renovation of existing assets and/or new product development to support wellness tourism; marketing, branding, promotion and positioning strategies; and not conflating wellness tourism with medical tourism.
- **Innovation and research and development policies.** Do policies encourage basic science, research and development, and innovation in the areas of wellness, prevention, traditional and cultural healing modalities, and food and nutrition?
- **Standards and best practices.** Where can standards and best practices on wellness issues be found and how can they be shared?

### General policy issues that also support wellness

- **Agricultural and food safety policies and regulations.** Regulations, laws, compliance, certifications, and training, on food safety, organics, pesticide usage, etc. Program and policies to encourage local agriculture; access to fresh, safe, and healthy food.
- **Worker protection policies and regulations.** Minimum wage and fair pay regulations, paid leave laws, work conditions and safety, and diversity and inclusion laws.



- **Small business/entrepreneurship programs and policies.** Financing/capital, business startup regulations, training, and entrepreneurship and small business assistance.
- **Environmental and sustainability policies and regulations.** Codes and regulations on building materials and practices, energy efficiency, water management, recycling/waste, and other sustainability policies, plus awareness of how these interface with health, and how they can be addressed through holistic systems.