



Original Article

Pages: 13-30

Health Tourism Development; A Strategy to Deal with Sanctions

(Case Study: Medical Tourism Development in Free Trade Zones of Iran)

Amir Hossein Ghezelbash¹ and Seyed Mahdi Seyed Abdollahi²

Received: 2013/06/14 Revised: 2013/10/11 Accepted: 2013/12/02

ABSTRACT: Iran has potential abilities in tourism industry development. But it is facing the challenges that could note the comprehensive sanctions of America and its allies among Security Council in prohibition of economic relation with Iran. On the one hand bank sanctions and applying foreign investment restrictions has brought damage to tourism industry and has lowered opportunity to benefit from the country's foreign exchange resources. But, rising exchange has caused impressive enhancing of purchasing power of foreign tourists, developing domestic tourism, cutting cost and raising tourism revenues of the country. Review of world health tourism condition shows that many of regional countries are using their health abilities including high quality and low cost health services to overcome on foreign threats such as economic sanctions. Iran's capabilities in medical sciences alongside suitable cost of health care and high success rate of special operating are confirmed high potent of country in developing medical tourism. Article outcomes shows Iran free trade zones because many incentives of investing, is a safe place of economic sanctions for developing medical tourism and strategy of health tourism development is need of using investment opportunities and incentives of free trade zones in medical tourism development.

KEYWORDS: Medical Tourism, Economic Sanctions, Foreign Investment, Free Trade Zones.

¹ Student of Tourism Management, School of Tourism, Semnan University, Molavi St., Sadi Sq., Semnan, Iran, P.O., Semnan; E-mail: Ghezelbashopair@yahoo.com

² Master of Tourism Management, Department of Management and Accounting, Allameh Tabatabaee University, Shahid Abbaspour Road, Valieasr St. Tehran, Iran, P.O., Tehran; Email: Mahdi.seyedabdollahi@yahoo.com

1. INTRODUCTION

Every country in its hard history has experienced the cynical condition and people of that country leaves behind difficulties with the hope of comfortableness and victory days and will head over from the history. Iran like other countries is not exceptional. During continues days, Iran has experienced the attacks, rubbery, revolutions, boycotts and political and social changes that MOGHOL attack, draught of first world war, MOSSADEGH ministry period sanctions and the sanctions of war times are some changes that have tensioned people politically, economically and even the livelihoods of them. With a glance to history of sanctions against Iran, we find that Iran in the past two centuries and in the past 33 years and had faced with western governments, especially the leaders of the White House. In the period of Prime Minister Doctor "MOHAMMAD MOSSADEGH" and especially in the oil nationalization movement, the British colonial administration used economic sanctions to change Iran's stance.

With the Islamic revolution of Iran in 1979, sanctions against the Iranian nation and its wide range became more widespread. But with the intelligence and wisdom of our staff and the people became the source of great changes. In the years after the Islamic Revolution and the story of the seizure of the US Embassy in November 1979, Iran was confronted officially with US trade and economic sanctions and its European allies. America's government in 1995 banned almost all commercial transactions of investments in the country. After the events of September 11 in 2001, sanctions raised beyond this form of the Iranian nuclear file, the United Nations Security Council resolutions foot of comprehensive sanctions were opened against the Islamic Republic of Iran. Finally the oil industries in early 2008 boycotted several banks and the central bank of Iran (Azari, 2008). The oil industries in 2008 boycotted many banks and the central bank of Iran. The latest sanctions are prohibiting purchasing Iranian oil, which has been growing since late spring 2012. U.S. and its many of allies on the pretext of non-peaceful use of nuclear energy and pressure on Iran have used sanctions as an only tool for the stadium seating of their claims.

But what matters is that Iran proudly has come out of all the problems somehow imposed on Iran by foreign countries and could show pride history of Iran and Iranians. The economy of every country is according to its stability and survival of the human empowers that can help to strengthen the foundation of country's progress and welfare. The investment as an infrastructural body of the country's economy and one of the key elements of developing industrial sector is the main purpose of west sanctions against Iran and has used to hit the growing country's economy. In the recent years, wave of science and technology sanctions linked to a wave of curbing foreign investment and Iran's trade banks sanctions (Hosseini, 2013). The technology and investment sanctions is to prevent production capacity building, particularly in the oil and gas industry and goal of sanction is, limiting the financial transfer, preventing the entry of foreign exchange to the country's trade cycle. According to statistics, agriculture and tourism sectors in Iran have suffered the least damage from tightening sanctions, because they have the lowest dependence to the foreign materials and interbank turnover. In this sense, these two industries may have higher resistance against sanctions (Manzoor, 2012).

Today, tourism industry in developing countries has turned into a productive and income-generating industry, and competing in attracting international tourists have resulted in making easier political relations between countries and adjusting process of travel and tourism. Foreign exchange or foreign money is a decent commodity that always developing economies in the world have competed with each other in an effort to generate more amounts. Tourism industry is recognized by a currency messenger operation. So tourism development is considered by governments willing to attract more currency sources to their countries (Ranjbarian and Zahedi, 2005). By tightening sanctions and foreign exchange restrictions against Iran, national currency value has changed. Rising rate that is not beneficial for industry sector can be beneficial for

tourism industry, so that cutting Rial value lead to rise purchasing power of foreign tourists, travel expenses and stay in destination and raise tourism revenues of destination country. But expensive currency leads to enhance attraction power of domestic tourism and is replaced by outbound tourism. Through rising Iran's national currency value, tourism industry can make an import role in providing currency needs of the country (Khosravian, 2012).

Requirement of foreign exchange earnings and foreign investment, high rate of unemployment, high employment costs, being import oriented of manufacturing industries and being late return of many of economic plans and so on, direct us that more attention by Iran to tourism sector development can provide reaching sustainable employment, rising exchange earning and non-oil exports, quick return on investment, introducing Iran's civilization to the world, wide integration with other countries of the world and breaking economy sanctions relative to Iran (Kolvandi,2012). In the current conditions exit plan from the financial crisis should be considered by national authorities. Advantages of tourism industry in boycott conditions shows that not only the tourism have suffered lowest of multilateral sanctions against America and its allies, but also sanctions for the industry also has a positive effect. Given the variety of different approaches to tourism development, those carried the lowest negative impact of tourism rising from sanctions and is brought the most interests for the country fits with capabilities and features that will benefit the country should be selected, and Policy of development and promotion in international, national and regional levels as well should be enacted and carried out .In the research the status of the tourism industry under sanctions is expressed and medical tourism, as one of the health tourism types is introduced and its advantages compared to other types of tourism are noted. Then study of medical tourism development in other boycotted countries is covered and at the end, free zones of the country will be enumerated as a safe place of economic sanctions for health tourism development.

2. METHODOLOGY

This review article is a collection of library and information theory, a descriptive - analytical paper and is supposed to answer these two important questions: (What are the benefits of medical tourism as a means to cope with sanctions on Iran?) and (What are the capabilities of medical tourism, particularly in Iran's free trade zones?). First we look at condition of the tourism industry in the years of Islamic Republic of Iran's boycott, and introduce the medical tourism and its advantages and medical tourism development in other boycotted countries. Then the state of health tourism in Iran and the advantages of investing in medical tourism in Iran free trade zones as safe places for tourism investment against economic sanctions are explained.

3. DISCUSSION

3.1. Status of Iran's Tourism in Sanction Condition

Iran sanctions was applied, particularly from 2005 onwards with the aim of limiting economic growth in the country, failure in business and investment, collapsing national currency and to pressure on people and social tension and to force to be surrendered to the demands of the boycotters. Even so tourism and agriculture sectors have suffered the lowest damage of tightening sanctions against Iran (Manzoor, 2012).

By following currency shocks in 2012, competition and exports of agricultural products, mining, services, tourism and independent industries to the imports, rose and total imports also declined, and in the end caused \$ 53 billion imports (U.S. \$ 9 billion, or 14 percent of imports in 2011), Non-oil exports, including gas condensates, reached to 3/41 billion and deficit of total exports and imports, to be cut of more than \$ 18 billion in 2011 to \$ 12 billion in 2012. Thereby this is an improvement in the trade balance (Hosseini, 2013). Rising exchange rate rising from recent sanctions rising beneficial for tourism industry, because the current situation of Iran has

provided suitable bed for foreign tourists travels to Iran. In the condition that most industries and businesses are under intense pressure from various aspects of the sanctions, cutting currency value results in foreigners travelling to Iran, have a high purchasing power. For this reason, such condition for travelling to a country that has not been in the list of world touristic places, has prepared a good situation. This clear to the extent that medias and western and American broadcasts have believed to this, so that American newspaper, Washington post in its report under the title of (tourism promotion in Iran, in sanction days) in November 2012, have considered the reason of tourism promotion, economic sanctions against Iran and cutting Rial value relative to foreign exchange (Washington post newspaper, 2012).

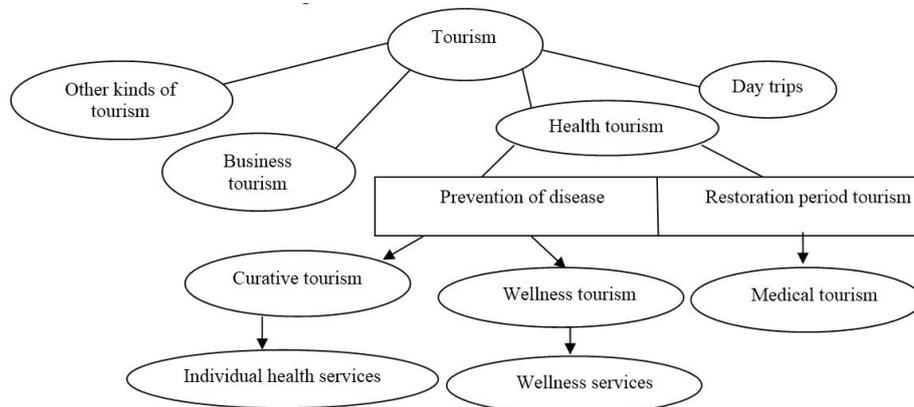
Although Iran tourism industry should traverse long and hard way to reach it's real potent, but trends of Iran tourism promotion in recent years in terms of World average have been enjoying a fairly considerable growth. Based on "World Tourism Organization" the average of annually tourism growth in the world level between years 2004 to 2010 grew %3.5 while Iranian share from this growth in this period has been growing more faster and has reached to 12.7 (Tourism Highlights, 2004-2011). But expensive exchange led to rise attraction power of domestic tourism and replace outbound tourism and foreign travelling of Iranians. Studying following parts of services in 2012 notes that domestic tourism sector faced the growth. According to the custom figures of Iran, Iranian foreign travels figures shows that in this period, grew close to 12.7 percent. Based on current figures cut from 21.7 million in 2011 with 3.4 million peoples (around %15) and reached to 18.3 million peoples in 2012. For instance Kish Island travels figures %11 and Qeshm Island also %9 grew (Hosseini, 2013). According to the Kerman General Administration of Cultural Heritage, Handicrafts and Tourism Organization, before starting sanctions, occupation ratio average of Kerman hotels was %20 to %25, but at the end of 2012 reached to %30 to %35 and one of the reasons for that was considered the rising foreign travel ticket cost, fluctuating exchange cost and cutting the demands for foreign travels (Kerman Cultural Heritage, Handicrafts and Tourism Office, 2012).

Tourism industry is the best alternative and by developing tourism can be hopeful to reducing reliance on oil revenues. Every tourist arrivals lead to exchange and raise the national wealth and each domestic tourist and distribution of wealth in society, jobs in the end are employment. With respect to the tourism industry development, in addition to the economic interests, politically and socially is defendable as an axis of resistance against global oppressors and would be the best checkpoints against their extreme publicity in different areas of the Islamic Republic of Iran. but the tourism industry in the past decades, like many other economic potentials has been victim of based oil sales monoculture economy; Because the vast oil revenues, have been made ineffective necessity of country use from the country's foreign exchange earnings from the tourism economy in different countries. According to the World Economic Council statistics 2013, Iran's official tourism industry capacity (Travel and Tourism Competitiveness Index) does not have a good position to compete with other countries. From the 140 world countries got the ranking of 98. Middle Eastern countries such as Jordan, Egypt, Syria, Turkey, Lebanon, Saudi Arabia, have better place in comparison with Iran (Blanke and Chiesa, 2013). Iran in 2011 by attracting roughly 3,354,000 tourists arrived in 55 ranking of world that in terms of tourism potential of the country has low share (International Inbound Tourism Country Ranking, 2012). What we get from tourism industry is a pure interest. So that these tourists for country has generated around 2707 million dollars of America, as an exchange (Tourism Highlights, 2012). In current sanction condition it is better to be changed the view of policymakers to this industry and effective steps should be taken to make Iran a regional and international hub for tourism. It is clear that by placing in this path during the time, tourism industry will be placed in the best non-oil export context products; that would be one of the main avenues of economic sanctions against Iran to make it ineffective.

3.2. Introduction to Medical Tourism

Today, the relationship between economic growth and health development is bright well. In the new approaches it is not only the health sector that has been enjoying benefits of economic growth, but also it could bring many business advantages for countries and beside providing new financial resources for infrastructure and technology development, undertake important role in cross-section plans sustainable development. Health Tourism is an organized travel outside the usual realm of health care and is done to maintain and improve one's physical and mental health of the restoration (Carrera and Bridges, 2006). The following diagram shows the demand for health tourism aspects.

Figure 1. Health Tourism from Demand Side (Moller and Kaufmann, 2000).



As shown in the figure above, health tourism is divided into three categories, wellness tourism, curative tourism and medical tourism. Even so medical tourism is an organized travel outside one's regular area of individual health care for the improvement and restoring health through medical intervention (Carrera and Bridges, 2006). Another definition of medical tourism is related on trips to treat some diseases or perform a surgery at hospitals or medical centers (Garcia and Besinga, 2006). Since the 1990s, several factors came together to join hands to boost medical tourism. Meanwhile, the high cost of medical care and treatment in developing countries, long time that patients must wait times, and when you take time to get the confirmation of your insurance result in creating this drive to get mentioned services in other countries. Also growth and promotion of airlines made this possible to use medical services of remote destination. rising interest to cosmetic surgery has resulted; those interested in having surgery with lower cost and faster getting service, prefer to have such surgeries in medical tourism destination, because such surgery is usually not covered by health insurance and have a high cost. Statistics of different countries is suggested. Medical tourism is rapidly growing. It is prefer that medical tourism in Asia up to the year of 2012, to have about four and a half billion dollars revenue (Delgoshaei et.al, 2012).

But medical tourism in developing countries have been growing more:

- Globalization and liberalization of trade in health services area;
- The Asian financial crisis led to government gain new revenue sources;
- Favourite changes in the exchange rate of the global economy, has turned Asia into ideal destinations for such tourism.

- Rapid recovery and promotion in medical equipment used and providing services by world standards of medical led to improving the quality services of these countries.
- The emergence and spread of the Internet and advances in information technology led to help access to price of services in diverse destinations.
- In those countries also are known as top tourist destinations, tourism phenomenon led to health tourism promotion.
- 11 September happening and restrictions of U.S and European countries to visa for middle east countries patients, let the East Asian markets to attract medical tourists in this wandering condition (Shalbfafian, 2011).

Among the advantages of medical tourism can include:

1. Rising revenues of health care industry: entry of medical tourists through average cost of these tourists and residence time average will raise the industry revenues. Medical tourism benefits including hospital accreditation, developing medical equipment and raising doctors to patients' ratio all can raise the performance and efficiency of the health care industry.

2. Creating job opportunities: medical tourism has this capability to provide jobs in all different levels. as the base product of medical tourism is treatment services, can led to use potential of domestic doctors and prevent migration of skilled labour forces and be the proper tool for decent employment of these groups. In around product medical tourism that is live in host country and tourism and leisure activities, also led to promotion of providers business of this kind of services.

3. Better standards and continuous improvement of facilities and services: foreign patients are trying to be sure of being standard and having international accreditation of that hospital earning services. International institute of accreditation also evaluate hospitals or to guarantee maintaining and recovery of provided services. This also led to hospitals to keep safe their conditions and not to lose their markets and improve their services and facilities in decent world level (Shalbfafian, 2006).

3.3. Medical Tourism in Embargoed Countries

South Africa: in the last decade, South Africa has famed in cosmetics surgery, its costs in comparison with price of such surgeries is less than an half in main market of U.S.

Cuba: Caribbean countries also despite the closeness to U.S, as are not able to compete with American Latin countries, are supposed to focus and get competitive advantage in special fields, that among this we can note the skin disease and Antigua dentists (Shalbfafian, 2006).

China: the most fame of china country in medical tourism is in heart, beauty and orthopaedic surgery field, losing weight and neurology, also in International Research on stem cells is in the top world countries. Traditional Chinese medicine as well is in the most renowned tourist attractions in China, Including acupuncture, herbal medicine, and cupping with fire and Toyina massage (China Medical Tourism, 2013).

India: India is regarded as a world centre of medical tourism, besides the breadth of services it offers, also have been providing wide efforts for equipping infrastructure, upgrading technology and medical devices, holding down costs, delivering signatures the medical protocols, so that the success rate of surgeries, such as heart, brain, bone, kidney, are similar to the best hospitals

in the world. Apollo Hospitals Group, that is India's largest hospital group and the third largest in the world, is a leader in health tourism in India.

Other leader countries such as Thailand can also cite cosmetic surgeries, Malaysia, Philippines, Singapore, Argentina and Middle East countries in plastic surgeries, including Bahrain, Jordan, Lebanon and the United Arab Emirates and Saudi Arabia. Dubai has a well-established health town that tries to get the Middle East market by extensive planning and investment. But price competition with Asian countries is difficult for Dubai, Dubai focuses on quality competitiveness. Providing German doctors can be considered in this way, for ensuring high standards of services and propaganda manoeuvre on this issue. Jordan since 2005 has been a major tourist destination in the Middle East. Jordanian hospitals accepted 100000 patients, which were from adjacent countries for operating heart and kidney transplant. According to statistics released by the ministry of Jordan Health, income rising from health tourism in the country in 2002, was half a million dollars. Bahrain is another neighbouring country that has carried out Substantial investment on infrastructure development and medical tourism. Health tourism of the country in 2001 was about 450 million dollars, that its major target markets have been usually Persian Gulf countries (Shalbfafian, 2006).

3.4. Medical Tourism Condition in Iran

Government of the Islamic republic of Iranian under economic sanctions of the country, and the need to exchange technology with regard to their merits in the medical tourism, including low cost and high quality medical services should use the industry's health care ability to take advantage of medical tourism. Iran now in medical science such as stem cells and the repair of spinal cord injuries is among the world's top countries. As well in discussions on topics such as infertility and invasive radiology and kidney and liver, is able to compete with the world's advanced countries. Affordable health care services in developing countries and even region countries are a competitive advantage. Also the quality and success percent of surgical treatment also place in the competitive level of the region (Shalbfafian and Zargham. 2010). By considering these advantages, the Fourth development plan, has listed rising revenues rising from tourism ministry as a legal obligation.

The text of article 87 of the Fourth Development Plan, can be noted as follows: "Medical education curative healthy ministry is responsible to conduct presence of universal markets and turning Islamic republic of Iran into a ending centre of medical and health needs of region in trade strategic policies frameworks, provide requirement facilities about introducing capabilities, supply and marketing of health services and medical education and productions, equipment, medical and herbal goods in a way that currency service export and relevant products be equivalent with 30 percent of currency consumption of curative and services sector at the end of last year of forth program."

Thereby the committee for medical tourism was formed to make policies for developing such tourism under the auspices of the ministry of health and medical education. Goal of committee is introducing Iran's therapeutic potential in international level and helping to equipping medical centers and hospitals to required facilities. In implementation of article 87 of fourth law of the economic, social and cultural plan in Islamic republic of Iran, to prepare the fields for influential participation in global markets and turning Islamic republic of Iran into a ending regional medical health needs centre, central bank of the Islamic Republic of Iran was obliged to place the one hundred billion (100/000/000/000) Rial factory through operating banks in the private and cooperative sectors (Shalbfafian and Zargham. 2010).

There are another evidences in bylaw format given the need of tourism and health and medical centres (Second Law of Development Plan): 94 remark: government is charged to fulfil

establishments, equipment and human forces of curative and healthy networks of the country from budget resources place with priority of healthy houses ,rural curative and healthy centres, healthy bases and suburb curative and healthy centres in a way that quantitative development of mentioned networks finish up to the end of second program and carry out physical and provisional fields and organizational development and provide qualitative promotion of healthy and curative networks of the country (The second program of economic, social and cultural development of Islamic Republic of Iran, 1996).

Fifth Law of Development Plan: 34 remark: Government support cooperatives and enterprises for building healthy knowledge towns (The Fifth program of economic, social and cultural development of Islamic Republic of Iran, 2011).

Ministry of Health and Medical Education as one of the custodians to help making easier process of adopting possible plans in tourism, especially the in health and medicine field, could be taken a step in this regard to help providing resources and other parameters. One of the country's plans in health is strategic plan drafted in 2009 that is an important step. One of the legal notes of medical and health tourism issues as healthy comprehensive map of country are as follows:

56 remarks: providing 5 % of whole healthy resources from revenues place rising from healthy tourism to the end of Fifth Development Program.

Due to lack of comprehensive base of health tourism in the country, as these hospitals are not charged to report their patients to the health ministry, there is no exact figure of foreign patients that are cured in Iran. There is no also exact figure of those tend to travel Iran for using hydrotherapy centres (Shalbafian and Zargham. 2010).

For better understanding of medical tourism condition, in the following table, strengths, weaknesses, opportunities and threats facing Iran medical tourism are considered. Weaknesses and strengths are on factors and exist bases of Iran (national level) and features of medical services system, insurance, tourism and so on. Opportunities and threats are also relevant to existing trends and factors of medical tourism market in international era. On the other hand, controllable factors brought by Iranian destination for influencing on medical tourism development in weaknesses and strengths scope and incontrollable factor also brought among opportunities and threats.

Table 1. Strengths, weaknesses, opportunities and threats of medical tourism in Iran (Shalbafian and Zargham. 2010; Tourani et.al, 2010).

Strengths
Free zones advantages including customs and tax exemptions.
Having quantitative competitive advantage in the sciences such as stem cells, repairing spinal cord injuries, infertility and invasive radiology topics.
Exist professional charged insurance of doctors in Iran.
Providing in needed fields for growing private sector (given the 44 principle of Constituting the Islamic Republic of Iran).
Legitimate commitment of health ministry for developing medical tourism.
natural and tourism attraction in Iran.
Low price of health services and drugs in Iran (in comparison with other countries of region).

Advanced technological and physical infrastructure in Iran (in comparison with other countries of the region).
Qualified human resources (in all levels of health services) in public and private sector.
Weaknesses
Lack of advanced medical equipment.
Having no international certification by most of doctors.
Barriers in mobility of insurances from the patient's origin.
Lack of statistical comprehensive base in health tourism.
Legal restrictions from about inflowing foreign people (tourists) to the country such as visa process and so on.
Lack of government supporting of private sector to provide health for medical tourists.
Limitations of human resources capabilities especially in IT and language skill.
Impedances in foreign exchange of country.
Unattractiveness of health tourism market for investors.
Unknown potentials of Iran in medical tourism market due to lack of advantaged marketing system in medical tourism and promotional initiatives.
Publicizing different tariffs of medical services for foreign patients and lack of supervision for them have resulted in tourists' dissatisfaction.
Lack of stakeholders' awareness based on how they make their roles in medical tourism development.
Shortage of organizing medical tourism services providers' centers and dependent acting of each of these centers in attracting tourists.
Shortage of providing different sectors of tourism industry for instance, tour operators, hotels, travel agencies and so on for proactive presence in medical tourism era.
Opportunities
Supply shortage of medical services with desirable quality and cost in the region.
Rising trends of patients to earn health services in the region.
Raising access to medical tourism market (patients in search of desirable quality with affordable prices of medical care in developing countries).
Provide health in the region of the country (Middle East and Middle Asia).
Decreasing patients going abroad to get advanced medical treatment.
Rising world revenues rising from health services export.
Being subscribed of some customs and cultural contexts with target markets.
Changing life approach.
Fast growing of information technology and communication like internet and promoting express aviation transportation.
Threats
Security council sanctions against Iran.
Exist negative perception to Iran in international era.
Creating dual markets of health services and providing health (medical) services with better quality to foreign rich customers (patients) compared with health services with less quality to the nationals.
Exact plans and major investment of current opponents (Thailand,

Singapore, Philippines, Malaysia and India) to maintain and rise their market share.
Having major of market share by Iranian opponents.
Providing services onwards trip (follow up) and remote treatment services by Asian competitors.
Considering new medical tourism destination like Lebanon, Saudi Arabia, UAE and Bahrain.
Avoiding foreign insurance companies to making transferable the policies in Iran.
Shortage of international accreditation.
Nonverbal unity with target markets.
Exist other exports of health services share in Asia.

3.5. Free Zones, A Safe Place of Economic Sanctions for Medical Tourism Development

Iranian or non-Iranian individuals and entities, by using funds from external sources, that have obtained the investment license, and use of foreign capital in a new or exist business, after getting approval of investment is called foreign investment (collection of laws and regulations on foreign direct investment, 2008). Including effective strategies of Iran to deal with economic sanctions, and solving problems caused by the boycott of foreign investment, is discussion of zones that act differently than in other regions of the country; where to apply its own rules, is trying to bring pressure inaction. As the analysis of the strengths, weaknesses, opportunities and threats of tourism in Iran is considered, security council sanctions against Iran, is considered a threat to medical tourism development, and the benefits of free trade and industrial zones, including tax and customs exemptions, the strength to deal with the sanctions and medical health care providers of the country. In this section we discuss about the creating of free trade zones - industrial in Iran and the importance of investing in medical tourism and attracting medical tourists in free zones of country as a strategy, will be explained to bypass sanctions and will discuss about what have been told up to now with this name elsewhere in the world.

3.5.1. History of Free Trade - Industrial Zones

The term "free trade area" has a lifetime over the decades, but the meaning of the term has a long history in the global economy. port of Hamburg is the world's first free-trade port, In 1888(A.C) with the goal of setting up free zones close to the expected goals of today, means generating industrial goods, established by internal strain. the success of the Port, became incentives in creation of other free ports in Europe such as Copenhagen (1894), Dantzyk (1899), Malmö, Hangu, Fydm and Tristan in Asia, Singapore, Hong Kong and Macau (before WWII). The first free trade area with a new concept, the Shannon free zone in Ireland in 1959 was established with the main expected objectives in developing countries to attract foreign capital, transferring technology and job creation.

Before World War II, free zones mostly were characterized as a place for storage, transferring goods from one vehicle to another, re-export of goods and a place for business. but success in the Shannon Free Zone in other fields as well the export process (Export Processing) means products, re-export goods, lightweight products (electronic products, textiles, tools style), rather than heavy products (machinery) and attract foreign companies, led to developing countries to be considered establishment and expansion of free trade zones with such objects. This led many countries having free zones, to be reached from seven countries to 60 countries in the early 1970s to the early 1990s. In the 19th century and the mid-twentieth century, free trade zone was synonymous with the free port where trade is possible in that region and free trade was

considered also eliminating customs duties on imports and exports and the absence of any restrictions on foreign trade. Free zones first as a solution for developing countries were considered in framework of strategy such as export promotion strategy rather than import substitution strategy, and using of comparative advantages principle, and strategies to use trade as a driving factor of development.

Import substitution strategy was formed in the period between two world wars in the early 1960s with the aim of replacing domestic goods instead of import goods and was reflection of situation and the evoking of nationalist sentiment in 1950 that somehow was following an independent plan of outside and self-sufficiency of inside. The relative failure of this strategy in the 1970s and 1980s caused turning plans of developing countries to export development strategy. Role of free zones was important in solving economic developing countries, through the gradual developing of the national economy linkages with the global economy and minimizing risks of this link in success of the development strategy of export zones. In another strategy stressed on using comparative advantages of each country for producing cheaper goods with more quality in comparison with other countries, free zones was a tool for the further exploiting of cheap labour, raw materials and intermediate goods with least tariffs and promoting free trade. After the Second World War and the economic transformations of the world, using foreign trade was considered as a driving factor and developing strategy. Rising competition, innovation, enhancing product quality and economic mobility in developing countries, is also largely so foreign trade and economic relations and free zones are realized as one of the most important tools in the this strategy.

Proliferation cause of free zones in developing countries in recent years more refers to internal barriers of the economy growth and the need to prepare of national economy for integration with global economy; because developing countries find creating open areas the least painful and easiest tool to resolve these barriers. Free zones for most of these countries are as a means of political and economic strategies to reach economic plans. But failure of free areas in many developing countries can be attributed to not being well enough open of the political, social and cultural space of these countries to link with the wider global economy, political instability and weakness of central power to basic decisions making, inappropriate environment for attracting foreign investment, wrong zone determining, management weaknesses, lack of labour education, low efficiency of human resources, high cost infrastructure, lack of targeted investment, weakness in repairing and maintenance of operative infrastructure facilities, lack of financial resources and liquidity.

Relative to this the success of free zones in other countries can be attributed to the clear policies to attract foreign investment to the region, freedom of entry materials, parts, supplies and capital goods needed for industrial units located in the region, rapid and low cost clearance of imported and exported goods of entry and exit stationed customs of free zones, relying on foreign exchange control system, totally free without any limit and control, rapid response to application related to investments, simplifying the formalities on the employment of labour, terminating service personnel in stationed units of the free zone, selecting the right place through placing in an urban area enjoying cheap an decent labour, also having a communicative strong network (Major ports, adequate roads, and the like (Coordinating Board of the Special and Free Economic Zones). Here are some of the most important zones of the world are cited to reach the perception and development capabilities of the free zones:

1- Peninsula Hong Kong free trade-industrial zone: the former British colony under the 1998 Agreement in 1997 joined to main land to preserve the capitalist system and greater autonomy of free trade policies and is equipped with a major airports and the world's leading container port and is recognized as a reputable financial centre offering inter banking services at the highest international standards.

2- Jabal Ali free zone: this area due to similar facilities in Dubai is intended to provide more facilities of Dubai free zone and have targeted the supplying industrial goods of countries of Persian Gulf cooperation council, Indian subcontinent and Africa. No restrictions on foreign exchange, 100% ownership for foreign investors, transferring possibility of 100% capital and profit to outside, 15-year tax exemption is a part of The attractiveness of the region to attract foreign and domestic investors.

3- Santa Cruz electronic export processing zone: this area is located in Mumbai, India. No license is required to import goods into the region. Office equipment are imported without customs tariffs and products in the region are also exempted. Units located in the area for 5 consecutive years are tax exempt since the start of its sales. Transferring capital and profit is free and could sell 25% of their products to the applicants of domestic markets until they have a valid import license.

4- Vykaoy Shanghai China free zone: this area is under supervision of customs and is monitored according to the custom regulations. Machinery and equipment, building materials, vehicle for production and transportation and goods and offices used within the region, Raw materials, spare parts, fuel and equipment Packaging which are used for making exportable products, in transit goods stored in region and exporting products that are processed in the region are exempt from taxation (Coordinating Board of the Special and Free Economic Zones).

3.5.2. Free Trade- Industrial Zones of Islamic Republic Of Iran

Following the adopting the first programs of economic, social and cultural of Iran and with agreement of Parliament, three free trade zones of Kish Island, Qeshm Island and Chabahar, respectively in 1989, 1990 and 1991, started their activities. The establishment and management law of these areas was passed by Parliament in September of 1991. Mission of zones nationally. Based on the objectives set in article five of the constitution free zones, is explained "proper role in the national economy, improving social welfare, important role of free trade zones in enhancing national security. Also for each of the zones based on their capabilities and features has defined specific mission. for example, the mission of free zones has explained : Chabahar, transit of goods, regional trade and become a dock area of regional commodities and raw material and Qeshm, fuel supply and ancillary services, major industries, especially oil and gas industries, advanced biological technology, technical and engineering services, re-exporting commodities and Kish, tourism development, focusing on cultural services-welfare, advanced manufacturing, information technology, providing oil commercial services and centralizing oil goods in international and regional exhibitions and conferences (Coordinating Board of the Special and Free Economic Zones).

Other free trade - industrial zones are included Anzali, Aras, Arvand and Mako. Free zones with the huge investment expanding day by day can contribute to the production cycle and industry of country. Rising sanction volumes, has made Iran's economic situation on alert condition and among this, free zones can have a major role in escaping of emergency situation and be a stimulus of economy. Free zones as an export-oriented production can enhance investor protective laws and be the developer of economy, manufacturing and employment in the country. Tourism industry development in free zones as a user-centric industry will have a major role in improving the employment situation. Medical tourism as a branch of health care services is totally dependent on skilled and semi-skilled manpower. With regarding to employment benefits and other benefits of tourism, Including economic development, exchange technology, intercultural understanding and ... , Islamic republic of Iran has showed importance of tourism development in free zones in development programs framework, rules and regulations, bylaws that has cited in the Second Development Program :

28 remarks: management of trade free zones is charged based on healthy ministry; cure and medical education develop curative and healthy centres in free zones area and finance current costs of them relative to mentioned ministry criteria from specific revenue of that place.

Article 5: the foreign nationals, who have got a resident permit, do not have to get a separate visa to enter the zones. Such individuals, May because of the domestic regulations and presenting the valid documents, travel to the zones.

Based on articles 11 and 12 : travellers entering the free zones through airport or ports from foreign countries or other regions directly , including Iranians or foreigners are permitted to enter commodities to the extent that is not commercial and clearance them with keel age exemption . Travellers exiting country directly from region are permitted to exit commodities that are not commercial without any permission with them (The second program of economic, social and cultural Islamic Republic of Iran, 1996).

Coordinating Board of the Special and Free Economic Zones in free trade zones to fulfil medical tourism have some underway activities that can be as follows:

- 1) Kish: construction of health town
- 2) Anzali: construction of specialized health centre
- 3) Arvand: Mino Island health centre
- 4) Aras: construction of up specialized Hospital

3.5.3. Investment Incentives In Iran's Free Trade Industrial Zones

- 1- Tax exemption for 20 years from the date of first use for all economic actions;
- 2- Freedom of entry and exit of capital and profits;
- 3- Support and guarantee of external capitals;
- 4- Abolition of entry visas and ease of foreigners' residence permits;
- 5- Simplified rules and regulations concerning labor relations, employment and social security;
- 6- The possibility of transferring goods from producer to the mainland without paying customs duties;
- 7- Failure to pay customs duties on imports from outside the region and outside the region;
- 8- Using trained and skilled manpower at all skill and different professions;
- 9- Using raw materials, oil and gas as raw material and fuel for all industrial operations (Free Zones and Special Economic Coordination Council presidency).

Some of these investment incentives mention in detail as follow:

Regulation About Facilitate Entry and Employ of Foreigners In Free Trade - Industrial Zones:

Article 2 :for direct entry into the authorized points of arrival and departure in the free zone, foreign nationals are not required to obtain a visa beforehand.

Article 4 :the foreign nationals who have entered the zones and intend to enter into the country shall submit their application to the representative section of foreign national's affairs located in the disciplinary forces headquarters stationed in the Zone.

Article 5 :the foreign nationals, who have got a resident permit, do not have to get a separate visa to enter into the zones. Such individuals, May in view of the domestic regulations and presenting the valid documents, travel to the zones.

Article 9 :for employment of foreign nationals in the Zones, it is required to observe the provisions of the regulations governing the Employment of workforce, insurance and social security in the free trade-industrial zones of the Islamic Republic of Iran (Free Zones and Special Economic Coordination Council presidency).

Regulation About Facilitate Investment Provisions In Free Trade - Industrial Zones:

Article 2: all natural and legal persons, including Iranian and foreign institutions and international organizations in accordance with the provisions can function independently or in partnership or collaboration with other organizations and companies investing in open areas and their accepted financing is subjected to these regulations.

Article 5: foreign investors can invest in economic activity in any proportion.

Article 9: that an investor can invest in the region, it is insured. In the event of an accident, according to the Insurance Institute for Policy Investor replacement insurance, the insured to pay damages due to the replacement of the transferred asset is not recognized.

Article 12: exclusion of interest and principal and interest payments related to the economic activities of foreign capital and foreign capital Iranians and funds from the sale or transfer of such funds is authorized areas. Each regional organization authentication request from such investors and amounts requested to leave the area to operate the investment recorded in a matter of investors of the license of investment and ensure that the cases cited in the note following the confirmation within one week of receipt will be issued.

Note the region in its review, considerations of the investor tax credits under Article (13) Law on Administration of Free trade-industrial zones and the Net of fees will be considered a request for the removal.

Article 14: investors stock or shares of your company with the approval of the Authority may transfer to other investors. In this case, the transfer is any alternative investor.

Article 15: the transfer of capital from one region to another is subject to investment regulations in the areas of origin and destination.

Article 16: disputes between foreign investors and Iranian parties will be resolved in accordance with contracts and written agreements (Free Zones and Special Economic Coordination Council presidency).

4. CONCLUSIONS

Iran has potential opportunities and capabilities for tourism development. However, is facing number of inhibitors and challenges that can cite the widespread sanctions of America and its allies including Security Council in hampering economic agreement developments. Boycotting Iranian banks and insurance institutions has made the entry and exit trends of foreign exchange and international services of travel insurance to have some problems, and on the other side negative propaganda of west versus Iran, has distorted mentality of tourists community to Iran. Applying different kinds of restrictions in investment importantly foreign direct investment has minimized the utilization opportunity of foreign exchange sources.

In this condition by looking at health tourism industry situation in developing countries and assessing medical tourism position in these regions, we can find out that these countries utilize their abilities including high quality and low costs of medical services along with health tourism development and has subjugated on foreign threats comprised of economic sanctions.

This flow by regional countries could be a strategy in overcoming on current sanction problems and beyond this a threat for Iran utilization of health tourism development; because now regional countries such as Lebanon, Bahrain, Saudi Arabia, UAE, Jordan, China, India and ... are considered as a strict opponents of Iran in health tourism specially medical tourism. In such condition utilizing a comprehensive strategy for health tourism development and introducing capabilities of country, require a meticulous and genius policy and plan of tourism management organizations of country. Based on last researches, local development rising from tourism activities requires expense of tourists and by providing more foreign investment in specific areas we could attract tourists. In this paper we tried to introduce free trade - industrial zones as a safe place of economic sanctions for improving medical tourism. The strategy also introduced the necessity of utilization opportunities and investment incentives in medical tourism development. capacity of country in sciences such as stem cells, repairing SCIs, infertility, liver and kidney linkage, ophthalmology and radiology topics beside the appropriate cost of health care services and high success rate of specialized operating, apply high potent of Iran to develop medical tourism. Choosing suitable place for development is comprised of sustainable tourism development funds.

We tried to express current angles to introduce investment and foreign investing in free trade zones as a developed bed. In addition to the geopolitics and geographical position of free zones, 20 year tax exemption, abolishing visas and ease of allowance for foreigners, facilitated laws about work relations, employment and social security, lack of paying custom wages in case of importing goods from outside to inside and vice versa, and other investing exhorting in these area, perfectly id claimed that this chance may be one of top components and parameters of investment in developing medical tourism and reductive of some major costs of the country. Tourism officials, policy makers and planners should take more attentions and prepare high enough coordination with free zones managers in their frameworks and help them reach their major purposes of health era in country. at the end we should be noted that ultimate goal of this paper was to prepare a unique opportunity for individuals and legal persons of whole world to get essential facts about capabilities and breaks of Iran in medical tourism era and finally would apply investment fortune guarantees at this kind of tourism in free trade - industrial zones.

ACKNOWLEDGEMENTS

None.

ETHICAL CONSIDERATION

Authenticity of the texts, honesty and fidelity has been observed.

AUTHOR CONTRIBUTIONS

Planning and writing of the manuscript was done by the authors.

CONFLICT OF INTEREST

Author/s confirmed no conflict of interest.

COPYRIGHT

THIS IS AN OPEN ACCESS ARTICLE DISTRIBUTED UNDER THE TERMS OF THE CREATIVE COMMONS ATTRIBUTION (CC BY 4.0)

REFERENCES:

- Azari, M., (2008). Economic Sanction, Results, Policies and Solutions, Tehran: Economic Counsel Research Institute. (In Persian)
- Blanke, J. and Chiesa, T., (2013). The Travel & Tourism Competitiveness Report, World Economic Forum, Geneva.
- Carrera, P. & Bridges, J.F.P., (2006). "Health and medical tourism: what they mean and imply for health care systems", Geneva Association Information Newsletter, Vol. 15.
- China Medical Tourism, (2013). Retrieved from www.allmedicaltourism.com.
- Delgoshaei, B., Ravaghi, H. & Abolhasani, N., (2012), "Performance Evaluation of Medical Tourism in Tehran from the Perspective of Medical Tourists and Medical Service Providers", Journal of Hospital, Eleven years, 1st. number. (In Persian)
- Free Zones and Special Economic Coordination Council presidency, Laws and regulations for free trade zones, Organization of Iran Free Trade - Industrial Zones. (In Persian)
- Free Zones and Special Economic Coordination Council presidency, Investment incentives in Iran's free trade industrial zones, Organization of Iran Free Trade - Industrial Zones. (In Persian)
- Garcia & Besinga, (2006), "Challenges and Opportunities in the Philippine Medical Tourism Industry", SGV Review.
- Hosseini, Sh. (2013), "Iran Economy within Sanction", Tehran: Ministry of Economy. (In Persian)
- International Inbound Tourism Country Ranking. (2012), Retrieved from <http://www.indexmundi.com/facts/indicators/ST.INT.ARVL/ranking>.
- Islamic Parliament of Iran, (1996), Second program of economic, social and cultural development of Islamic Republic of Iran. (In Persian)
- Islamic Parliament of Iran, (2011), Fifth program of economic, social and cultural development of Islamic Republic of Iran, Article 34. (In Persian)
- Kerman culture heritage, handicrafts and tourism office, (2012), Positive effects of sanctions on Kerman tourism, Kerman: Cultural Affairs of Kerman Cultural Heritage, Handicrafts and Tourism Office. (In Persian)
- Khosravian, A., (2013), sanction, opportunity for tourism boom, Tehran: Young Reporters club economic conversation. (In Persian)
- Kolvandi, A., (2012), the role of tourism in economic strength, Tehran. (In Persian)
- Manzoor, D., (2012), Special meetings for planning and managing the boycott golden opportunity for sustainable development, Tehran: International Conference and Exhibition on Investment Opportunities in the field of Cultural Heritage, Handicrafts and Tourism. (In Persian)
- Mueller, H. and Kaufmann, E., (2000), "Wellness tourism: Market analysis of a special health tourism segment and implications for the hotel industry", Research Institute for Leisure and Tourism, Switzerland: University of Berne.
- Organization of Cultural Heritage, Handicrafts and Tourism, (2008), collection of laws and regulations related to foreign direct investment, Tehran: Department of investments and project. (In Persian)
- Ranjbarian, B. & Zahedi, M., (2005), Understanding Tourism, Isfahan: Chaharbagh Publication. (In Persian)
- Shalbfafian, A., (2011), "Medical tourism attractiveness terms of the driving forces of the market", National Conference on Tourism Development and Management, Tehran: Sharif University of Technology. (In Persian)
- Shalbfafian, A., (2006), "Medical Tourism, Opportunities and Challenges", First National Conference on Tourism and Health, Ministry of Health, Treatment and Medical Education. (In Persian)

Shalbafian, A. & Zargham Brujeni, H., (2010), “Application of SOWT in Medical Tourism Analysis”, Journal of Heritage and Tourism Research, 1st. number. (In Persian)

Tourani, S., Tabibi, S.J., Tofighi, S. & Sharbafchizadeh, N., (2010), “Medical Tourism in Iran: Analysis of Opportunities and Challenges with MADM Approach”, Research Journal of Biological Science, Vol. 5, pp. 251-257.

United Nations World Tourism Organization, (2004-2011 ed.), Tourism Highlights: fact and figures, UNWTO Publications Department, Madrid.

United Nations World Tourism Organization, (2012), Tourism Highlights: fact and figures, UNWTO Publications Department, Madrid.

Washington Post Newspaper, (2012), Positive effects of sanctions on Iran's Tourism Industry, Tehran Office.