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Health Tourism and Foreign Exchange Outflow: Political Economy Implications

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Executive Summary

Nigeria continues to lose significant foreign exchange (FX) through medical tourism — the practice of Nigerians seeking healthcare abroad due to weaknesses in the domestic health system. Recent analysis of the Central Bank of Nigeria (CBN) quarterly statistical bulletin shows that in the first nine months of 2025, foreign exchange outflows for health travel hit approximately US $549.29 million, up nearly 18 % from the same period in 2024, underscoring growing reliance on foreign healthcare.

The Nigerian government in a bid to improve the health sector has constantly increased the budgetary allocation to the health sector from recorded N1.3 trillion in 2024 to N2.3 trillion in 2025 and N 2.48 trillion in 2026. Also the Nigeria Health Sector Renewal Investment Initiative (NHSRII) and Sector-Wide Approach (SWAp), aim to strengthen primary healthcare, improve financial protection, and boost local manufacturing. Key focus areas include doubling functional Primary Healthcare (PHCs) to 17,618 by 2027, activating the Basic Health Care Provision Fund (BHCPF 2.0), and digitizing records. Despite all these effort, Nigeria health sector continues to witness deep challenges which in turn result in oversea health tourism which affects the FX.

This Brief hereby recommends that the National Assembly through its Senate Committee on Health (Secondary and Primary), Senate and House Committees on Primary Health Care and Communicable Diseases, and Senate, House Committees on Employment, Labour and Productivity and Senate and House Committees on Appropriation, in collaboration with relevant stakeholders like the Federal Ministry of Health and Social Welfare, National Primary Health Care Development Agency (NPHCDA), Medical and Dental Council of Nigeria (MDCN), National Association of Nigerian Nurses and Midwives (NANNM):

- ✓ **Convene** a public dialogue on the need to curb oversea health tourism, curb the menace of brain drain in the health sector and provide actionable pathway to improve the Nigeria health sector.
- ✓ **Strengthen** regulatory framework to enhance clinical governance, enforce standards, and implement systems for patient safety and accountability in Nigeria health sector.
- ✓ **Encourage** the full implementation of the National Health Act (2014) to guarantee improved funding for the healthcare sector.
- ✓ **Support** the Federal Ministry of Health and Social Welfare on the need to expand high-end diagnostic and treatment centres with capacity for cardiology, oncology, neurosurgery and other complex specialties in Nigeria.
- ✓ **Support and improve** health workers remuneration, working conditions, and continuing educational opportunities to reduce brain drain inherent in the Nigerian health sector.

While recent figures highlight a significant rise in FX usage for overseas health travel in 2025, underlying fears about domestic care quality and safety persist. Addressing these challenges demands bold policy action, strategic financing, workforce development, and systemic reform to restore confidence in local healthcare delivery and stem the drain on Nigeria's foreign exchange

1. Introduction

Medical tourism has been a persistent drain on Nigeria's foreign exchange. Wealthier citizens and political elites often seek specialized treatment abroad because of perceived or real gaps in the availability, quality, and safety of local treatment options. While CBN data historically showed the amounts routed through official FX channels, recent reporting indicates this figure has grown dramatically, suggesting under-reported channels are in play[1].

Analysis of the CBN quarterly statistical bulletin for Q3 2025 shows sustained growth in medical-related travel expenses. Nigerians spent $151.53m in Q1 2025, $189.41m in Q2, and $208.35m in Q3, bringing the nine-month total to $549.29m. By comparison, the same period in 2024 recorded $142.95m, $153.67m, and $169.04m, respectively[2].

The increase underscores persistent demand for healthcare abroad, particularly for critical treatments such as cardiovascular procedures and other specialised care. Experts say declining trust in local health services and systemic disruptions continue to drive Nigerians with financial means to seek treatment overseas.

This brief examines trends in FX outflows for health travel, underlying drivers, political economy, and social and economic impacts; and outlines policy recommendations for legislative and executive action to strengthen Nigeria's health system and reduce outbound medical tourism.

2. Medical Tourism and FX Outflows: Trends Data

Nigerians spent approximately US $2.41 million on medical tourism according to CBN figures — a decline from US $3.82 million in 2023[3]. (NB: These figures reflect FX recorded through official CBN channels, which may understate total outflows from private or parallel channels.)

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These figures reflect official channels tracked by CBN, but experts warn the real magnitude may be larger where patients source FX through parallel markets or offshore accounts, masking true outflows.

[1] Nwafor, A. (2026). FG slammed as medical tourism hits $550m annually. *PUNCH*. https://punchng.com/fg-slammed-as-medical-tourism-hits-550m-annually

[2] CBN. (2026). Quarterly statistical bulletin. Central Bank of Nigeria. *CBN*. https://www.cbn.gov.ng/documents/QuarterlyStatbulletin.htmlcbn.gov.ng

[3] Ibid.

[4] CBN. (2026). Quarterly statistical bulletin. Central Bank of Nigeria. *CBN*. https://www.cbn.gov.ng/documents/QuarterlyStatbulletin.htmlcbn.gov.ng

[5] CBN. (2025). Quarterly statistical bulletin. Central Bank of Nigeria. *CBN*. https://www.cbn.gov.ng/rates/

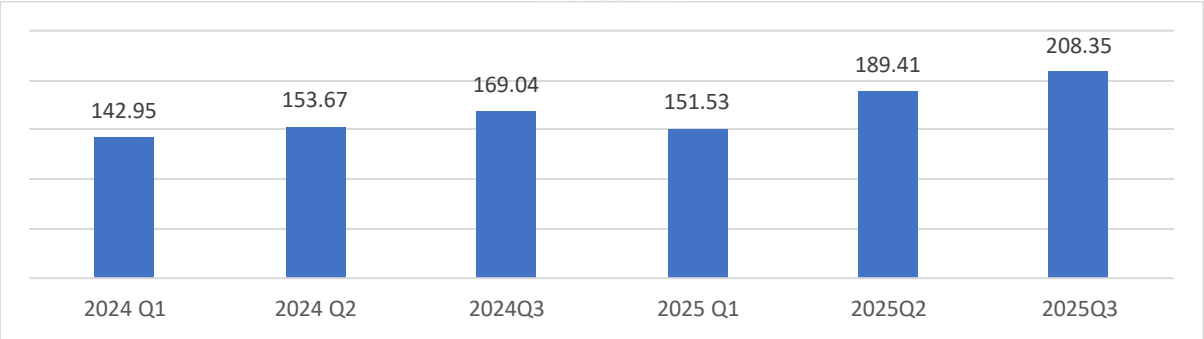

Fig. 1. Trends of Medical Tourism and FX Outflows from 2024 – 2025 (in $B). Source: CBN Dashboard (2026)[6].

3. Drivers of Outbound Medical Travel

Multiple factors drive Nigerians to seek healthcare abroad. Some of these factors include the following:

i. Inadequate Healthcare Infrastructure: Many public hospitals lack advanced diagnostic tools, equipment and life-saving technologies that specialized treatments require.

ii. Quality and Safety Concerns: Repeated incidents of perceived medical negligence, lack of strict clinical governance, inconsistent quality standards and weak regulation have eroded trust — highlighted in the recent tragedy involving Chimamanda Ngozi Adichie's son[7], who died after a medical procedure in Lagos, sparking public debate about healthcare standards.

iii. Brain Drain: Continual migration of skilled professionals to developed countries leaves a critical shortage of experienced medical personnel. This exacerbates service gaps and reduces the availability of specialist care locally. Nigeria's doctor-to-patient ratios are significantly below World Health Organization (WHO) recommendations, leading to overworked health workers and compromised service delivery.

iv. Affordability and Access to FX: Nigeria's FX policy, exchange rate volatility and limited official FX availability have pushed some patients to seek treatment abroad when foreign currency can be obtained.

Nigeria still scores low at 32.94 among countries in global best healthcare system. The rankings show the extent to which people are healthy and have access to the necessary services to maintain good health, including health outcomes, health systems, illness and risk factors, and mortality rates. The poor performance of Nigeria in the healthcare system can be linked to the mass exodus of doctors from Nigeria, which has had a significant effect on the country's health sector and leads to oversee health tourism which in turn affects the FX.

[6] CBN. (2026). Quarterly statistical bulletin. Central Bank of Nigeria. *CBN*. https://www.cbn.gov.ng/documents/QuarterlyStatbulletin.htmlcbn.gov.ng

[7] Health Policy Watch. (2026, Jan). Adichie's loss and the UHC agenda: Why smart policy isn't saving lives in Nigeria yet. https://healthpolicy-watch.news/adichies-loss-and-the-uhc-agenda-why-smart-policy-isnt-saving-lives-in-nigeria-yet/

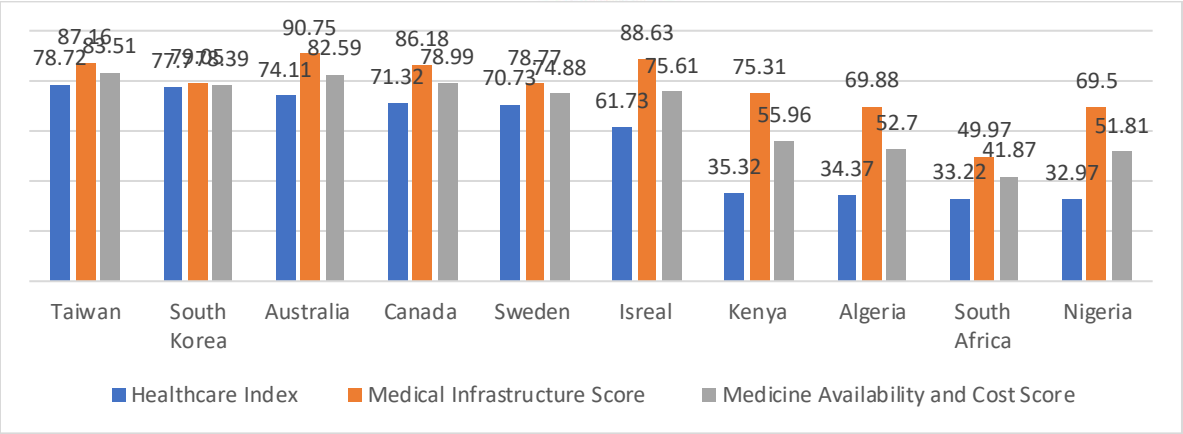

Fig. 2. World Best Healthcare System Ranking of Country in 2026. Source: World Population Review (2026)[8].

4. Political Economy Implications

i. On Foreign Exchange and Macro-Economy: High FX outflows associated with health tourism contribute to pressure on forex reserves and exacerbate exchange rate volatility. Large outbound transfers reduce reserve buffers needed for essential import financing (fuel, machinery, medicines). Reduced FX availability can weaken investor confidence and dampen economic stability. The official current account statistics show a sometimes fragile external balance where services outflows including travel and medical services widen the services payment deficit.

ii. On Health Financing and Public Policy: Government health spending remains low relative to need. Although Nigeria has committed to increase allocations, actual disbursement and implementation lag. Continued outflows for treatment abroad can absorb a disproportionate share of personal and corporate spending that might otherwise support domestic health services.

iii. Social and Structural Impacts: Wealthier Nigerians are more able to afford treatment abroad, widening disparities in access to care. Outbound treatment often comes after delayed care domestically, adversely impacting population health outcomes and mortality rates. Brain drain and poor working conditions reinforce a cycle of diminished local capability.

5. Government Efforts & Budgetary Considerations

The Federal Government has signalled intentions to strengthen healthcare infrastructure and reduce medical tourism through investments, accreditation of world-class facilities, and training programes intended to expand specialized services. Continues budgetary allocation increase to the Federal Ministry of Health and Social Welfare which stood at N1.3 trillion in 2024 to N2.3 trillion in 2025 and N 2.48 trillion in 2026[9]. There are commitments to greater health sector allocations, with emphasis on tertiary care facilities, oncology centres, and workforce expansion to close gaps that drive medical tourism. Also the Nigeria Health Sector Renewal Investment Initiative (NHSRII) and Sector-Wide Approach (SWAp), aim to strengthen primary

[8] World Population Review. (2026). Best Health in the World. *World Population Review*. https://worldpopulationreview.com/country-rankings/best-healthcare-in-the-world

[9] Budget Office of the Federation. (2026). Appropriation ACT. *BOF*. https://budgetoffice.gov.ng/

healthcare, improve financial protection, and boost local manufacturing[10]. Key focus areas include doubling functional PHCs to 17,618 by 2027, activating the Basic Health Care Provision Fund (BHCPF 2.0), and digitizing records. Despite all these effort, Nigeria health sector continues to witness deep challenges which in turn result in overseas tourism that affects the FX.

However, despite these efforts, challenges still persists. Disbursements and absorptive capacity remain a challenge. Proper implementation of health reforms is also a big challenge.

6. Areas for Legislative Intervention

Addressing this challenge requires urgent Legislative and Executive intervention to bolster Nigeria's health system and reduce outbound medical tourism. This Brief hereby recommends that the National Assembly through its Senate Committee on Health (Secondary and Primary), Senate and House Committees on Primary Health Care and Communicable Diseases, and Senate, House Committees on Employment, Labour and Productivity and Senate and House Committees on Appropriation, in collaboration with relevant stakeholders like the Federal Ministry of Health and Social Welfare, National Primary Health Care Development Agency (NPHCDA), Medical and Dental Council of Nigeria (MDCN), National Association of Nigerian Nurses and Midwives (NANNM):

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[10] Federal Ministry of Health and Social Welfare. (2025). FG Approves ₦32.9bn Disbursement, Unveils BHCPF 2.0 to Strengthen Primary Healthcare Accountability. *FMHSW*. https://health.gov.ng/press-statement-2/