

By 2050, one-third of Germany's population will be over 65. Some retirees are fleeing rising health care costs for cheaper – and warmer – countries. Thailand and the Philippines are two that are trying to make well-heeled foreign retirees feel welcome.

Populations around the globe are ageing. In 2050, more than one-fifth of the people in the world will be 60 or older. And by then, the proportion of those over 80 will rise from the current 1.3 percent to 4.3 percent. United Nations statistics show this development to be particularly pronounced in countries like Germany, Japan and Italy – where more than 30 percent of the population will be 65 or over. Doctors and population analysts meeting at the World Health Summit in Berlin in October discussed the trend and its consequences: rising costs for medical treatment and geriatric care. And these are expenses that the growing army of pensioners in industrialized countries can barely afford even today, due to low pensions and the high cost of living.

As a result, a growing number of people are leaving their home countries for a cheaper life in faraway places – with the added benefit of being able to spend their final years in the sunshine. According to the agency that administers Germany's statutory pension insurance scheme, 191,730 people were drawing their pensions from abroad in

*Cheap and warm: Retirement villages like this one in the Philippines are on the rise.*

# A place in the sun

## Retirement tourism – a business with a bright future | By Martina Merten

2008 – almost twice as many as 20 years earlier. Overall, there are 22 million retirees in Germany. Anyone can decide to live abroad – German pensions are paid to recipients wherever they reside.

For a long time, a majority of these older emigrants went to the US or to other European countries such as Switzerland, Austria, Spain, and Italy. But for several years now, Thailand and the Philippines have been considered viable options for Germans wanting to spend their retirement abroad. Germany's pensions agency reports that more than 2,000 German pensions are paid to those in Thailand and about 1,200 to those in the Philippines. That puts those two countries ahead of Vietnam, China, Indonesia and India, most of which are home to fewer than 200 German pension recipients.

Gil E. Zarcilla has been observing this trend. He was born in the Philippines but has been living in the UK for 35 years. The UK has around 27,000 homes for the elderly and infirm but not enough nurses or other specialized staff. That gave Zarcilla an idea. Several years ago, he built Indang Village – a complex for British retirees, a two hours drive from Manila. All of the 32 homes in the complex were built to order in the local style by retired British couples. A first aid center is currently under construction to ensure immediate care in an emergency. "Care is expensive in Europe and often involves little friendly human contact," said Zarcilla. He says that is different in Asia, and particularly in the Philippines.

Retirement villages like his – whether for Asian or European pensioners – are on the rise. A

Swiss company came up with "Lotuswell" in Thailand's Hua Hin in 2006 (see related article). The 80 units and 54 apartments there are all occupied by Swiss and German retirees.

In the Philippines, there are another nine retirement villages apart from Indang. Reynaldo de Leon Lingat, head of the Philippine Retirement Authority, says more will be added this year.

It is not just these countries' governments that are keen to attract retirees from rich countries. The Retirement and Healthcare Coalition in Manila is another example; it was formed jointly by European, Japanese, South Korean and US chambers of commerce in 2007 and is intended to represent the rights of foreign retirees and offer advice on key matters. On top of that, the coalition checks whether the retirement villages meet Euro-

pean standards and is compiling a network of doctors and hospitals that retirees can turn to, as well as offering assistance in visa and insurance matters. And, the coalition is working on an ID for senior citizens that will get them discounts at hotels and spas.

The Philippines aims to attract foreign retirees with a new kind of visa – the Long Stay Visitor Program – which gives people three to six months in which to look at the country before having to make a final decision. Those interested in the scheme can obtain information from their local chamber of commerce. The vice-president of the European Chambers of Commerce in Manila, Henry Schumacher, believes that retirement abroad has a long-term future. "Against the background of rising medical costs in Europe, Asia looks like paradise," says Schumacher enthusiastically.

The German health insurer DKV Globality has followed the trend toward catering for retirees abroad. Global Marketing Manager Karsten Steffgen says that while the company's core business focuses on expatriates' private health insurance, DKV Globality recently entered negotiations with the Retirement and Healthcare Coalition on group discounts for pensioners abroad. They have agreed that the European Chamber of Commerce will soon be authorized as an agent to offer DKV Globality's international policies.

Steffgen notes that one problem remains for retirees seeking a secure retirement abroad – because of their age and possible pre-existing conditions, health insurance is more expensive for them than for other groups. So those wanting to retire abroad with an easy mind had better have some savings to fall back on. ■

