

4 August 2016

**Hon. Dr. Patricia García Funegra**

Chair, High-Level Meeting on Health and the Economy  
Minister of Health  
Peru

Dear Minister Garcia:

ABAC greatly values APEC's strong focus on health and health-related issues in the region. We welcome your leadership in hosting the 6<sup>th</sup> annual High-Level Meeting on Health and the Economy. Peru's APEC 2016 theme "Quality Growth and Human Development" is intrinsically linked to the strengthening of health and health care systems in the Asia-Pacific region as economic growth and prosperity depend on healthy and productive workforces. The High-Level Meeting provides an invaluable opportunity to bring together health care stakeholders seeking innovative health solutions and outcomes. We applaud the contributions of the Life Sciences Innovation Forum (LSIF) and the Health Working Group (HWG) to the High-Level Meeting.

As our members represent the private sector in the region and being aware of common concerns and aspirations, ABAC recognizes that there are numerous health challenges facing the Asia-Pacific. Demographic shifts such as ageing populations and increases in non-communicable diseases (NCDs) have significant fiscal and economic impacts. It is estimated NCDs cause 60% of all deaths globally (35 million deaths a year), and will increase to 75% by 2030, with 80% of these deaths occurring in low and middle-income economies. A 2014 study of six APEC economies estimated that the annual cost of NCDs in terms of lost gross domestic product (GDP) could be as much as 6.1% of GDP by 2030. A 2015 study commissioned by ABAC showed that, on average, an additional 2% in lost GDP comes from early retirement due to ill health, with NCDs as the main contributing factor. That situation is putting pressure on public sector and corporate pension and health schemes. The demographic strain imposed by ageing populations and dwindling workforces paying into retirement systems, will put further pressure on pension obligations.

We were encouraged by and applaud the endorsement by APEC Leaders of the Healthy Asia-Pacific 2020 Roadmap. ABAC supports APEC's focus on a healthy workforce as being a critical requirement for ongoing growth in the region. In 2015, APEC Leaders acknowledged the inherent linkage between good health and fiscal stability: "We recognize the importance of our health systems in promoting the development of human capital and inclusive growth and look forward to further work in 2016 to address the fiscal and economic impacts of ill health." ABAC, LSIF, and HWG encourage cross-sectoral coordination in the policy dialogue between health, finance and economic ministers, to achieve the common goal of proactive investment in healthy workforces. We would welcome close collaboration with the private sector to develop innovative solutions.

ABAC strongly supports APEC's focus on trade liberalization and facilitation. Safe and secure trade in pharmaceutical products will underpin healthier outcomes for all people in the region. To that end, ABAC is piloting a project with two economies to demonstrate that there is ability to verify serialized pharmaceutical products from various scan locations, to source data stored in distributed databases using global data standards (GDS). The results of this pilot will be used to inform policy makers on

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**ABAC Peru Secretariat**

Foreign Trade Society of Peru  
COMEXPERU

Bartolomé Herrera 254 Lima 18-Perú

Tel: (51 1) 625 7700 • Email: [abac2016chair@comexperu.org.pe](mailto:abac2016chair@comexperu.org.pe)

how best to implement operationally coherent GDS along cross-border supply chains, while increasing consumer safety and ensuring product authenticity.

ABAC supports the continued development of the Healthy Women, Healthy Economies (HWHE), which is a toolkit of government policies and business practices that address health-related barriers to women's effective participation in the workforce. We plan to share the outcomes of the August 2016 workshop within our respective economies.

APEC is facing uncertain times. Growth remains weak across much of the region and prospects for a near-term recovery are not favorable. Against this somber backdrop, restoring solid growth and maintaining hard-won macroeconomic and financial stability in the region, will prove challenging. In this context, the fiscal implications of health are significant, and require the creation of fiscal space and financial stability in health budgeting. We encourage Health Ministers to continue the contribution they and their officials make to the regional health policy dialogue and to strengthen debate among key private and public stakeholders on health, financial and economic stability.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Juan Francisco Raffo', written in a cursive style.

**Juan Francisco Raffo**  
ABAC Chair 2016