

Increasing Economic Competitiveness by Addressing the Impact of Disease on the Workforce

Proposed ABAC Input to APEC High
Level Meeting on Health



Outline

- Growing Global Economic Burden of Disease
- Recognition of Health as a Driver of Economic Growth
- APEC Initiative to Reduce the Economic Burden of Disease
- Next Steps for ABAC

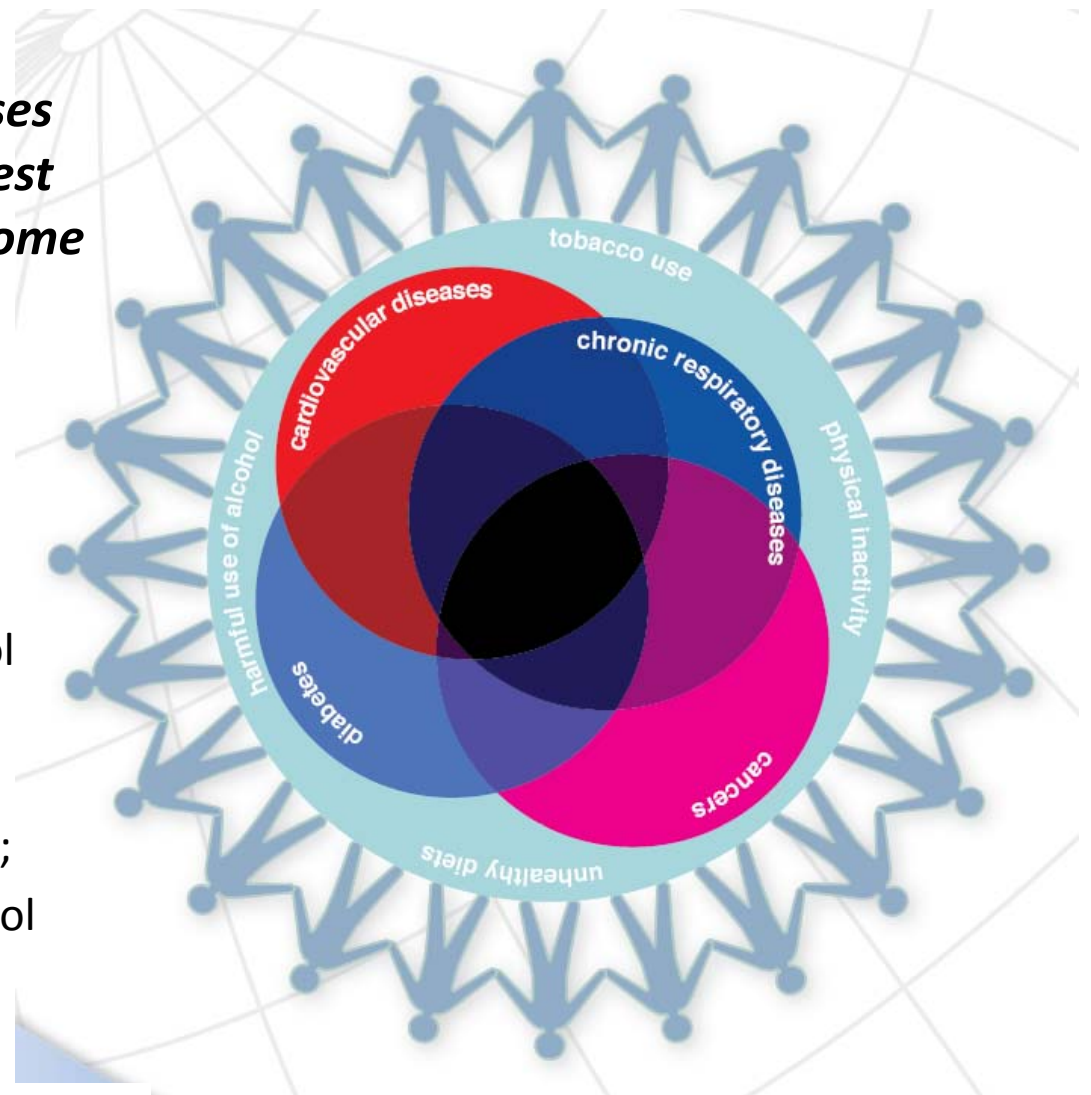


Impact of NCDs

“NCDs are the leading global causes of death. . . and they strike hardest at the world’s low and middle income populations.”

Annual deaths from risk factors:

- 6 million from tobacco use;
- 3.2 million from physical inactivity;
- 2.3 million from harmful use of alcohol
- 2.8 million from being overweight or obese;
- 7.5 million from raised blood pressure;
- 2.6 million from raised total cholesterol levels



Economic Burden of NCDs

- The World Health Organization (WHO) says each 10% rise in NCDs is associated with 0.5% lower rates of annual economic growth.
- The World Economic Forum estimates the toll from chronic disease at 3% of global GDP, or \$2 trillion each year in lost productivity, and rates *NCDs as one of the top three risks to the global economy*
- NCDs are forecast to cost the global economy a total of \$47 trillion over the next 20 years. This loss, divided by the 20-year period, is equivalent to about 5% of global GDP in 2010.



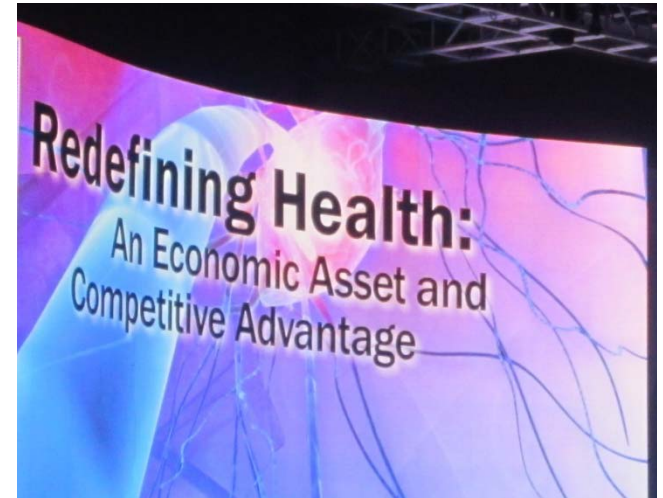
Impact on Business

Impact of NCDs on businesses:

- Limit capacity by causing absenteeism and sometimes premature death
- Impact productivity through presenteeism (underperformance on the job)
- Increase healthcare costs in countries where healthcare is covered by the employer.

According to a study by the World Economic Forum, these factors can amount to annual costs reaching almost US\$ 70 million for a US company, based on the medical expenditure, lost time and lost productivity NCDs cause.

Recognition of Health as A Driver of Economic Growth



Return on Investment:

- WHO: 1 year increase in life expectancy linked to 4.3% increase in GDP
- A recent Harvard-led meta-analysis of 36 studies identified an average return on investment of \$3.27 for every dollar spent on employee wellness programs.

What Business is Doing

- Developing networks and partnerships with other businesses, governments and academia to collaboratively gather data and seek solutions
- Workplace wellness programs
- **With the objectives of**
 - developing public private partnerships to facilitate prevention, wellness, screening campaigns, and disease management
 - redefining investment in health systems as a economic driver rather than a sunk cost
 - obtaining a strong return on investment from initiatives within companies and economies

APEC as a Facilitator of Public Private Collaboration

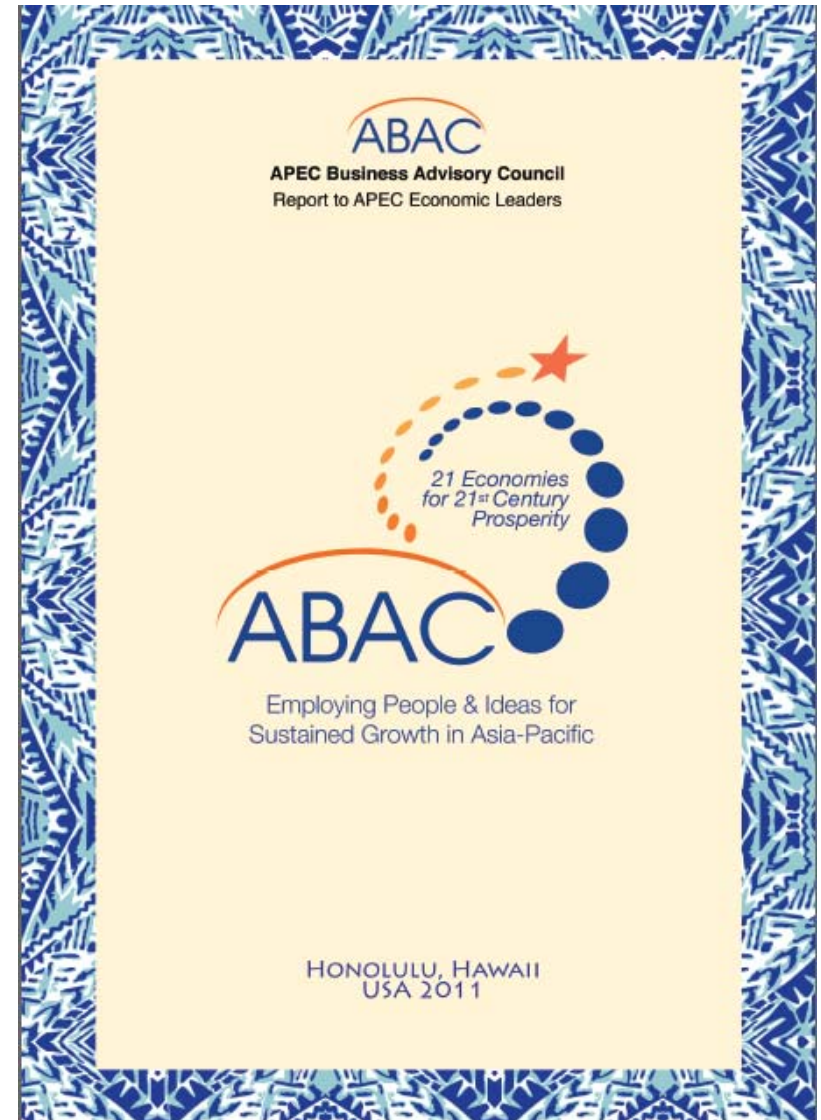
- APEC 2011 High Level Public-Private Dialogue on Health
 - Senior representatives from business, government, NGOs and academia share best practices
 - APEC Action Plan to Reduce the Economic Burden of Non-Communicable Disease
 - Potential to become an annual institution
- APEC Life Sciences Innovation Forum
 - Formal Public Private Working Group in APEC
 - Engages in issues relevant to the business community – regulatory harmonization, enablers of investment and encouraging innovation

**APEC HEALTH SYSTEMS
INNOVATION POLICY DIALOGUE**

September 16-17, San Francisco, California

ABAC Support in the 2011 Report to Leaders

- “ABAC supports the work of the LSIF and Health Working Group on ways of collaborating to address the serious non-communicable disease challenges in the region, including the compounding effect of ageing demographics and lifestyle diseases.”
- “....ABAC also commends the foresight of the Health Working Group and LSIF in holding the first high-level and multi-sectoral Health Systems Innovation Dialogue ... to discuss ways of establishing multi-sectoral partnerships to address non-communicable disease challenges in the region.”



How ABAC can support this effort

- Continue to express support for the work of the Life Sciences Innovation Forum and other collaborative efforts to address the serious non-communicable disease challenges in the region
- Encourage the continuation of a regular high level public private dialogue each year
- Encourage outcomes that promote business priorities in the region, such as regulatory coherence, transparency and policies that promote innovation

Next Steps



Immediate

- Provide input to the 2nd High Level Dialogue on Health via letter from ABAC Chair to Host Economy
- Affirm private sector support of APEC's focus on health in 2012 Report to Leaders, including encouraging APEC to implement the NCD Action Plan

Longer term

- Explore other opportunities to highlight the business case for healthy populations