



## Enhancing Economic Growth, Healthcare Access and Innovation through Trade:

*How TPP, TTIP, TISA and TPA can contribute to better healthcare globally and greater economic growth in the U.S.*  
**Event Highlights – November 21, 2013**

The Alliance for Healthcare Competitiveness (AHC), the only coalition advocating for more open trade at the sector level, hosted a Capitol Hill event to address the role of the health sector in driving innovation and growth, and how that can be enhanced through trade. The session highlighted the ways that healthcare can stimulate economic growth and job creation, while improving global health, and how reducing trade barriers can deliver better health across borders.

Distinguished speakers from across the healthcare spectrum included **Dominic Caruso**, Vice President of Finance and Chief Financial Officer at Johnson & Johnson; and **Gary Ellis**, Senior Vice President and Chief Financial Officer at Medtronic; along with a panel of healthcare and trade experts, including **Scott Featherston**, Global Sector Lead for Health at the International Finance Corporation; **Ed Gresser**, Executive Director at Progressive Economy; and **Marc Perlman**, Global Vice President at Oracle Healthcare and Oracle Life Sciences.

The following provides an event recap and key takeaways.

### *The Health Sector's Role in Driving Innovation and Economic Growth*

Opening the event, **Mr. Caruso** (Johnson & Johnson) outlined the economic and social impact of the health sector and the opportunity through trade policy:

- **Around the world, smart investments in healthcare have a unique multiplier effect**, delivering better health for more people while also growing economies, fostering social stability and national security and enhancing personal productivity and well-being. In fact, research shows that for every one year increase in a nation's average life expectancy, national economic output grows by four percent.
- **Healthcare is an exceptional economic engine domestically and globally**; the U.S. health sector has added an average of 17,000 jobs per month this year and three million new jobs in the past 13 years, outpacing any other sector.
- **Despite the benefits of broadening access to healthcare products and services, the U.S. has not fully tapped the opportunity** due to tariff and non-tariff trade barriers, and the fact that current trade policies do not fully reflect the unique nature of the health sector and its growing importance in the global economy.

### *Potential to Further Innovation and Growth*

Mr. Caruso also detailed AHC's recommendations to harness the **unique opportunity for the U.S. and global economies to realize the benefits of a more open flow of health goods and services** through the global trade agenda, which will ultimately enable the best healthcare solutions to reach and improve the lives of patients around the globe:

- **Remove tariff and non-tariff barriers** to increase market access for healthcare goods and services.
- **Increase regulatory transparency and harmonization and improve procurement** processes.
- **Eliminate equity ownership restrictions** on foreign companies.
- **Create a dedicated senior position at the U.S. Trade Representative's office**, focused exclusively on the healthcare sector, to drive these efforts forward and maximize the economic and social returns the healthcare sector can provide.

### *Insights and Opportunities from Across the Healthcare Sector*

Leading a more detailed discussion, **Mr. Ellis** (Medtronic) opened the conversation by offering his perspective on the implications of driving better social and economic growth through the health sector, noting that the **demand for healthcare globally will only rise as populations and economies grow**. He also emphasized the importance of the sector domestically, pointing out that one out of every five jobs is being created in the healthcare sector in the U.S. Additionally, the sector represents 23 percent of U.S. Gross Domestic Product (GDP).

**Mr. Perlman** (Oracle Healthcare and Oracle Life Sciences) represented one element of the health sector – health information technology. He emphasized how U.S. companies are working together across the world to combat disease, improve health status, and bend the cost curve with effective, innovative solutions including:

- **Electronic health records.** For example, U.S. companies including Oracle, Accenture, and others developed electronic health records systems for Australia and Singapore, which are now helping to change the way healthcare is delivered in those countries.
- **Telemedicine.** In the Basque region of Spain, a telemedicine program that monitors and provides support to people with chronic diseases has decreased visits to the emergency room by more than 19,000 in just one year, amounting to a savings of €90 million (approximately \$128 million).
- **Cloud-based solutions** that are promoting freer flow of data and information to ultimately improve health outcomes. In the area of research, for example, protected, anonymous Cloud data can help expedite clinical trial recruitment.

To support these and more success stories, Mr. Perlman stressed the importance of global standards, infrastructure support and reduction of trade and other relevant barriers that prevent the flow of information across borders.

**Mr. Featherston** (IFC) offered a global perspective on healthcare investment and opportunity. He focused insights on public health trends and unique challenges within emerging markets such as Asia, Africa, and Latin America, where both population size and healthcare spending is growing tremendously. Such trends and challenges included:

- **Public health needs.** There has been a shift in disease burden as communicable diseases are being eliminated; these regions are seeing an increase in chronic diseases, which are more costly to treat.
- **Lack of basic infrastructure and health professionals** to meet the needs of their populations.
- **Economic differences.** These countries are still relatively poor and as a result their capacity to pay for healthcare may be limited. From a corporate perspective healthcare in many countries represents a much smaller proportion of the economy and therefore does not support a corporate structure around the sector.
- **Cultural barriers.** Healthcare is often seen as a domestic or nationalistic issue to an extent. As a result, the idea of having foreign healthcare, technology, or foreign people in the business of providing healthcare is still an unfamiliar concept to many countries.

Mr. Featherstone emphasized that, with a tailored approach, there is an enormous opportunity for U.S. companies in these markets from an export, investment, and trade perspective.



**Mr. Gresser** (Progressive Economy) provided a U.S. point of view, noting **health as a key sector to drive economic development through increased exports of high-quality goods and foreign demand** for growth. The potential impact that current trade negotiations may have on driving domestic policy and improving the U.S. economy is significant. Mr. Gresser noted that **TTIP and TPP present enormous opportunities** for the health sector because they bring together most of the world's very sophisticated economies, which represent a majority of our health export markets. For example, the U.S. exports about \$85 billion per year in medical devices, medicine, and related goods. About \$40 billion of that goes to the European Union and about \$25 billion of that goes to the TPP members, led by Japan. **These trade negotiations may prove to be a**

**model for future policies**, including developing economies, with implications not only for the health of the global economy, but its citizens as well.

In the coming months, AHC will continue this important dialogue on reducing trade barriers to expand access by patients and healthcare professionals alike to the best and most innovative healthcare, and maximizing the sector's potential in delivering economic growth.

Learn more at [healthcare-competitiveness.com](http://healthcare-competitiveness.com)

