



## APEC Business Advisory Council



18 July 2013

### **Her Excellency**

**Dr. Nafsiah Mboi**

Chair, High-Level Meeting on Health & the Economy  
Minister of Health  
Indonesia

Dear Minister Mboi:

The APEC Business Advisory Council (ABAC) is the formal private sector advisory group of the Asia-Pacific Economic Cooperation (APEC) Forum. Representing the business communities of all 21 APEC member economies, ABAC is tasked with supporting the success of APEC by providing private sector insights on how best to achieve APEC's goals, both through APEC's own initiatives, and in dialogue with other international organizations.

ABAC applauds Indonesia's decision to hold a High-Level Meeting on Health and the Economy in Bali on 20-21 September 2013. In its annual Report to APEC Leaders in 2011, ABAC commended the foresight of the APEC Health Working Group and the APEC Life Sciences Innovation Forum in holding the first high-level Health Systems Innovation Dialogue to discuss ways of establishing multi-sectoral partnerships to address non-communicable disease challenges in the region. Building on Russia's decision to organize a High-Level Meeting on Health and the Economy in 2012 is an important step towards ensuring that this important dialogue and issue remains high on the APEC agenda. Further, engaging interested APEC Finance Ministers in the discussion on sustainable healthcare systems serves as a strong example of APEC's capacity to bring together stakeholders from a range of sectors to address the complex challenges facing the region.

In addition to promoting public health through sharing of expertise and best practices on prevention, the private sector plays a key role in strengthening health systems through investment in the life sciences sector and by leveraging its research capacity to develop new treatments and therapies for patients. Policies that facilitate innovation and increased flows of trade and investment, such as measures to promote regulatory convergence, result in positive health and economic outcomes. ABAC has long championed regulatory environments that find a balance between use of regulation to achieve desired public policy objectives, such as medical product efficacy and safety, and minimize the cost and economic inefficiencies that regulation can impose. For businesses, and in particular SMMEs, higher costs of compliance hinder international competitiveness. Measures to promote an internationally harmonized regulatory environment can enable small and large firms to generate innovative new medical products as well as safely deliver existing products and therapies in a timely manner.

Regulatory convergence also serves to strengthen the complex, multinational supply chains required to generate safe products. Further efforts to promote regulatory convergence, such as the adoption of a common global standard for the serialization of pharmaceuticals, can help prevent unintentional barriers to trade and ensure that counterfeit and substandard products, such as medicines and devices used in hospitals, do not reach patients. ABAC supports further institutional public-private efforts in APEC to build regulatory capacity in the region, including the APEC Regulatory Harmonization Steering Committee's objective of achieving regulatory convergence for medical products by 2020 and APEC's recent commitment to establish an APEC Center of Excellence in Regulatory Science to facilitate further training in regulations regarding Multi-Regional Clinical Trials.

The competitiveness of small and large firms can also be facilitated through measures to encourage ethical business conduct. To address this need, in 2011 APEC developed sets of voluntary ethical business principles for the construction, biopharmaceutical and medical device sectors with strong support from the regional business community. These principles

were subsequently endorsed by APEC Ministers and Leaders. ABAC encourages the continued promotion and adoption of this important work within your respective sectors to help ensure the region's health systems are supported by an ethical and prosperous medical products sector.

Finally, promoting measures that encourage continued flows of foreign direct investment (FDI) into the APEC region remains a significant priority for the business community. FDI flows are vital to the region's future competitiveness and are often instrumental in promoting innovation by creating research capacity and facilitating the diffusion of technology in recipient economies. Measures to address barriers to FDI, including though government self-assessments, promoting public-private research collaboration and the creation of a regulatory environment that incentivizes and leverages innovation, will be vital to ensuring that APEC economies are able to both attract sufficient FDI and leverage new technologies to create positive economic and health outcomes. ABAC applauds ongoing efforts and new initiatives in APEC to address barriers to investment and further promote innovation in the health and life sciences sector.

APEC is a unique forum where the private sector and government can work closely together to address complex challenges and develop solutions that foster economic growth. ABAC looks forward to supporting outcomes from the High-Level Meeting on Health and the Economy in Bali that highlight further opportunities for business and government to collaborate and address the health challenges in the region.

Yours sincerely,



**Wishnu Wardhana**

ABAC Chair 2013