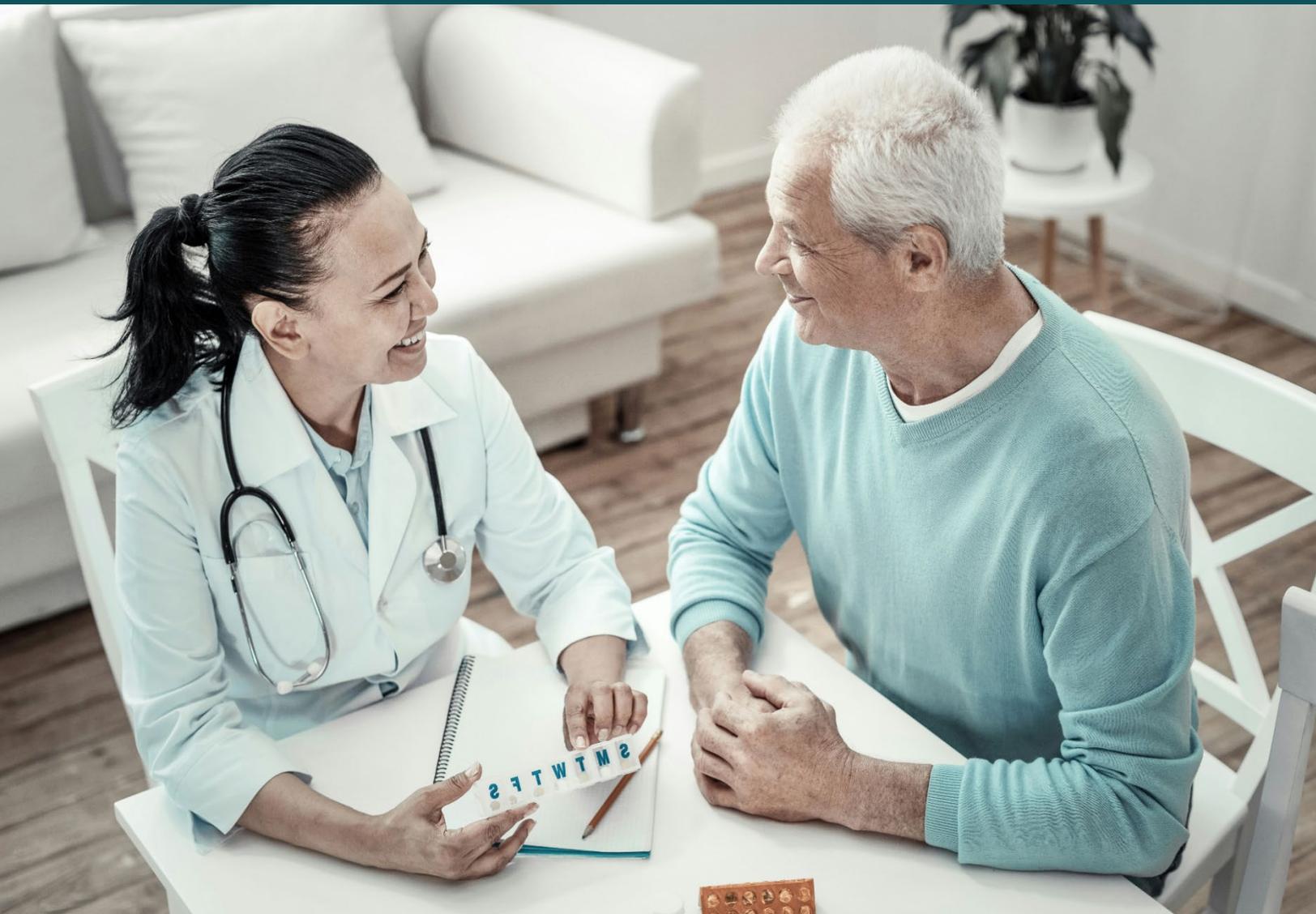


## Value of Health:

# Reframing health investments as economic growth enablers

## Event Summary Report

February 2026



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# Background

**Health is a high-return investment that drives economic resilience, productivity, and sustained societal well-being.** However, amidst demographic change, the rise of chronic, non-communicable diseases (NCDs), and a more constrained macroeconomic environment, health system budgets across the Asia-Pacific Economic Cooperation (APEC) region are increasingly focused on short-term cost containment and are neglecting the long-term socioeconomic returns of investments in health. These conditions make it challenging for health ministries to advocate for sustainable funding and continued investments in innovations that improve health and well-being.

As NCDs threaten to slow down productivity across the APEC region, it becomes crucial for policymakers to demonstrate how investments in health innovation can translate to economic growth and societal well-being. Investing in prevention, screening, and care can improve health outcomes and increase people's capacity to contribute to society as workers, consumers, and community members.

Better health enables people to remain in the workforce with stronger physical and cognitive capabilities, reducing both presenteeism and absenteeism and increasing productivity gains. Life sciences innovations not only improve patient health, but they also reduce the burden of long-term care, making healthcare delivery more efficient and offering relief to informal carers. With benefits that extend beyond the health sector, it is imperative for economies to properly allocate resources for health innovations that contribute to the continued prosperity and economic growth of the region.



# Introduction

On September 17, 2025, Crowell Global Advisors organized a policy dialogue at the margins of the APEC High-Level Meeting on Health & the Economy in Seoul, Republic of Korea, to discuss the value of health and how to reframe health investments as economic growth enablers. Member economies, the Asian Development Bank, and representatives from the private sector shared insights on the socioeconomic value of investing in health amidst population aging and a rise in NCDs. Participants discussed strategies and arguments for shifting the framing of health spending from a cost, to recognizing it as a high-return investment that enables economic growth and societal well-being.

Through knowledge-sharing, this policy dialogue aimed to build the capacity of policymakers in APEC economies to:

- Demonstrate the socioeconomic value of health investments and innovation
- Promote sustainable health investment frameworks across the APEC region that create fiscal space for high-value care, optimize the outcomes of health investments, and reinforce the value of health as a driver of economic growth
- Explore how the APEC Health Working Group (HWG) can collaborate with the Finance Ministers' Process (FMP) to support healthcare financing and investment



# Highlights

## Ongoing Innovation to Respond to NCDs

Heonjoo Kim, President, Korea Health Promotion Institute, Republic of Korea

Mr. Kim explained that in Korea, approximately 40.1% of the population suffers from chronic diseases, with treatment costs accounting for 38.6% of total medical expenses. To address this challenge, public health centers have launched targeted initiatives to promote chronic disease management and prevention. Recognizing barriers such as time and distance, Korea introduced mobile healthcare services that leverage widespread adoption of smartphones and wearables.

Between 2016 and 2025, over 160,000 individuals registered for mobile healthcare services. Data from 2016 to 2024 show that 56.4% of users improved at least one health behavior, and 52% saw reductions in one or more health risk factors. The total cost of running these mobile healthcare services from 2016 to 2019 was 8.6 billion KRW, generating a net benefit of 22.4 billion KRW.

Mr. Kim also emphasized the role that AI can have in advancing public digital healthcare. AI-driven solutions enable data-based personalized coaching and health risk prediction, increasing access to tailored care. AI can support lifestyle monitoring through expanded wearable integration and diet analysis using voice and image recognition, as well as new services for stress and emotion recognition. For chronic disease management, AI can automate the recording of blood pressure and blood sugar, notify abnormal readings, and provide chatbot consultations along with nutrition and exercise guidance. AI could also connect personal health records with local medical institutions, further enhancing care coordination and outcomes.



“As smartphones and wearable devices have become more common, the need for mobile-based health management has emerged in local health care settings.”

# The Innovation Imperative: A Time-Critical Policy Crossroad for Economic Growth and Healthcare Resilience

## Ezat Azem, General Manager, Roche Korea

Mr. Azem highlighted the global shift from combating infectious diseases to confronting a silent surge of NCDs, with Asia Pacific economies at the heart of this challenge as their populations age. NCDs, for instance, now account for 87% of deaths in the Western Pacific, surpassing the global average of 74%.

He noted that in 2022, Asia Pacific economies spent \$1.44 trillion on health – including investments in workforce, infrastructure, medicines, and primary and specialist care. Rather than viewing this as an expense, Mr. Azem argued this funding is an investment driving labor supply, productivity, financial independence, educational outcomes, economic growth, and societal well-being.

Mr. Azem underscored that healthy, productive populations are the foundation of strong economies. He cited data showing that pharmaceutical innovation accounted for a third of economic growth in developed countries over the past century and 35% of the increase in life expectancy from 1990 to 2015. Further investment in prevention and innovation could save 60 million lives and add \$12 trillion (8%) to global GDP by 2040.

He concluded by stating that fostering healthcare innovation requires the right environment. This includes recognizing health as fundamental to prosperity, building systems equipped to accelerate innovation, and forging strategic partnerships. By enhancing collaboration among government, industry, researchers, and communities, economies can efficiently and equitably scale innovation throughout their healthcare systems.

“Healthcare innovation is not a cost for society. It is an investment that drives meaningful change and delivers strong socioeconomic return.”



## Innovative Financing for Non-Communicable Diseases in Asia and the Pacific

### Kim Jae Kyoun, Health Specialist, Asian Development Bank

Mr. Kim addressed the persistent challenge of financing NCDs, noting that they remain a lower priority for most governments compared to areas like maternal and child health or malaria. Currently, there is no global funding mechanism for NCDs, and they are not at the forefront of the Asian Development Bank's portfolio.

He called for leveraging all available financing modalities – including loans, grants, technical assistance, and private sector investment – to support NCD initiatives. Mr. Kim stressed the need to build strong evidence on the return on investment from health spending to engage the finance sector and make the case for NCD prioritization.

Sustainable NCD financing demands strategic action. This includes prioritizing cost-effective interventions like the World Health Organization's Best Buys, fostering intersectoral action to address upstream risk factors, and moving towards strategic purchasing that incentivizes prevention, early detection, and quality care.

In the short term, Mr. Kim recommended scaling up proven “best buys” such as taxes on tobacco, alcohol, and unhealthy foods, earmarking new revenue for NCD prevention and care, engaging a wide range of stakeholders including the private sector and technology providers, and piloting innovative financing models for rapid expansion. In the medium term, he emphasized shifting resources to preventive and primary care, advancing intersectoral and public-private collaborations, and investing in digital health and fintech innovations. For the long term, Mr. Kim called for structural reforms such as developing integrated financing models, strengthening governance and accountability, building institutional and provider capacity, and ensuring policy alignment across sectors like agriculture, transport, and education.



“It is important to create evidence on the return on investment of health, as these are the numbers you will need to speak to the finance sector.”

## The Value of Health: An Investment That Yields Positive Returns

### Christian Rodseth, Managing Director of North Asia, Johnson & Johnson

Mr. Rodseth opened his presentation by highlighting the dramatic improvements in health outcomes over recent decades. These include significant reductions in death rates for cancer and heart disease since 1975, and gains in GDP per capita and life expectancy globally since 1960. He argued that health should be seen as an investment yielding substantial returns, especially with precision medicine driving new benefits across Asia Pacific. Over the next ten years, precision medicine is projected to deliver more than 11 million additional years of life for patients in the region, create over 1.2 million jobs in R&D, commercialization, and diagnostics, and generate economic investment exceeding \$450 billion – with a resulting \$1.6 trillion in indirect economic growth through multiplier effects.

Mr. Rodseth stressed the importance of an integrated approach centered on prevention and timely treatment. Widespread adoption of healthy lifestyles could add up to \$12 trillion to global GDP by 2040. Advances in cancer therapy are also enabling higher rates of patients returning to work. In Japan, for instance, 83.2% of female cancer survivors resumed employment within a year of taking sick leave.

He cautioned that inaction is more costly than prevention and management. For example, the global cost of mental health conditions is projected to increase by \$3.5 trillion, from \$2.5 trillion in 2010 to \$6 trillion by 2030. This will surpass the combined costs of cancer, diabetes, and respiratory diseases.

In his concluding remarks, Mr. Rodseth recommended three actions to advance better health in the region: investing in health to achieve patient and economic goals, strengthening local capacity for timely patient diagnosis and treatment, and fostering partnerships between the public and private sector to realize healthy longevity.

“An integrated approach of prevention and timely treatment drives the value of health for society. It is important to prevent what you can and treat what you cannot.”



## Value of Health and Innovation to Economic Growth and Productivity in the APEC Region

### Mr. Setiaji, Senior Advisor to the Minister on Health Technology, Ministry of Health, Indonesia

Mr. Setiaji shared how Indonesia is implementing diverse development strategies and structural reforms across health manufacturing, services, and investment to achieve President Prabowo's goal of 8% economic growth by 2029. He argued that health expenditure should be viewed not as a cost, but as a powerful growth driver. Every IDR 1 (USD 0.000060) invested in health translates into greater GDP and productivity through stronger pharmaceutical, biotech, and digital health industries and increased financial protection for citizens.

As part of their reforms, Indonesia has upgraded infrastructure, service quality, and human resources across 66 hospitals. Investment in the medical device sector reached IDR 16.32 trillion (USD 979.28 million) in 2024, while pharmaceutical investment totaled IDR 21.54 trillion (USD 1.29 trillion) from 2021-2024, with 72% sourced domestically. Digital transformation is central, exemplified by SATUSEHAT Mobile, which integrated individual health data for citizens. Indonesia is also receiving \$4 billion in financing from the World Bank and Asian Development Bank to strengthen its health system.

Mr. Setiaji identified four priorities for APEC: investing in health systems to drive inclusive growth, fostering innovation and collaboration, integrating health and economic policy, and aligning health initiatives with broader growth strategies. He concluded by underscoring that investing in health means investing in economic resilience and productivity.

“Health expenditure is not a cost center, but a growth driver ... Investing in health means investing in economic resilience and productivity.”



# Roundtable Discussion

During the roundtable discussion, economies affirmed the importance of framing health as a strategic economic investment. **The discussion had three major themes: (1) smart health investment, (2) collaboration and stakeholder engagement, and (3) effective resource allocation and policy innovation.**

## Smart Health Investment

Participants discussed how many economies have funding for health, yet it is not being invested in the most effective ways. The Republic of Korea stressed the importance of prioritizing spending in both treatment and prevention. The Philippines agreed, stating that prevention and early detection are among the smartest investments. Moving forward, smart spending will be important to control increasing budgets and national health spending.

According to participants, there is still a need for evidence across the region on the value of health and how improved outcomes translate into productivity. APEC provides a platform to share evidence and provide methodologies for analysis.

“Smart spending will be important to control increasing budgets and national health insurance spending.”

**- Heonjoo Kim, President, Korea Health Promotion Institute, Republic of Korea**

## Collaboration and Stakeholder Engagement

To advance investments in health, participants agreed that it is important to get the right people in the room. By identifying who the true decision makers are when it comes to health financing, agreements can be reached on the most effective health investments.

Economies are beginning to strengthen collaboration between the health and finance sectors to position health investments as a growth engine. In Indonesia, the Ministry of Health strategically and routinely engages with the Ministry of Finance and the parliament to ensure policy alignment.

The Asian Development Bank (ADB), however, raised the caveat that when engaging stakeholders, it can be difficult for the private sector and government to align on deals. This is usually because the public sector does not understand the private sector well. Malaysia shared how they believe in approaching partnerships with the private sector through an equity lens, and how there is value for both sides when investing in prevention.

“To advance investments in health, it is important to get the right people in the room. Once this group of stakeholders define the problem together, a lot can be done to advance shared goals.”

**- Christian Rodseth, Managing Director of North Asia, Johnson & Johnson**

## Effective Resource Allocation and Policy Innovation

Participants noted that fiscal policy, through effective resource allocation, must reinforce health investments. The Peruvian National Association of Pharmaceutical Laboratories (ALAFARPE) shared how industry can help health ministries in providing supportive data to justify public budgets to achieve cost-effective results.

Economies have also begun to implement fiscal innovations to fund health investments. The Philippines, for example, has health taxes on tobacco and sugar to raise dedicated revenue for universal health coverage and NCD prevention. Malaysia, who is in the process of reforming its financing structure, is looking at models in the region and increasing its pooling mechanisms.

“Industry can help ministries of health in providing supportive data to justify public budgets to achieve cost-effective results.”

**- Ms. Angela Flores, Executive Director, Peruvian National Association of Pharmaceutical Laboratories (ALAFARPE)**

# Conclusion

There is strong evidence that health investments drive economic growth. Recognizing this, APEC economies are investing in digital health tools and industrial infrastructure, as well as creating innovative financing models to increase access to and funding for quality healthcare.

A key takeaway from this policy dialogue, however, is that challenges to investing in NCDs remain. The challenge of aligning multiple perspectives – from ministries of health, ministries of finance, the pharma sector, and the banking sector – also prevents stakeholders from investing existing resources in the most impactful ways.

To alleviate some of these challenges, participants called for using APEC as a platform to share evidence and bring stakeholders together. The 2025 chair of the Health Working Group (HWG) affirmed that the HWG stands ready to support these efforts and to continue fostering dialogue with the Finance Ministers' Process and the private sector to ensure health is placed at the center of economic policies.



# Appendix

## Program

Time	Agenda Item
7:30 am – 7:40 am	<p><b>Welcome Remarks</b></p> <ul style="list-style-type: none"> <li>• <b>Dr. Carlos Vela Barba</b>, Chair of Health Working Group and Director, Ministry of Health, Peru</li> </ul>
7:40 am – 8:25 am	<p><b>Presentations</b></p> <p>“Unlocking innovation to tackle NCDs: How the Republic of Korea is investing in health technology for a healthy population, healthy workforce, and healthy economy”</p> <ul style="list-style-type: none"> <li>• <b>Mr. Heonjoo Kim</b>, President, Korea Health Promotion Institute</li> </ul> <p>“The Innovation Imperative: A Time-Critical Policy Crossroad for Economic Growth and Healthcare Resilience”</p> <ul style="list-style-type: none"> <li>• <b>Mr. Ezat Azem</b>, General Manager, Roche Korea</li> </ul> <p>“Innovative financing for NCDs: Enabling scalable, sustained impact through public-private investments and novel financing models”</p> <ul style="list-style-type: none"> <li>• <b>Mr. Kim Jae Kyoun</b>, Health Specialist, Asian Development Bank</li> </ul> <p>“The Value of Health: An investment that yields positive returns”</p> <ul style="list-style-type: none"> <li>• <b>Mr. Christian Rodseth</b>, Managing Director of North Asia, Johnson &amp; Johnson</li> </ul> <p>“Bridging the health and finance divide: Quantifying and communicating the ROI for health innovation”</p> <ul style="list-style-type: none"> <li>• <b>Mr. Setiaji</b>, Senior Advisor to the Minister on Health Technology, Ministry of Health, Indonesia</li> </ul>
8:25 am – 8:55 am	<p><b>Discussion</b></p> <p>APEC economies and the private sector are invited to reflect on the presentations and give remarks on the socioeconomic value of</p>

Time	Agenda Item
	<p>investing in health innovation to address growing health challenges. Topics may include:</p> <ul style="list-style-type: none"> <li>• What strategies and programs are economies implementing to reduce the burden of non-communicable (NCDs)? How are economies enabling a more conducive environment through policy, regulatory reform, and innovation ecosystems?</li> <li>• What structural, financial, or policy-related obstacles are slowing progress on NCD control or access to innovative diagnostics and therapies?</li> <li>• How can economies demonstrate the broader socioeconomic impact of investing in health? How can the public and private sectors work together to create the evidence-base and articulate the ROI for health?</li> <li>• To address the NCD economic burden, how can APEC catalyze public-private investment by treating our health innovation sector as a strategic 'growth engine,' much like we support industries like semiconductors?</li> </ul>
8:55 am – 9:00 am	<p><b>Closing Remarks</b></p> <ul style="list-style-type: none"> <li>• <b>Dr. Carlos Vela Barba</b>, Chair of Health Working Group and Director, Ministry of Health, Peru</li> </ul>