

6th German – East European & Central Asian Health Forum

In cooperation with:



**INVESTMENTS AND PARTNERSHIPS IN THE
HEALTHCARE SYSTEM**

13 OCTOBER 2023 | KPMG, Berlin

OA/GHA Working Group & Health Forum Agenda

- The Health Working Group is a networking platform for the leading German health industry, experts and decision-makers from Germany and Eastern Europe, over 200 active participants in WG events
- Best practices for strengthening the health systems and establishing innovation partnerships across the region
- The **German-East European & Central Asian Health Forum** as an Official Side Event of the [World Health Summit](#), provides a framework for exchange and networking with decision-makers from Germany and the partner countries, company representatives, experts and researchers.



co-hosted by:



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WELCOME & INTRODUCTION

Stefan Friedrich, Partner International Business Healthcare & Public Sector, KPMG AG WPG

Martina Unseld, Chairwoman of the OA/GHA Health Working Group

Roland Göhde, Chairman, GHA - German Health Alliance

KEYNOTES

Dr. Thomas Steffen, State Secretary of the Federal Ministry of Health of Germany

Prof. Dr. Amrillo Inoyatov, Minister of Health of the Republic of Uzbekistan

PANEL DISCUSSION: PARTNERSHIPS IN STRENGTHENING HEALTH SYSTEMS

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Prof. Dr. Leonard Azamfirei, Rector of “George Emil Palade”
University of Medicine, Pharmacy, Science, and Technology of
Târgu Mureș (Romania)

Linda Franicevic, Managing Director Eastern Europe/Senior Vice
President Commercial Operations NCEE,
Fresenius Kabi

Mariia Morozova, Head of Category Management Unit
of the SE “Medical Procurement of Ukraine”

Trutz von der Trenck, Co-Founder Mission Siret Ukraine

Moderated by:

Stefan Friedrich, Partner International Business
Healthcare & Public Sector, KPMG AG WPG &

Philipp Wacker, Manager Healthcare, KPMG AG WPG



Lunch Break & Networking

Following on the Agenda

**IMPULS: Health as
Economic Investment**
Prof. Dr. Dennis A. Ostwald, CEO,
WifOR Institute Professor for
Economics and Management, SIBE
at Steinbeis University

Health as Economic Investment

Prepared for the 6th GERMAN – EAST EUROPEAN & CENTRAL ASIAN HEALTH
FORUM

Prof. Dr. Dennis Ostwald

13 October 2023

About WifOR

Worldwide presence



 In 4 countries and 6 locations: Germany (Berlin, Darmstadt, Leipzig), Greece, Latin America and the USA

 Active projects in 55 countries - global, regional and national analyses

Facts & Figures

- ▶ Economic research institute
- ▶ Spin-off from Department of Public Economics & Economic Policy at Technical University of Darmstadt, Germany
- ▶ 75 Employees
- ▶ Over 650 successful projects for companies, associations, and ministries
- ▶ Research areas:

Impact Analysis

Health Economics

International Social Policy

In the past, health expenditures have been discussed politically only as a cost and not as an investment in sustainable development and growth



Governments aiming to keep costs down

Over 80 percent of current health spending from pooled sources

Public budgets on health are overstretched across the globe



Increasing health expenditures are necessary to achieve SDGs

SDG 3 “Ensure healthy lives and promote well-being for all at all ages”

Annual new investments of up to \$371 billion are required in lower- and middle-income countries to achieve SDG 3 (WHO estimate)



Health expenditures are expected to increase to USD 11.0 trillion by 2030

Health spending set to outpace GDP growth

Convincing the right stakeholders to invest in health and smart, value-adding solutions is decisive for sustainable growth

WifOR is fostering a paradigm shift in health – from a cost factor to a driver for growth, innovation, wealth, and prosperity with better health

PAST



Healthcare as a cost factor

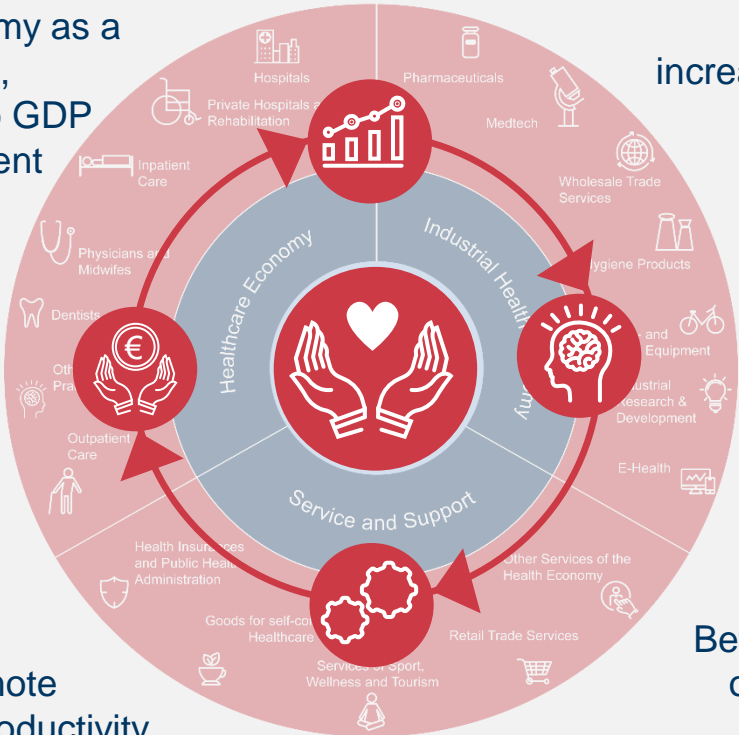
Separate silos and fragmentation |
Healthcare only | Input orientation |
Increasing health expenditures

FUTURE

Health Economy as a driver for growth and employment

Health Economy as a diverse sector, contribution to GDP and employment

Growth sector, increasing work force, new career opportunities



Investment in health to promote growth and productivity

Better quality, more outcome oriented

Source: WifOR illustration, following Henke, Neumann, Schneider et al. (2010).



If We Can't Measure It, We Can't Fix It

Creating common metrics to assess health investments, measure their impact on economic growth and societal well-being, and ensure health and financial system resilience



Prof. Dennis A. Oswald
WifOR Institute



Dr. Sandra Hofmann
WifOR Institute



Prof. Emmanuel Alexandrakis
WifOR Institute



Prof. Rifat A. Atun
Harvard University



Andrea Lucard
Medicines for Malaria Venture



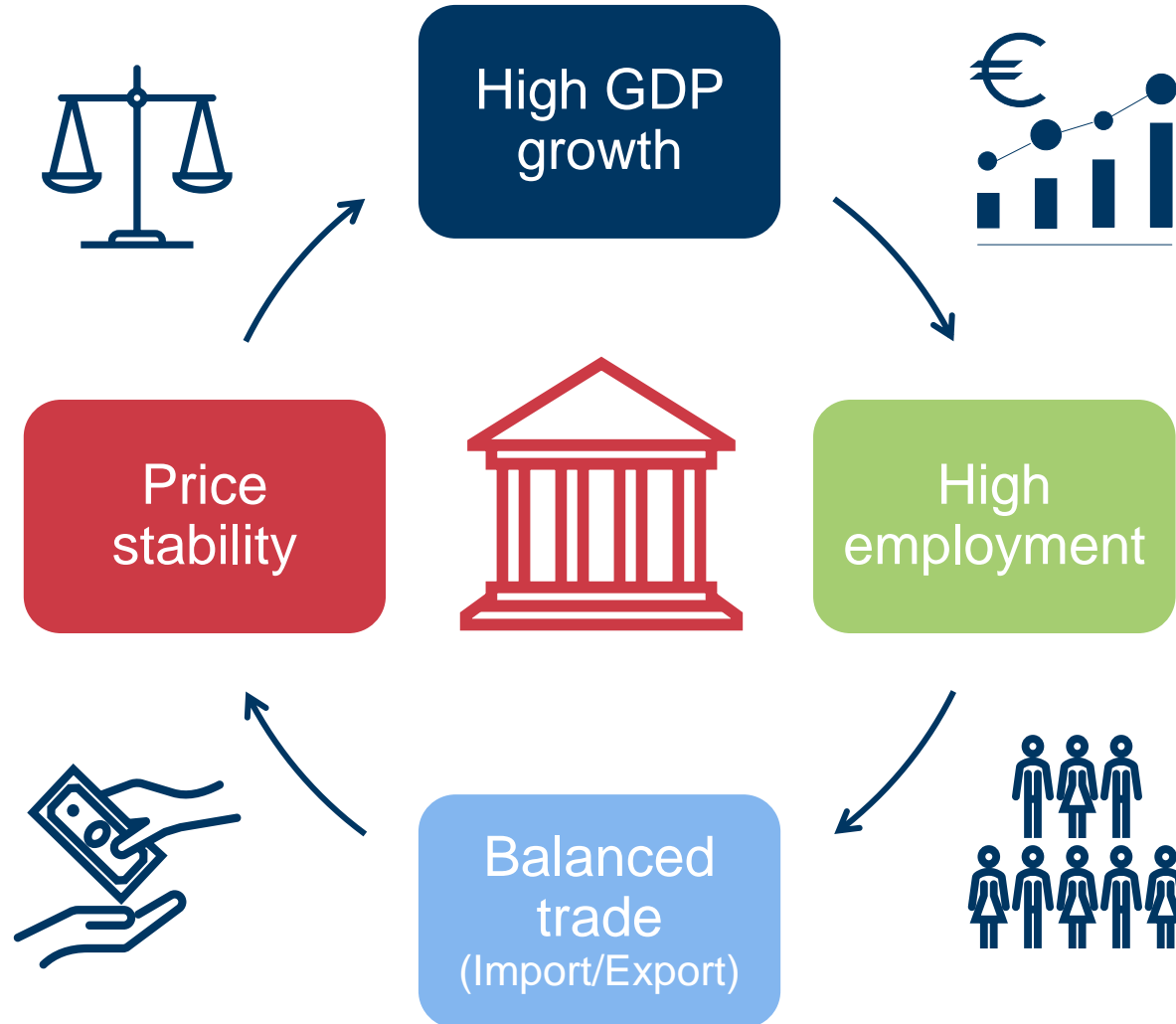
Alan Donnelly
The G20 Health and Development Partnership



Hatice Küçük
The G20 Health and Development Partnership

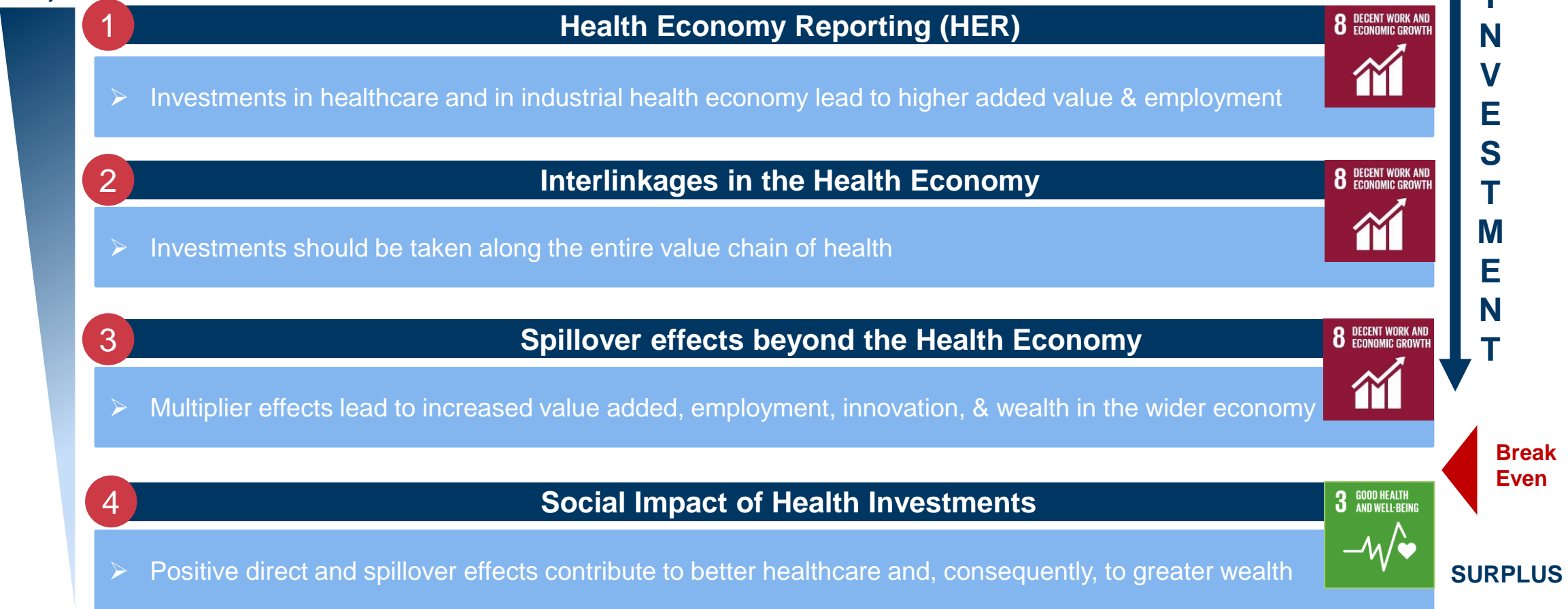


The “Magic Square” of economic policy drives policymaking – health investments influence all four dimensions



4-step value framework for resilient societies and economies | Addresses rising disease burdens and measures return of health investments

Macro Level:
Society



Micro Level:
Individuals

Source: WifOR illustration. Ostwald, D.A., Hofmann, S., Alexandrakis, E., Atun, R.A., Lucard, A., Donnelly, A., Küçük, H. (2021): If We Can't Measure It, We Can't Fix It.



Higher health expenditure is reflected in higher shares of the Health Economy

	 Turkey	 Argentina	 Brazil	 EU	 Greece	 Global ¹	 Germany ²
Share of health expenditures in GDP in 2020 ³	4.4 %	9.5 %	9.6 %	10.9 %	9.5 %	9.8 %	13.1 %
Share of Health Economy in GDP in 2020	5.1 %	9.1 %	9.7 %	11.0 %	13.8 %	7.5 %	12.1 %
Labor force share in overall economy in 2020	5.7 %	8.8 %	7.0 %	14.0 %	17.4 %	5.6 %	17.2 %

Source: WifOR calculations. WHO (2021): Global Health Expenditure Database (accessed on 21.12.2021); Germany: 2021; Global, Brazil, Argentina: 2020; Turkey, EU: 2019; Greece: 2018; ¹Initial WifOR estimation, ²Methodological deviation due to more detailed data



The global Health Economy contributes \$6.3 trillion to global GDP* and supports 194 million jobs

6,300 bn USD
Gross value added (GVA)
in 2019

High GDP
growth

7.6 %
Share in global GVA

2x 

194 million
Labor force
in 2019

High
employment

5.7 %
Share in global labor market

 + 

* In terms of Gross Value Added; Source: WifOR calculations and estimations based on World Input-Output Database (WIOD, release 2016) and on the World Bank Data Base (2021).



The EU Health Economy is larger than the economies of Spain and Estonia combined and greater than the French labor market

1,375 bn
USD
Gross value added (GVA)
in 2019

High GDP
growth

11.0 %
Share in the total economy



29.3 million
Labor force
in 2019

High
employment

14.0 %
Share in the labor market



* In terms of Gross Value Added; Source: WifOR calculations and estimations based on World Input-Output Database (WIOD, release 2016) and on the World Bank Data Base (2021).



The Health Economy contributes 11% to the GDP of the European Union outperforming the overall economy in terms of growth



Source: WifOR illustration following Ministry for Economic Affairs And Climate Action (BMWK) (2022): Health Economy - Facts & Figures. Manual for the German Health Economy Reporting, Data: 2019.



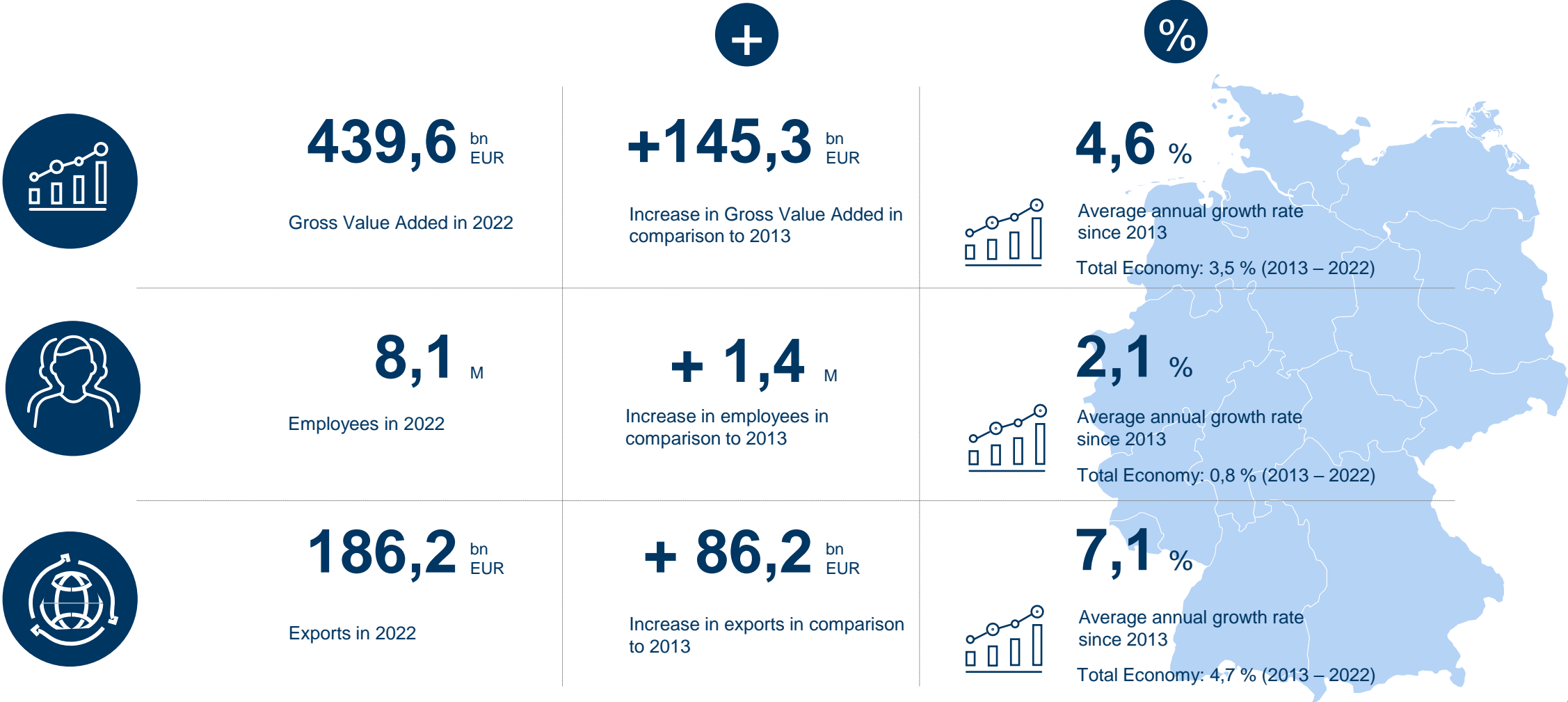
Country example | German Health Economy generated more than EUR 1.2 billion in GVA per day in 2022



Source: WifOR illustration following Ministry for Economic Affairs And Climate Action (BMWK) (2023): Health Economy - Facts & Figures. Manual for the German Health Economy Reporting, Data: 2022.



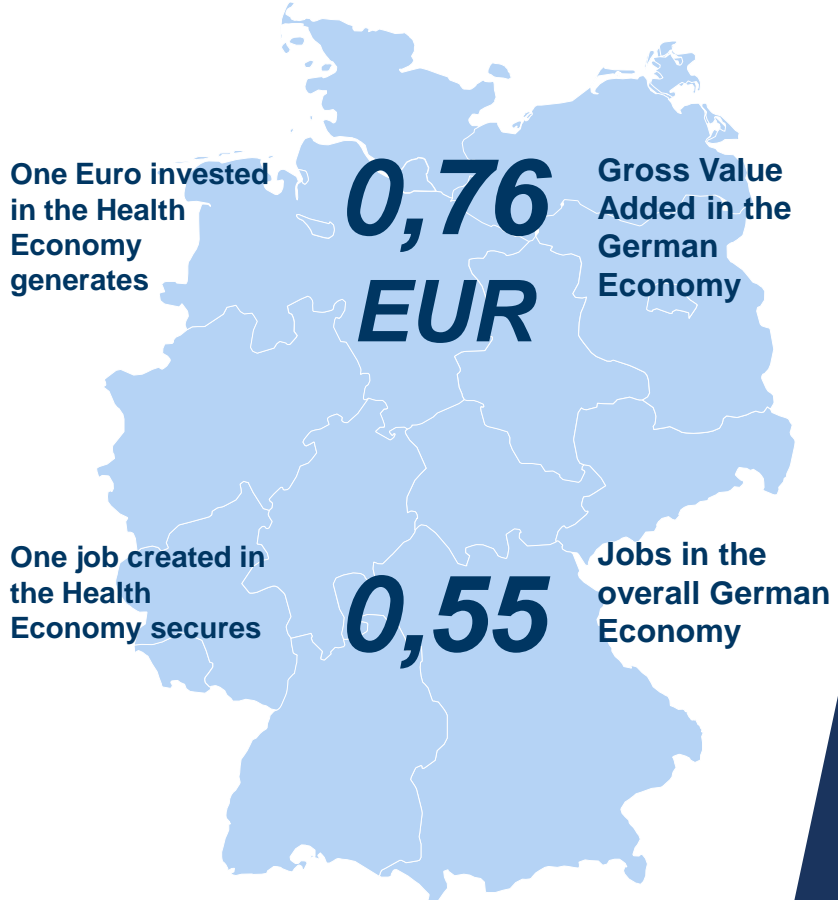
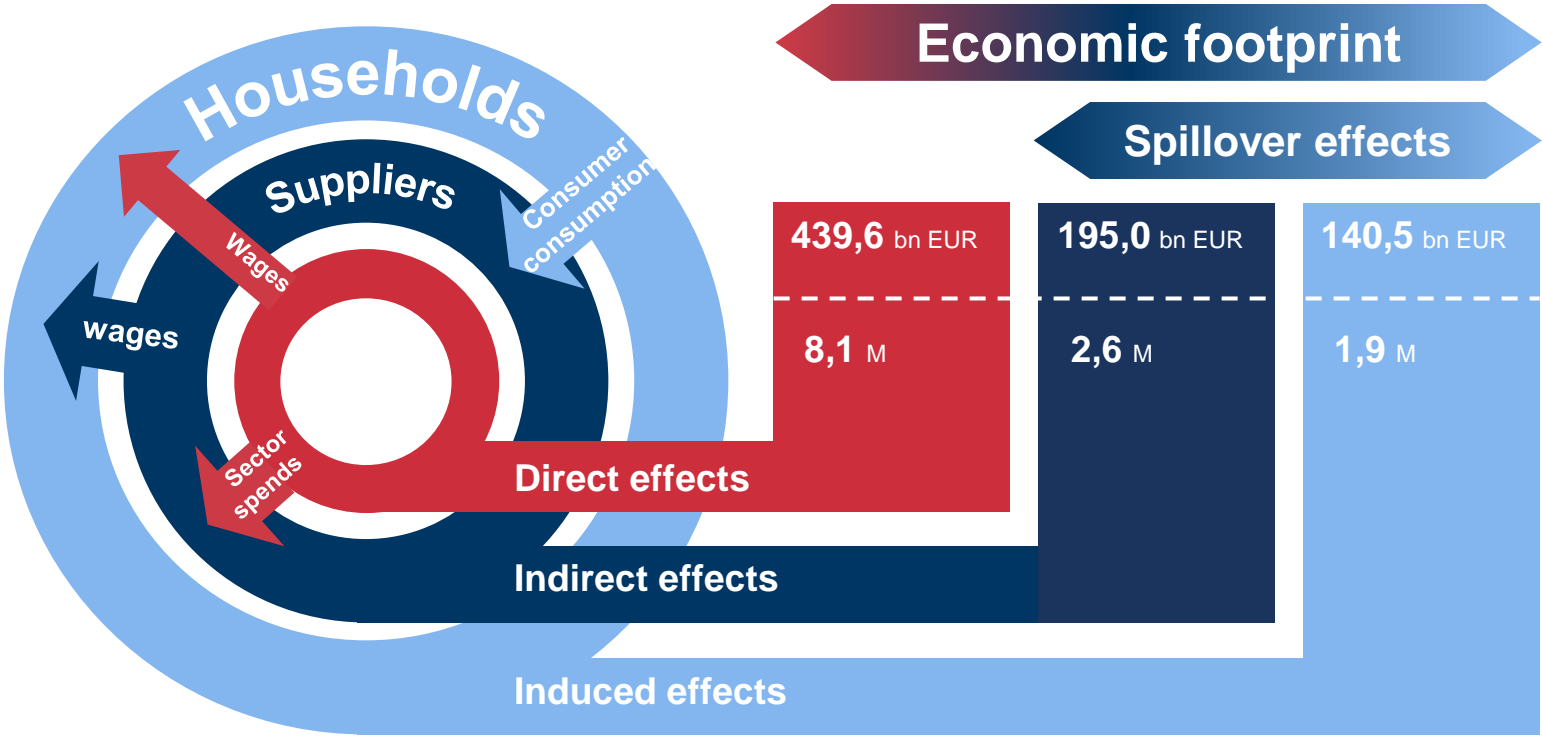
The Health Economy makes an above-average contribution to growth and employment in the overall economy



Source: Ministry for Economic Affairs And Climate Action (BMWK) (2023): Health Economy - Facts & Figures. Manual for the German Health Economy Reporting, Data: 2022.



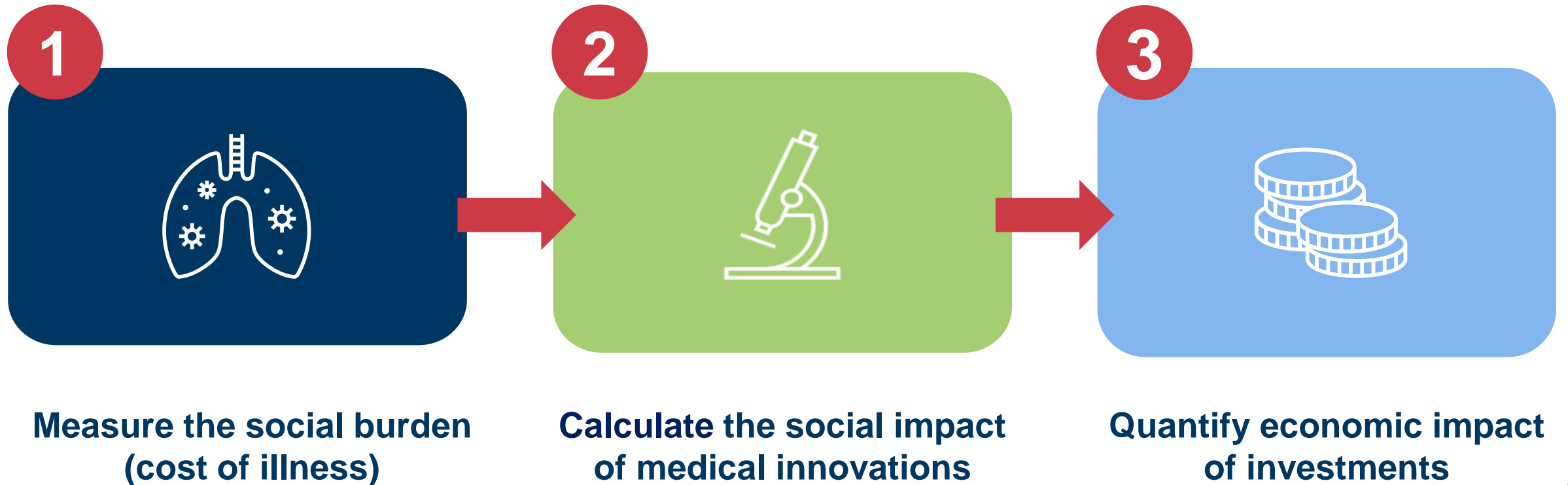
Health investments resulting in 10 new healthcare jobs also yield over 5 additional positions in the health supply chain



Source: WifOR illustration following Ministry for Economic Affairs And Climate Action (BMWK) (2023): Health Economy - Facts & Figures. Manual for the German Health Economy Reporting, Data: 2022.



Return on Investment (ROI) – Health metrics should be established and integrated into e.g., the EU Semester




Health investments create a positive feedback loop

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

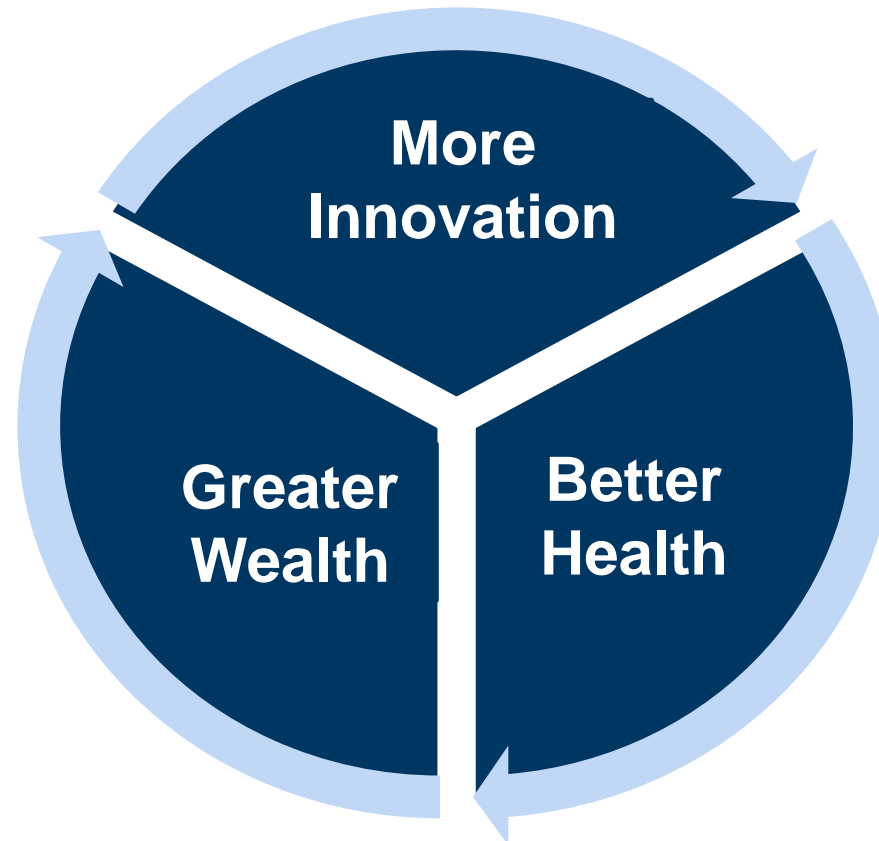

SDG GOAL 9

Build resilient infrastructure, promote sustainable industrialization and foster innovation

8 DECENT WORK AND ECONOMIC GROWTH


SDG GOAL 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



3 GOOD HEALTH AND WELL-BEING

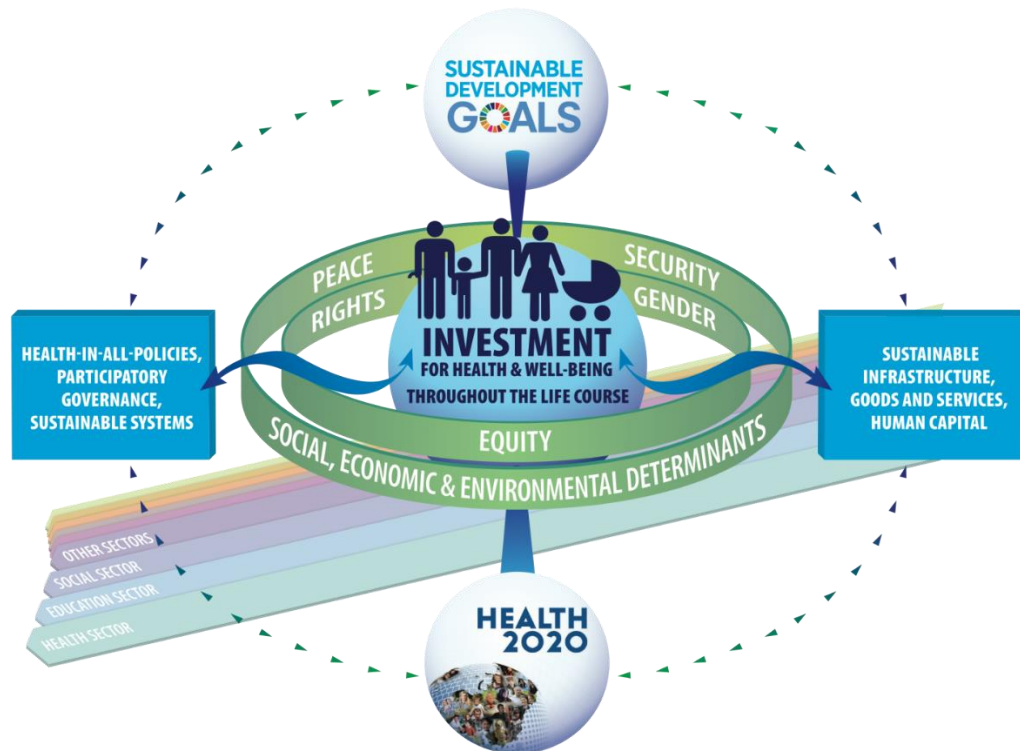

SDG GOAL 3

Ensure healthy lives and promote well-being for all at all ages

„The time has come for a new narrative that sees health not as a cost, but an investment that is the foundation of productive, resilient, and stable economies.“

Dr. Tedros Ghebreyesus, Director-General, World Health Organization

“The size and nature of the health system ... are likely to have profound direct implications for the performance of the economy as a whole...” (13).



Source: Hamelmann C, Dyakova M (2017)

Health systems are significant contributors to sustainable and inclusive growth, helping to create benefits for the whole community – particularly those left behind.

DRIVING INCLUSIVE GROWTH



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PANEL DISCUSSION: DIGITAL AND INNOVATIVE HEALTHCARE SOLUTIONS

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Gulmira Amatova, Director, HiLife LLP (Kazakhstan / Switzerland)

Dennis Baburov, Area Account Manager, Brainlab

Stefanie Polat, SVP | Head of Strategy and Customer Engagement EMEA, Siemens Healthineers

Priit Siilaberg, Partner and Business Area Leader, Helmes AS (E-Health solution provider in Estonia)

Stefan Wisbauer, Co-CEO, Lecturio

Moderated by: Rabea Knorr, Head of Department Health Industry, BDI – Federation of German Industries



Coffee & Get Together

Many thanks for an
insightful and inspiring
**6th German – East
European & Central Asian
Health Forum!**



Your Contacts

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