6 August 2025

The Honorable Eun Kyeong Jeong
Chair, APEC High-Level Meeting on Health and the Economy
Minister of Health and Welfare
Republic of Korea

Dear Minister Jeong,

On behalf of the APEC Business Advisory Council (ABAC), we are pleased to share our key recommendations to APEC Health Ministers. Our region stands at a critical juncture – with rapidly aging populations and declining birth rates. The UN expects the number of senior persons in APEC to nearly double to about 752 million by 2050, when one quarter of the population in our economies will be aged 65 years or over. At the same time, the birth rate is quickly declining below the replacement-level fertility rate of 2.1 children per woman. The region's total population is expected to shrink by roughly 100 million over the next 25 years. This scenario will translate into higher healthcare-related costs, strain pension and social security systems, create skill shortages, and economic stagnation.

This demographic transformation demands not just policy adjustments, but a fundamental reimagining of how we deliver healthcare - one that harnesses technology, builds resilient systems, and ensures no one is left behind. Therefore, ABAC welcomes Korea's emphasis on demographics and healthcare. We look forward to exploring responses from both governments and businesses to effect positive, long-term change. Based on comprehensive analysis, ABAC respectfully submits these initial priority recommendations:

1. Establish Foundational Infrastructure for Smart and Innovative Health Technologies

Meeting our current challenges require building the technological foundation for a healthcare system that can do more with less, serving more people with greater precision while managing costs.

Accelerating the Secondary Use of Health Data

Sound health data infrastructure forms the bedrock to build this technological reform. Expanding access to health data and its' secondary use can lead to more personalized care, accelerate research and development (R&D), enhance regional healthcare delivery, and foster innovation across industries. Existing initiatives like the European Health Data Space (EHDS) demonstrate how safe and secure health data exchanges benefit patients, researchers, innovators, and regulators. Sound health data infrastructure can also generate substantial returns on investment through improved medical R&D, reduced healthcare costs, and enhanced productivity.

ABAC urges Ministers to explore the development of local and APEC-wide medical information platforms for the primary and secondary use of health data with robust data governance frameworks, ensuring privacy protection while enabling research and innovation. Appropriate data governance for all aspects of healthcare data utilization from upstream to downstream, should be implemented following international standards. Additionally, APEC should develop a regional

methodology for economic evaluation models which demonstrate economic returns from health data infrastructure and could encourage economies to move faster with necessary investments.

Enabling Artificial Intelligence (AI) for Smarter and Inclusive Healthcare

Building on this data foundation, AI could enable practitioners to enhance productivity and accuracy which is critical when health systems are under mounting pressure. To translate this innovation into real-world impact, APEC must prioritize partnering with private sector providers for advanced AI software co-development and investing in comprehensive training for healthcare professionals.

ABAC recommends the adoption of a harmonized regulatory environment to ensure safety, trust, and accessibility of AI-powered tools, and software as medical devices (SaMDs) applications to facilitate market access while ensuring patient safety and data protection. Moreover, equipping healthcare practitioners with the necessary capabilities and tools is pivotal. This includes enabling technologies, such as no-code platforms and generative AI. APEC should take tangible steps to mainstream its use across clinical environments through a coherent strategic framework that widely embeds innovation into routine clinical care.

Establishing Foundations for Genomics and Precision Medicine in APEC

With robust data and AI capabilities in place, genomics and precision medicine can transform our understanding of how diseases are diagnosed and treated. Genomic technology can be used in different scenarios including oncology, reproductive health, and research and development to map genomes of organisms. Precision medicine is then able to further refine and target treatment options for patients.

APEC economies are currently at different stages of understanding and readiness to fully utilize genomic and precision medicine technology. Through broader socialization, identification of barriers, gaps, and recommendations of best practices, genomic and precision medicine innovations can save lives while lowering the cost of healthcare as disease diagnosis, preventative and specialized treatment becomes more effective.

2. Build Inclusive and Agile Healthcare Systems

However, technology alone cannot solve our demographic challenge. We must simultaneously build healthcare systems that are inclusive, agile, and resilient enough to adapt to our changing population needs.

Advancing Regulatory Reliance Implementation

As our populations age, the urgency for faster access to treatments becomes even more critical. While science evolves and products become more complex, national regulatory authorities (NRAs) must manage increasing workloads with constrained resources. Regulatory reliance—endorsed by the World Health Organization (WHO)—offers a practical solution. It allows NRAs to consider trusted assessments from other authorities, improving efficiency, reducing duplication, and accelerating access without compromising independence.

In this regard, ABAC believes it is critical to promote regulatory reliance practices, and encourage fast-track regulatory pathways, mutual recognition agreements, for enabling faster approval of existing and incoming treatments in economies.

Promoting Research and Innovation on Brain Health

The brain health crisis is particularly acute given our aging demographics, as age-related cognitive decline threatens both individual wellbeing and economic productivity. The rapid increase of brain-related diseases, driven by aging populations and lifestyle changes, currently costs the global economy $5 trillion annually according to the World Economic Forum—a figure expected to rise to $16 trillion by 2030. Despite this staggering economic impact, significant knowledge gaps persist in brain health research, and most APEC economies lack adequate access to brain health promotion, services, and support.

Strengthening brain capital, the economic output of positive brain health, is critical for achieving the region's social and economic development goals. Therefore, ABAC recommends establishing APEC-wide brain health data sharing frameworks that enable cross-border research collaboration, including epidemiological studies for region-specific populations and emerging health challenges. The region could also benefit from the development of multi-stage prevention frameworks targeting homes, education systems, and workplaces to build and maintain brain capital across the lifespan.

Maintaining Resilient Health Care Supply Chains

An aging population will place unprecedented demands on healthcare supply chains, making resilience not just important but essential. Therefore, APEC economies must attain a better view of how they are designed, where actual rigidities and vulnerabilities lie, and the extent to which they can be reorganized to understand the trade-offs for both businesses and patients. Healthcare supply chains operate in tightly regulated environments with strict safety controls and therefore are highly verticalized with limited alternative suppliers.

As such, ABAC believes affordable and accessible medicines in particular innovative products are best achieved through an open and integrated trading model built around resilient healthcare supply chains with no single points of failure. This open model powered by mutual recognition, digitalization, and common data standards, can drive competitive sourcing, production, and distribution which will then promote scale and lower costs for patients. Commercially viable solutions to secure guaranteed cargo and manufacturing capacity are examples of solutions that public and private sector stakeholders, in close coordination, can explore to secure essential healthcare products in times of need without disrupting supply chain operations.

We thank you for your leadership and commitment to improving health outcomes across the APEC region, especially for adding the High-Level Meeting on Health and the Economy to the APEC 2025 agenda. This is an important meeting to maintain open dialogue on health between the public and private sector and we look forward to further discussing our recommendations during this event in Seoul.

Yours sincerely,

H. S. Cho
ABAC Chair 2025