

WHAT TRADE AND INDUSTRY AUTHORITIES NEED TO KNOW

Noncommunicable
diseases

KEY POINTS

- Noncommunicable diseases (NCDs) are preventing trade and industry from realizing their full potential.
- Investing in NCDs makes economic sense.
- Trade and industry authorities must recognize that the right to health is a fundamental responsibility of government and take action accordingly.
- Coherence between trade and health policies is essential.
- Workplace wellness improves health and promotes economic growth.

1. NCDs are preventing trade and industry from realizing their full potential

- NCDs reduce productivity and economic growth, whether through losses to the workforce due to illness and premature death or through reduced performance of unwell workers who remain on the job. Under a 'business as usual' scenario, cumulative economic losses to low- and middle-income countries from the four main NCDs are estimated to surpass US\$ 7 trillion between 2011-2025, equivalent to approximately 4 percent of their annual output in 2010.¹ Tobacco use costs the world 1-2 percent of its GDP each year.² As the largest source of employment in most economies, trade and industry has much to gain from a healthier, more productive workforce.
- NCDs cost employers money through increased healthcare costs and insurance premiums. An unhealthy workforce means higher healthcare costs. Whether paid directly by the employer, through increased health insurance premiums or through increased taxes, such costs have a direct impact on the bottom-line of companies.
- NCDs affect consumer markets. Consumers are increasingly demanding healthier products (e.g. healthier foods, tobacco cessation support, products that support physical activity). For example, 72 percent of Chinese consumers now worry that the food they eat is harmful.³ Global health and wellness sales are projected to reach US\$ 1 trillion by 2017.⁴ Where trade and industry is not sensitive or adequately responsive to shifting consumer preferences, it risks losing market share.

Sustainable Development Goal 3 on health and wellbeing includes targets on the prevention and control of NCDs. Achievement of these targets can support trade and industry objectives and vice versa, in line with Agenda 2030's call for a *New Global Partnership for sustainable development*.

1 WHO, WEF (2011). "From burden to 'best buys': reducing the economic impact of NCDs in LMICs." http://www.who.int/nmh/publications/best_buys_summary.pdf?ua=1
2 American Cancer Society and World Lung Foundation (2012). "The Tobacco Atlas: Fourth Edition."
3 McKinsey & Company (2016). "What's driving the Chinese consumer." <http://www.mckinsey.com/global-themes/china/whats-driving-the-chinese-consumer>
4 Hudson, E. (2012). "Health and Wellness the Trillion Dollar Industry in 2017: Key Research Highlights." Euromonitor International. <http://blog.euromonitor.com/2012/11/health-and-wellness-the-trillion-dollar-industry-in-2017-key-research-highlights.html>

What are NCDs and why must Government work together?

There are four main NCDs: cardiovascular diseases (which include heart disease and strokes), cancers, diabetes and chronic respiratory disease.

38 million people die from NCDs each year, including 16 million people who die prematurely (before age 70). Most premature NCD deaths are from four main behavioural risk factors – tobacco use, harmful use of alcohol, physical inactivity and unhealthy diet.

Population exposure to these behavioural risk factors for NCDs is determined largely by policies in trade, labour, tax, urban planning, education and other 'non-health' sectors. This means that early death and disability from NCDs are largely avoidable through better policy coherence across sectors.

Given the social, economic and environmental burdens of NCDs, it is possible to identify strategies and approaches that deliver shared gains for all sectors involved.

2. Investing in NCDs makes economic sense

The costs of inaction on NCDs – to the health of people, companies and economies – far outweigh the investments required to stave off these costs and ensure healthy and productive societies. Barbados for example is losing an estimated 2.6 percent of its GDP in productivity losses and avoidable healthcare costs from diabetes and cardiovascular disease alone.⁵ These costs are being borne mostly by the private sector. Investment cases make clear that taxing health-harming products should be strongly considered.



5 Nation news (2016). "Barbados losing GDP to NCDs." <http://www.nationnews.com/nationnews/news/81654/barbados-losing-gdp-ncds>

3. Trade and industry authorities must recognize that the right to health is a fundamental responsibility of government and take action accordingly

This means strongly considering:

- Use of price, tax and tariff measures to reduce demand for tobacco and alcohol, and managing food taxes and subsidies to promote healthy diet;⁶
- Regulating commercial and public availability of alcohol as well as tobacco production, distribution and sales;
- Enacting and enforcing bans on all forms of tobacco advertising, promotion and sponsorship; restricting or banning alcohol advertising and promotions;⁷
- Ensuring full compliance with the WHO recommendations on the marketing of foods and non-alcoholic beverages to children, and with the International Code of Marketing of Breast-milk Substitutes;
- Regulating and supporting the food sector to reformulate unhealthy foods, and ensuring the nutritional content of all foods is labelled in a universally understood way;⁸
- Incentivizing retail outlets to rearrange product placements to encourage healthier purchases;
- Promoting and enabling industries and companies that encourage and facilitate healthy behaviours (e.g. sport and recreation, public transport, healthy diet);
- Holding industry accountable for honouring voluntary corporate commitments to reduce exposure to the marketing and sale of unhealthy products;
- Negotiating strong public health protection when establishing trade agreements (e.g. protection of TRIPS flexibilities).

⁶ Consistent with the WHO Global NCD Action Plan 2013-2020.

⁷ Consistent with Article 13 of the World Health Organization Framework Convention on Tobacco Control and the WHO Global NCD Action Plan 2013-2020.

⁸ Industries and companies that produce and sell foods high in fat, sugar and/or salt should be encouraged to reformulate products to make them healthier. This is partly to respond to the increasing demand from the public for healthier products and the call for governments to protect public health. Industry's timely and collaborative adaptation to this increasing pressure would keep it competitive and protect its market share. Some fast food and beverage industries have responded to changing consumer demands by increasing their healthier product range (though reformulation across the complete product portfolio is a stronger measure), while other companies have banned junk food marketing aimed at children. Countries such as Chile have introduced front-of-pack labelling for foods and/or introduced warning labels for restaurant food with excess sodium. 'Traffic light' labelling systems are nearly universally understood by consumers, bypassing language barrier issues inherent in written nutrition labelling or language warnings. There is significant room to build on these efforts.

Call to action

Through the 2030 Agenda for Sustainable Development, entire governments – not just health ministries – have committed to support national NCD responses.

Ministries responsible for trade and industry are an essential part of the government's response to NCDs.

“Addressing NCDs is critical for global public health, but it will also be good for the economy; for the global public good in the broadest sense. If we come together to tackle NCDs, we can do more than heal individuals – we can safeguard our very future.”

Secretary-General Ban Ki-moon, United Nations General Assembly, 19 September 2011

4. Coherence between trade and health policies is essential

Trade liberalization in some contexts has increased the availability of high-sugar, high-fat, ultra processed and nutrient-poor foods,⁹ which are linked directly to obesity. Trade agreements can also restrict governments from introducing policies and laws to address NCDs, such as bans on certain products, restrictions and food labelling. Threats of lawsuits under trade and investment agreements can discourage countries from taking steps to reduce NCD risk factors. But adverse impacts of trade liberalization can be reduced:

- Trade negotiators can include language that clarifies the right to regulate. For example, contemporary investment treaties often clarify key provisions, include exceptions, or include specific statements on the right to regulate. The Trans-Pacific Partnership also permits parties to exclude tobacco control measures from the scope of investor-state dispute settlement, an approach that implicitly recognizes that tobacco companies should not be offered incentives (such as additional legal protection) to establish or run their businesses.
- The current 'World Trade Organization Agreement on Sanitary and Phytosanitary Measures'¹⁰ provides a mechanism by which countries can implement

⁹ See e.g. Hawkes, C, Chopra, M, and Friel, S. "Globalization, Trade and the Nutrition Transition." In: Globalization and Health: Pathways, Evidence and Policy. Edited by Labonte R, Schrecker T, Packer C, Runnels V. New York: Routledge; 2009.

¹⁰ The WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) http://www.wto.org/english/tratop_e/sps_e/spsagr_e.htm

— and have implemented — various limitations on trade to protect public health. The use of flexibilities within TRIPS agreements has allowed countries to improve access to essential medicines such as antiretrovirals for HIV.¹¹ For NCD medicines, the full use of TRIPS flexibilities was affirmed in the 2011 ‘High-level Political Declaration on NCDs’ and the Rio+20 outcome document and reaffirmed as SDG target 3.b. It is important to preserve such flexibilities in domestic policy space as part of future negotiations of global, regional and bilateral trade regimes.

5. Workplace wellness improves health and promotes economic growth

Many companies have made significant strides to help ensure workplace wellness, particularly in higher-income settings. Continuing these trends would not only increase productivity and reduce absenteeism, it would also benefit the branding of the company and its products. There are multiple strategies available to trade and industry to support workplace wellness,¹² including:

- Ensuring that employees are informed and aware regarding the harms of tobacco, alcohol, and unhealthy foods and beverages;¹³
- Ensuring that tobacco use is banned on the premises, and that the ban is enforced; and offering employees tobacco cessation services;
- Developing internal guidelines on alcohol use, including the banning or restriction of its use on premises by staff and during working hours; and providing confidential intervention services to staff who have alcohol use disorders or hazardous

- Reviewing and adjusting work processes to increase physical activity (including walking and cycling) to an adequate level (with a weekly target); and providing opportunities and easy choices for physical exercise for staff and their families;
- Ensuring that a range of healthy foods and beverages is available on premises, including in vending machines, and offering counselling for overweight staff and their families.¹⁴
- Considering workplace screening programmes for blood pressure/hypertension;
- Implementing appropriate standards, regulations and safeguards to ensure workers are protected from air pollutants and other hazardous conditions.¹⁵

6. Getting started...

In the first instance, trade and industry authorities should:

- Be involved in coordination and dialogue across government, and with chambers of commerce, to address NCDs;
- Develop a clear framework for reducing NCD behavioural risk factors;
- Facilitate companies and organizations to assess and respond to the social, economic and environmental impacts of NCDs;
- Safeguard the independence of regulatory authorities.

Premature deaths and avoidable suffering from NCDs are the scourge of the 21st century. But with the right policies, the right investments, and the right support from all partners, the tide can be turned on NCDs.

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