



Challenges of Inclusive Growth

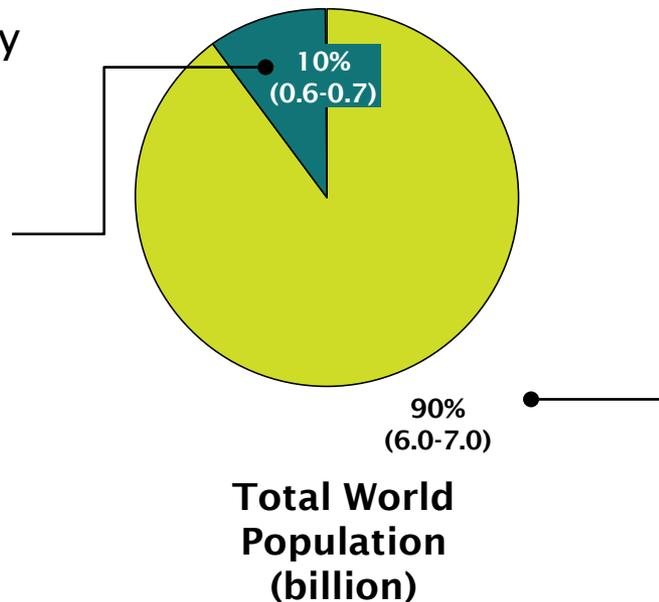
PECC General Meeting, Manila, 11 September 2015

Healthcare Overview | PAST AND FUTURE

A new healthcare landscape means new challenges and necessitates ways of doing things differently

Over the last 50 years...

- The global pharma industry has built its success serving a population of around **600-700m people**
- Just **10%** of the world's population



The next 50 years...

- The other **90%** or **6 billion** people will need to be addressed
- The bulk of this story will play out in **Asia**
- In the next **5 years**
 - ~300m people globally will become healthcare consumers for the first time
 - ~450m babies will be vaccinated for the first time
 - Another ~300m people will turn 50 & enter the stage of life with health issues

Accessibility, affordability, and quality are key challenges we need to address to expand healthcare coverage

Healthcare Overview | CHANGING OUR PERSPECTIVES

We need to adapt to the changing realities...



- Despite the rapid economic emergence of the region, only **1 of the top 10** global pharma companies is increasing market share in Asia – what are they missing?



- Other players – **local** companies, **generics** manufacturers – have fared better and seem well positioned to capture opportunities



- Global pharma companies need to re-think and **re-invent** their economic and commercial models to adapt to the realities of the market



- In particular, they will need to start considering putting **volume growth ahead of price** in Asia to create relevant price points for lower income consumers



- This will not be easy but adaptation and **new ways of doing business** will be critical to success in Asia

Healthcare Overview | APPRECIATING THE DIFFERENCES

In adapting we must realise that there are major differences between Asian countries...against backdrop of rising costs

Varying degrees of development...



“Developed Asia” – key challenges

- Aging populations
- Rapid growth of chronic / degenerative diseases
- Minimal mortality from infectious or emerging diseases

“Emerging Asia” – key challenges

- Higher incidences of infectious / communicable diseases
- Greater impact of emerging diseases (e.g. H1N1)
- **Make healthcare more accessible to more people**

Healthcare Overview | BUILDING THE RIGHT FOUNDATIONS

Mass vaccination programs can play important role at improving lives...

Today's Immunization System



- Though **115 million** infants vaccinated with 3 doses of DTP every year



- **2-3 million** deaths from diphtheria, tetanus, pertussis, and measles **averted** annually by vaccination



- **1.5 million children die** every year for no reason other than a failed vaccine delivery

ZP Initiatives in Asia

- Fully air-conditioned storage & cold chain transportation

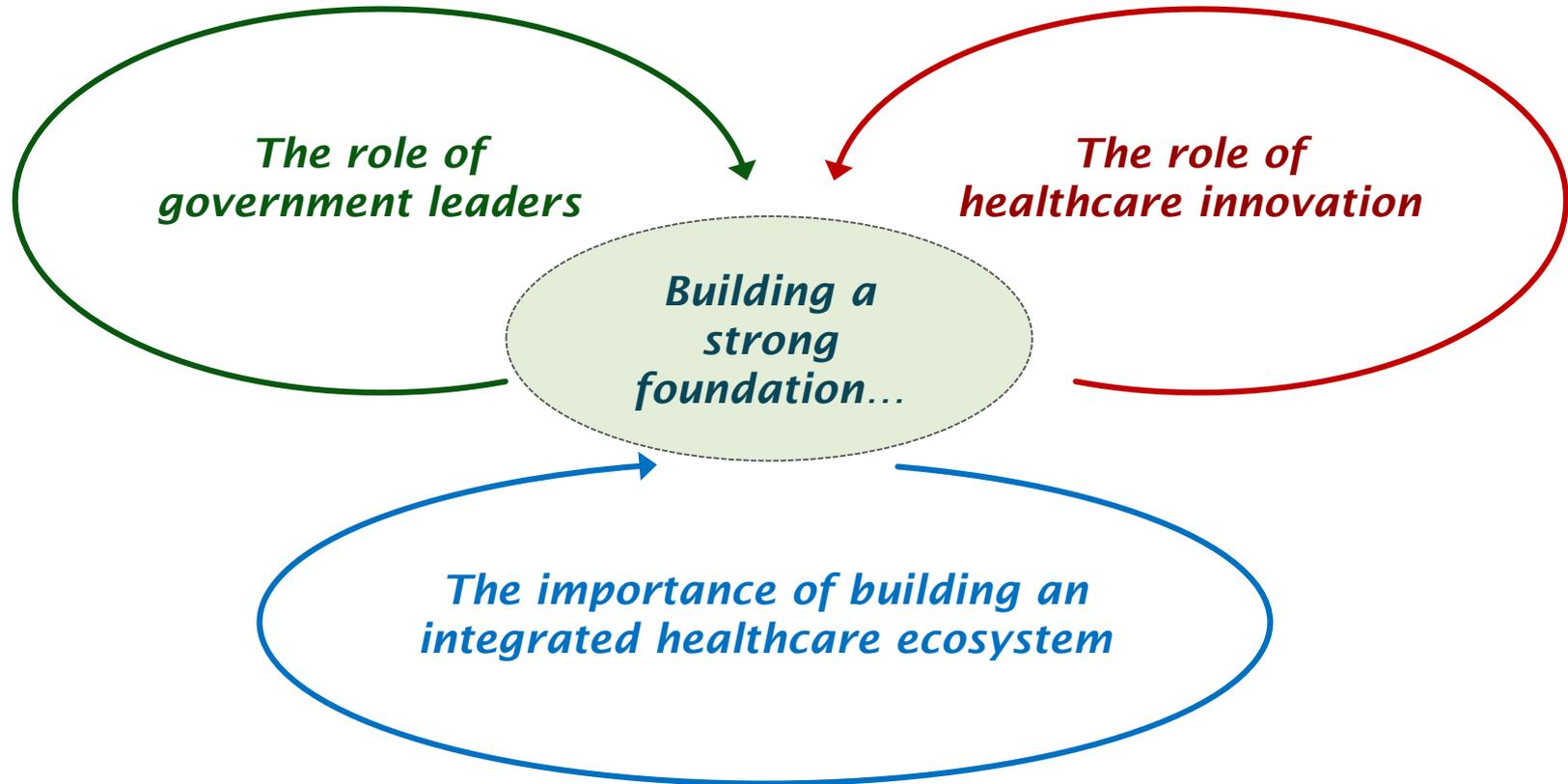


- Mass vaccination program, addressing accessibility and affordability challenges
 - Total No. of Vaccination Events Conducted **> 1,500**
 - Total No. of Doses Administered **> 350,000**

Source: WHO, ZP internal analysis

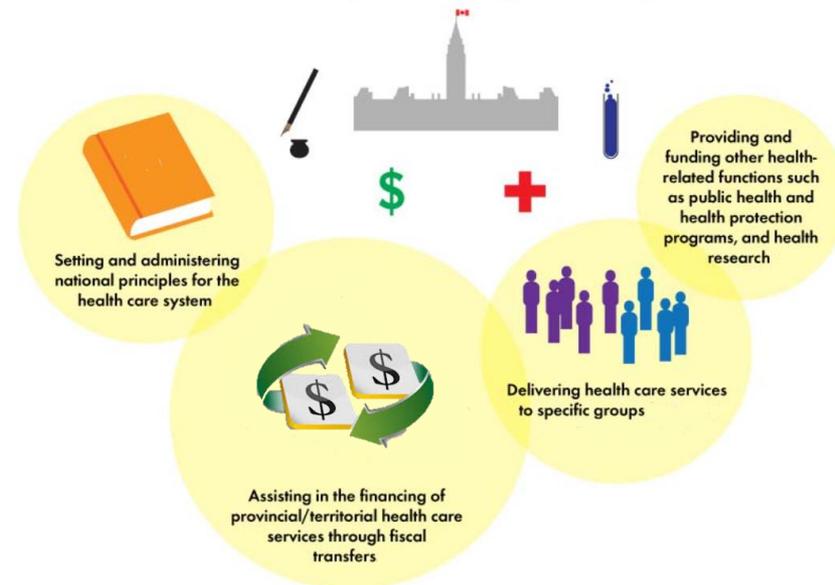
Healthcare Overview | BUILDING THE RIGHT FOUNDATIONS

We need to build the parameters within which sustainable & inclusive growth can happen...



Government leaders have a critical role...

The role of government leaders



- Need to clearly define its **role in fostering and improving healthcare** in the country
- Need to tackle the problems of **affordability and access** at the bottom of the pyramid
- Need to devote more attention to the **infrastructure** that can support these aims

Source: Government Websites, ZP internal analysis

New technology has the potential to innovate healthcare dramatically...

The role of healthcare innovation



- Leveraging **mobile & digital tech** in providing new ways to access healthcare
- Building **outcomes driven** healthcare policy through data mining and analytics
- Designing data-driven **disease management and prevention** programmes

Healthcare Overview | BUILDING THE RIGHT FOUNDATIONS

All healthcare ecosystem stakeholders must work together to rise up to the challenge...

The importance of building an integrated healthcare ecosystem



- Policy makers, payors, big pharma, HCPs; consumer interest groups; and healthcare solutions providers such as ZP all have a critical role to play in Asia
- Asia needs an **ecosystem** of integrated, interacting networks not just siloed best-practices
- The most common forms of access and affordability innovation we see today require **multiple stakeholders to work together**