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Pasifika Medical Association 2017 Annual Conference

(27-29 September 2017, Noumea)



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World Bank “Pacific Possible”



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Possible

THE WORLD BANK
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Outline



- Background “Pacific Possible”
- Main Risks to Prosperity
- Impact of NCDs on Pacific economies
- Summary

Background



- World Bank Report 2017
- Scenario planning by WB to better target their assistance to 11 WB PICT members
- Identify opportunities for PICTs for sustained high growth overcoming remoteness, small size, geographic dispersion, environmental fragility limiting economic activities
- Modest per capita income increases over past 25 years

Background



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- Opportunities with greatest potential for increased incomes (tourism, knowledge economy, fisheries, deep sea mining, labour mobility)
- Risks (climate change and disaster risks, NCDs) if not managed, will undermine development gains and economic benefits
- Other economic activities such as agriculture and coastal critical for livelihoods, food security

Background



- Economic growth in PICTs low compared with other developing countries
- Possibly due to poor policy and institutional environment, therefore, reform will improve economic growth or geographic reality
- PNG and Fiji have best potential for growth

Constraints



- Climate change represents the major risk
- WB 11 among the most vulnerable to natural hazards eg RMI, Tuvalu and Kiribati may see reduction in habitable landmass due to sea level rise
- Projected 1 million tourist arrivals by 2040 generating additional USD1.6 billion, 110,000 jobs Vanuatu, Samoa, Palau also Tonga, Fiji

Connectivity



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- Better connectivity and improved internet access to generate additional GDP >US5 billion and 300,000 additional jobs by 2040
- Larger Melanesian economies improve knowledge spread and productivity-enhancing technologies
- Fisheries to generate >US\$300 million additional revenue by 2040 especially Kiribati, Tuvalu, FSM

So, what does this all mean?



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- Exploiting these opportunities could increase long term average growth rate by 0.6-1.3 percentage points resulting in incomes 15-40% higher in 2040 compared with historical trends
- Tourism, labour mobility and ICT-related opportunities can boost job growth
- Climate change and natural disasters risk

NCDs



- High burden of NCDs and increasing
- PICTs could lose between 3-10% of GDP by 2040 unless effective action
- 4 NCDs contribute 60-80% deaths in PICTs
- 3 risk factors responsible for most NCD deaths
- Tobacco use much higher than global average of 21%; adult males KIR 67%, PNG 55%, Tonga 43%, Sol 45%, Vanuatu 43%
- 8/10 most obese nations in Pacific

Cost of NCDs in PICTs



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- High and rising public expenditure on NCDs
- Major driver of overseas referrals, benefit few
- Tuvalu 2014 health expenditure 16.4% GDP;
5x global average
- All PICTs spend greater share of GDP on health
cf global average
- Sustainable?

Outlook



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- NCD prevalence expected to rise substantially in coming decades
- NCDS will have major macroeconomic impacts; increase out-of-pocket exp. reduce savings potential, capital accumulation
- Economic burden of NCDs will increase in FSM, reducing GDP by 9%
- Polynesian nations most affected, esp Tuvalu
- Diabetes expected to have much greater impact than global average

Pacific NCD Roadmap



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- Tobacco tax at least 70% of retail price
- Consider alcohol tax
- Regulations on unhealthy food, drink
- Improve efficiency and impact of existing health budget by reallocating scarce health resources to target prevention measures
- Strengthen evidence base

Summary



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- WB provides better detail of impact of NCDs on Pacific economies; significant losses expected unless effective action
- Healthy Islands vision at risk
- Pacific NCD Roadmap key policy instrument in the region, needs to be consistently implemented with urgency
- Shift focus from policy to implementation