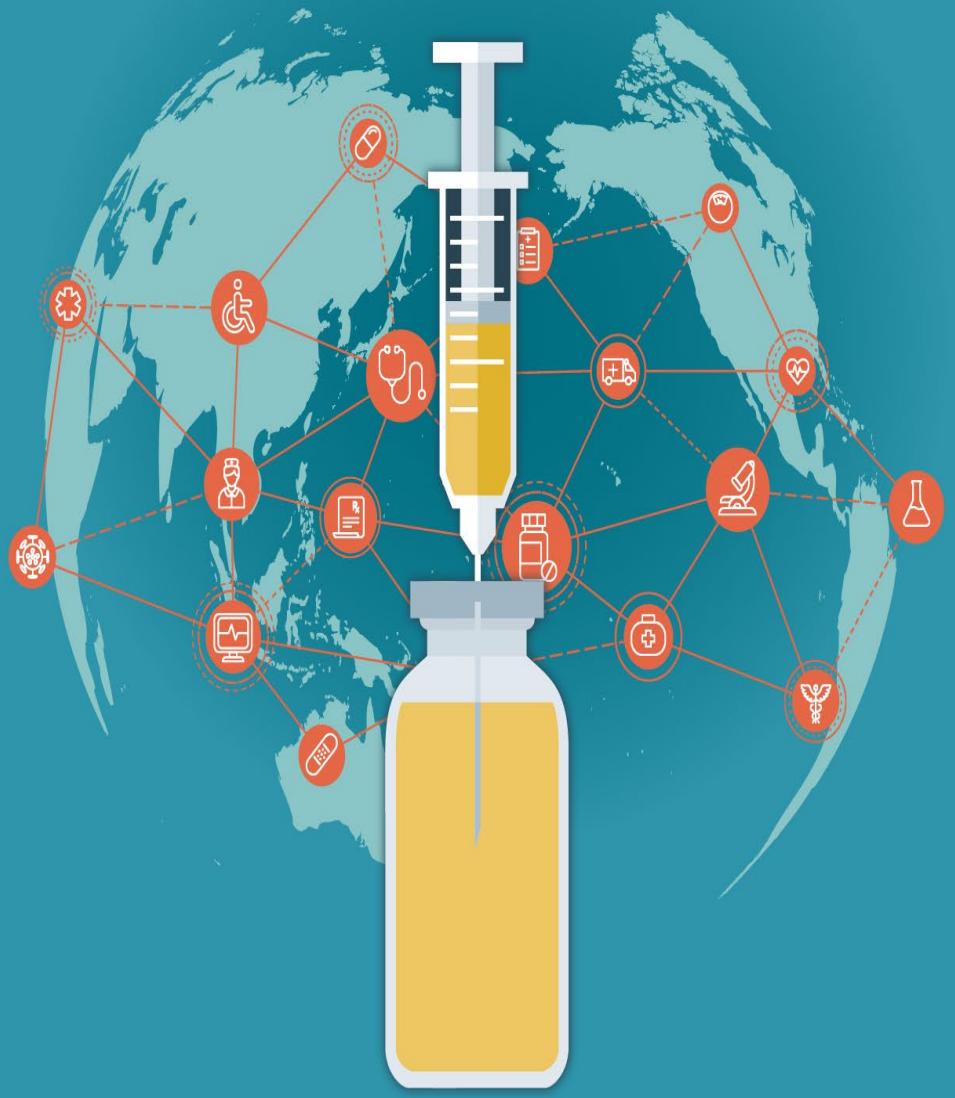
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Trade in Services for Better Health Systems



Simply Services

8 March 2023

1) Trade in medical services
   - Drivers
   - Trade policy
   - What happened during the pandemic?
   - Action plan to leverage trade in medical services

2) Trade in services to support the health value chain

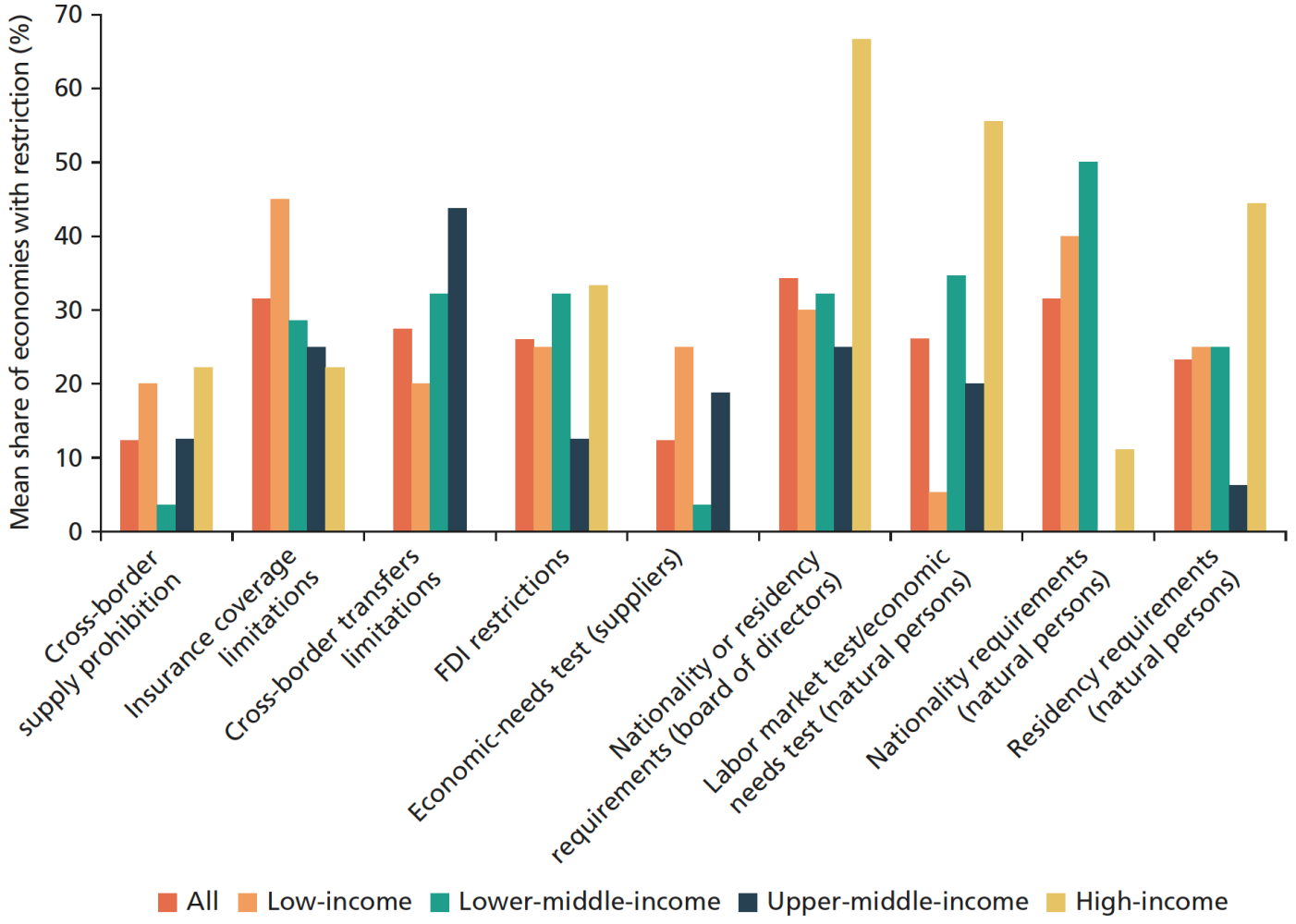
How are medical services traded?

Mode of supply	Relevance for Health services
Mode 1: Cross-border supply	Cross-border telehealth services, telemedicine, teleradiology, telediagnosis
Mode 2: Consumption abroad	Health travel, including specialized hospital and surgical care and alternative therapies accessed in other countries
Mode 3: Commercial presence	Setup and operation of foreign-owned hospitals, diagnostic facilities, clinics, or telemedicine companies
Mode 4: Presence of natural persons	Independent/self-employed health professionals; health professionals sent abroad by medical facility, hospital, or health provider; or staff transferred to an affiliated health establishment abroad (including management in the health-related services sector), e.g. physicians, nurses, midwives, paramedical personnel, technicians etc.

Many drivers…

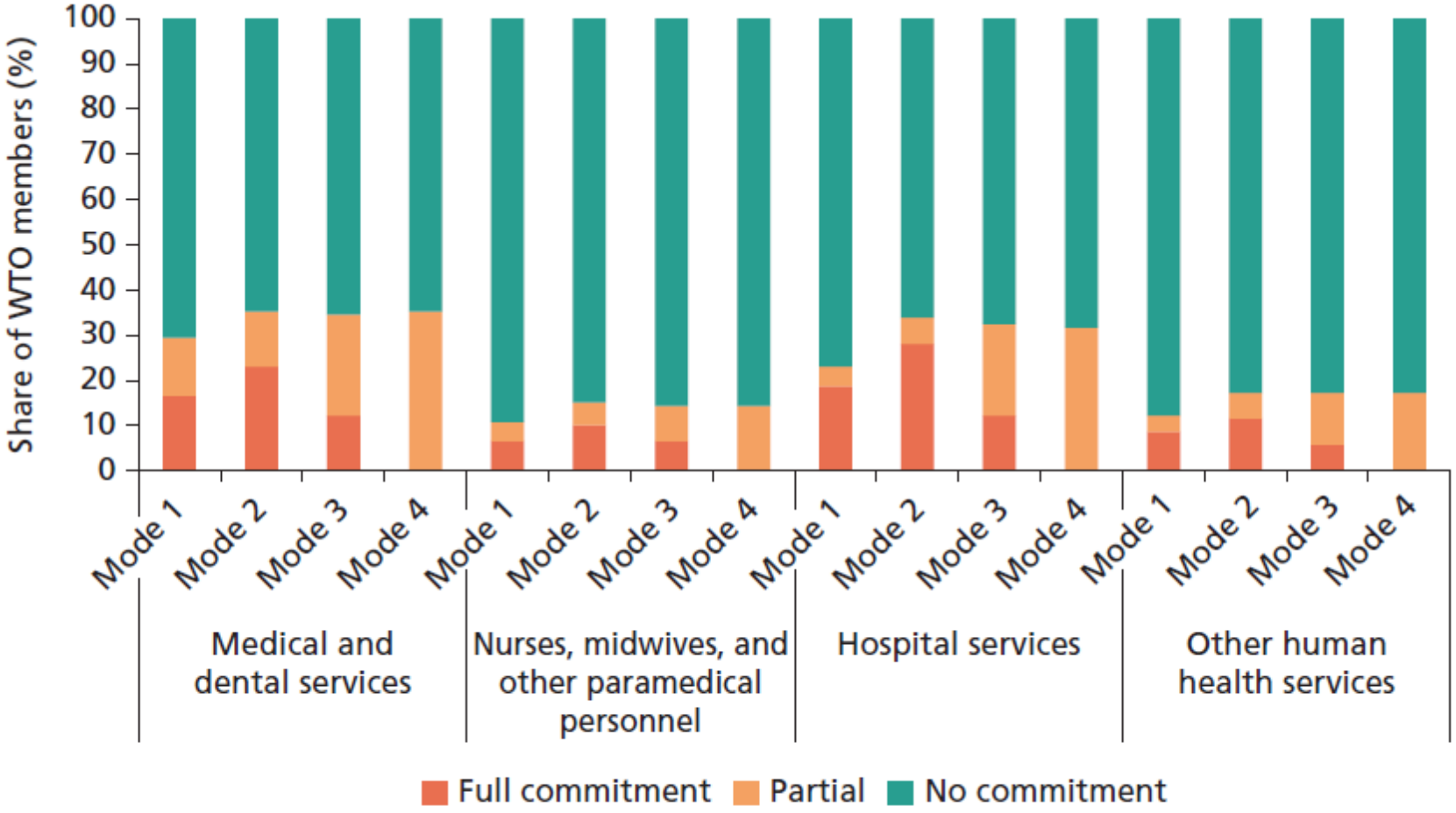
- Future pandemics?
- Income convergence
- Improved life expectancy
- Technological advancements
  - Telehealth rapidly gaining acceptance
- Affordability and availability of treatments in other jurisdictions (+ insurance portability)
- Attract foreign services (FDI, persons)

Trade in medical services faces many barriers



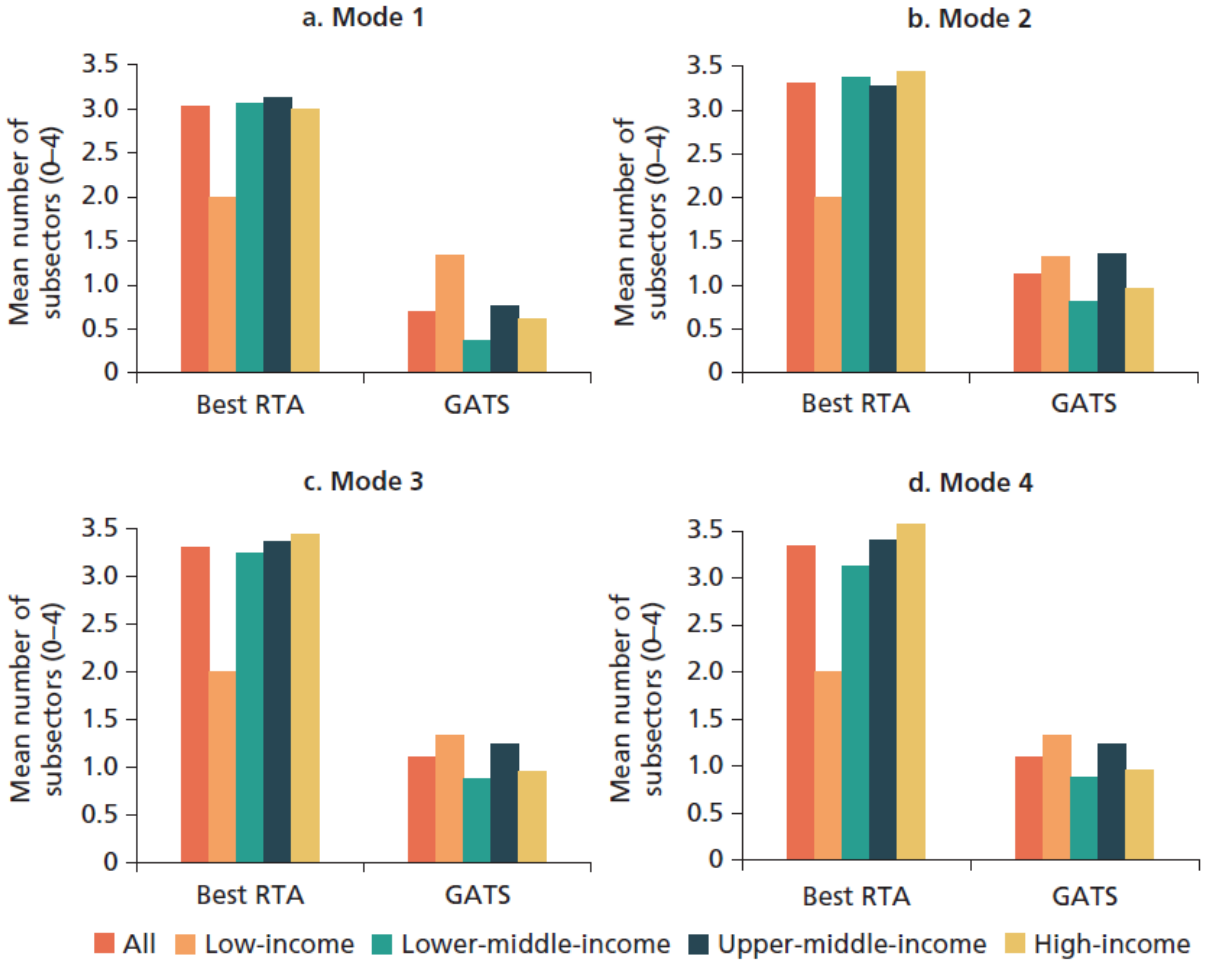
Source: World Trade Organization and World Bank, Services Trade Policy Database

Low levels of GATS commitments



Source: World Trade Organization and World Bank I-TIP services database, GATS module (accessed in 2022), https://i-tip.wto.org/services.

Best bilateral or regional trade agreements include more medical services commitments than in GATS



Source: World Trade Organization and World Bank, I-TIP services database, GATS and RTA modules (accessed in 2022), https://i-tip.wto.org/services.

What trade in medical services policy measures during the pandemic?

- **Enable the mobility of essential personnel** (correct border restrictions)
- **Increase pool of health workers** (easing entry, extending stay)
- **Fast-tracking/easing of recognition of foreign qualifications**
- **(temporary) Easing of telehealth services or accelerating the development of telehealth programs**
- **Investment screening, with certain consequences for healthcare**

- **Open trade** to reduce health related costs
- **Reduce domestic constraints**: transparent, predictable, effective domestic regulations
- **Adopt sound digital regulation and infrastructure**
- **Streamline assessment process of qualifications**
- **Develop health workforce**: health education and training
- **Implement complementary policies** that ensure gains from trade distributed equitably and do not exacerbate existing inequalities

A national "menu of options" to leverage trade in medical services to improve health security in normal times.... and during emergencies

An international "menu of options" to leverage trade in medical services to improve health security in normal times…. and during emergencies

- **Bind existing policies, consider liberalization** for medical and related services
- **Establish emergency frameworks** to address worker shortages and facilitate telehealth in times of crisis
- **Discuss good regulatory and governance principles** to improve quality/efficiency of regulations
- **Promote recognition of qualifications**
- **Foster cooperation for cross-border liability**

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Services key to support the health value chain

Role of **trade in health insurance** services to access healthcare

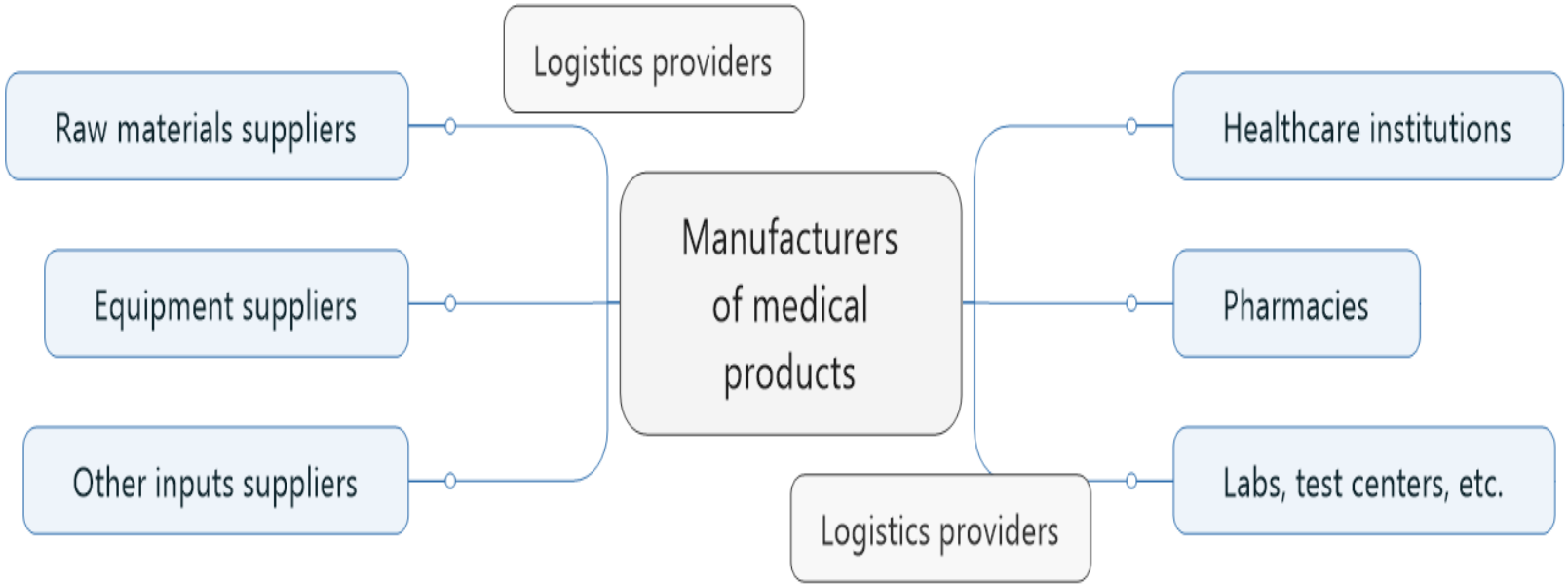
Trade in **services fundamental for medical goods GVCs**

- R&D services
- Logistics services essential, in particular given manufacturing production concentration
- Air transport key for time-dependent medical goods
- Distribution of medical goods (highly regulated)
- Insurance: nondamage business-interruption policies to insure medical goods GVCs

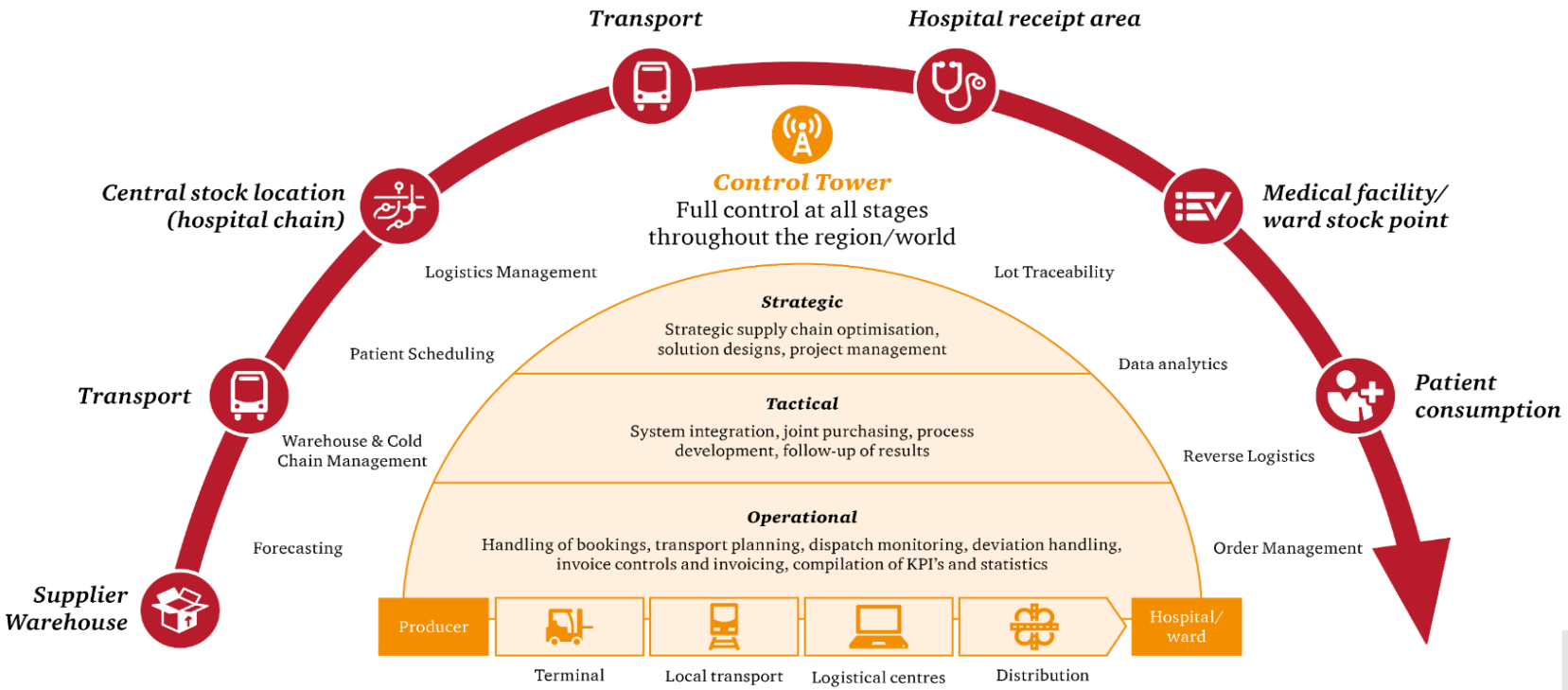
Role of logistics services in supporting health systems

- Health logistics is one important area of specialized logistics services which are usually subject to highly specific logistical needs, stringent regulatory requirements and thus associated with a particular market structure at the global level.
- Trade in logistics services supports health systems in two ways: 1) sustain the supply chain of medical goods; 2) sustain the supply of medical services
- Specialized services offered by health logistics services providers grow in scope and complexity, in particular with the aid of digital technologies

Health logistics: sustain the supply chain of medical goods



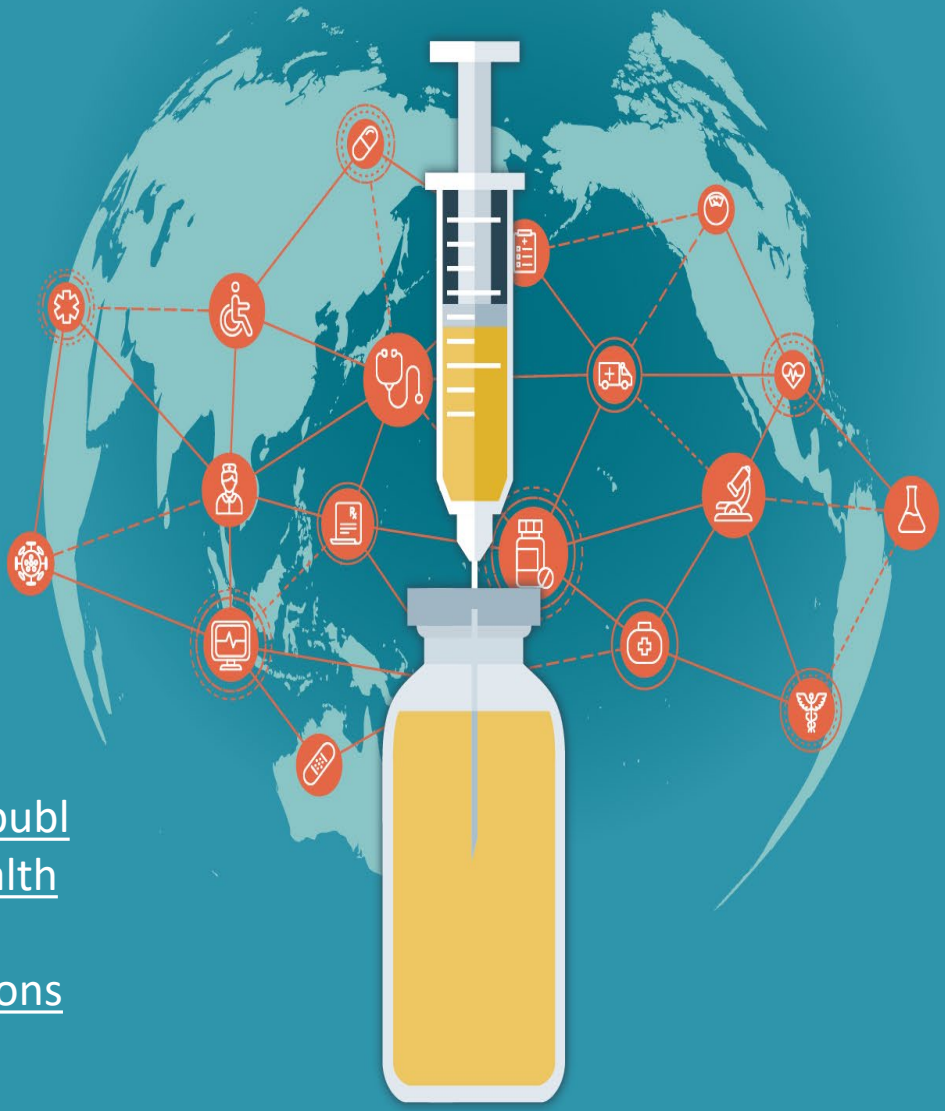
Health logistics: sustain the supply of medical services



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Thank you!



For more information visit

https://www.worldbank.org/en/topic/trade/publication/stronger-trade-systems-for-better-health

https://www.wto.org/english/res_e/publications_e/trade_therapy2022_e.htm