

# Private-sector-led growth and the global economy

**Providing valuable services and infrastructure, the private sector helps foster growth in emerging markets. Here, business leaders explain how they are working with governments to expand international trade**

## DSM Nutritional Products



### Dr Manfred Eggersdorfer

Dr Manfred Eggersdorfer is senior vice president for nutrition science and advocacy at DSM Nutritional Products, and professor of healthy ageing at the University of Groningen in the Netherlands. Prior to DSM, Manfred Eggersdorfer worked for BASF, Ludwigshafen, Germany, in positions including head of research and development fine chemicals.

Dr Eggersdorfer is an honorary professor at the University of

Groningen's Faculty of Medical Sciences and a member of the advisory board of the Johns Hopkins Bloomberg School of Public Health. He is also a published author on the subject of vitamins.



### Dr Klaus Kraemer

Dr Klaus Kraemer is the director of Sight and Life, the humanitarian nutrition think tank of DSM, and adjunct associate professor in the Department of International Health at the Johns Hopkins Bloomberg School of Public Health. Sight and Life helps to improve the lives of some of the world's most vulnerable populations by supporting innovations to eradicate malnutrition. As a nutrition scientist with over 25 years' experience in

research, advocacy, communication, and strategic and organisational leadership in nutrition and public health, Dr Kraemer has expertise in research and product development, as well as programme work.

### What is your company's vision for expanding in the global marketplace to fuel your corporate success?

We connect our unique competencies in life sciences and materials sciences to create solutions that nourish, protect and improve performance. We believe that improved nutrition of the population in emerging economies will reduce malnutrition, improve health and the ability to escape from poverty and increase economic well-being. This will provide growth opportunities for companies for investing in emerging economies.

### What strategy and assets are you pursuing to this end?

DSM is expanding into fast-growing economies with application centres for food and beverages, premix plants and the co-creation of local food solutions with customers. We engage in PPPs [public-private partnerships] that go beyond traditional knowledge transfer, where we partner and co-lead with other sectors to achieve backward and forward integration in product development, distribution and marketing.

DSM intends to establish open innovation platforms in emerging economies. This will provide in-depth consumer insights and allow the development and production of affordable products tailored to market needs.

### Where will the next big emerging markets be and how are you preparing to work in and with them?

One of the most promising markets for DSM to grow is South-East Asia. DSM applies a novel approach to engage with stakeholders across sectors from governments, civil society, the United Nations and business. This provides in-depth insight in local nutritional problems and opportunities for co-creation of effective solutions. For this approach, DSM works with local stakeholders on effective standards for nutritious products.

### What can G7 governments do to fuel strong, sustainable, balanced, private-sector-led growth?

The most challenging obstacles for a company like DSM to venture into the BoP [bottom of the pyramid] market is the lack of demand for

nutritious products. Demand for nutritious food should be created through a public-sector-driven awareness campaign. Structured demand via vouchers should be created via governments to ensure access to food by the most vulnerable.

### How are you working with governments to put in place the reforms needed to access and expand these markets?

DSM works with local governments directly, through industry organisations, UN agencies and academia to strengthen capacity to develop e.g. food fortification standards and methodology for [their] enforcement. DSM also helps to identify nutrient gaps in populations and supports research on the impact of nutrition interventions on nutrition status and health. A solid evidence base is the ultimate requirement for DSM to build a sustainable business and contribute to resilient societies. DSM adheres to the transparent sharing of expertise with policymakers and government authorities in all markets, and has registered in the European Commission's voluntary register of lobbyists active in Brussels. ■

## GE Healthcare



### Skander Malcolm

Skander Malcolm is the president and chief executive officer of GE Healthcare's 84-country Eastern and Africa growth markets region.

Appointed in December 2012 and based in Istanbul, Turkey, Malcolm leads GE Healthcare's operations in Russia and the CIS, Turkey and Central Asia, and the Middle East and Africa.

In this position, Malcolm is focused on driving the organic growth of GE Healthcare's businesses across these

key emerging markets through a strategy of localisation, expanding footprint and building operational capabilities to meet the evolving needs of customers and ultimately patients across the region.

Malcolm joined GE in 2003 and most recently served as president and CEO for GE Capital Australia and New Zealand, a specialist financial services company of more than \$16.5 billion in assets, focused on consumer and commercial funding.

He brings over 20 years' experience in the financial services sector in roles covering the United Kingdom, United States and Australia, having previously held several senior leadership roles at Westpac Bank and Household International (now part of HSBC).

Malcolm holds a Bachelor of Economics degree from the University of Sydney in Australia.

### What is your company's vision for expanding in emerging markets?

We are a technology and infrastructure company, which can bring financing – we see emerging markets as needing all three. Whether it's healthcare, power generation, transportation or cleaner energy, our customers in emerging markets look to us to help them build their infrastructure as they build. In emerging markets, we think we can help solve these infrastructure challenges they face, whilst adding local capabilities and skills, and, of course, jobs.

At GE Healthcare, globalisation is a cornerstone of our strategy, and our operations are organised around key growth regions to ensure close proximity to our customers. Moreover, we are making significant investments in the development of emerging-market healthcare with over 50 per cent of all revenues coming from outside of the United States.

An example of our global business model is GE Healthcare's Eastern and Africa growth markets (EAGM) region, covering 84 countries stretching across Russia, the CIS and Central Asia, Turkey and the Middle East and Africa. We have grown our business to over \$1 billion in revenues, with more than 1,800 staff as well as more than 300 local partners and we have invested very significantly in developing products and solutions that fit the needs of our customers.

### How would you describe your current strategy to this end?

As the cornerstone of sustainable economic development, countries need education and healthcare. That is why our growth is accelerating in regions like the Middle East, Russia and Africa. Indeed, everywhere we go, we see ministries of health working hard to improve access to quality and affordable healthcare for their people.

In response to this, GE launched a three-pillar strategy we call healthymagination. Healthymagination is our global \$6 billion commitment to develop 100-plus innovations that will lower healthcare cost, increase

healthcare access and improve healthcare quality by 15 per cent by 2015. As of 2013, we have invested \$4.2 billion with 100 validated product innovations, touching more than 1.5 billion lives.

This strategy has helped GE Healthcare prioritise its investments, drive big ideas forward, partner with thought leaders and link more closely with the healthcare system, touching the efforts of hospital managers, doctors, clinical specialists and, ultimately, patients.

One example is the recent healthymagination mother and child initiative we launched in Nigeria. Together with the Nigerian Federal Ministry of Health, and USAID, we are investing \$20 million to help tackle maternal and infant mortality. What is unique about this programme – and it

Emerging markets need help from G7 and European countries in the form of skills, knowledge, financing and manufacturing. In our experience, it is most effective when it is localised, creating local knowledge, skills and, of course, jobs.

Consider Iraq: where health expenditure grew from \$143 to \$226 per capita, an increase of 58 per cent (between 2009-12), and where a massive workforce upgrade and more than 60,000 new hospital beds are required to cover the current need. Or Africa: with over a billion people (more than 60 per cent under the age of 30 years), where it is estimated that there are only two doctors for every 10,000 people in sub-Saharan Africa. The healthcare challenges facing these governments are not insignificant. These governments know

***At GE Healthcare, globalisation is a cornerstone of our strategy, and our operations are organised around key growth regions to ensure close proximity to our customers. We are making significant investments in emerging-market healthcare***

is typical of how we are tackling emerging markets – is that we are not just providing equipment, we are also providing training, education, financing and whole solutions that will remain locally operated.

### What business activities and partnerships are you currently pursuing in your region where the G7 countries and European Union can help? How in turn will this benefit the G7 and EU?

Advancing healthcare in the emerging markets is good for everybody. Indeed, in a global economy, it makes sense for the G7 countries and the European Union to support the development of emerging-market healthcare. This will contribute to a more stable economic recovery and faster growth for all.

that not addressing their massive healthcare challenges is simply not an option, and are taking steps to address them. As a result we are optimistic about the emerging markets and we are investing.

### Governments around the world invest considerably in healthcare but sustainability is a considerable challenge. In the emerging markets where the needs are many, how is sustainability ensured?

Sustainability is a significant issue regardless of where you are in the world, and in the emerging markets – where in some settings governments are establishing healthcare infrastructure from scratch – ensuring the long-term effectiveness of these investments is essential.

In the emerging markets, what we have learned is that technology alone is no longer enough. Instead, we are designing new models of healthcare delivery leveraging relevant technology, a significant focus on training and skills enhancement, and nurturing sustainable partnerships to develop localised solutions aligned firmly with the needs of our customers.

We are also addressing some of the major healthcare challenges such as reducing waste, improving healthcare efficiencies and eliminating unwarranted variation in diagnosis and therapy. In some countries we further match this with consumer education highlighting the importance of health awareness and disease prevention. Through this approach, we strive to increase sustainability by ensuring that improved clinical and patient outcomes are 'built in' to our solutions.

**As we approach a new era of innovation in a wide range of fields, how does GE foresee future developments in technology and their likely effects on industry and society?**

True to its heritage, GE is at its core a technology and innovation company. Each year, the company invests five to six per cent of revenue back into R&D.

In Healthcare, the scale and rate of innovation is set to significantly transform the sector in the next 10 years as Healthcare continues to industrialise.

Indeed, innovation in healthcare has a different meaning, depending on where you are in the world; what is consistent is that it has to be economically and clinically relevant.

In a digital world, the 'industrial internet' for GE Healthcare is about creating and enabling technologies and services that will

change the way healthcare providers work together to use big data and analytics to manage the patient through the healthcare system.

With these technologies, GE is enabling caregivers to spend more time caring for patients and we have committed \$2 billion to harnessing data and developing software for healthcare to reduce costs, optimise care delivery, and eliminate unnecessary waste.

GE is also leading the way in advanced manufacturing. Material science and analytics are transforming the way that our factories can operate.

Digital tools will make us faster and more efficient. We are a leader in advanced fabrication innovations like 3D printing, to lower product cost and drive speed. This is making our factories smarter, more distributed and reconfigurable. ■

## International Gas Union



**Torstein Indrebø**

Torstein Indrebø is secretary general of the International Gas Union. He holds a Master of Science in Business from the Norwegian School of Economics and Business Administration, Bergen and has a degree in Petroleum Taxation from the University of Bergen.

Indrebø started his career with the Ministry of Defence and Ministry of Foreign Affairs before joining the Oil and Gas Division of Norsk Hydro in 1980. He was assigned to Mobil Oil in the US from 1985-86 before returning to Norsk Hydro's Natural Gas division in Norway.

In 1995 Indrebø was appointed vice president and head of the Oil and Gas office of Norsk Hydro in Brussels, Belgium. In 2001 Indrebø assumed the position of vice president strategy and business development, natural gas. He served as president of the Norwegian Gas Association from 2001-05. Following his appointment as secretary general of the International Gas Union in 2007, Indrebø transferred the IGU Secretariat to Oslo, Norway under the sponsorship of Statoil.

**What is your organisation's vision for expanding in the global marketplace to fuel your success?**

The global gas industry is a tremendous success story, with natural gas now accounting for over 23 per cent of primary energy consumption worldwide. The International Gas Union (IGU) expects that this figure will rise to 25 per cent or more by 2035.

IGU encourages international trade in gas by supporting non-discriminatory policies and sound contracting principles and practices, promoting development of technologies which add to the environmental benefits of gas and further enhance safe production, transmission, distribution and utilisation of gas.

**What strategy and assets are you pursuing to this end?**

The world's conventional and unconventional natural gas resources are equivalent to more than 250 years of global consumption, so there is no problem with underlying availability. This fact enables gas to be positioned as a foundation fuel for the world's current and future energy, delivering less carbon-intensive energy solutions, and as the perfect partner for renewable energy sources. With almost no pollutants, increased use of gas will also contribute to improved air quality in urbanised areas.

**Where will the next big emerging markets be and how are you preparing to work in and with them?**

The largest gas market growth in the coming years is expected in Asia. This is dominated by the growing energy needs in China and India, and the contribution that natural gas can make to reduce air pollution and

improve local air quality. IGU expects that gas will increase its share in power generation and in the transportation sector. IGU works through our extensive Asian membership and network to advance the gas industry in the Asian region.

**What can G7 governments do to fuel strong, sustainable, balanced, private-sector-led growth?**

Energy diplomacy is a 21st-century reality, and changing political concerns have a direct effect on our markets. As gas is an increasingly international business, geopolitical issues can have a direct impact on the prospects for investment and further expansion in the global marketplace.

Governments and the G7 group should invite industry representatives and organisations like IGU to dialogue meetings. A closer cooperation between policymakers and industry will help to attract the investments in energy infrastructure needed for global energy security.

**How are you working with governments to put in place the reforms needed to access and expand these markets?**

IGU and the International Energy Forum jointly organise Ministerial Gas Fora that explore the geopolitical and economic realities of developing new markets and expanding international trade by promoting dialogue between producing and consuming countries. We are actively engaging in energy issues with global and regional organisations, and publish an extensive range of publications addressing relevant topics ([www.igu.org](http://www.igu.org)). IGU is available for further interaction through G7 processes or bilaterally with individual governments. ■



9 out of 10 CEOs know sustainability matters\*...  
but how many have a plan?

## Turn sustainability goals into actions, only with StruxureWare software

To conserve enterprise resources without sacrificing business performance, you need an efficiency and sustainability strategy driven by powerful, intelligent software that is integrated and compatible across your organization. Only StruxureWare™ software applications and suites give you enterprise-wide visibility and access to critical efficiency data. Control rising energy costs; meet reporting obligations; keep stakeholders informed and engaged — and drive your strategy with confidence.



### Where are you on the road to sustainability?

Find out when you download 'From theory to reality: 3 steps to implementing a sustainability programme'. Plus, enter to win an iPad mini!

Visit [www.SEreply.com](http://www.SEreply.com) Key Code 27604P

**Schneider**  
 **Electric**