ECONOMIST ENTERPRISE

Health is a strategic asset, not simply a cost



Supported by MSD

Governments spend years debating energy security, semiconductor capacity and critical minerals. They devote far less attention to one of their most valuable strategic assets: the health of their people.

Energy, semiconductors and critical minerals are treated as strategic assets because they underpin economic security. Health deserves the same status. Healthy populations sustain economic growth, support productive work and strengthen national resilience. Yet governments still tend to treat health as a social good or a cost to contain, rather than an asset to build.

A sector becomes strategic when it is essential to national prosperity and vulnerable to disruption. Health meets both tests. Healthy people drive productivity and economic growth, while resilient health systems and life sciences industries strengthen countries against future shocks.

How governments need to think differently when viewing health as a strategic asset:

- Invest in healthier populations that can work, innovate and contribute to the economy.
- Build competitive health and life sciences industries that generate jobs, exports and technological progress.
- Identify and derisk core vulnerabilities, through trusted partnerships and lessons learned from other strategic sectors.



©Economist Enterprise 2026



£1

Every £1 invested in public health = £14 for the wider economy

Source: UK NIHR[1]

Healthy populations drive economic growth

Prevention keeps people healthier for longer by avoiding disease through vaccination, addressing risk factors and treating diseases in their earlier stages. Healthier people are more likely to work, remain productive and contribute to the economy throughout their lives. They are also less likely to need costly treatment, easing pressure on health systems and public finances.

The economic returns are substantial. The UK's National Institute for Health and Care Research estimates that every £1 invested in public health returns around £14 to the wider economy.[1] The McKinsey Health Institute estimates that scaling proven public-health interventions could add nine healthy years to life expectancy and generate US$12.5trn in annual economic value globally by 2050.[2]

A study funded by the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) found that investing in adult immunisation programmes for common conditions offered a return of up to 19 times.[3] For respiratory syncytial virus (RSV), the same study found mean net benefits of up to $3,646 per person vaccinated.[3] RSV usually takes one to two weeks to recover from, and America's Centres for Disease Control and Prevention recommends waiting at least 24 hours after symptoms have gone before returning to work or school.[4] Vaccination would therefore reduce the time people take off work when they or their children are ill.[5]

Prevention is therefore more than good healthcare. It is good economic policy.

Health innovation is an industry, not just a service

Health and life sciences are also productive industries. They attract investment, create skilled jobs, generate exports and produce technologies that benefit the wider economy.The scale of these benefits depends partly on how well government, industry and the wider health system work together.

Several governments have begun to align health policy with industrial strategy. Saudi Arabia aims to make itself a MENA biotech leader by 2030 and a global hub by 2040.[6] It has integrated a National Biotech Strategy within its government-wide Vision 2030 strategy to deliver on this goal.[7] France's Healthcare Innovation 2030 programme backs biomedical research, clinical translation and company growth.[8] Canada's biomanufacturing strategy aims to strengthen both health resilience and domestic production.[9] Japan presents medical innovation and healthier ageing as opportunities to create new industries.[10] In designing such strategies governments need to consider broader trade implications, for example applying subsidies thoughtfully and leaving industry open to foreign investment.

©Economist Enterprise 2026



These examples reflect a broader shift. Governments increasingly recognise that stronger health systems and competitive life sciences industries can reinforce each other, supporting both better health and economic growth.

Building health resilience

Treating health as a strategic asset does not require a new policy playbook. Governments can apply the same principles they already use for other strategic sectors.

That means identifying capabilities that are economically or strategically important, reducing supply-chain risks and building domestic or regional capacity where dependence creates genuine vulnerabilities.[11]

The goal should be resilience, not self-sufficiency. No country can produce every medicine, medical device or technology it needs at a competitive cost. Attempts to reshore everything risk raising costs while creating new vulnerabilities. A stronger approach combines diversified supply chains with open trade, international research partnerships and robust intellectual property systems that support both innovation and security.[11]

Putting health at the centre of economic policy

Governments already recognise that energy, semiconductors and critical minerals deserve strategic investment because they support economic resilience. Investment in health should also be viewed as strategic, rather than simply as a cost to contain.

Countries that prosper over the coming decades will be those that invest in healthier people and stronger health innovation systems. Treating health as a strategic national asset will not only improve lives. It will strengthen productivity, support economic growth and make countries more resilient to future shocks.

©Economist Enterprise 2026

References

1. NIHR Evidence. Public health interventions may offer society a return on investment of £14 for each £1 spent. Southampton: National Institute for Health and Care Research; 2017. Available at: https://evidence.nihr.ac.uk/alert/public-health-interventions-may-offer-society-a-return-on-investment-of-14-for-each-1-spent/
2. Beauvais A, Herbig B, Wilson M, Kumar P. The health of nations: stronger health, stronger economies. McKinsey Health Institute. February 17, 2026. Available at: https://www.mckinsey.com/mhi/our-insights/the-health-of-nations-stronger-health-stronger-economies
3. Chowdhury S, Brassel S, El Banhawi H, Bell E, Neri M, Steuten L. A cost-benefit analysis of adult immunization programs across ten countries: Modeling the socioeconomic value of immunization for older populations compared to no vaccination. Human Vaccines & Immunotherapeutics. 2025;21(1):2602976. Available at: https://doi.org/10.1080/21645515.2025.2602976
4. NHS. Respiratory syncytial virus (RSV). Page last reviewed 5 July 2024. Available at: https://www.nhs.uk/conditions/respiratory-syncytial-virus-rsv/
5. Centers for Disease Control and Prevention. Preventing Spread of Respiratory Viruses When You're Sick. August 18, 2025. Available at: https://www.cdc.gov/respiratory-viruses/prevention/precautions-when-sick.html
6. Al-Mirsal. Healthcare and life sciences trends and developments across MENA [Internet]. 2024 Apr 17 [cited 2026 Apr 29]. Available from: https://www.al-mirsal.com/2024/04/healthcare-and-life-sciences-trends-and-developments-across-mena/
7. Saudi Vision 2030. Vision 2030. Last updated February 2026. Available at: https://www.vision2030.gov.sa/en
8. Presidency of the French Republic. Healthcare innovation 2030: Shaping France as the leading European nation in innovation and sovereignty in healthcare. June 29, 2021. Available at: https://www.elysee.fr/admin/upload/default/0001/10/878189f8b95f7905f5b4ecf540701a425e615cdf.pdf
9. Innovation, Science and Economic Development Canada. Canada's Biomanufacturing and Life Sciences Strategy. 2021. Available at: https://ised-isde.canada.ca/site/ised/sites/default/files/documents/biomanufacturing-strategy-en.pdf
10. Prime Minister's Office of Japan. Headquarters for Healthcare and Medical Strategy Promotion. February 18, 2025. Available at: https://www.cas.go.jp/jp/seisakukaigi/kenkouiryou/senryaku/index.html
11. Economist Intelligence Unit. Strategic stockpiling is reshaping critical minerals market. EIU Viewpoint.

©Economist Enterprise 2026

While every effort has been taken to verify the accuracy of this information, Economist Enterprise cannot accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in this report.

The findings and views expressed in the report do not necessarily reflect the views of the sponsor.

©Economist Enterprise 2026