WHO/HA Policy Highlight No.1/April 2015 (based on 2012 data)

Do health expenditures meet health needs?

In 2012, the world spent a total of US$ 7.2 trillion on health at exchange rates or I$ 7.8 trillion (International dollars taking into account the purchasing power of different national currencies). The geographical distribution of financial resources for health is uneven. There is a 20/80 syndrome in which 34 OECD countries make up less than 20% of the world's population but spend over 80% of the world's resources on health.

OECD countries spend a larger share of their GDP on health (12.6%), as compared to 6.3% in the African (AFR) and 3.7% in South East Asian (SEAR) regions of WHO. This translates to per capita spending of IS4499 (US$ 4625) in OECD countries compared to I$152 (US$ 69) in SEAR region. Linking this to epidemiology, the figure shows that though the poorer WHO regions like AFR and SEAR account for the largest share of the global burden of disease (over 50% of global disability-adjusted life years lost) and only 39% of the world's population, they spend 3% of global health resources. The Western Pacific (WPR) region without the four OECD Member States, Australia, Japan, New Zealand, and Republic of Korea, accounts for 23.5% of the world's population (dominated by China), about 16% of the global burden of disease but only 7% of the world's health resources. The region of the Americas (AMR) and Europe (EUR), excluding the OECD countries, account for about 11.5% of the world's population, 11% of the global burden of disease and spend only 7.5% of health resources.

Richer countries with smaller populations and lower disease burden use more health resources than poorer countries with larger populations and higher disease burden. This highlights the absolute need for additional resources for many poor countries and raises questions of efficiency in health spending in richer countries.

Percentage distribution of Population, DALYs, and Total health expenditure by WHO regions and OECD, 2012 data

Disability Adjusted Life Years (DALYs) are from 2004
WHO regions exclude OECD countries

Source: WHO Health Accounts unit, Health System Governance and Financing, HGF, World Health Organization
www.who.int/health-accounts/en/