

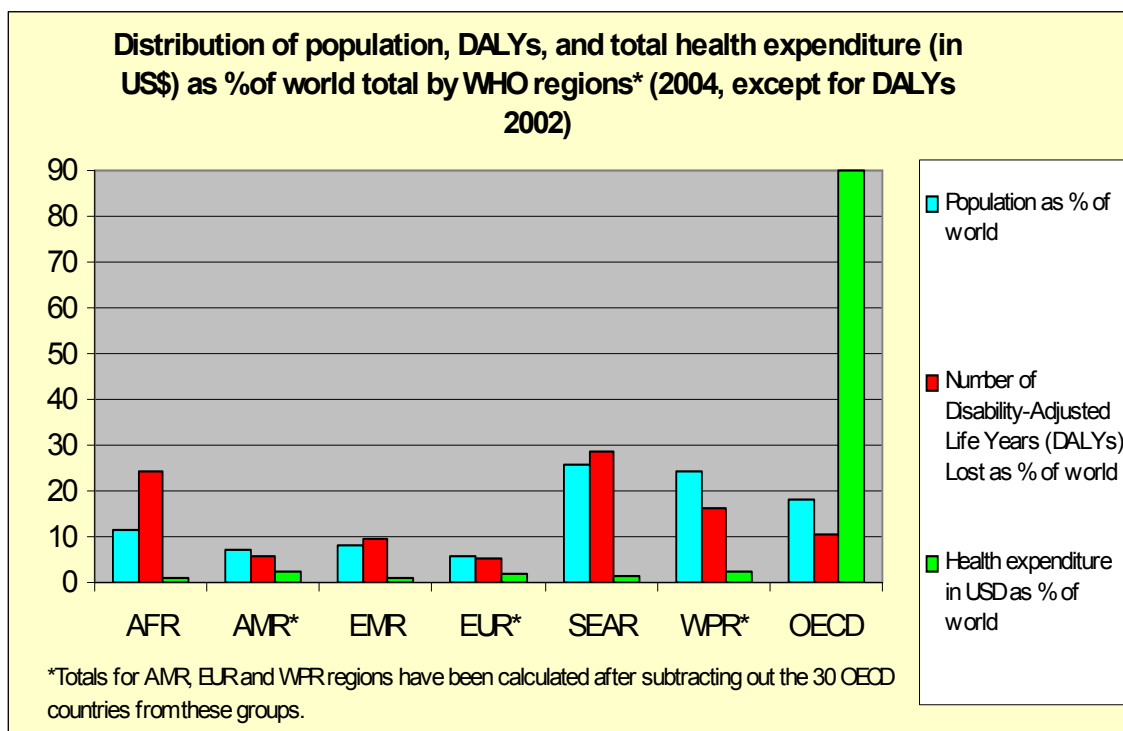
WHO/NHA Policy Highlight No.1/March 2007

Do health expenditures meet health needs?

In 2004, the world spent a total of US\$ 4.1 trillion on health at exchange rates or I\$ 4.9 trillion (International dollars taking into account the purchasing power of different national currencies). Geographic distribution of financial resources for health is uneven. There is a 20/90 syndrome where the OECD countries make up less than 20% of the world population but spend 90% of the world's health resources.

OECD countries spend a larger share of their GDP on health, on average over 11 %, as compared to 4.7% for countries in the Africa (AFR) and South East Asia (SEAR) regions of WHO . This translates to a spending per capita of about I\$3080 (US\$ 3170) in OECD countries compared to I\$102 (US\$ 36) per capita for countries in the AFR and SEAR regions, which are much poorer. 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 37% of the world population, they spend about 2% of global health resources. The Western Pacific (WPR) region without Australia, Japan, New Zealand, and Republic of Korea accounts for 24% of World population (dominated by China), about 18% of global burden of disease but only 2% of world health resources. The region of the Americas (AMR) and Europe (EUR) without the OECD countries comprise about 12% of world populations, 11% of global burden and are allocated slightly less than 5% of health resources. need

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.



Source: National Health Accounts unit, Health System Financing, HSS, World Health Organization
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