

## Do health expenditures meet health needs?

In 2008, the world spent a total of US\$ 5.7 trillion on health at exchange rates or I\$ 6.0 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 30 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 (11.1%), as compared to 5.9% to the African (AFR) and 3.6% in South East Asian (SEAR) regions of WHO respectively. This translates to per capita spending of I\$3917 (US\$ 4194) in OECD countries compared to I\$147 (US\$ 83) in countries in the AFR and I\$113 (US\$ 46) in SEAR regions respectively. 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 38% of the world's population, they spend only 2.6% 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 24% of the world's population (dominated by China), about 16% of the global burden of disease but only 4% of the world's health resources. The region of the Americas (AMR) and Europe (EUR), excluding the OECD countries, account for 12.8% of the world's population, 11% of the global burden of disease and spend only 7.4% 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.

