

In 2010, EU member states devoted on average (unweighted) 9.0% of their GDP to health spending in 2010 (Figure 5.3.1), up significantly from 7.3% in 2000, but down slightly from the peak of 9.2% reached in 2009 following the economic crisis which started in many countries in the middle of 2008. In many countries, public spending on health was maintained in 2009 while GDP was falling strongly, but this was followed in 2010 by the implementation of a range of measures to reduce government health spending as part of broader efforts to reduce large budgetary deficits and debts (see Indicator 5.2).

The Netherlands had the highest share of its GDP allocated to health in 2010 (12%), followed by France and Germany (both at 11.6%). This share remains well below the United States where health expenditure accounted for 17.6% of GDP in 2010. The share of health spending in GDP was lowest in Romania and Turkey, at around 6%.

With the exception of Cyprus, public funding remains the main source of financing of health expenditure in all EU member states, with close to three-quarters of all spending being paid by public sources (see Indicator 5.6). The ranking of countries in terms of public expenditure on health as a share of GDP is not very different from total expenditure on health. The Netherlands (9.6%) and Denmark (9.5%) had the highest share of public expenditure on health to GDP, followed by France (9.0%) and Germany (8.9%). Cyprus had the lowest share of public spending on health to GDP (3.2%), followed by Bulgaria (4.0%) and Latvia (4.1%).

For a more complete understanding of the level of health spending, the health spending to GDP ratio should be considered together with health spending per capita (see Indicator 5.2). Countries having a relatively high health spending to GDP ratio might have relatively low health expenditure per capita, and the converse also holds. For example, Belgium and Portugal both spent around 10.5% of their GDP on health in 2010; however, per capita spending (adjusted to EUR PPP) was nearly 50% higher in Belgium (see Figure 5.2.1).

Changes in the ratio of health spending to GDP are the result of the combined effect of growth in both GDP and health expenditure. Between 2000 and 2010, the annual average growth in health expenditure per capita in real

terms was about 4% on average in EU member states, nearly two-times greater than the growth rate in GDP per capita. With the exception of Bulgaria, Iceland and Luxembourg, annual growth in health spending outpaced GDP growth in all European countries over the past decade (Figure 5.3.2). This explains why the share of GDP allocated to health increased from 7.3% to 9.0% during that period.

In France and Germany, the health spending to GDP ratio increased from just over 10% in 2000 to 11.6% in both countries in 2010 (Figure 5.3.3). Health spending per capita grew slightly faster in Germany than in France over the past decade, but so did GDP per capita. The share of GDP was relatively stable in both countries between 2003 and 2008, but it then increased by 1 percentage point in 2009 as health spending continued to grow while GDP fell in both countries.

In the United Kingdom, the health spending share of GDP used to be below the EU average, but since 2006, it is now above average. As in many other European countries, the share of health spending allocated to GDP in the United Kingdom increased by a full percentage point in 2009 following the financial and economic crisis, but came down slightly in 2010.

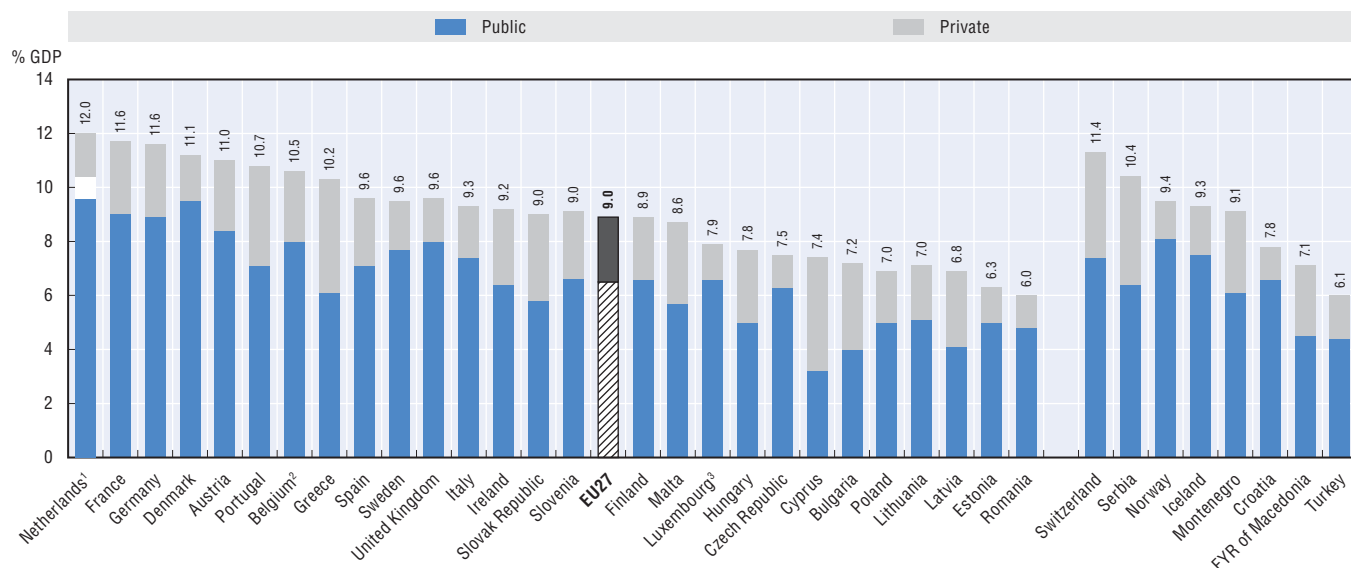
Definition and comparability

See Indicator 5.2 for the definition of total health expenditure.

Gross domestic product (GDP) = final consumption + gross capital formation + net exports. Final consumption of households includes goods and services used by households or the community to satisfy their individual needs. It includes final consumption expenditure of households, general government and non-profit institutions serving households.

In countries, such as Ireland and Luxembourg, where a significant proportion of GDP refers to profits exported and not available for national consumption, gross national income (GNI) may be a more meaningful measure than GDP.

5.3.1. Total health expenditure as a share of GDP, 2010 (or nearest year)

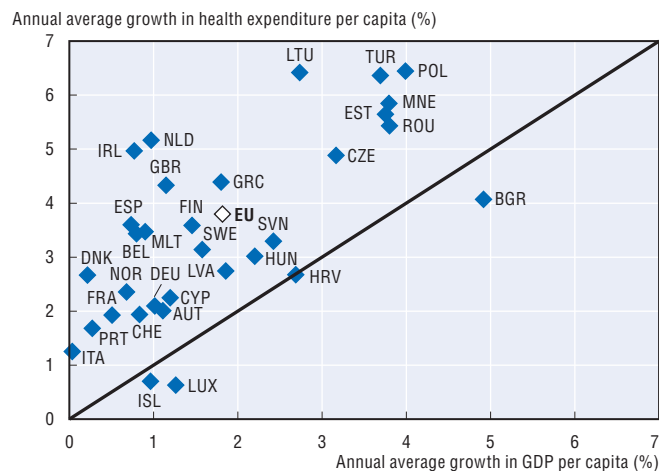


1. In the Netherlands, it is not possible to clearly distinguish the public and private share related to investments.
2. Public and private expenditures are current expenditures (excluding investments).
3. Health expenditure is for the insured population rather than resident population.

Source: OECD Health Data 2012; Eurostat Statistics Database; WHO Global Health Expenditure Database.

StatLink <http://dx.doi.org/10.1787/888932705463>

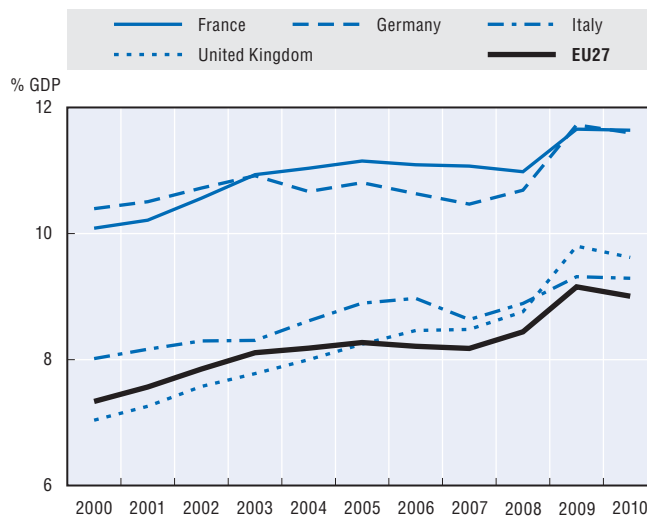
5.3.2. Annual average growth in health expenditure and GDP per capita, in real terms, 2000-10 (or nearest year)



Source: OECD Health Data 2012; Eurostat Statistics Database; WHO Global Health Expenditure Database.

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5.3.3. Total health expenditure as a share of GDP, 2000-10, selected EU member states



Source: OECD Health Data 2012; Eurostat Statistics Database; WHO Global Health Expenditure Database.

StatLink <http://dx.doi.org/10.1787/888932705501>