

The amount a country spends on health care in relation to all the other goods and services in the economy depends on growth in health spending itself as well as in the economy as a whole.

In 2015, the EU devoted a total of 9.9% of its GDP to health care (Figure 5.3). This figure has stayed more or less unchanged from the level registered in both 2013 and 2014. Among individual EU member states, Germany, Sweden and France each spent around 11% of GDP on health care, closely followed by the Netherlands and Denmark (at 10.8% and 10.6%, respectively). However, this share remains well below that of the United States where health expenditure accounted for 16.9% of GDP in 2015, but is higher than the overall OECD average which stood at 9.0%. Among EU countries, the share of health spending in GDP was lowest in Romania, Latvia, Estonia and Poland, ranging from 5.0% to 6.3%. Looking beyond the EU countries, Switzerland allocated the biggest share in Europe, spending 11.5% of its GDP on health, while at the other end Albania and Turkey were on a par with Romania and Latvia, allocating 5.2% and 5.9% of GDP, respectively.

For a more complete understanding of the differences in health spending, the health spending to GDP ratio should be considered together with health spending per capita. While higher income countries tend to devote more of that income to health care, some countries having relatively high health expenditure per capita might have a relatively low health spending to GDP ratio, and vice versa. For example, Slovenia and Bulgaria both spent close to 8.5% of their GDP on health in 2015; however, per capita spending (adjusted to EUR PPP) was nearly 80% higher in Slovenia (see Figure 5.1).

As overall economic conditions rapidly deteriorated from 2008 onwards in the light of the economic crisis, health spending was initially maintained or continued to grow in many countries. As a result, in 2009 the health spending to GDP ratio subsequently jumped to reach a total of 9.7% in the European Union – up sharply from 8.9% in 2008. This was followed in 2010 and 2011 by a range of measures in many countries to rein in government health spending as part of broader efforts to reduce the burgeoning budgetary deficits (Morgan and Astolfi, 2014). The reductions in (public) spending on health resulted in the share of GDP first falling before slowly rising again in recent years, as health expenditure growth has become more aligned to economic growth in many European countries.

As shown above, the changes in the ratio of health spending to GDP are the result of the combined effect of growth in both GDP and health expenditure. Even taking into account the economic crisis, the annual average growth in health expenditure per capita (in real terms) in the European Union between 2005 and 2015 has been greater than the growth rate in GDP per capita. Therefore, with the exception of Croatia, Greece, Hungary, Latvia, Luxembourg, Romania and Portugal, the share of GDP allocated to health has increased in all other EU countries.

Considering individual countries, both France and Germany saw their health spending to GDP ratio stabilise after 2009 as health spending growth has become more closely aligned with economic growth (Figure 5.4). Other European countries, such as Greece and Latvia saw health spending growth decline much more than GDP, resulting in a rapidly decreasing health spending to GDP ratio. This was after marked increases prior to 2009, as health spending significantly outpaced economic growth (Figure 5.5). Estonia also experienced a drop in the health spending to GDP ratio in 2010 and 2011 but health spending has since outpaced growth in the overall economy since bringing the share of health spending back close to the level of 2009.

### Definition and comparability

See indicators “Health expenditure per capita” and “Health expenditure by function” for the definition of health expenditure and its components. In particular, the health part of long-term care is included under 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.

Data on health expenditure for 2015 is considered preliminary, either estimated by national authorities or projected by the OECD Secretariat, and is therefore subject to revision.

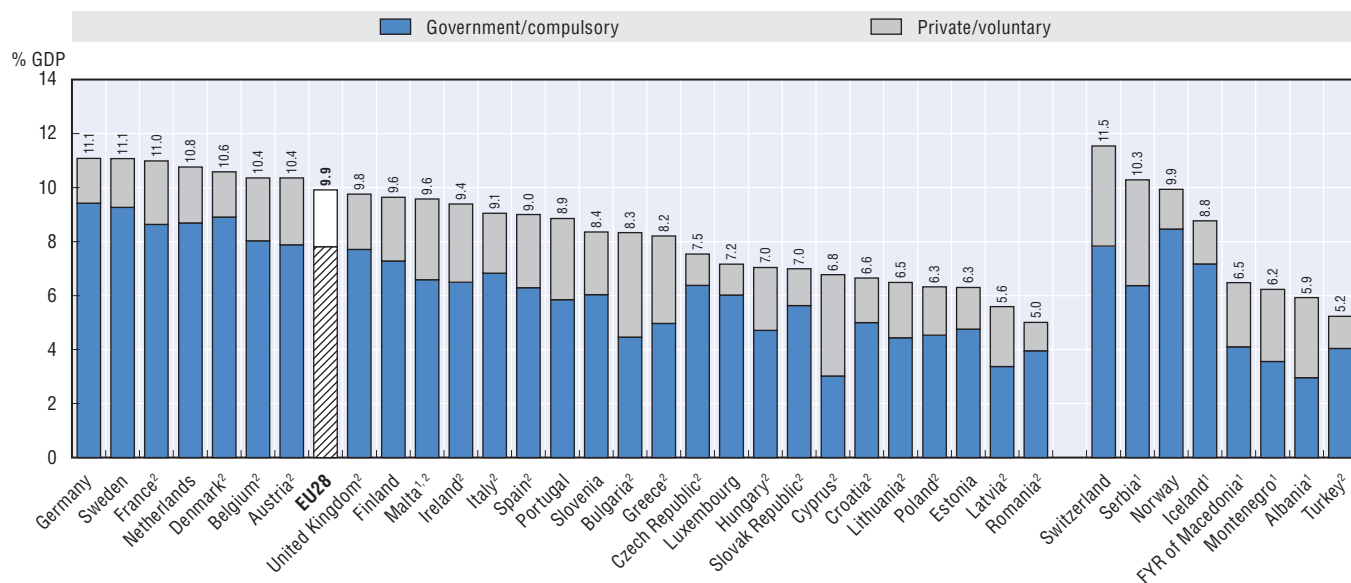
The GDP figures used to calculate the indicator health expenditure to GDP are based on official GDP data available as of mid-June 2016. Any subsequent revisions to GDP data are not reflected in the indicator.

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.

### Reference

Morgan, D. and R. Astolfi (2014), “Health Spending Continues to Stagnate in Many OECD Countries”, *OECD Health Working Papers*, No. 68, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5jz5sq5qnwf5-en>.

### 5.3. Health expenditure as a share of GDP, 2015 (or nearest year)

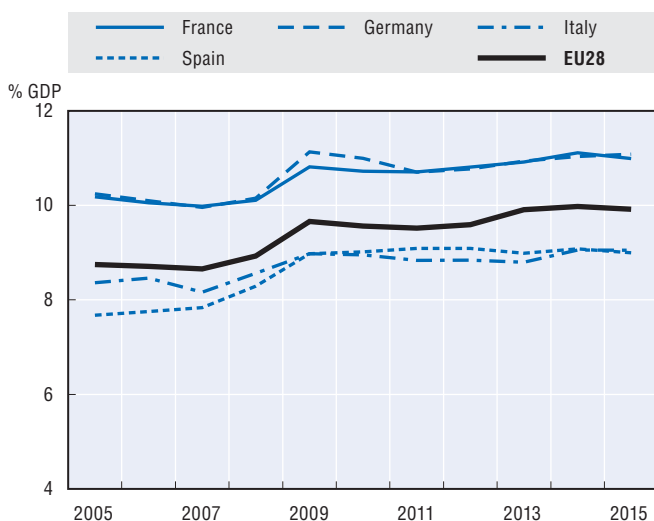


1. Includes investments.
2. OECD estimate.

Source: OECD Health Statistics 2016; Eurostat Database; WHO, Global Health Expenditure Database.

StatLink <http://dx.doi.org/10.1787/888933429258>

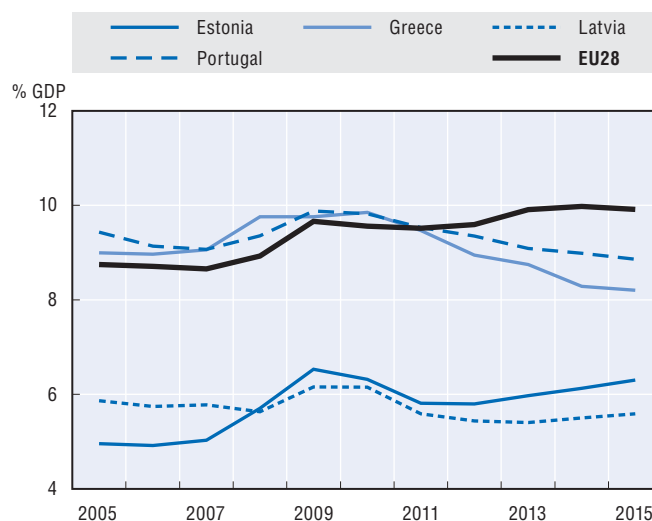
### 5.4. Health expenditure as a share of GDP, selected European countries, 2005-15



Source: OECD Health Statistics 2016; Eurostat Database.

StatLink <http://dx.doi.org/10.1787/888933429269>

### 5.5. Health expenditure as a share of GDP, selected European countries, 2005-15



Source: OECD Health Statistics 2016; Eurostat Database.

StatLink <http://dx.doi.org/10.1787/888933429274>



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