

PHARMACEUTICAL EXPENDITURE

Despite the commitment to a national medicines policy in many countries in the Asia-Pacific region, progress on the implementation of these policies has been slow (Asia-Pacific Conference on national medicine policies, 2012). For millions of people in those countries, problems of access to essential medicines remain. Medicines are often not available or affordable and they may be low quality products which may also be inappropriately used in practice. Household out-of-pocket expenses on medicines account for a substantial proportion of total health care expenditures, and for many people on lower incomes, these out-of-pocket expenses push them below the poverty line and further their financial hardship (WHO Office for South-East Asia, 2017).

Per capita pharmaceutical spending varies a lot among the countries and territories under study. In 2015, several Asia-Pacific countries and territories reported spending below USD PPP 50 per capita, with Pakistan, Lao PDR and Solomon Islands spending less than USD PPP 30 per capita (Figure 6.11). China and Bangladesh reported a per capita annual average growth rate of pharmaceutical spending in real terms of more than 8% from 2010-15 (Figure 6.12). A decrease in expenditure (or a limited increase over time) does not necessarily mean a drop in use, but may be due to an increase in the use of generics, a more efficient

public procurement process and a rational use of drugs.

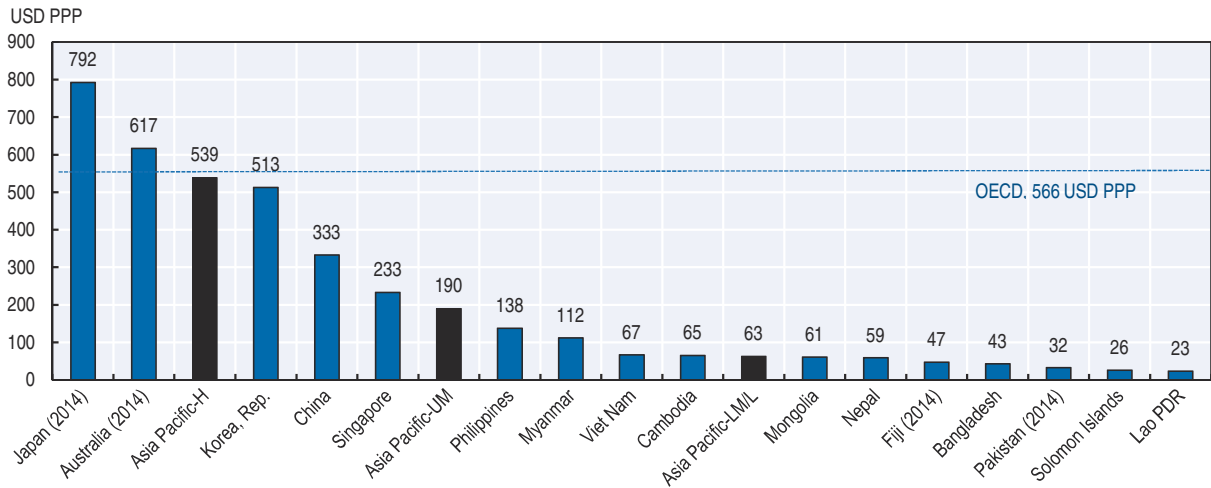
In China and Bangladesh more than 40% of health expenditure was on pharmaceuticals, while this share was less than 15% in Fiji, Australia and Singapore. Pharmaceutical share of health expenditure increased by more than 3 percentage points from 2010-15 in Bangladesh, whereas it decreased by more than 4 percentage points in the Republic of Korea, Nepal and China (Figure 6.13).

Definition and comparability

See indicator “Health expenditure per capita and in relation to GDP” in Chapter 6 for the PPP conversion rate and the formula and deflator used to compute annual average growth rate.

Pharmaceutical expenditures include pharmaceuticals, medicinal chemicals and botanical products used for health uses, prescribed or not. They comprise outlays during episodes of hospital care and in out-patient clinics – that is intermediate consumption in national income and product account, as well as over-the-counter sales.

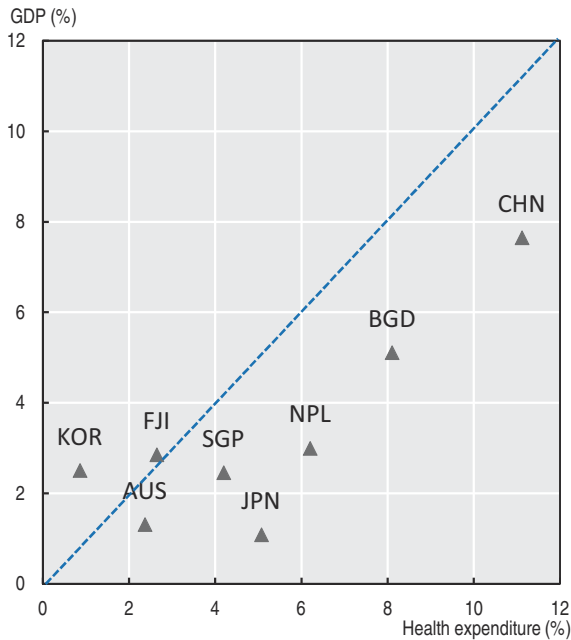
6.11. Pharmaceutical expenditure per capita, 2015



Source: WHO unpublished data; OECD Health Statistics.

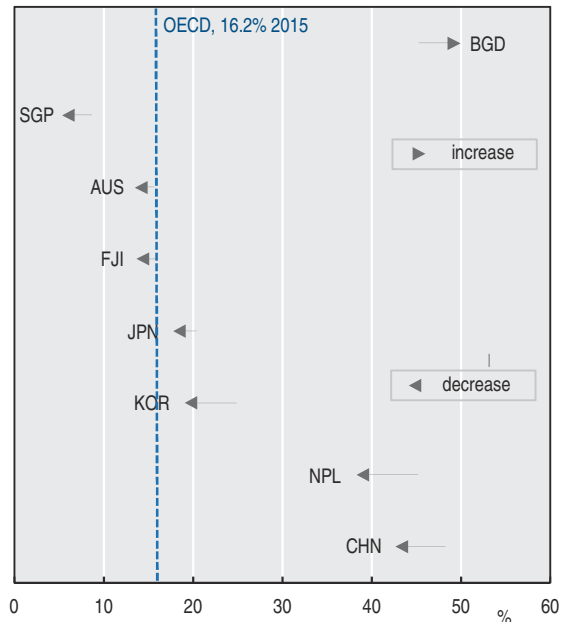
StatLink <http://dx.doi.org/10.1787/888933868766>

6.12. Annual average growth rate in per capita pharmaceutical and health expenditure, real terms, 2010 to 2015



Source: WHO unpublished data, OECD Health Statistics 2018.
StatLink <http://dx.doi.org/10.1787/888933868785>

6.13. Change in pharmaceutical expenditure as a share of health expenditure, 2010 to 2015



Source: WHO unpublished data, OECD Health Statistics 2018.
StatLink <http://dx.doi.org/10.1787/888933868804>



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