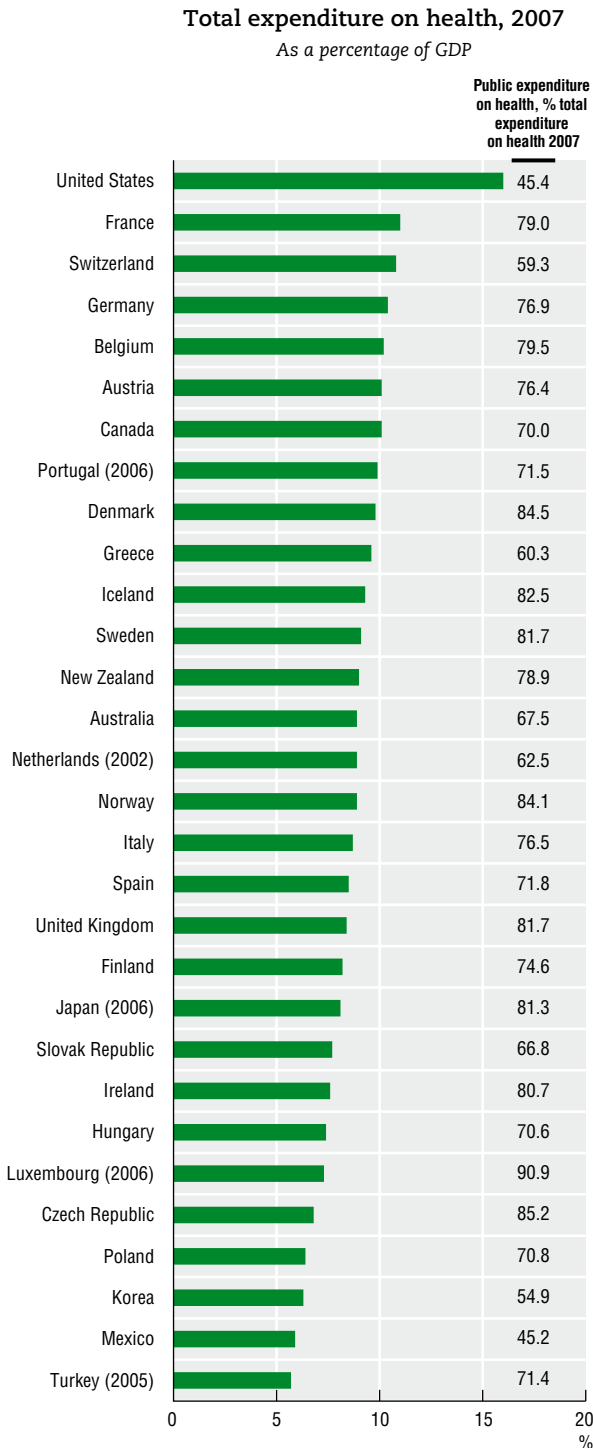


Improving world health is an enormous policy challenge which requires both national and international policy action. Over the coming decades, innovation – both technical and organisational – will play a major role in delivering more personal, predictive and preventive health-care products and will radically change how medicine is practised and health care is delivered.



Source: OECD Health Data 2009, [www.oecd.org/health/healthdata](http://www.oecd.org/health/healthdata). See chapter notes.

StatLink <http://dx.doi.org/10.1787/836200183171>

### DID YOU KNOW?

The US stimulus package contains over USD 25 billion for the adoption and use of health information technologies by 2014.

(US Department of Health and Human Services, 2010.)

Health-related expenditure is one of the most important budgetary expenses of governments and households. For most OECD countries, health-related expenditures account for 6% to 11% of GDP, two-thirds of which is spent by governments.

Population ageing, the growing impact of chronic diseases such as diabetes, HIV/AIDS, malaria and tuberculosis, and emerging infectious diseases such as new influenza strains are major challenges for the coming decades. Innovation can help to meet these challenges by improving the performance of health systems and making them more efficient and effective. Health-related research and development (R&D) expenditures provide a useful indicator of innovative efforts in this field.

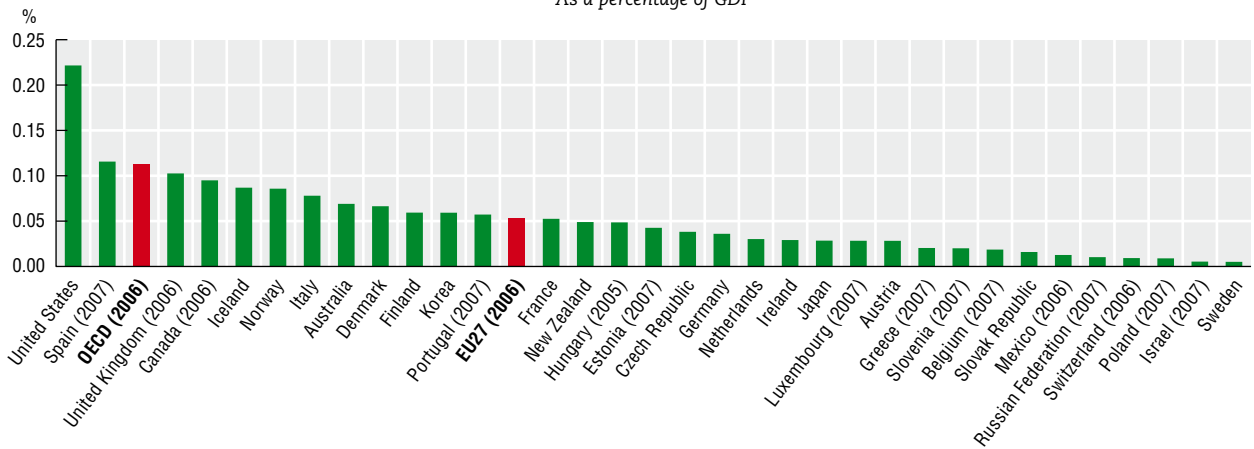
The data on health R&D in GBAORD suggest that the United States accounts for around three-quarters of the OECD total. However, when data from additional government R&D funding categories (general university funds and non-oriented research) are used to adjust for institutional differences in the funding of health R&D, the picture changes.

### Definitions

Government budget appropriations or outlays for R&D (GBAORD) measures the funds committed by the federal/central government for R&D. It can be broken down by various socioeconomic objectives, including health care. *Advancement of knowledge* comprises non-oriented R&D and general university funds (the estimated R&D content of government block grants to universities). Other includes other relevant national and international categories such as general support for R&D in hospitals.

Health R&D in government budget appropriations or outlays for R&D, 2008

As a percentage of GDP

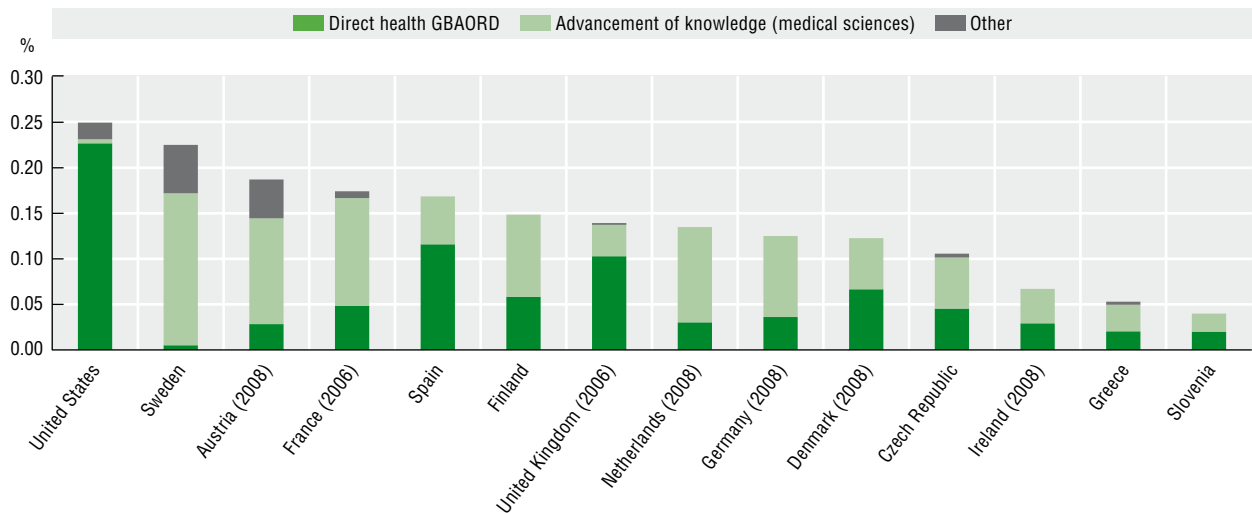


Source: OECD (2009), OECD Science, Technology and Industry Scoreboard 2009, OECD, Paris.

StatLink <http://dx.doi.org/10.1787/836200183171>

Public funding of health-related R&D, 2007

As a percentage of GDP



Source: OECD (2009), OECD Science, Technology and Industry Scoreboard 2009, OECD, Paris.

StatLink <http://dx.doi.org/10.1787/836200183171>

**Measurability**

Health-related R&D is difficult to measure owing to institutional complexity and diversity; it may be publicly or privately funded and be carried out in firms, universities, hospitals and private non-profit institutions.

The GBAORD health category is used here as a proxy for total central government funding of health-related R&D. However, it only covers programmes for which health is the primary objective. Furthermore, the classification of programme and institutional funding depends on how governments present their R&D priorities as well as on the formal mandate of the institutions concerned. Arrangements for funding R&D in hospitals also vary among countries.

To address some of these limitations and to provide a more complete picture of health-related R&D, funding of medical sciences via non-oriented research and general university funds are included when available as are other relevant funds, notably general support for R&D in hospitals.