

A comparative study on the Economic Indicators of Ministry of Health, Kingdom of Saudi Arabia

*Zuber Mujeeb Shaikh

Director of Corporate Quality Improvement, Dr. Sulaiman Al-Habib Medical Group, Riyadh, Kingdom of Saudi Arabia

ARTICLE DETAILS

Article History

Published Online: 06 June 2018

Keywords

Economic indicators, Ministry of Health (MOH), Gross Domestic Product (GDP), Kingdom of Saudi Arabia

*Corresponding Author

Email: drzuber5[at]yahoo.co.in

ABSTRACT

This research paper focuses on the Economic Indicators of Ministry of Health, Kingdom of Saudi Arabia for the years for the years 2006, 2011 and 2016. **Objectives:** To compare the economic indicators of the Ministry of Health, Kingdom of Saudi Arabia for the years 2006, 2011 and 2016. **Research Methods:** It is a descriptive and comparative research study in which historical data was analysed (Library Research). **Significance of Research:** There is a growing demand of healthcare services in the Kingdom of Saudi Arabia and the Saudi Arabian General Investment Authority has identified healthcare as a priority sectors for investment and nationalization for employment. **Research Design:** The economic indicators of the Ministry of Health, Kingdom of Saudi Arabia for the years 2006, 2011 and 2016 were compared and analysed by using the rates or percentages. **Study Population:** This research is limited to the economic indicators of Ministry of Health, Kingdom of Saudi Arabia for the years 2006, 2011 and 2016. **Data Collections:** The data were collected from the annual reports of Ministry of Health, Kingdom of Saudi Arabia for the years 2006, 2011 and 2016, relevant published journals, articles, research papers, academic literature and web portals. **Conclusion:** There is an increase in the GDP per capita (in US Dollars) by 37.32% and MOH Budget (Percentage of Governmental Budget) by 16.83 % in the year 2016 as compared to the year 2006. Hence, there is a significant improvement in the economic indicators of the Kingdom of Saudi Arabia, MOH and there are enormous opportunities in the Kingdom of Saudi Arabia for the investment of international and national entrepreneurs and employment for Saudi nationals in the lucrative healthcare service industry.

1. Introduction

In Saudi Arabia, the Ministry of Health (MOH) was founded in the year 1950.¹ In the year 1925, Saudi Arabia's first public health department was established in Makkah.² The department was responsible for building hospitals and healthcare centres and issuing and enforcing regulations to provide the necessary standards for practicing medicine and pharmacology. A public health council was also established to address the growing need for healthcare services and it was the highest-level supervisory board, overseeing all aspects of the country's healthcare services. Then, these healthcare institutions were transformed into a ministerial body in 1950.³ Abdullah bin Faisal Al Saud was the first health minister.⁴ The ministry is based in Riyadh.⁵ Healthcare services in Saudi Arabia are provided by several public and private agencies. However, the ministry is the major planner and provider of these services.⁶

Saudi Arabia is a high-income country with a per capita GDP of US\$ 22 713.4 in 2010 and an equally high human development index ranking, 56 in 2011.⁷ The extensive health care system divided among three tiers of care and caters for a population of approximately 27 million (2010).

The Ministry of Health is the main provider of health care services. Health has featured in the national 5-year development plans since 1970, and is seen as a key part of overall development in the country.

Saudi Arabia is on track to achieve the Millennium Development Goals (MDG) targets. The development plans indicates that there is an extensive progress has been made in economic development. As a result of the strong economy, the country has rapidly expanded health, education and social services infrastructure.

Health legislation support is important for health system functions, and particularly for the governance role of the Ministry of Health. Regulation of service delivery is supported by laws defining the responsibilities of various partners and service delivery in relation to set norms and standards.

Although the Ministry of Health has demonstrated its strength in developing strategic directions for service delivery and for various promotive, preventive, curative and rehabilitative health care programmes, more concentrated efforts are required to create a national health workforce. In addition to managing, planning and formulating health policies, supervising health programmes and monitoring health services in the private sector, the Ministry of Health is responsible for advising other government agencies and the private sector on ways to achieve the government's health objectives.⁸

A programme was recently developed by the Ministry of Health in partnership with other national and international agencies to reform service delivery in line with the national strategy. The new delivery model is organized into five tiers: primary health care centers, district hospitals, general hospitals,

central hospitals and medical cities. Primary care centers serve a gate keeping function for referrals to general and specialized hospitals. Citizens can generally only access the primary care centers in their areas of residence.⁹

The Ministry of Health is promoting quality assurance and improvement through use of standard operating procedures and accreditation of health care facilities. Efforts are being made to improve patient safety in both public and private health facilities.

The cost of health services in the private sector is perceived as high and results in out-of-pocket expenditures, particularly for workers in the public sector, which are not covered by supplementary private health insurance. Until recently, foreign workers were not allowed to use Ministry of Health facilities except for emergencies.

Saudi Arabia is undergoing epidemiological and demographic transition, represented by a growing burden of chronic and non-communicable diseases and ageing population, while public expectations for quality care services are expanding. Urbanization is increasing and unhealthy lifestyles, represented by unhealthy eating habits, tobacco consumption and limited physical activity, are on the rise. The new strategies for primary health care and for service delivery are patient-centered, focus on health promotion and protection and put emphasis on social determinants of health. Coordination between the Ministry of Health and related sectors is paving the way to advocate for health in all policies, and such coordination is stronger at sub-national level. Human resource development aimed at gradually replacing the expatriate population is among national priorities in health development plans.¹⁰

2. Review of Literature

Gross Domestic Product (GDP) per capita is a measure of a country's economic output that accounts for its number of people. It divides the country's gross domestic product by its total population. That makes it the best measurement of a

country's standard of living. It tells you how prosperous a country feels to each of its citizens.

Gross domestic product (GDP) is the market value of all final goods and services from a nation in a given year.¹¹ Countries are sorted by nominal GDP estimates from financial and statistical institutions, which are calculated at market or government official exchange rates. Nominal GDP does not take into account differences in the cost of living in different countries, and the results can vary greatly from one year to another based on fluctuations in the exchange rates of the country's currency.¹² Such fluctuations may change a country's ranking from one year to the next, even though they often make little or no difference in the standard of living of its population.¹³

Comparisons of national wealth are also frequently made on the basis of Purchasing Power Parity (PPP), to adjust for differences in the cost of living in different countries. PPP largely removes the exchange rate problem, but has its own drawbacks; it does not reflect the value of economic output in international trade, and it also requires more estimation than nominal GDP.¹⁴ On the whole, PPP per capita figures are less spread than nominal GDP per capita figures.¹⁵

These indicators for the country as well as states will help in identifying areas that need policy and programmed interventions, setting near and far-term goals, and deciding priorities, besides understanding them in an integrated structure.

3. Data Analysis

The data was collected from the Ministry of Health, Statistical Year Books, Kingdom of Saudi Arabia for the years 2006, 2011 and 2016 and tabulated in order to compare by using the statistics. The Statistical Yearbook is like a mirror, reflecting the statistical activities and the various achievements of the health sectors in the Kingdom of Saudi Arabia throughout the year that made the Ministry of Health put the book accessible to readers.

Table Number 1: Economic Indicators of Saudi Arabia, MOH

Sr. No.	Economic Indicators	2006 ¹⁶	2011 ¹⁷	2016 ¹⁸
1	GDP per capita (US Dollars \$)	14653	20328	20122
2	MOH Budget (Percentage of Governmental Budget)	6.00	6.9	7.01

Table number 1 depicts the economic indicators of Saudi Arabia, Ministry of Health.

Table Number 2: Comparison of the Economic Indicators of Saudi Arabia, MOH

Sr. No.	Comparisons between the years	2006-2011	2011-2016	2006-2016
	Economic Indicators			
1	GDP per capita (US Dollars \$)	38.73%	-1.01%	37.32%
2	MOH Budget (Percentage of Governmental Budget)	15.00%	1.59%	16.83%

Table Number 2 depicts that the GDP per capita (in US Dollars \$) has increased by 38.73% (2006-2011), 37.32% (2006-2016) and has decreased by 1.01 % (2011-2016); MOH

Budget (Percentage of Governmental Budget) has increased by 15.00 % (2006-2011), 1.59 % (2011-2016) and 16.83 % (2006-2016).

4. Conclusion

Overall, there is an increase in the GDP per capita (in US Dollars) by 37.32% and MOH Budget (Percentage of Governmental Budget) by 16.83 % in the year 2016 as compared to the year 2006. Hence, there is a significant improvement in the economic indicators of the Kingdom of Saudi Arabia, MOH.

However, there is decrease in the population under 5 years by 8.62%, total fertility rate by 25.47%, crude birth rate per 1000 population by 30.80% and population under 15 years by 7.75% in the year 2016 as compared to the year 2006. Hence, there are good opportunities for employment of Saudi staff and investment in the Saudi healthcare industry and there are enormous opportunities in the Kingdom of Saudi Arabia for the investment of international and national entrepreneurs and employment for Saudi nationals in the lucrative healthcare service industry.

Limitations of the Study

This study is limited to the Economic Indicators of the Kingdom of Saudi Arabia, Ministry of Health for the years 2006, 2011 and 2016.

Directions for future Research

In future, such research studies should be conducted to compare the improvement on an annual basis and to take appropriate decisions in the healthcare service industry.

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Sources of funding for the Study

This research was self-financed by the author himself.

Implications of the Findings

There is no significant difference in the mean economic indicators level between the years 2006, 2011 and 2016 of the demographic indicators of Kingdom of Saudi Arabia.

Acknowledgement

The author would like to thank the Ministry of Health of the Kingdom of Saudi Arabia.

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