# Cost of Malnutrition in Lao PDR

Lao PDR has made notable progress in addressing malnutrition, with stunting declining from 47.5% in 2000 to 33% in 2023 and wasting from 18% to 11% (Figure 1). Yet, it continues to have one of the highest rates of child undernutrition in Southeast Asia. At the same time, overweight and obesity among adults shows a growing trend with an estimated 28.5% of men and 35.8% of women overweight or obese in 2022. This reflects an emerging double burden of malnutrition.

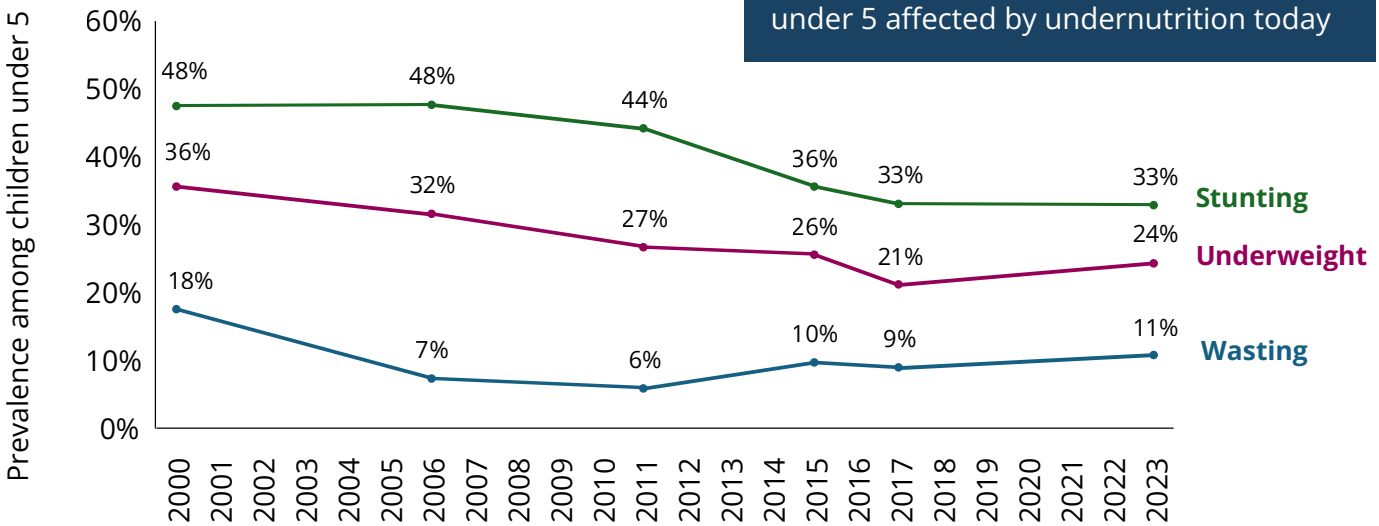
## CHILD UNDERNUTRITION IS COSTING LAO PDR MORE THAN ITS ANNUAL ECONOMIC GROWTH

**LAK 13.8 TRILLION (USD 735 MILLION)**
Total cost of child undernutrition in 2023

**5.2% OF GDP**
Cost of child undernutrition exceeds 4.2% GDP growth in 2023

**LAK 943 BILLION (USD 50.4 MILLION)**
Future lifetime losses per year for children under 5 affected by undernutrition today

**FIGURE 1: TRENDS IN CHILD UNDERNUTRITION IN LAO PDR, 2000 – 2023**

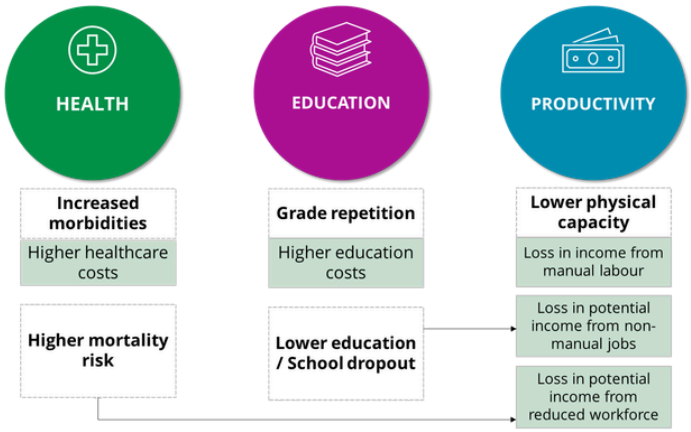


The Cost of Malnutrition study uses an economic model to estimate the cost of child undernutrition across three domains – health, education and productivity. It captures both the costs experienced today due to past undernutrition (retrospective costs), and the costs expected to arise in the future due to undernutrition in children today (prospective costs).

## MALNUTRITION IMPOSES SIGNIFICANT COSTS ON SOCIETY AND THE ECONOMY

Malnutrition undermines human capital development and economic growth by:

- Increasing morbidity placing additional spending pressures on the health system.
- Affecting brain development, leading to lifelong impacts on cognition and learning.
- Increasing mortality and reducing the future workforce.
- Lowering physical capacity and ability to work effectively impacting productivity.
- Increasing vulnerability and perpetuating cycles of poverty and underdevelopment.




### ECONOMIC COSTS IN 2023 RESULTING FROM PAST AND CURRENT UNDERNUTRITION

#### HEALTH

- 31,722 additional episodes of illness were attributable to undernutrition-related health conditions.
- LAK 92.7 billion (USD 4.95 million) in additional healthcare costs, equivalent to 3.5% of total health expenditure.
- 366,631 child deaths were associated with undernutrition over time.

#### EDUCATION

- More than 10,000 additional grade repetition associated with childhood stunting.
- LAK 34.3 billion (USD 1.8 million) increase in education costs, equivalent to 1.05% of total education expenditure.
- An average loss of 2.18 years of schooling due to stunting-related dropouts.

#### PRODUCTIVITY

- LAK 13.6 trillion (USD 728 million) in lost productivity and income from reduced incomes in manual and non-manual jobs, and a reduced workforce due to premature child mortality.

### COST OF CHILD UNDERNUTRITION, BY DIMENSION

| Dimension | Total Cost (LAK billion) | Total Cost (USD million) |
|---|---|---|
| Higher healthcare costs | 92.7 | 5 |
| Higher schooling costs | 34.3 | 1.8 |
| Loss in productivity | 13,633 | 728.3 |
| **Total** | **13,760** | **735.1** |

## UNDERNUTRITION TODAY CREATES ECONOMIC LOSSES IN THE FUTURE

- Today's undernutrition among children under five is estimated to cost an additional LAK 24,798 billion (USD 1.3 billion) in irreversible lifetime losses. This equals an annualised cost of LAK 943 billion (USD 50.4) over their lifetimes.

Note: The cost of malnutrition also includes the additional health and productivity costs arising from adult overweight and obesity. These costs could not be estimated because the level of disaggregated health expenditure data is not currently available.

## A CALL TO ACCELERATE ACTION

Undernutrition imposes a substantial but avoidable cost which can be reduced if timely and effective actions are taken. Lao PDR is set to embark on its 10th National Socio-Economic Development Plan, the National Nutrition Strategy 2026-2035, and the National Plan of Action on Nutrition 2026-2030, which provide critical opportunities to accelerate action.

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### *Position spending on nutrition as an investment, not a cost*

Nutrition spending is a long-term investment in human capital and future economic growth, rather than a cost to government budgets. The economic losses resulting from malnutrition outweigh the resources currently invested in preventing it.

### *Build a nutrition investment case to mobilise financing*

Use findings from this study alongside ongoing nutrition budget and expenditure tracking and costing analyses to develop a case for increased investment in nutrition. Resource allocation should be guided by evidence-based approaches to prioritise interventions that achieve nutrition targets.

### *Strengthen multisectoral implementation*

Nutrition is not solely a health-sector issue, and the largest costs – loss of productivity and income – fall outside the health system. Strengthen coordinated planning, financing and implementation across health, education, agriculture, labour and social welfare, industry and commerce, and finance, as envisioned in the National Nutrition Strategy's multisectoral approach.

### *Tackle the double burden of malnutrition*

While undernutrition remains a major challenge, rising overweight and obesity will generate additional health and economic costs. Programmes and policies that promote healthy, diverse diets can simultaneously address undernutrition and prevent overweight and obesity.

### *Strengthen data systems for evidence-based decision making*

Address the gap in collection, quality, and disaggregation of health expenditure to enable future costing studies and investment analyses for nutrition.

# Every Kip invested in nutrition helps avoid much larger future human capital and economic losses.

***Source***

*This brief summarises Cost of Malnutrition in Lao PDR (June 2026), produced by the Centre of Nutrition, Department of Health and Hygiene Promotion, Ministry of Health, with technical support from the World Food Programme and Mahidol University, using the Economic Commission for Latin America and the Caribbean (ECLAC) and WFP Cost of Hunger / Cost of Double Burden of Malnutrition framework applied in over 25 countries. Full findings, data sources and methodology are available in the complete report.*

Scan here:

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