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In 2016, Social Protection remained the core expenditure sector representing 31.6 per cent of total General Government expenditure, followed by General Public Services, Health and Education.

Expenditure of General Government Sector by Function: 2012-2016

Total General Government expenditure decreased by €39.6 million over 2015, amounting to €3,779.5 million. This fall in total expenditure was primarily due to the closure of the EU Funds programming period 2007-2013 in 2015. Social protection remains the largest share of expenditure for General Government with an increase of €46.9 million, amounting to €1,194.6 million, particularly due to expenditure on pensions, children's allowance and child care expenditure. The same holds for health expenditure (€555.8 million), mainly on account of higher spending on hospital services, and for Education expenditure, which went up by €23.8 million. On the other hand, Environment Protection has witnessed the largest drop amongst all expenditure functions, with a decline of €86.4 million over 2015, followed by Economic affairs which registered a decline in expenditure of €18.4 million and Defence (€17.1 million) (Table 1).

For 2016 the total expenditure for each function as a percentage of total General Government expenditure was generally in line with previous years. The highest share of total government expenditure was devoted to Social protection (31.6 per cent), increasing by 1.5 percentage points in 2016. This was followed by General public services (16.7 per cent), Health (14.7 per cent) and Education (14.1 per cent) (Table 2).

On the contrary, expenditure on Housing and community amenities had the lowest contribution to total expenditure, followed by Defence representing 0.7 per cent and 1.6 per cent respectively. Environment protection expenditure as a percentage of total General Government expenditure declined by 2.2 percentage points over 2015 (Table 2).

In 2016 General Government expenditure as a percentage of GDP has decreased to 38.1 per cent from 41.2 per cent in 2015 (Table 3).

Similarly to the previous 4 years, when considering General Government data by function, a considerable share of government expenses was allocated to wages and salaries (31.3 per cent), social benefits in cash or in kind (28.7 per cent) and intermediate consumption (16.8 per cent) (Table 4).

Table 5 gives a detailed breakdown of General Government expenditure by examining the 2nd digit level of the COFOG classification. For 2016, the largest contribution of government expenditure went towards Old age (€735.4 million), mainly through pension payments, which represented 61.6 per cent of total spending on Social Protection and 19.5 per cent of total General Government expenditure. This was followed by Hospital services (€364.2 million), which makes 65.5 per cent of total expenditure on health. Also, a considerable share of government expenditure was registered on Executive and legislative organs, financial, fiscal and external affairs (€288.7 million), which was followed by a total of €220.1 million on Public debt transactions (Table 5).

Chart 2 depicts a structural comparison of the top ten groups of the General Government expenditure at the 2nd level, for the years 2001 and 2016. Overall the top ten groups were unchanged, indicating that over this span of time the highest ten areas of government expenditure remained the same, though in an altered ranking order. Expenditure on Old age ranked first in both years under review, with €299.3 million in 2001 and €735.4 million in 2016. The second main expenditure group in 2016 is Hospital services with an increase of €215.1 million over 2001. The second ranked group in 2001, Public debt transactions, is fourth in 2016, on account of the lower interest rates scenario even though the general government debt is higher compared to 2001 ■

Table 1. General Government expenditure by function

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COFOG	2012	2013	2014	2015	2016
General public services	532,893	535,738	580,080	621,326	632,860
Defence	50,641	49,084	62,893	77,942	60,839
Public order and safety	101,969	106,646	111,125	112,712	117,142
Economic affairs	362,142	387,257	434,353	477,318	458,958
Environment protection	100,873	104,368	126,307	187,403	100,970
Housing and community amenities	31,967	25,809	27,592	35,288	26,539
Health	395,010	434,677	484,093	538,112	555,764
Recreation, culture and religion	66,238	68,113	88,306	112,213	98,933
Education	415,513	441,254	469,382	509,139	532,971
Social protection	1,004,691	1,054,157	1,110,401	1,147,663	1,194,561
Total	3,061,937	3,207,104	3,494,533	3,819,117	3,779,537

Table 2. General Government expenditure by function as a % of total expenditure

COFOG	2012	2013	2014	2015	2016
General public services	17.4	16.7	16.6	16.3	16.7
Defence	1.7	1.5	1.8	2.0	1.6
Public order and safety	3.3	3.3	3.2	3.0	3.1
Economic affairs	11.8	12.1	12.4	12.5	12.1
Environment protection	3.3	3.3	3.6	4.9	2.7
Housing and community amenities	1.0	0.8	0.8	0.9	0.7
Health	12.9	13.6	13.9	14.1	14.7
Recreation, culture and religion	2.2	2.1	2.5	2.9	2.6
Education	13.6	13.8	13.4	13.3	14.1
Social protection	32.8	32.9	31.8	30.1	31.6
Total	100.0	100.0	100.0	100.0	100.0

Table 3. General Government expenditure by function as a % of GDP

COFOG	2012	2013	2014	2015	2016
General public services	7.4	7.0	6.9	6.7	6.4
Defence	0.7	0.6	0.7	0.8	0.6
Public order and safety	1.4	1.4	1.3	1.2	1.2
Economic affairs	5.1	5.1	5.1	5.2	4.6
Environment protection	1.4	1.4	1.5	2.0	1.0
Housing and community amenities	0.4	0.3	0.3	0.4	0.3
Health	5.5	5.7	5.7	5.8	5.6
Recreation, culture and religion	0.9	0.9	1.0	1.2	1.0
Education	5.8	5.8	5.6	5.5	5.4
Social protection	14.0	13.8	13.1	12.4	12.0
Total	42.8	42.0	41.4	41.2	38.1

Source: News Release No. 193/2017 - Gross Domestic Product: Q3/2017.

Table 4. Components of the General Government expenditure by function 2012-2016 ...

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COFOG	Gross capital formation	Acquisitions less disposals of non-financial non-produced assets	Compensation of employees	Subsidies	Property income	Social benefits and social transfers in kind	Intermediate consumption	Current taxes on income, wealth, etc.	Other current transfers	Capital transfers	Total expenditure	Final consumption expenditure
2012												
General public services	30,583	12,013	105,226	2,281	215,314	0	101,482	305	62,472	3,216	532,893	156,857
Defence	9,515	0	36,493	0	0	0	4,581	0	52	0	50,641	43,976
Public order and safety	7,164	0	83,897	0	0	0	10,491	0	417	0	101,969	90,068
Economic affairs	77,309	-4,302	94,250	62,853	500	0	76,569	951	652	53,361	362,142	189,605
Environment protection	19,302	0	16,866	0	33	0	61,511	1	16	3,145	100,873	84,862
Housing and community amenities	2,767	0	12,292	44	60	0	16,803	0	0	0	31,967	22,168
Health	26,571	0	223,110	0	0	28,203	117,104	0	23	0	395,010	406,352
Recreation, culture and religion	15,515	21	17,342	5,530	0	0	17,281	12	9,861	675	66,238	27,236
Education	39,810	0	257,853	582	0	30,581	30,845	14	52,503	3,324	415,513	302,124
Social protection	2,909	-350	75,396	5,592	273	866,090	46,597	0	4,852	3,332	1,004,691	125,617
Total	231,445	7,382	922,726	76,882	216,180	924,873	483,265	1,283	130,848	67,053	3,061,937	1,448,864
2013												
General public services	23,235	6,651	102,604	397	219,322	0	86,675	622	94,200	2,032	535,738	118,483
Defence	4,776	0	37,637	0	0	0	6,641	0	30	0	49,084	46,946
Public order and safety	7,446	0	87,650	0	0	0	11,063	0	487	0	106,646	97,269
Economic affairs	59,436	-4,300	105,319	67,932	480	0	65,675	873	13,608	78,234	387,257	192,348
Environment protection	19,929	0	16,551	0	36	0	58,605	1	2	9,244	104,368	83,971
Housing and community amenities	684	0	12,684	352	67	0	11,953	0	70	0	25,809	15,253
Health	35,096	0	240,349	0	0	32,091	127,019	0	122	0	434,677	436,889
Recreation, culture and religion	21,103	0	18,082	2,309	0	0	17,937	27	8,372	283	68,113	28,658
Education	43,583	0	274,901	552	0	30,376	33,590	19	57,093	1,141	441,254	321,724
Social protection	1,657	0	82,012	8,729	1,187	901,703	52,061	0	2,379	4,429	1,054,157	137,524
Total	216,943	2,350	977,790	80,271	221,091	964,169	471,219	1,543	176,364	95,364	3,207,104	1,479,065

... Table 4. Components of the General Government expenditure by function 2012-2016

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COFOG	Gross capital formation	Acquisitions less disposals of non-financial non-produced assets	Compensation of employees	Subsidies	Property income	Social benefits and social transfers in kind	Intermediate consumption	Current taxes on income, wealth, etc.	Other current transfers	Capital transfers	Total expenditure	Final consumption expenditure
2014												
General public services	30,824	1,149	113,825	72	230,978	0	90,938	647	110,740	907	580,080	136,234
Defence	19,274	0	38,614	0	0	0	4,984	0	21	0	62,893	47,934
Public order and safety	6,452	0	93,205	0	0	0	9,437	0	1,769	262	111,125	100,032
Economic affairs	82,254	-4,300	106,520	93,368	0	0	78,388	1,959	1,425	74,740	434,353	201,685
Environment protection	34,011	0	17,993	534	34	0	64,509	0	0	9,225	126,307	94,693
Housing and community amenities	3,182	0	12,706	391	62	0	10,846	0	400	4	27,592	14,464
Health	46,913	0	267,526	0	0	28,539	141,036	0	79	0	484,093	471,398
Recreation, culture and religion	32,565	0	22,179	2,606	0	0	22,510	-12	8,152	305	88,306	40,778
Education	42,002	0	290,112	587	0	36,880	35,886	48	62,053	1,815	469,382	338,338
Social protection	-1,108	0	87,263	7,434	1,329	944,864	61,191	0	2,122	7,305	1,110,401	159,243
Total	296,369	-3,152	1,049,946	104,993	232,403	1,010,283	519,725	2,642	186,761	94,563	3,494,533	1,604,799
2015												
General public services	29,861	4,082	126,588	149	228,555	0	113,431	605	113,406	4,648	621,326	108,557
Defence	29,697	0	41,615	0	0	0	6,592	0	38	0	77,942	53,197
Public order and safety	3,862	0	98,089	0	0	0	9,439	0	1,232	89	112,712	104,865
Economic affairs	92,292	-5,303	105,331	100,771	0	0	90,507	1,634	2,369	89,718	477,318	219,028
Environment protection	76,123	0	18,264	976	38	0	63,244	0	75	28,682	187,403	100,439
Housing and community amenities	10,600	0	12,693	0	70	0	11,304	0	75	546	35,288	12,793
Health	58,319	0	288,768	0	0	30,100	160,746	0	169	10	538,112	507,676
Recreation, culture and religion	42,197	0	25,286	4,783	0	41	29,871	-10	9,746	298	112,213	51,145
Education	54,775	0	305,951	971	0	33,878	42,902	71	69,717	874	509,139	362,858
Social protection	-5,754	0	93,179	2,912	2,046	977,201	64,324	0	3,988	9,768	1,147,663	168,880
Total	391,973	-1,222	1,115,764	110,563	230,710	1,041,220	592,361	2,300	200,815	134,633	3,819,117	1,689,437

... Table 4. Components of the General Government expenditure by function 2012-2016

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COFOG	Gross capital formation	Acquisitions less disposals of non-financial non-produced assets	Compensation of employees	Subsidies	Property income	Social benefits and social transfers in kind	Intermediate consumption	Current taxes on income, wealth, etc.	Other current transfers	Capital transfers	Total expenditure	Final consumption expenditure
2016												
General public services	39,781	7,442	128,722	317	218,000	0	114,495	583	108,849	14,671	632,860	-34,090
Defence	10,435	0	44,278	0	0	0	6,095	0	31	0	60,839	57,380
Public order and safety	6,663	0	100,464	0	0	0	9,233	0	782	0	117,142	107,420
Economic affairs	76,019	-4,301	111,147	109,984	0	0	101,741	1,500	7,025	55,844	458,958	241,208
Environment protection	12,475	0	16,659	1,126	0	0	70,234	0	274	202	100,970	106,748
Housing and community amenities	948	0	15,559	0	0	0	10,006	0	15	10	26,539	9,102
Health	30,112	0	313,854	0	0	37,714	173,848	0	237	0	555,764	550,546
Recreation, culture and religion	11,818	0	28,296	17,545	0	56	35,043	0	6,176	0	98,933	61,711
Education	57,626	0	326,829	256	0	36,376	40,670	2	71,202	10	532,971	388,288
Social protection	-683	0	96,259	0	1,825	1,011,845	75,274	0	1,503	8,538	1,194,561	186,969
Total	245,194	3,140	1,182,066	129,228	219,825	1,085,991	636,640	2,084	196,094	79,275	3,779,537	1,675,283

Chart 1. General Government Expenditure by Function 2012-2016

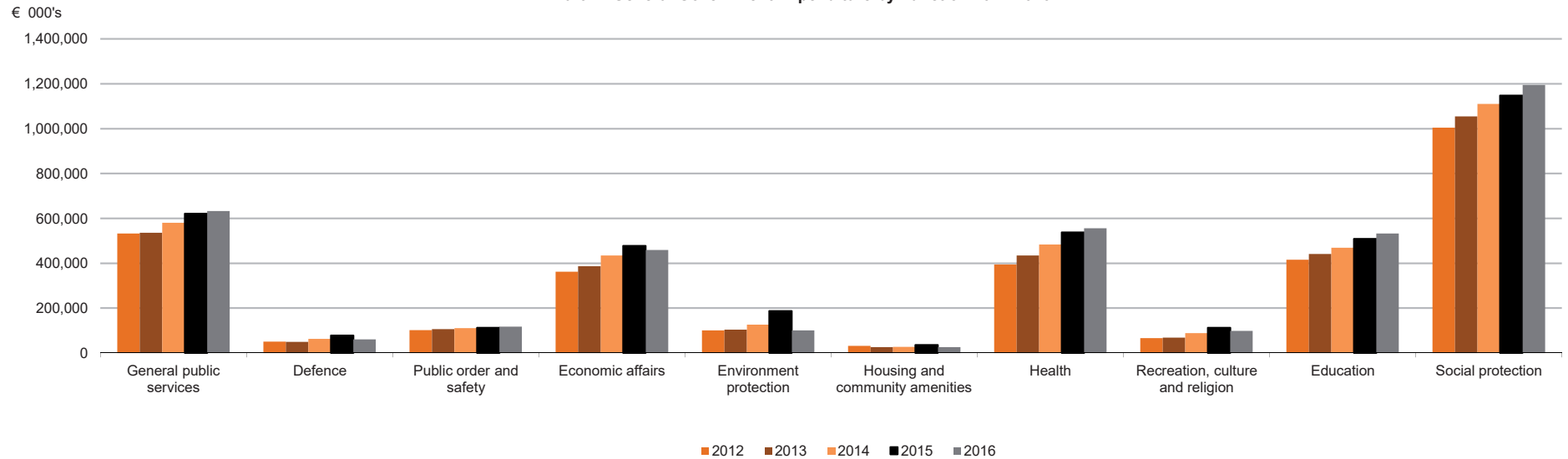


Table 5. General Government expenditure by second level function 2012-2016 ...

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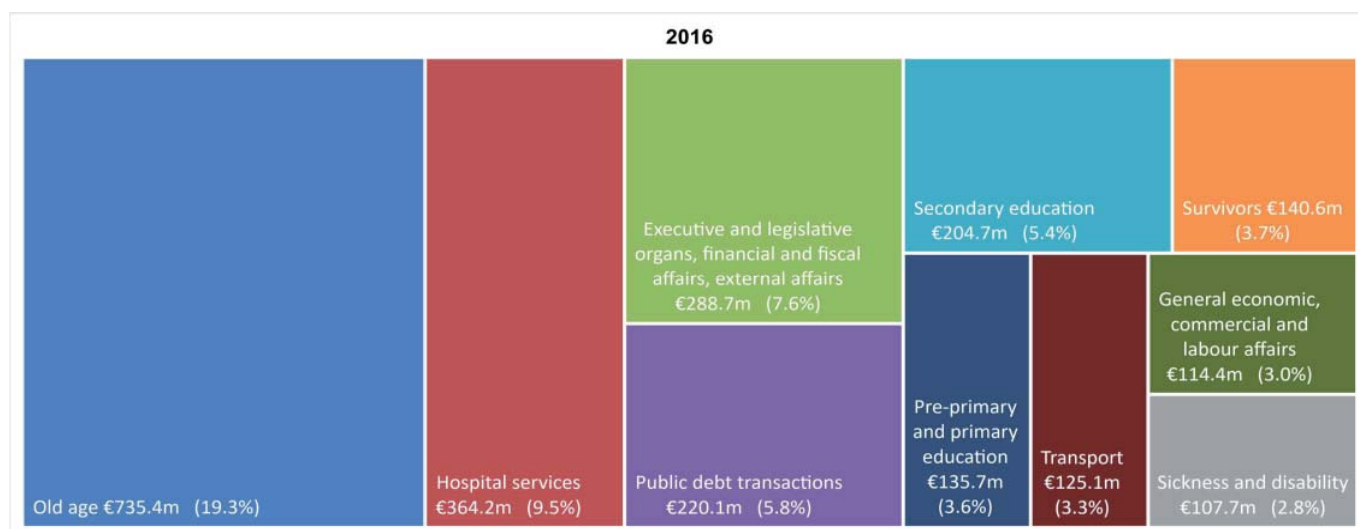
	2012	2013	2014	2015	2016
1. General public services	532,893	535,738	580,080	621,326	632,860
Executive and legislative organs, financial, fiscal and external affairs	187,465	205,710	235,306	259,640	288,662
Foreign economic aid	1,225	1,035	937	611	3,067
General services	113,368	92,160	94,575	100,156	89,808
Basic Research	183	47	48	0	351
R&D General public services	565	747	655	746	814
General public services n.e.c.	11,140	13,708	14,592	27,538	30,012
Public debt transactions	218,948	222,331	233,968	232,635	220,146
Transfers of a general character between levels of government	0	0	0	0	0
2. Defence	50,641	49,084	62,893	77,942	60,839
Military defence	50,641	49,084	62,893	77,942	60,814
Civil defence	0	0	0	0	25
Foreign military aid	0	0	0	0	0
R&D Defence	0	0	0	0	0
Defence n.e.c.	0	0	0	0	0
3. Public order and safety	101,969	106,646	111,125	112,712	117,142
Police services	62,415	61,930	64,970	67,064	67,336
Fire-protection services	5,127	5,007	5,168	6,234	7,767
Law courts	23,414	28,023	29,069	26,447	28,681
Prisons	10,745	11,228	11,822	12,864	13,250
R&D Public order and safety	178	459	96	103	107
Public order and safety n.e.c.	90	0	0	0	0
4. Economic affairs	362,142	387,257	434,353	477,318	458,958
General economic, commercial and labour affairs	79,976	137,272	115,898	97,977	114,445
Agriculture, forestry, fishing and hunting	44,687	39,879	42,679	50,277	42,059
Fuel and energy	26,114	33,449	46,254	55,991	50,190
Mining, manufacturing and construction	45,131	39,066	38,383	38,771	35,805
Transport	101,339	71,296	122,856	159,616	125,083
Communication	3,067	2,977	3,872	2,750	3,775
Other industries	54,783	55,033	54,134	55,907	80,874
R&D Economic affairs	7,046	8,285	10,278	16,028	6,726
Economic affairs n.e.c.	0	0	0	0	0
5. Environment protection	100,873	104,368	126,307	187,403	100,970
Waste management	51,669	52,870	65,799	105,225	60,658
Waste water management	27,385	31,527	36,406	52,383	20,156
Pollution abatement	11	-5	3,803	7,208	808
Protection of biodiversity and landscape	16,880	18,036	18,400	18,211	18,382
R&D Environmental protection	169	32	131	2,733	69
Environmental protection n.e.c.	4,759	1,908	1,768	1,642	897
6. Housing and community amenities	31,967	25,809	27,592	35,288	26,539
Housing development	5,622	6,633	8,861	11,580	4,211
Community development	14,808	13,385	12,655	14,799	16,681
Water supply	0	70	400	75	0
Street lighting	11,316	5,500	5,500	8,687	5,510
R&D Housing and community amenities	0	0	0	0	0
Housing and community amenities n.e.c.	222	222	176	146	137
7. Health	395,010	434,677	484,093	538,112	555,764
Medical products, appliances and equipment	37,337	46,176	44,528	45,276	57,169
Outpatient services	68,794	74,818	84,264	91,539	95,284
Hospital services	263,894	283,746	321,765	363,254	364,174
Public health services	9,970	2,867	1,950	1,875	2,548
R&D Health	0	0	11	49	172
Health n.e.c.	15,016	27,069	31,575	36,119	36,416
8. Recreation, culture and religion	66,238	68,113	88,306	112,213	98,933
Recreational and sporting services	12,121	10,802	7,885	12,518	9,122
Cultural services	46,158	50,458	69,563	82,083	71,720
Broadcasting and publishing services	2,949	2,679	2,935	2,485	5,094
Religious and other community services	1,552	699	1,838	2,652	1,323
R&D Recreation, culture and religion	0	0	4	45	60
Recreation, culture and religion n.e.c.	3,457	3,474	6,081	12,430	11,613

... Table 5. General Government expenditure by second level function 2012-2016

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	2012	2013	2014	2015	2016
9. Education	415,513	441,254	469,382	509,139	532,971
Pre-primary and primary education	106,139	106,598	124,064	127,859	135,655
Secondary education	156,661	163,824	170,838	197,802	204,706
Post-secondary non-tertiary education	6,503	7,304	9,058	9,635	10,256
Tertiary education	72,610	84,131	85,492	88,546	101,861
Education not definable by level	1,476	1,737	2,614	1,523	570
Subsidiary services to education	7,932	7,880	9,479	9,701	11,270
R&D Education	33,800	37,266	36,694	36,642	33,711
Education n.e.c.	30,391	32,514	31,143	37,431	34,942
10. Social protection	1,004,691	1,054,157	1,110,401	1,147,663	1,194,561
Sickness and disability	105,278	110,579	110,784	108,281	107,663
Old age	593,085	625,469	648,802	675,706	735,426
Survivors	128,709	129,278	131,656	133,889	140,609
Family and children	75,084	79,734	101,529	107,982	101,639
Unemployment	36,725	43,730	40,764	42,014	36,009
Housing	5,400	6,907	10,397	20,797	16,261
Social exclusion n.e.c.	27,558	22,392	29,274	29,978	24,246
R&D Social protection	0	0	0	0	0
Social protection n.e.c.	32,851	36,068	37,194	29,018	32,709
Total General Government expenditure by function	3,061,937	3,207,104	3,494,533	3,819,117	3,779,537

Chart 2. A treemap of the top 10 government expenditure groups for 2001 and 2016 in nominal and percentage of total general government expenditure



Methodological Notes

1. All data in this News Release are in line with the European System of Accounts (ESA) 2010 Manual (ISBN 978-92-79-31242-7) and the COFOG classifications as published in the Government Finance Statistics Manual 2001 (ISBN 1-58906-061-X). These methodologies are mandatory for all EU Member States.
2. Figures may not add up due to rounding.
3. All data in this release should be considered as provisional and therefore subject to revision.
4. More information relating to this news release may be accessed at:
Sources and Methods: https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Expenditure-of-General-Government-Sector-by-Function.aspx
Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>
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