

30 January 2019 | 1100 hrs | 014/2019

In 2017, Social Protection remained the core expenditure function, representing 31.7 per cent of total General Government expenditure, followed by General Public Services, Health and Education.

Expenditure of General Government Sector by Function: 2013-2017

Total General Government expenditure increased by €258.0 million over 2016, amounting to €4,031.3 million. Social protection remains the largest expenditure increase for General Government (€77.8 million), amounting to €1,278.3 million, particularly due to higher expenditure on pensions, children's allowance and child care expenditure. This was followed by Economic affairs, which increased by €59.5 million and health expenditure, increasing by €55.0 million, mainly on account of higher spending on hospital services. Total General Government outlay on Education increased by €18.7 million, amounting to €558.7 million. Almost all functions of General Government expenditure registered an increase, with the exception of Defence and Housing and community amenities, registering a decrease of €5.6 million and €0.5 million respectively (Table 1).

The Recreation, culture and religion expenditure function recorded the largest year-on-year growth rate (21.9 per cent), mainly due to a number of investment projects related to cultural heritage, followed by Economic affairs and Health with a growth rate of 13.1 and 9.9 per cent respectively. On the other hand, a negative growth rate of 9.2 per cent was recorded for Defence (Table 1).

For 2017, 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 (31.7 per cent). This was followed by General Public Services (15.9 per cent), Health (15.1 per cent) and Education (13.9 per cent) (Table 2).

On the contrary, expenditure on Housing and community amenities had the lowest contribution to total expenditure, followed by Defence representing 0.6 per cent and 1.4 per cent respectively. Expenditure on Economic affairs as a percentage of total General Government expenditure registered the highest increase over 2016 (0.7 percentage points), whereas the share of Environment protection expenditure remained the same at 2.6 per cent (Table 2).

In 2017, General Government expenditure as a percentage of GDP has decreased by 0.8 percentage points to 35.7 per cent (Table 3).

Similar to the previous four years, when considering General Government data by function for 2017, a considerable share of government expenses was allocated to Compensation of employees (31.6 per cent), Social benefits and social transfers in kind (28.2 per cent) and Intermediate consumption (17.9 per cent) (Table 4).

Table 5 gives a detailed breakdown of General Government expenditure by examining the 2nd digit level of the COFOG classification. The trend for 2016 remains similar for this reference year, seeing that the largest contribution of government expenditure went towards Old age (€799.9 million), mainly through pension payments, which represented 62.6 per cent of total spending on Social Protection and 19.8 per cent of total General Government expenditure. This was followed by Hospital services (€397.9 million), which makes 65.4 per cent of total expenditure on Health and 9.9 per cent of total General Government expenditure. Also, a considerable share of government expenditure was registered on Executive and legislative organs, financial, fiscal and external affairs (€282.7 million), followed by a total of €208.2 million on Public debt transactions (Table 5) ■

Table 1. General Government expenditure by function

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COFOG	2013	2014	2015	2016	2017
General public services	535,545	579,665	614,764	622,787	640,043
Defence	49,084	62,893	77,942	60,839	55,241
Public order and safety	106,646	111,125	112,709	116,731	125,227
Economic affairs	387,251	434,362	477,275	454,322	513,778
Environment protection	104,368	126,307	187,384	99,009	104,576
Housing and community amenities	25,809	27,592	35,288	26,539	26,058
Health	434,677	484,093	538,110	553,669	608,655
Recreation, culture and religion	68,113	88,316	112,172	98,979	120,689
Education	441,231	469,450	509,059	540,019	558,746
Social protection	1,054,157	1,110,366	1,152,696	1,200,444	1,278,273
Total	3,206,881	3,494,170	3,817,398	3,773,337	4,031,287

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

COFOG	2013	2014	2015	2016	2017
General public services	16.7	16.6	16.1	16.5	15.9
Defence	1.5	1.8	2.0	1.6	1.4
Public order and safety	3.3	3.2	3.0	3.1	3.1
Economic affairs	12.1	12.4	12.5	12.0	12.7
Environment protection	3.3	3.6	4.9	2.6	2.6
Housing and community amenities	0.8	0.8	0.9	0.7	0.6
Health	13.6	13.9	14.1	14.7	15.1
Recreation, culture and religion	2.1	2.5	2.9	2.6	3.0
Education	13.8	13.4	13.3	14.3	13.9
Social protection	32.9	31.8	30.2	31.8	31.7
Total	100.0	100.0	100.0	100.0	100.0

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

COFOG	2013	2014	2015	2016	2017
General public services	7.0	6.8	6.4	6.0	5.7
Defence	0.6	0.7	0.8	0.6	0.5
Public order and safety	1.4	1.3	1.2	1.1	1.1
Economic affairs	5.1	5.1	4.9	4.4	4.5
Environment protection	1.4	1.5	1.9	1.0	0.9
Housing and community amenities	0.3	0.3	0.4	0.3	0.2
Health	5.7	5.7	5.6	5.4	5.4
Recreation, culture and religion	0.9	1.0	1.2	1.0	1.1
Education	5.8	5.5	5.3	5.2	4.9
Social protection	13.8	13.1	12.0	11.6	11.3
Total	41.9	41.1	39.6	36.5	35.7

Source: News Release No. 193/2018 - Gross Domestic Product: Q3/2018.

Table 4. Components of the General Government expenditure by function 2013-2017 ...

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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
2013												
General public services	23,264	6,651	102,583	397	219,231	0	86,575	622	94,188	2,032	535,545	118,313
Defence	4,776	0	37,637	0	0	0	6,641	0	30	0	49,084	46,938
Public order and safety	7,446	0	87,650	0	0	0	11,063	0	487	0	106,646	97,264
Economic affairs	59,505	-4,300	105,319	67,932	480	0	65,601	873	13,608	78,234	387,251	192,254
Environment protection	19,929	0	16,551	0	36	0	58,605	1	2	9,244	104,368	84,002
Housing and community amenities	684	0	12,684	352	67	0	11,953	0	70	0	25,809	15,255
Health	35,096	0	240,349	0	0	32,091	127,019	0	122	0	434,677	436,837
Recreation, culture and religion	21,103	0	18,082	2,309	0	0	17,937	27	8,372	283	68,113	28,656
Education	43,559	0	274,901	552	0	30,376	33,590	19	57,093	1,141	441,231	321,809
Social protection	1,657	0	82,012	8,729	1,187	901,703	52,061	0	2,379	4,429	1,054,157	137,520
Total	217,017	2,350	977,769	80,271	221,001	964,169	471,045	1,543	176,351	95,364	3,206,881	1,478,849
2014												
General public services	30,873	1,149	113,799	72	230,666	0	90,832	647	110,720	907	579,665	136,046
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	82,274	-4,300	106,520	93,368	0	0	78,378	1,959	1,425	74,740	434,362	201,663
Environment protection	34,011	0	17,993	534	34	0	64,509	0	0	9,225	126,307	94,692
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	471,395
Recreation, culture and religion	32,575	0	22,179	2,606	0	0	22,510	-12	8,152	305	88,316	40,768
Education	42,070	0	290,112	587	0	36,880	35,886	48	62,053	1,815	469,450	338,274
Social protection	-1,101	0	87,222	7,434	1,329	944,864	61,190	0	2,122	7,305	1,110,366	159,193
Total	296,523	-3,152	1,049,879	104,993	232,091	1,010,283	519,607	2,642	186,741	94,563	3,494,170	1,604,461

... Table 4. Components of the General Government expenditure by function 2013-2017

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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
2015												
General public services	30,384	4,082	125,585	149	226,460	0	111,951	605	110,899	4,648	614,764	106,291
Defence	29,697	0	41,615	0	0	0	6,592	0	38	0	77,942	53,203
Public order and safety	3,862	0	98,089	0	0	0	9,436	0	1,232	89	112,709	104,831
Economic affairs	92,252	-5,303	105,331	101,909	1	0	89,366	1,634	2,369	89,718	477,275	218,379
Environment protection	76,124	0	18,264	976	38	0	63,225	0	75	28,682	187,384	97,713
Housing and community amenities	10,600	0	12,693	0	70	0	11,304	0	75	546	35,288	12,759
Health	58,316	0	288,768	0	0	30,100	160,746	0	169	10	538,110	507,937
Recreation, culture and religion	42,160	0	25,286	4,783	0	41	29,868	-10	9,746	298	112,172	51,021
Education	54,307	0	305,951	971	0	33,878	43,291	71	69,717	874	509,059	365,253
Social protection	-5,791	0	94,163	2,912	2,046	977,201	65,947	0	6,450	9,768	1,152,696	171,656
Total	391,911	-1,222	1,115,746	111,700	228,615	1,041,220	591,725	2,300	200,770	134,633	3,817,398	1,689,045
2016												
General public services	39,699	7,536	128,891	317	216,407	0	116,249	583	98,404	14,702	622,787	-31,563
Defence	10,435	0	44,278	0	0	0	6,095	0	31	0	60,839	57,431
Public order and safety	6,663	0	100,464	0	0	0	8,822	0	782	0	116,731	107,005
Economic affairs	70,363	-4,301	110,355	112,858	588	0	100,900	816	7,480	55,265	454,322	246,236
Environment protection	12,716	0	16,633	1,126	0	0	68,067	0	265	202	99,009	102,444
Housing and community amenities	948	0	15,559	0	0	0	10,006	0	15	10	26,539	9,036
Health	30,265	0	312,011	0	0	37,714	173,418	0	235	26	553,669	548,945
Recreation, culture and religion	10,688	0	27,797	17,545	0	56	35,048	0	7,820	25	98,979	61,422
Education	67,995	0	326,829	256	0	36,376	37,243	2	71,308	10	540,019	379,311
Social protection	-771	0	95,440	0	1,825	1,011,909	75,383	0	8,120	8,538	1,200,444	189,629
Total	249,002	3,234	1,178,257	132,101	218,819	1,086,054	631,231	1,400	194,460	78,777	3,773,337	1,669,896

... Table 4. Components of the General Government expenditure by function 2013-2017

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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
2017												
General public services	55,697	5,261	149,364	50	204,973	0	132,476	652	87,953	3,617	640,043	-94,345
Defence	946	0	47,212	0	0	0	6,969	0	114	0	55,241	61,507
Public order and safety	10,531	0	103,134	0	0	0	10,344	0	1,218	0	125,227	111,311
Economic affairs	68,705	-4,301	119,674	129,182	1,200	0	95,956	622	19,466	83,273	513,778	249,502
Environment protection	11,186	0	20,066	1,400	0	0	71,315	0	460	150	104,576	105,715
Housing and community amenities	1,170	0	13,788	0	0	0	11,002	0	90	9	26,058	945
Health	21,638	0	337,716	0	0	44,711	204,364	0	200	26	608,655	607,009
Recreation, culture and religion	28,930	0	29,455	6,609	0	84	47,791	0	6,985	835	120,689	75,069
Education	42,721	0	354,822	1,871	0	36,254	47,649	0	72,509	2,920	558,746	420,404
Social protection	7,220	0	97,628	817	1,880	1,057,344	94,927	0	11,049	7,409	1,278,273	208,530
Total	248,744	959	1,272,858	139,929	208,053	1,138,392	722,793	1,274	200,045	98,240	4,031,287	1,745,648

Chart 1. General Government Expenditure by Function 2013-2017

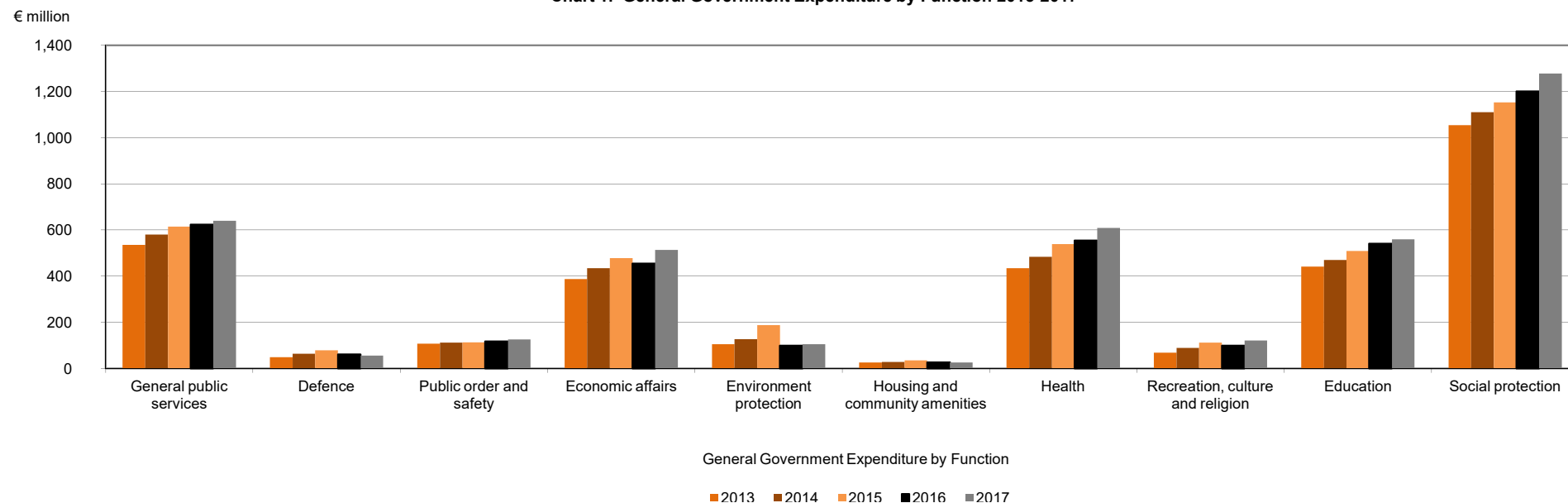


Table 5. General Government expenditure by second level function 2013-2017 ...

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	2013	2014	2015	2016	2017
1. General public services	535,545	579,665	614,764	622,787	640,043
Executive and legislative organs, financial, fiscal and external affairs	205,698	235,309	260,146	286,801	282,665
Foreign economic aid	1,035	937	611	3,067	4,838
General services	92,041	94,469	95,299	83,190	103,225
Basic Research	75	48	0	351	321
R&D General public services	747	655	746	814	11
General public services n.e.c.	13,708	14,592	27,538	30,012	40,805
Public debt transactions	222,240	233,655	230,424	218,552	208,179
Transfers of a general character between levels of government	0	0	0	0	0
2. Defence	49,084	62,893	77,942	60,839	55,241
Military defence	49,084	62,893	77,942	60,814	55,087
Civil defence	0	0	0	25	153
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	106,646	111,125	112,709	116,731	125,227
Police services	61,930	64,970	67,061	66,925	73,384
Fire-protection services	5,007	5,168	6,234	7,767	8,111
Law courts	28,023	29,069	26,447	28,681	29,109
Prisons	11,228	11,822	12,864	13,250	14,623
R&D Public order and safety	459	96	103	107	0
Public order and safety n.e.c.	0	0	0	0	0
4. Economic affairs	387,251	434,362	477,275	454,322	513,778
General economic, commercial and labour affairs	137,272	115,907	97,912	111,863	175,388
Agriculture, forestry, fishing and hunting	39,879	42,679	50,277	42,059	35,650
Fuel and energy	33,449	46,254	55,991	54,102	62,056
Mining, manufacturing and construction	39,066	38,383	38,771	35,090	28,542
Transport	71,296	122,856	159,612	125,428	116,505
Communication	2,977	3,872	2,750	3,775	4,551
Other industries	55,033	54,134	55,907	80,874	87,243
R&D Economic affairs	8,279	10,278	16,053	1,130	2,644
Economic affairs n.e.c.	0	0	0	0	1,200
5. Environment protection	104,368	126,307	187,384	99,009	104,576
Waste management	52,870	65,799	105,209	58,575	59,618
Waste water management	31,527	36,406	52,383	20,156	19,903
Pollution abatement	-5	3,803	7,208	808	748
Protection of biodiversity and landscape	18,036	18,400	18,209	18,555	22,247
R&D Environmental protection	32	131	2,734	19	60
Environmental protection n.e.c.	1,908	1,768	1,642	897	1,999
6. Housing and community amenities	25,809	27,592	35,288	26,539	26,058
Housing development	6,633	8,861	11,580	4,211	116
Community development	13,385	12,655	14,799	16,681	18,610
Water supply	70	400	75	0	20
Street lighting	5,500	5,500	8,687	5,510	7,155
R&D Housing and community amenities	0	0	0	0	0
Housing and community amenities n.e.c.	222	176	146	137	158
7. Health	434,677	484,093	538,110	553,669	608,655
Medical products, appliances and equipment	46,176	44,528	45,276	57,169	71,822
Outpatient services	74,818	84,264	91,539	95,048	104,423
Hospital services	283,746	321,765	363,254	362,287	397,919
Public health services	2,867	1,950	1,875	2,548	1,951
R&D Health	0	11	49	172	382
Health n.e.c.	27,069	31,575	36,116	36,445	32,158
8. Recreation, culture and religion	68,113	88,316	112,172	98,979	120,689
Recreational and sporting services	10,802	7,885	12,518	9,552	14,802
Cultural services	50,458	69,567	82,062	71,303	90,294
Broadcasting and publishing services	2,679	2,935	2,485	5,094	2,900
Religious and other community services	699	1,838	2,652	1,323	2,276
R&D Recreation, culture and religion	0	4	45	117	139
Recreation, culture and religion n.e.c.	3,474	6,087	12,410	11,591	10,279

... Table 5. General Government expenditure by second level function 2013-2017

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	2013	2014	2015	2016	2017
9. Education	441,231	469,450	509,059	540,019	558,746
Pre-primary and primary education	106,598	124,064	127,859	131,486	143,594
Secondary education	163,824	170,838	197,802	210,877	198,287
Post-secondary non-tertiary education	7,304	9,058	9,635	10,256	15,026
Tertiary education	84,131	85,560	88,417	102,283	107,292
Education not definable by level	1,737	2,614	1,523	1,034	1,821
Subsidiary services to education	7,880	9,479	9,701	11,270	11,264
R&D Education	37,243	36,694	36,692	39,873	39,943
Education n.e.c.	32,514	31,143	37,431	32,940	41,520
10. Social protection	1,054,157	1,110,366	1,152,696	1,200,444	1,278,273
Sickness and disability	110,158	110,571	107,995	107,354	107,926
Old age	628,542	651,986	678,736	738,332	799,897
Survivors	129,576	131,939	134,143	140,849	150,147
Family and children	77,094	98,584	105,285	96,562	103,647
Unemployment	43,842	40,916	42,258	36,137	30,176
Housing	6,907	10,397	20,797	16,261	16,198
Social exclusion n.e.c.	21,969	28,770	29,577	25,661	25,282
R&D Social protection	0	0	0	0	0
Social protection n.e.c.	36,069	37,202	33,905	39,287	45,000
Total General Government expenditure by function	3,206,881	3,494,170	3,817,398	3,773,337	4,031,287

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:
[Glossary: http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Expenditure-of-General-Government-Sector-by-Function.aspx](http://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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