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In 2015, social protection accounted for 30.1 per cent of the total General Government expenditure, followed by general public services, health and education.

Expenditure of General Government Sector by Function: 2011-2015

Total General Government expenditure increased by €318.9 million over the previous year, amounting to €3,814.7 million. Social protection remains by and large the core function of total government expenditure (€1,147.7 million), increasing by €37.3 million over the previous year, particularly due to expenditure on pensions, children's allowance and child care expenditure. The same is true for health expenditure (€540.2 million), mainly on account of higher spending on hospital services, and for economic affairs, with the latter going up by €41.2 million as a result of higher expenditure on road infrastructure. General public service increased by €41.5 million, while education expenditure also experienced an increase of €38.4 million particularly on secondary education (Table 1).

In spite of the fact that the environment protection division is not amongst the highest in terms of government expenditure, in 2015, this division registered the highest increase in expenditure amongst all other functions of the General Government. The increase of €60.8 million over the previous year was mainly a result of a rise in waste management expenditure.

The total expenditure for each function as a percentage of total General Government expenditure was generally in line with previous years. The highest expenditure in 2015 was on social protection (30.1 per cent), followed by general public services (16.4 per cent), health (14.2 per cent), education (13.3 per cent) and economic affairs (12.4 per cent). In contrast, expenditure on housing and community amenities had the lowest contribution to total expenditure, followed by defence, representing 0.9 per cent and 2.0 per cent respectively (Table 2).

In total, General Government expenditure as a percentage of GDP decreased marginally to 41.2 per cent in 2015 from 41.5 per cent in 2014 (Table 3).

Similarly to the past 4 years, when considering general government data by function, a considerable share of government expenses was devoted to wages and salaries (29.3 per cent) and social benefits in cash or in kind (27.0 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 2015, the largest contribution of government expenditure went towards old age (€675.7 million), mainly through pension payments, which represented 58.9 per cent of total spending on social protection and 17.7 per cent of total General Government expenditure. This was followed by hospital services (€365.2 million), making up 67.6 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 (€266.7 million), followed by a total of €231.9 million on public debt transactions (Table 5).

Compiled by:

Unit A2: Public Finance

Further information on data: Comparing the General Government expenditure at the 2nd digit level for 2015 with 2001, being the year this exercise was first compiled, the top 10 expenditure groups were identical, albeit in different ranking order. Expenditure on old age ranked first both in 2001 (€299.3 million, representing 16.8 per cent of total expenditure) and 2015 (€675.7 million, representing 17.7 per cent of total expenditure) (Chart 2) ■

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Table 1. General Government expenditure by function

€000

COFOG	2011	2012	2013	2014	2015
General public services	493,134	536,616	537,358	583,874	625,414
Defence	55,957	50,641	49,084	62,893	77,942
Public order and safety	94,503	101,969	106,646	111,125	112,684
Economic affairs	299,946	361,481	385,783	431,408	472,651
Environment protection	87,513	100,870	104,372	126,366	187,150
Housing and community amenities	23,595	31,967	25,809	27,784	34,340
Health	370,382	395,010	434,677	484,089	540,239
Recreation, culture and religion	58,338	66,238	68,113	88,308	108,537
Education	391,239	414,955	440,102	469,619	508,060
Social protection	944,201	1,004,691	1,054,157	1,110,401	1,147,721
Total	2,818,807	3,064,438	3,206,101	3,495,868	3,814,739

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

COFOG	2011	2012	2013	2014	2015
General public services	17.5	17.5	16.8	16.7	16.4
Defence	2.0	1.7	1.5	1.8	2.0
Public order and safety	3.4	3.3	3.3	3.2	3.0
Economic affairs	10.6	11.8	12.0	12.3	12.4
Environment protection	3.1	3.3	3.3	3.6	4.9
Housing and community amenities	0.8	1.0	0.8	0.8	0.9
Health	13.1	12.9	13.6	13.8	14.2
Recreation, culture and religion	2.1	2.2	2.1	2.5	2.8
Education	13.9	13.5	13.7	13.4	13.3
Social protection	33.5	32.8	32.9	31.8	30.1
Total	100.0	100.0	100.0	100.0	100.0

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

COFOG	2011	2012	2013	2014	2015
General public services	7.2	7.5	7.0	6.9	6.8
Defence	0.8	0.7	0.6	0.7	0.8
Public order and safety	1.4	1.4	1.4	1.3	1.2
Economic affairs	4.4	5.0	5.1	5.1	5.1
Environment protection	1.3	1.4	1.4	1.5	2.0
Housing and community amenities	0.3	0.4	0.3	0.3	0.4
Health	5.4	5.5	5.7	5.7	5.8
Recreation, culture and religion	0.9	0.9	0.9	1.0	1.2
Education	5.7	5.8	5.8	5.6	5.5
Social protection	13.8	14.0	13.8	13.2	12.4
Total	41.2	42.8	42.0	41.5	41.2

Source: News Release No. 199/2016 - Gross Domestic Product: Q3/2016.

Table 4. Components of the General Government expenditure by function 2011-2015 ...

€000

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
2011												
General public services	19,088	2,404	99,176	2,489	216,993	0	86,064	-17	64,879	2,058	493,134	138,301
Defence	11,674	0	37,984	0	0	0	6,273	0	27	0	55,957	44,866
Public order and safety	3,909	0	78,768	0	0	0	11,254	0	571	0	94,503	86,214
Economic affairs	63,547	-4,299	97,347	41,534	0	0	67,855	285	2,416	31,262	299,946	182,015
Environment protection	10,531	0	15,244	0	33	0	56,415	1	33	5,258	87,513	73,327
Housing and community amenities	527	0	12,383	42	60	0	10,582	0	0	0	23,595	15,561
Health	20,663	0	211,070	0	0	35,010	103,532	0	106	1	370,382	387,070
Recreation, culture and religion	16,368	0	16,075	3,399	0	0	15,061	26	7,147	261	58,338	23,851
Education	43,641	0	242,266	648	0	27,268	27,283	-50	47,710	2,472	391,239	282,649
Social protection	-2,387	-2	71,765	2,908	40	816,628	46,031	0	4,769	4,448	944,201	110,403
Total	187,562	-1,898	882,080	51,020	217,126	878,906	430,350	245	127,657	45,760	2,818,807	1,344,256
2012												
General public services	30,583	12,013	105,226	2,281	215,302	0	101,480	-152	66,667	3,216	536,616	157,771
Defence	9,515	0	36,493	0	0	0	4,581	0	52	0	50,641	44,024
Public order and safety	7,164	0	83,897	0	0	0	10,491	0	417	0	101,969	90,097
Economic affairs	78,163	-4,302	93,898	62,853	0	0	76,305	568	652	53,345	361,481	187,986
Environment protection	19,299	0	16,866	0	33	0	61,511	1	16	3,145	100,870	84,276
Housing and community amenities	2,767	0	12,292	44	60	0	16,803	0	0	0	31,967	22,143
Health	26,571	0	223,110	0	0	28,203	117,104	0	23	0	395,010	406,716
Recreation, culture and religion	15,515	21	17,342	5,530	0	0	17,281	12	9,861	675	66,238	27,339
Education	39,253	0	257,853	582	0	30,581	30,845	14	52,503	3,324	414,955	302,357
Social protection	2,909	-350	75,396	5,592	273	866,090	46,597	0	4,852	3,332	1,004,691	125,604
Total	231,739	7,382	922,374	76,882	215,667	924,873	482,999	442	135,043	67,037	3,064,438	1,448,312

... Table 4. Components of the General Government expenditure by function 2011-2015

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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	23,235	6,651	102,604	397	219,309	0	86,672	164	96,293	2,032	537,358	119,690
Defence	4,776	0	37,637	0	0	0	6,641	0	30	0	49,084	46,982
Public order and safety	7,446	0	87,650	0	0	0	11,063	0	487	0	106,646	97,295
Economic affairs	59,688	-4,300	104,870	67,932	0	0	65,386	403	13,608	78,197	385,783	191,216
Environment protection	19,932	0	16,551	0	36	0	58,605	1	2	9,244	104,372	82,934
Housing and community amenities	684	0	12,684	352	67	0	11,953	0	70	0	25,809	15,237
Health	35,096	0	240,349	0	0	32,091	127,019	0	122	0	434,677	437,064
Recreation, culture and religion	21,103	0	18,082	2,309	0	0	17,937	27	8,372	283	68,113	28,650
Education	42,395	0	274,901	552	0	30,376	33,625	19	57,093	1,141	440,102	322,692
Social protection	1,657	0	82,012	8,729	1,187	901,703	52,061	0	2,379	4,429	1,054,157	137,451
Total	216,011	2,350	977,340	80,271	220,599	964,169	470,963	615	178,457	95,327	3,206,101	1,479,211
2014												
General public services	29,231	1,149	113,810	72	230,965	0	90,407	185	117,149	907	583,874	136,550
Defence	19,274	0	38,614	0	0	0	4,984	0	21	0	62,893	47,982
Public order and safety	6,452	0	93,205	0	0	0	9,437	0	1,769	262	111,125	100,047
Economic affairs	84,070	-4,300	106,004	93,368	0	0	78,035	710	1,425	72,096	431,408	200,645
Environment protection	34,010	0	17,998	534	0	0	64,598	0	0	9,225	126,366	93,370
Housing and community amenities	3,351	0	12,715	391	0	0	10,922	0	400	4	27,784	14,050
Health	46,913	0	267,532	0	0	28,539	141,026	0	79	0	484,089	471,591
Recreation, culture and religion	32,566	0	22,179	2,606	0	0	22,510	-12	8,152	305	88,308	40,823
Education	41,679	0	290,742	587	0	36,880	35,801	48	62,067	1,815	469,619	339,299
Social protection	-1,108	0	87,263	7,434	1,329	939,547	66,508	0	2,122	7,305	1,110,401	159,198
Total	296,439	-3,152	1,050,063	104,993	232,295	1,004,966	524,229	932	193,184	91,920	3,495,868	1,603,555

... Table 4. Components of the General Government expenditure by function 2011-2015

€000

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	28,928	4,082	126,577	149	227,881	0	110,965	130	121,629	5,071	625,414	108,707
Defence	29,697	0	41,615	0	0	0	6,592	0	38	0	77,942	53,242
Public order and safety	3,862	0	98,089	0	0	0	9,412	0	1,232	89	112,684	104,843
Economic affairs	90,262	-5,303	104,758	100,771	0	0	89,825	413	2,371	89,553	472,651	220,181
Environment protection	76,083	0	18,266	976	0	0	63,068	0	75	28,682	187,150	98,306
Housing and community amenities	9,728	0	12,696	0	0	0	11,296	0	75	546	34,340	13,552
Health	58,117	0	290,702	0	0	30,100	161,149	0	170	0	540,239	510,198
Recreation, culture and religion	41,989	0	25,512	4,783	0	41	29,359	0	6,555	298	108,537	54,400
Education	54,647	0	305,796	971	0	33,878	42,177	0	69,717	874	508,060	363,937
Social protection	-5,753	0	93,179	2,912	2,046	967,212	74,368	0	3,988	9,768	1,147,721	168,914
Total	387,561	-1,222	1,117,192	110,563	229,927	1,031,231	598,210	544	205,851	134,882	3,814,739	1,696,279

Chart 1. General Government Expenditure by Function: 2011-2015

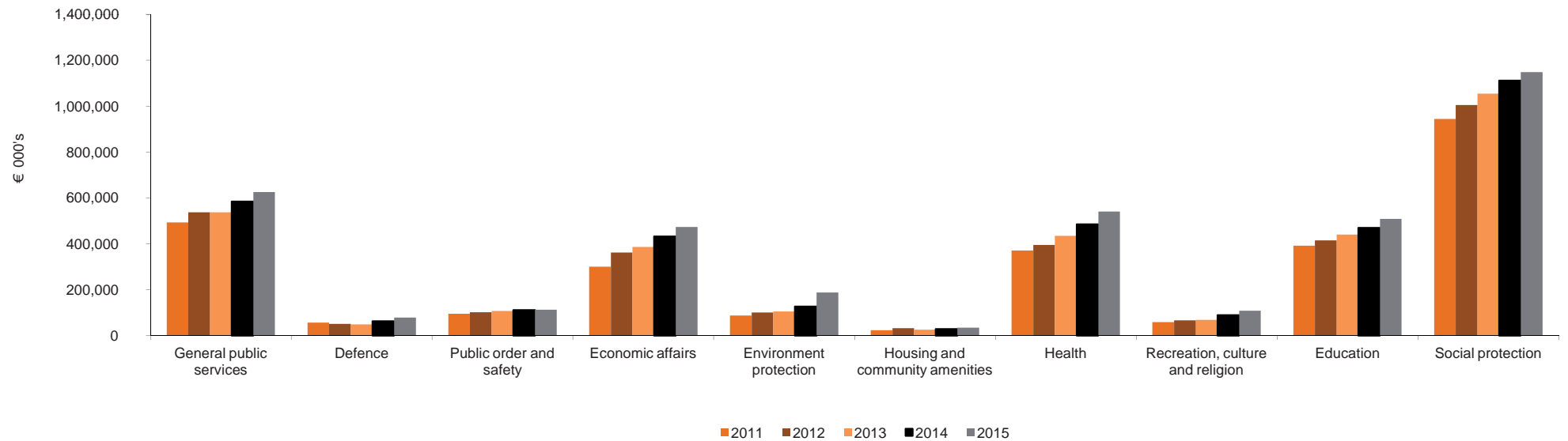


Table 5. General Government expenditure by second level function 2011-2015 ...

€000

	2011	2012	2013	2014	2015
1. General public services	493,134	536,616	537,358	583,874	625,414
Executive and legislative organs, financial, fiscal and external affairs	178,532	191,188	206,777	239,628	266,694
Foreign economic aid	371	1,225	1,035	937	611
General services	83,708	113,368	92,161	94,577	100,157
Basic Research	0	183	47	47	18
R&D General public services	887	565	747	655	746
General public services n.e.c.	9,084	11,140	14,262	14,062	25,308
Public debt transactions	220,551	218,948	222,331	233,968	231,881
Transfers of a general character between levels of government	0	0	0	0	0
2. Defence	55,957	50,641	49,084	62,893	77,942
Military defence	55,957	50,641	49,084	62,893	77,942
Civil defence	0	0	0	0	0
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	94,503	101,969	106,646	111,125	112,684
Police services	56,307	62,415	61,930	64,971	67,037
Fire-protection services	5,086	5,127	5,007	5,168	6,234
Law courts	22,954	23,414	28,023	29,069	26,447
Prisons	9,854	10,745	11,228	11,822	12,864
R&D Public order and safety	231	178	459	96	103
Public order and safety n.e.c.	69	90	0	0	0
4. Economic affairs	299,946	361,481	385,783	431,408	472,651
General economic, commercial and labour affairs	60,190	79,882	137,144	122,730	109,284
Agriculture, forestry, fishing and hunting	43,853	44,687	39,879	32,885	39,250
Fuel and energy	8,786	26,114	33,449	46,254	55,991
Mining, manufacturing and construction	43,149	43,996	37,449	36,514	36,964
Transport	81,632	101,333	71,296	124,859	159,589
Communication	2,947	3,067	2,977	3,872	2,750
Other industries	56,626	54,783	55,033	54,134	55,907
R&D Economic affairs	2,741	7,619	8,557	10,160	12,916
Economic affairs n.e.c.	22	0	0	0	0
5. Environment protection	87,513	100,870	104,372	126,366	187,150
Waste management	44,795	51,669	52,870	65,800	105,081
Waste water management	18,594	27,385	31,527	36,406	52,383
Pollution abatement	-1	11	-5	3,803	7,208
Protection of biodiversity and landscape	17,515	16,880	18,036	18,457	18,143
R&D Environmental protection	94	166	35	131	2,693
Environmental protection n.e.c.	6,516	4,759	1,908	1,768	1,642
6. Housing and community amenities	23,595	31,967	25,809	27,784	34,340
Housing development	5,368	5,622	6,633	8,861	11,580
Community development	13,003	14,808	13,385	12,848	13,852
Water supply	0	0	70	400	75
Street lighting	4,815	11,316	5,500	5,500	8,687
R&D Housing and community amenities	206	0	0	0	0
Housing and community amenities n.e.c.	203	222	222	176	146
7. Health	370,382	395,010	434,677	484,089	540,239
Medical products, appliances and equipment	42,530	37,337	46,176	44,528	45,276
Outpatient services	63,257	68,794	74,818	84,264	91,784
Hospital services	229,248	263,894	283,746	321,765	365,154
Public health services	9,833	9,970	2,867	1,950	1,875
R&D Health	1,138	0	0	11	49
Health n.e.c.	24,375	15,016	27,069	31,572	36,101
8. Recreation, culture and religion	58,338	66,238	68,113	88,308	108,537
Recreational and sporting services	10,878	12,121	10,802	7,885	8,818
Cultural services	39,991	46,158	50,458	69,563	82,106
Broadcasting and publishing services	2,935	2,949	2,679	2,935	2,485
Religious and other community services	1,133	1,552	699	1,838	2,652
R&D Recreation, culture and religion	144	0	0	4	45
Recreation, culture and religion n.e.c.	3,256	3,457	3,474	6,081	12,431

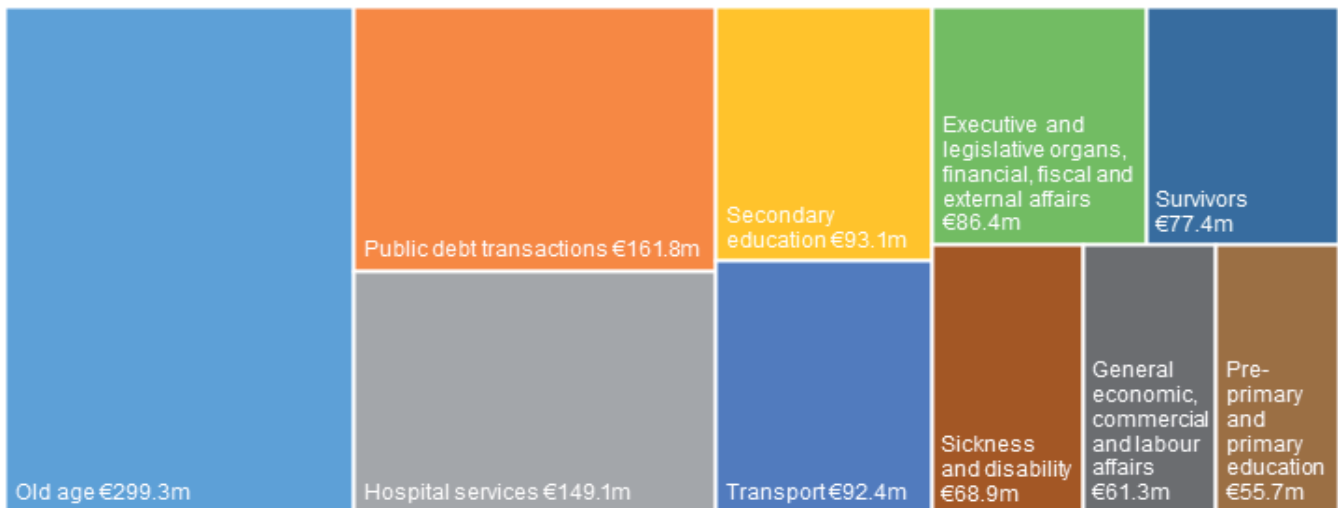
... Table 5. General Government expenditure by second level function 2011-2015

€000

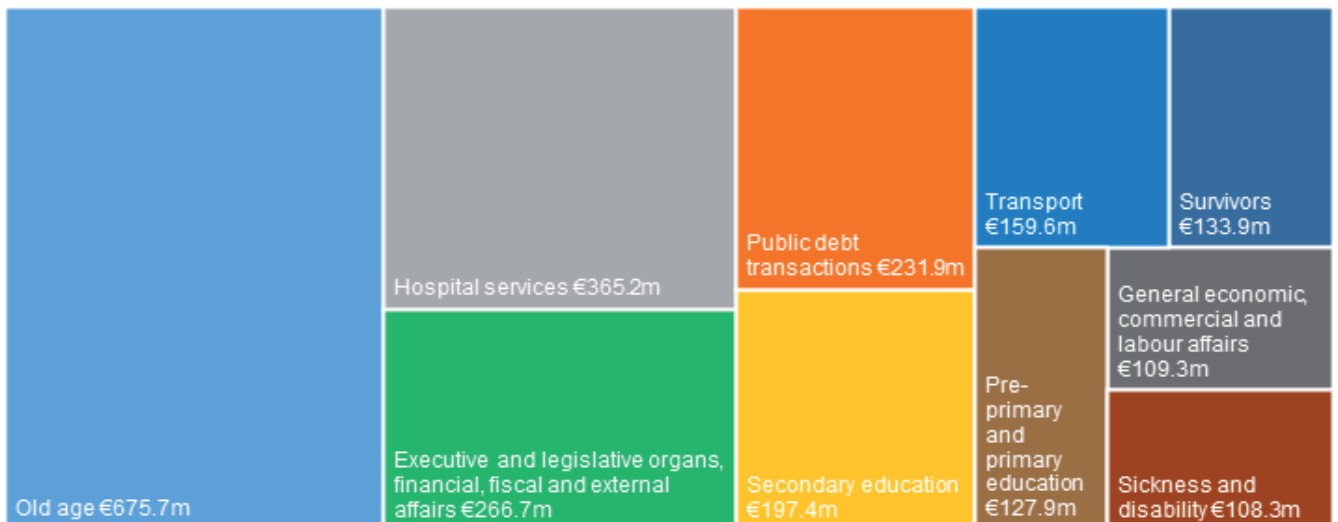
	2011	2012	2013	2014	2015
9. Education	391,239	414,955	440,102	469,619	508,060
Pre-primary and primary education	97,369	106,139	106,300	124,097	127,859
Secondary education	147,991	156,661	164,121	170,805	197,430
Post-secondary non-tertiary education	6,604	6,503	7,304	9,058	9,153
Tertiary education	73,112	72,610	84,131	85,498	88,255
Education not definable by level	955	1,476	1,737	2,614	1,523
Subsidiary services to education	5,553	7,932	7,880	9,479	9,701
R&D Education	25,490	33,242	36,114	36,281	36,531
Education n.e.c.	34,164	30,391	32,514	31,787	37,607
10. Social protection	944,201	1,004,691	1,054,157	1,110,401	1,147,721
Sickness and disability	101,865	105,278	110,579	110,784	108,336
Old age	553,299	593,085	625,469	648,802	675,706
Survivors	116,717	128,709	129,278	131,656	133,889
Family and children	81,407	75,084	79,734	101,529	107,982
Unemployment	32,369	36,725	43,730	40,764	42,014
Housing	12,006	5,400	6,907	10,397	20,797
Social exclusion n.e.c.	23,766	27,558	24,147	29,274	29,978
R&D Social protection	203	0	0	0	0
Social protection n.e.c.	22,568	32,851	34,313	37,195	29,019
Total General Government expenditure by function	2,818,807	3,064,438	3,206,101	3,495,868	3,814,739

Chart 2. Top 10 government expenditure groups for 2001 and 2015

2001



2015



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)
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