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Social protection remained the core function of government expenditure in 2018, representing 29.8 per cent of total General Government expenditure, followed by Economic affairs, Health and Education.

Expenditure of General Government Sector by Function: 2014-2018

Total General Government expenditure increased by €475.0 million over 2017, amounting to €4,528.5 million. Economic affairs registered the largest expenditure increase (€163.1 million), amounting to €679.9 million, particularly reflecting two equity injections to the national air carrier subsidiaries and higher expenditure on road infrastructure.

Expenditure on Education registered a rise of €87.0 million, the second largest increase from 2017, mainly as a result of a higher outlay on wages and salaries. This was followed by Social protection, increasing by €70.6 million, mainly on account of higher expenditure on pensions, disability allowances, children's allowance and childcare expenditure. Total General Government outlay on Health increased by €47.3 million, amounting to €661.4 million. Almost all functions of General Government expenditure registered an increase, except for Defence and Recreation, culture and religion, registering a decrease of €7.6 million and €2.4 million respectively (Table 1).

In terms of the share of total General Government expenditure in 2018, the highest share was devoted to Social protection, which stood at 29.8 per cent. This was followed by Economic affairs (15.0 per cent), Health (14.6 per cent) and Education (14.2 per cent) (Table 2). Expenditure on Environment protection and Public order and safety both registered a share of 3.4 per cent of total expenditure. On the contrary, similar to 2017, expenditure on Housing and community amenities had the lowest contribution to total expenditure, followed by Defence, representing 1.2 per cent and 1.4 per cent respectively (Table 2).

Expenditure on Economic affairs registered both the highest increase in absolute terms and as a percentage of total General Government expenditure over 2017 (2.3 percentage points). Decreases in the share of total expenditure for 2018 are noted mainly for Social protection and General public services, down by 1.8 and 1.2 percentage points respectively (Table 2).

In 2018, General Government expenditure as a percentage of GDP increased by 0.8 percentage points to 36.6 per cent (Table 3).

Similar to the previous four years, when considering the components of General Government expenditure by function for 2018, a considerable share of government outlay was in the form of wages and salaries (30.3 per cent), social benefits in cash or in kind (26.1 per cent) and intermediate consumption (17.9 per cent) (Table 4).

Table 5 gives a detailed breakdown of General Government expenditure by examining the second level function of the COFOG classification. The trend for 2018 remains consistent with previous years, considering that the largest contribution of government expenditure was spent on Old age (€827.9 million), mainly through pension payments, which represented 61.3 per cent of total spending on Social Protection and 18.3 per cent of total General Government expenditure. This was followed by Hospital services (€424.6 million), which accounted for 64.2 per cent of total expenditure on health. Also, a considerable share of government expenditure was recorded for Executive and legislative organs, financial, fiscal and external affairs (€312.1 million), followed by a total of €235.7 and €231.6 million on Secondary education and Transport respectively (Table 5) ■

Table 1. General Government expenditure by function

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COFOG	2014	2015	2016	2017	2018
General public services	579,665	614,764	620,651	622,259	639,561
Defence	62,893	77,942	60,839	70,882	63,323
Public order and safety	111,125	112,709	116,731	126,241	152,139
Economic affairs	434,369	477,284	453,999	516,804	679,908
Environment protection	126,307	187,384	99,018	104,725	153,646
Housing and community amenities	27,592	35,288	26,660	29,130	53,984
Health	484,093	538,766	557,987	614,027	661,352
Recreation, culture and religion	88,316	112,172	101,333	132,350	129,966
Education	469,472	509,076	540,049	557,787	644,797
Social protection	1,110,366	1,152,696	1,200,444	1,279,254	1,349,818
Total	3,494,198	3,818,080	3,777,710	4,053,458	4,528,494

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

COFOG	2014	2015	2016	2017	2018
General public services	16.6	16.1	16.4	15.4	14.1
Defence	1.8	2.0	1.6	1.7	1.4
Public order and safety	3.2	3.0	3.1	3.1	3.4
Economic affairs	12.4	12.5	12.0	12.7	15.0
Environment protection	3.6	4.9	2.6	2.6	3.4
Housing and community amenities	0.8	0.9	0.7	0.7	1.2
Health	13.9	14.1	14.8	15.1	14.6
Recreation, culture and religion	2.5	2.9	2.7	3.3	2.9
Education	13.4	13.3	14.3	13.8	14.2
Social protection	31.8	30.2	31.8	31.6	29.8
Total	100.0	100.0	100.0	100.0	100.0

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

COFOG	2014	2015	2016	2017	2018
General public services	6.8	6.4	6.0	5.5	5.2
Defence	0.7	0.8	0.6	0.6	0.5
Public order and safety	1.3	1.2	1.1	1.1	1.2
Economic affairs	5.1	4.9	4.4	4.6	5.5
Environment protection	1.5	1.9	1.0	0.9	1.2
Housing and community amenities	0.3	0.4	0.3	0.3	0.4
Health	5.7	5.6	5.4	5.4	5.3
Recreation, culture and religion	1.0	1.2	1.0	1.2	1.0
Education	5.5	5.3	5.2	4.9	5.2
Social protection	13.0	11.9	11.6	11.3	10.9
Total	41.1	39.5	36.4	35.8	36.6

Source: News Release No. 199/2019 - Gross Domestic Product: Q3/2019.

Table 4. Components of General Government expenditure by function 2014-2018 ...

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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	30,873	1,149	113,799	72	230,666	0	90,832	647	110,720	907	579,665	139,273
Defence	19,274	0	38,614	0	0	0	4,984	0	21	0	62,893	47,901
Public order and safety	6,452	0	93,205	0	0	0	9,437	0	1,769	262	111,125	99,996
Economic affairs	82,280	-4,300	106,520	93,368	0	0	78,378	1,959	1,425	74,740	434,369	201,100
Environment protection	34,011	0	17,993	534	34	0	64,509	0	0	9,225	126,307	93,703
Housing and community amenities	3,182	0	12,706	391	62	0	10,846	0	400	4	27,592	14,680
Health	46,913	0	267,526	0	0	28,539	141,036	0	79	0	484,093	471,042
Recreation, culture and religion	32,575	0	22,179	2,606	0	0	22,510	-12	8,152	305	88,316	40,595
Education	42,091	0	290,112	587	0	36,880	35,886	48	62,053	1,815	469,472	337,125
Social protection	-1,101	0	87,222	7,434	1,329	944,864	61,190	0	2,122	7,305	1,110,366	159,055
Total	296,551	-3,152	1,049,879	104,993	232,091	1,010,283	519,607	2,642	186,741	94,563	3,494,198	1,604,469
2015												
General public services	30,384	4,082	125,585	149	226,460	0	111,951	605	110,899	4,648	614,764	109,798
Defence	29,697	0	41,615	0	0	0	6,592	0	38	0	77,942	53,150
Public order and safety	3,862	0	98,089	0	0	0	9,436	0	1,232	89	112,709	104,814
Economic affairs	92,261	-5,303	105,331	101,909	1	0	89,366	1,634	2,369	89,718	477,284	217,589
Environment protection	76,124	0	18,264	976	38	0	63,225	0	75	28,682	187,384	98,363
Housing and community amenities	10,600	0	12,693	0	70	0	11,304	0	75	546	35,288	12,983
Health	58,972	0	288,768	0	0	30,100	160,746	0	169	10	538,766	507,399
Recreation, culture and religion	42,160	0	25,286	4,783	0	41	29,868	-10	9,746	298	112,172	50,952
Education	54,324	0	305,951	971	0	33,878	43,291	71	69,717	874	509,076	362,624
Social protection	-5,791	0	94,163	2,912	2,046	977,201	65,947	0	6,450	9,768	1,152,696	171,384
Total	392,593	-1,222	1,115,746	111,700	228,615	1,041,220	591,725	2,300	200,770	134,633	3,818,080	1,689,056

... Table 4. Components of General Government expenditure by function 2014-2018

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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	39,699	7,536	128,891	317	216,601	0	116,249	583	96,073	14,702	620,651	-28,433
Defence	10,435	0	44,278	0	0	0	6,095	0	31	0	60,839	57,206
Public order and safety	6,663	0	100,464	0	0	0	8,822	0	782	0	116,731	106,901
Economic affairs	70,550	-4,301	110,704	112,858	588	0	99,236	924	7,477	55,965	453,999	244,726
Environment protection	12,716	0	16,633	1,126	9	0	68,067	0	265	202	99,018	102,886
Housing and community amenities	1,249	0	15,559	0	16	0	9,825	0	0	10	26,660	7,616
Health	34,584	0	312,011	0	0	37,714	173,418	0	235	26	557,987	547,992
Recreation, culture and religion	10,670	0	28,643	17,545	0	56	35,417	0	8,977	25	101,333	62,455
Education	68,025	0	326,829	256	0	36,376	34,852	2	73,699	10	540,049	376,519
Social protection	-771	0	95,440	0	1,825	1,011,909	75,383	0	8,120	8,538	1,200,444	189,191
Total	253,822	3,234	1,179,452	132,101	219,038	1,086,054	627,364	1,508	195,658	79,477	3,777,710	1,667,059
2017												
General public services	41,961	959	149,615	50	208,190	0	128,377	1,814	87,640	3,652	622,259	-96,604
Defence	16,575	0	47,212	0	0	0	6,981	0	114	0	70,882	61,416
Public order and safety	11,507	0	103,134	0	0	0	10,382	0	1,218	0	126,241	111,356
Economic affairs	69,545	-3,200	119,725	129,182	686	0	94,873	2,140	19,466	84,386	516,804	248,682
Environment protection	6,924	0	19,671	2,217	0	0	75,270	0	492	150	104,725	106,869
Housing and community amenities	4,230	0	13,788	0	0	0	11,023	0	80	9	29,130	3,832
Health	31,791	0	337,716	0	0	40,030	204,292	0	198	0	614,027	602,381
Recreation, culture and religion	29,827	0	29,585	6,609	0	84	50,861	0	14,464	921	132,350	75,649
Education	46,288	0	350,426	1,871	0	36,254	45,405	0	75,568	1,974	557,787	410,460
Social protection	4,270	0	97,628	0	1,880	1,057,344	99,675	0	11,049	7,409	1,279,254	213,225
Total	262,919	-2,241	1,268,499	139,929	210,756	1,133,711	727,138	3,954	210,290	98,502	4,053,458	1,737,266

... Table 4. Components of General Government expenditure by function 2014-2018

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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
2018												
General public services	66,209	-11,021	150,797	54	190,713	0	105,225	818	134,517	2,247	639,561	-51,512
Defence	6,920	0	49,446	0	0	0	6,891	0	66	0	63,323	64,417
Public order and safety	13,958	0	116,352	0	0	0	19,794	0	2,035	0	152,139	134,832
Economic affairs	133,702	0	120,437	154,899	2,914	0	125,356	966	19,334	122,300	679,908	280,830
Environment protection	13,976	0	30,514	10,799	0	0	69,085	0	2,753	26,520	153,646	113,494
Housing and community amenities	9,728	0	20,064	0	0	0	23,533	0	649	10	53,984	13,084
Health	34,510	0	352,560	0	0	45,188	228,450	0	644	0	661,352	641,246
Recreation, culture and religion	24,530	0	34,146	610	0	0	57,210	0	5,389	8,081	129,966	86,828
Education	62,656	0	395,181	1,822	0	41,631	52,722	2	90,768	15	644,797	471,622
Social protection	3,200	0	104,040	0	2,030	1,094,209	122,265	0	14,883	9,191	1,349,818	251,393
Total	369,390	-11,021	1,373,537	168,184	195,657	1,181,028	810,532	1,786	271,038	168,364	4,528,494	2,006,233

Chart 1. General Government expenditure by function 2014-2018

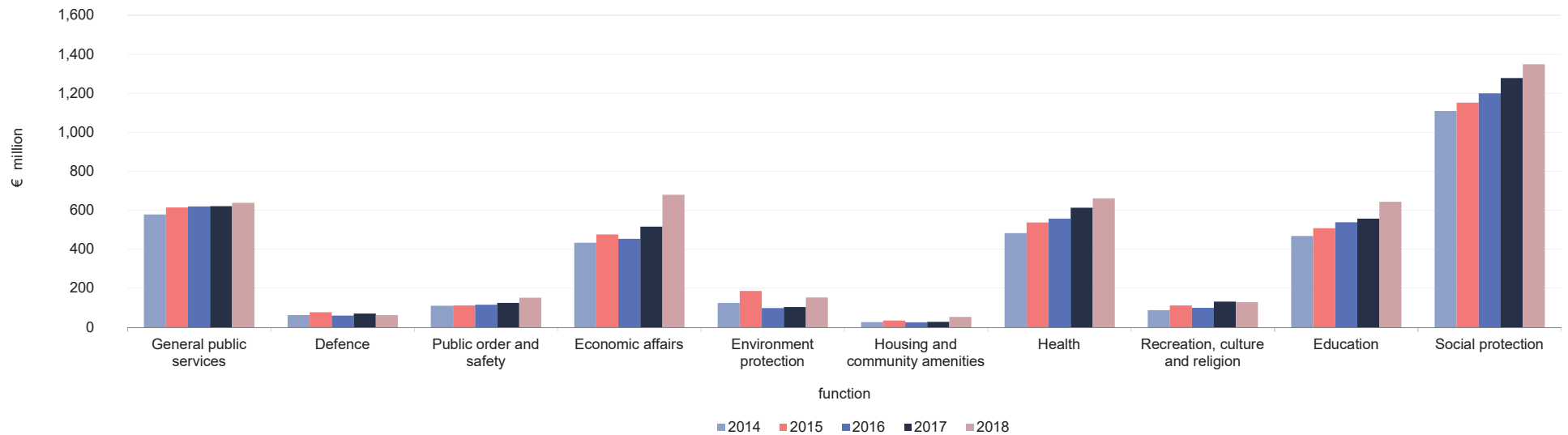


Table 5. General Government expenditure by second level function 2014-2018 ...

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	2014	2015	2016	2017	2018
1. General public services	579,665	614,764	620,651	622,259	639,561
Executive and legislative organs, financial, fiscal and external affairs	235,309	260,146	284,470	270,190	312,111
Foreign economic aid	937	611	3,067	1,484	1,706
General services	94,469	95,299	83,190	98,586	84,518
Basic Research	48	0	351	321	325
R&D General public services	655	746	814	0	0
General public services n.e.c.	14,592	27,538	30,012	42,347	47,367
Public debt transactions	233,655	230,424	218,746	209,330	193,534
Transfers of a general character between levels of government	0	0	0	0	0
2. Defence	62,893	77,942	60,839	70,882	63,323
Military defence	62,893	77,942	60,814	64,808	63,152
Civil defence	0	0	25	6,073	170
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	111,125	112,709	116,731	126,241	152,139
Police services	64,970	67,061	66,925	73,378	88,749
Fire-protection services	5,168	6,234	7,767	8,111	9,073
Law courts	29,069	26,447	28,681	29,115	36,331
Prisons	11,822	12,864	13,250	15,638	17,987
R&D Public order and safety	96	103	107	0	0
Public order and safety n.e.c.	0	0	0	0	0
4. Economic affairs	434,369	477,284	453,999	516,804	679,908
General economic, commercial and labour affairs	115,906	97,912	111,539	172,237	179,912
Agriculture, forestry, fishing and hunting	42,679	50,277	42,059	35,859	54,703
Fuel and energy	46,254	55,991	54,102	62,056	72,779
Mining, manufacturing and construction	38,383	38,771	35,090	30,648	37,612
Transport	122,857	159,612	125,428	116,637	231,641
Communication	3,872	2,750	3,775	8,850	8,861
Other industries	54,134	55,907	80,874	86,727	91,152
R&D Economic affairs	10,284	16,062	1,131	2,589	2,848
Economic affairs n.e.c.	0	0	0	1,200	400
5. Environment protection	126,307	187,384	99,018	104,725	153,646
Waste management	65,799	105,209	58,575	59,212	66,260
Waste water management	36,406	52,383	20,156	20,944	54,341
Pollution abatement	3,803	7,208	808	915	1,701
Protection of biodiversity and landscape	18,400	18,209	18,564	22,174	28,468
R&D Environmental protection	132	2,734	19	60	121
Environmental protection n.e.c.	1,768	1,642	897	1,420	2,755
6. Housing and community amenities	27,592	35,288	26,660	29,130	53,984
Housing development	8,861	11,580	4,211	1,618	4,280
Community development	12,655	14,799	16,802	20,179	43,151
Water supply	400	75	0	20	20
Street lighting	5,500	8,687	5,510	7,155	6,404
R&D Housing and community amenities	0	0	0	0	0
Housing and community amenities n.e.c.	176	146	137	158	128
7. Health	484,093	538,766	557,987	614,027	661,352
Medical products, appliances and equipment	44,528	45,276	57,169	65,847	76,796
Outpatient services	84,264	91,539	95,048	104,423	120,036
Hospital services	321,765	363,911	366,605	409,272	424,598
Public health services	1,950	1,875	2,548	1,951	5,417
R&D Health	11	49	172	382	95
Health n.e.c.	31,575	36,116	36,445	32,151	34,411
8. Recreation, culture and religion	88,316	112,172	101,333	132,350	129,966
Recreational and sporting services	7,885	12,518	9,552	21,527	20,228
Cultural services	69,567	82,062	73,656	95,238	92,840
Broadcasting and publishing services	2,935	2,485	5,094	2,900	3,214
Religious and other community services	1,838	2,652	1,323	2,276	1,608
R&D Recreation, culture and religion	4	45	117	130	85
Recreation, culture and religion n.e.c.	6,087	12,410	11,591	10,279	11,991

... Table 5. General Government expenditure by second level function 2014-2018

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	2014	2015	2016	2017	2018
9. Education	469,472	509,076	540,049	557,787	644,797
Pre-primary and primary education	124,064	127,859	131,486	143,594	164,786
Secondary education	170,838	197,802	210,877	200,009	235,663
Post-secondary non-tertiary education	9,058	9,635	10,256	15,447	17,830
Tertiary education	85,560	88,417	102,283	107,551	109,679
Education not definable by level	2,614	1,523	1,034	1,934	2,404
Subsidiary services to education	9,479	9,701	11,270	11,264	17,012
R&D Education	36,716	36,709	39,903	42,880	46,200
Education n.e.c.	31,143	37,431	32,940	35,107	51,222
10. Social protection	1,110,366	1,152,696	1,200,444	1,279,254	1,349,818
Sickness and disability	110,571	107,995	107,354	107,926	115,010
Old age	651,986	678,736	738,332	796,803	827,918
Survivors	131,939	134,143	140,849	150,147	155,928
Family and children	98,584	105,285	96,562	103,647	111,432
Unemployment	40,916	42,258	36,137	30,176	30,736
Housing	10,397	20,797	16,261	16,198	18,292
Social exclusion n.e.c.	28,770	29,577	25,661	29,403	32,224
R&D Social protection	0	0	0	0	0
Social protection n.e.c.	37,202	33,905	39,287	44,953	58,276
Total General Government expenditure by function	3,494,198	3,818,080	3,777,710	4,053,458	4,528,494

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 2014 (ISBN 978-1-49834-376-3). These methodologies are mandatory for all EU Member States.
2. Member States are requested to transmit the data in this News Release twelve months after the end of the reference period.
3. Data in this News Release provides information about expenditure of the general government sector divided into the main COFOG (Classification of the Functions of Government) categories and ESA 2010 categories.
4. The Classification of the Functions of Government (COFOG) classifies government expenditure into ten main categories (divisions known as the 'COFOG 1st level' breakdown): general public services; defence; public order and safety; economic affairs; environmental protection; housing and community affairs; health; recreation, culture and religion; education; social protection. These divisions are further broken down into 'groups' (COFOG 2nd level).
5. Figures may not add up due to rounding.
6. All data in this release should be considered as provisional and therefore subject to revision.
7. 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
Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>
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European statistics comparable to data in this News Release are available at:

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