

27 January 2021 | 1100 hrs | 014/2021

Social protection remained the core function of government expenditure in 2019, representing 29.1 per cent of total General Government expenditure, followed by General public services, Health and Education.

Expenditure of General Government Sector by Function: 2015-2019

This news release presents data on the Classification of Functions of Government (COFOG), which is a commonly used methodology to examine the structure of government expenditure.

In 2019, total General Government expenditure increased by €414.1 million over 2018, amounting to €4,989.9 million. Apart from being the primary expenditure function amounting to €1,452.4 million, Social protection also registered the largest expenditure increase (€100.5 million). In particular, this reflects higher expenditure on social benefits (€37.7 million) and the extension of the St Vincent de Paul Long Term Care Facility for the elderly (€22.4 million).

Expenditure on General public services registered a rise of €88.3 million, the second largest increase over 2018, mainly as a result of an increase in gross capital formation (€25.0 million) and the new subsidy payment to the Malta Financial Services Authority of €22.9 million. This was followed by Education and Health, which both increased by €65.2 million. The increase in Education expenditure was mainly on account of higher compensation of employees (€22.5 million) and the provision of free school transport (€12.9 million), while the rise in Health expenditure was mainly attributable to higher wages and salaries (€30.1 million) and a larger outlay on medicines and surgical materials used for hospital services (€22.0 million). Expenditure on Environment protection increased by €38.0 million and amounted to €194.2 million. Almost all functions of General Government expenditure registered an increase, except for Recreation, culture and religion, which registered a slight decrease (Tables 1 and 4).

In 2019, the highest share of General Government expenditure was allocated to Social protection, which accounted for 29.1 per cent of the total outlay. This was followed by General public services (15.0 per cent), Health (14.7 per cent), Education (14.2 per cent) and Economic affairs (13.8 per cent). Expenditure on Environment protection registered a share of 3.9 per cent, while Public order and safety recorded a share of 3.4 per cent. On the contrary, similar to 2018, expenditure on Housing and community amenities had the lowest share of total expenditure, followed by Defence, amounting to 1.1 and 1.9 per cent respectively (Table 2).

General public services as a share of total General Government expenditure registered an increase of 0.6 percentage points over 2018, which represented the highest increase. Decreases in the share of expenditure were noted mainly for Economic affairs and Social protection, down by 1.1 and 0.4 percentage points respectively (Table 2).

In 2019, General Government expenditure as a percentage of GDP increased by 0.5 percentage points, to 37.1 per cent (Table 3).

Similar to the previous four years, when considering the components of General Government expenditure by function for 2019, a considerable share of government outlay was in the form of wages and salaries (29.6 per cent), social benefits in cash or in kind (24.8 per cent) and intermediate consumption (19.4 per cent) (Table 4).

Table 5 provides a detailed breakdown of General Government expenditure by examining the second level function of the COFOG classification. The trend for 2019 remains consistent with that in previous years, considering that the largest share of government expenditure was spent on Old age (€910.7 million), which represented 62.7 per cent of spending on Social protection and 18.3 per cent of total General Government expenditure. This was followed by Hospital services (€492.9 million), which accounted for 67.1 per cent of expenditure on Health. Also, a considerable share of government expenditure was recorded for Executive and legislative organs, financial, fiscal and external affairs (€348.2 million), followed by a total of €253.4 million and €227.2 million on Secondary education and Transport, respectively ■

Table 1. General Government expenditure by function

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COFOG	2015	2016	2017	2018	2019
General public services	619,034	629,418	629,318	660,220	748,507
Defence	77,942	60,839	70,882	64,288	93,287
Public order and safety	112,709	117,339	126,864	147,958	169,350
Economic affairs	477,682	457,434	516,987	681,817	687,029
Environment protection	187,384	102,804	107,700	156,248	194,182
Housing and community amenities	35,288	26,660	29,379	54,668	56,290
Health	538,846	558,026	618,314	669,886	735,063
Recreation, culture and religion	116,457	106,139	137,440	147,197	147,018
Education	509,076	540,701	554,963	641,595	706,799
Social protection	1,152,760	1,200,648	1,279,569	1,351,867	1,452,359
Total	3,827,177	3,800,009	4,071,415	4,575,744	4,989,884

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

COFOG	2015	2016	2017	2018	2019
General public services	16.2	16.6	15.5	14.4	15.0
Defence	2.0	1.6	1.7	1.4	1.9
Public order and safety	2.9	3.1	3.1	3.2	3.4
Economic affairs	12.5	12.0	12.7	14.9	13.8
Environment protection	4.9	2.7	2.6	3.4	3.9
Housing and community amenities	0.9	0.7	0.7	1.2	1.1
Health	14.1	14.7	15.2	14.6	14.7
Recreation, culture and religion	3.0	2.8	3.4	3.2	2.9
Education	13.3	14.2	13.6	14.0	14.2
Social protection	30.1	31.6	31.4	29.5	29.1
Total	100.0	100.0	100.0	100.0	100.0

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

COFOG	2015	2016	2017	2018	2019
General public services	6.2	6.0	5.4	5.3	5.6
Defence	0.8	0.6	0.6	0.5	0.7
Public order and safety	1.1	1.1	1.1	1.2	1.3
Economic affairs	4.8	4.3	4.4	5.5	5.1
Environment protection	1.9	1.0	0.9	1.2	1.4
Housing and community amenities	0.4	0.3	0.3	0.4	0.4
Health	5.4	5.3	5.3	5.4	5.5
Recreation, culture and religion	1.2	1.0	1.2	1.2	1.1
Education	5.1	5.1	4.8	5.1	5.3
Social protection	11.5	11.4	11.0	10.8	10.8
Total	38.3	35.9	34.9	36.6	37.1

Source of Gross Domestic Product data: [News Release 194/2020](#) dated 27 November 2020.

Table 4. Components of General Government expenditure by function: 2015-2019 ...

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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	230,068	0	112,613	605	110,899	4,648	619,034	111,785
Defence	29,697	0	41,615	0	0	0	6,592	0	38	0	77,942	53,953
Public order and safety	3,862	0	98,089	0	0	0	9,436	0	1,232	89	112,709	105,189
Economic affairs	92,261	-1,000	105,331	98,003	1	0	89,366	1,634	2,369	89,718	477,682	222,134
Environment protection	76,124	0	18,264	976	38	0	63,225	0	75	28,682	187,384	100,636
Housing and community amenities	10,600	0	12,693	0	70	0	11,304	0	75	546	35,288	13,226
Health	58,974	0	288,839	0	0	30,100	160,755	0	169	10	538,846	511,368
Recreation, culture and religion	42,160	0	25,308	8,688	0	41	29,874	-10	9,746	648	116,457	52,268
Education	54,324	0	305,951	971	0	33,878	43,291	71	69,717	874	509,076	365,896
Social protection	-5,791	0	94,163	2,912	2,046	977,201	65,947	0	6,450	9,832	1,152,760	171,789
Total	392,594	3,082	1,115,839	111,700	232,223	1,041,220	592,402	2,300	200,770	135,047	3,827,177	1,708,243
2016												
General public services	40,309	7,536	129,047	317	219,706	0	119,838	583	97,380	14,702	629,418	-23,944
Defence	10,435	0	44,278	0	0	0	6,095	0	31	0	60,839	58,415
Public order and safety	6,663	0	100,464	0	0	0	9,430	0	782	0	117,339	108,096
Economic affairs	72,193	0	110,496	108,958	588	0	98,822	924	7,465	57,989	457,434	249,726
Environment protection	12,716	0	16,633	1,126	9	0	71,853	0	265	202	102,804	108,057
Housing and community amenities	1,249	0	15,559	0	16	0	9,825	0	0	10	26,660	7,856
Health	34,628	0	312,013	0	0	37,714	173,410	1	235	26	558,026	553,047
Recreation, culture and religion	10,802	0	28,661	21,445	0	56	36,174	0	8,977	25	106,139	64,793
Education	68,580	0	326,829	256	0	36,376	34,949	2	73,699	10	540,701	378,591
Social protection	-625	0	95,440	0	1,825	1,011,909	75,383	0	8,120	8,597	1,200,648	189,624
Total	256,951	7,536	1,179,420	132,101	222,143	1,086,054	635,780	1,510	196,954	81,560	3,800,009	1,694,263

... Table 4. Components of General Government expenditure by function: 2015-2019

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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	52,360	5,261	149,790	50	211,696	0	123,646	1,814	81,049	3,652	629,318	-100,911
Defence	16,575	0	47,212	0	0	0	6,981	0	114	0	70,882	63,962
Public order and safety	11,507	0	103,134	0	0	0	11,005	0	1,218	0	126,864	112,718
Economic affairs	67,515	-3,200	120,907	127,886	686	0	92,722	2,504	19,391	88,576	516,987	254,006
Environment protection	6,924	0	19,671	1,285	0	0	79,178	0	492	150	107,700	111,884
Housing and community amenities	4,236	0	13,996	0	0	0	11,078	-20	80	9	29,379	4,332
Health	31,695	0	337,155	0	0	40,030	209,235	0	198	0	618,314	611,778
Recreation, culture and religion	36,062	0	29,630	10,709	0	84	45,569	0	14,466	921	137,440	72,762
Education	46,814	0	350,426	0	0	36,254	45,502	0	75,568	400	554,963	412,516
Social protection	4,533	0	97,628	0	1,880	1,057,344	99,675	0	11,049	7,460	1,279,569	213,599
Total	278,221	2,061	1,269,549	139,929	214,261	1,133,711	724,590	4,299	203,626	101,168	4,071,415	1,756,645
2018												
General public services	84,468	-4,479	154,907	54	193,842	0	109,577	1,181	118,546	2,124	660,220	-54,640
Defence	7,323	0	49,446	0	0	0	7,453	0	66	0	64,288	67,691
Public order and safety	7,765	0	117,254	0	0	0	20,904	0	2,035	0	147,958	137,899
Economic affairs	133,126	1,127	122,098	156,721	786	0	121,950	966	19,313	125,731	681,817	284,569
Environment protection	13,355	0	30,312	10,799	0	0	72,501	0	2,761	26,520	156,248	118,539
Housing and community amenities	9,732	0	20,399	0	0	0	23,811	67	649	10	54,668	13,440
Health	45,479	0	353,921	0	0	45,188	224,655	-1	644	0	669,886	641,470
Recreation, culture and religion	33,019	0	31,953	11,451	0	0	56,991	0	13,060	723	147,197	81,654
Education	66,372	0	389,837	0	0	41,631	52,970	2	90,768	15	641,595	463,492
Social protection	5,204	0	104,040	0	2,030	1,094,209	122,265	0	14,883	9,237	1,351,867	254,179
Total	405,842	-3,352	1,374,168	179,024	196,658	1,181,028	813,077	2,214	262,724	164,359	4,575,744	2,008,292

... Table 4. Components of General Government expenditure by function: 2015-2019

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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
2019												
General public services	109,466	7,118	171,199	22,967	185,925	0	126,812	611	122,186	2,222	748,507	8,708
Defence	35,512	0	48,466	0	0	0	9,159	0	150	0	93,287	68,729
Public order and safety	5,859	0	128,886	0	0	0	30,794	0	3,810	0	169,350	158,649
Economic affairs	170,908	0	123,056	162,688	-96	0	157,526	894	20,520	51,533	687,029	328,092
Environment protection	19,363	0	33,912	1,799	0	0	94,171	0	3,089	41,848	194,182	148,211
Housing and community amenities	9,656	0	22,123	0	0	0	24,489	-20	25	17	56,290	17,999
Health	41,218	0	384,024	0	19	51,166	258,358	0	278	0	735,063	711,337
Recreation, culture and religion	23,746	0	37,512	7,648	0	0	64,309	0	12,358	1,444	147,018	95,186
Education	73,845	0	412,322	0	0	54,927	63,072	195	102,416	21	706,799	517,310
Social protection	30,187	0	117,952	0	2,408	1,131,889	140,363	0	19,203	10,356	1,452,359	292,773
Total	519,762	7,118	1,479,453	195,102	188,255	1,237,983	969,054	1,680	284,036	107,441	4,989,884	2,346,994

Chart 1. General Government expenditure by function: 2015-2019

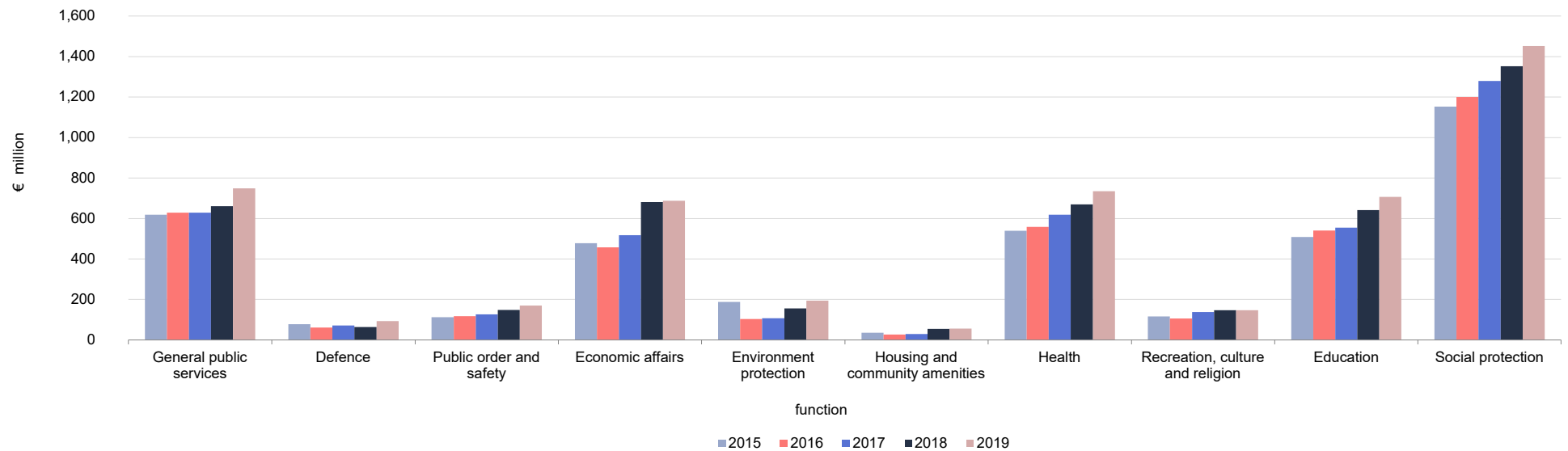


Table 5. General Government expenditure by second level function: 2015-2019 ...

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	2015	2016	2017	2018	2019
1. General public services	619,034	629,418	629,318	660,220	748,507
Executive and legislative organs, financial, fiscal and external affairs	260,146	289,526	271,054	306,045	348,189
Foreign economic aid	611	3,067	1,690	1,986	1,600
General services	95,299	83,385	103,158	103,123	151,750
Basic Research	0	351	321	325	348
R&D General public services	746	814	0	0	0
General public services n.e.c.	27,538	30,012	42,347	50,909	54,872
Public debt transactions	234,694	222,264	210,747	197,831	191,747
Transfers of a general character between levels of government	0	0	0	0	0
2. Defence	77,942	60,839	70,882	64,288	93,287
Military defence	77,942	60,814	64,808	64,118	91,521
Civil defence	0	25	6,073	170	1,766
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	112,709	117,339	126,864	147,958	169,350
Police services	67,061	67,533	74,001	89,434	98,144
Fire-protection services	6,234	7,767	8,111	9,073	11,112
Law courts	26,447	28,681	29,115	31,464	38,675
Prisons	12,864	13,250	15,638	17,987	21,418
R&D Public order and safety	103	107	0	0	0
Public order and safety n.e.c.	0	0	0	0	0
4. Economic affairs	477,682	457,434	516,987	681,817	687,029
General economic, commercial and labour affairs	97,217	107,765	169,026	178,254	162,474
Agriculture, forestry, fishing and hunting	50,973	48,014	44,614	58,368	51,852
Fuel and energy	55,991	54,102	62,056	72,779	66,277
Mining, manufacturing and construction	38,771	35,111	30,661	38,663	33,980
Transport	159,612	126,251	118,907	234,768	227,198
Communication	3,148	4,177	4,750	4,701	7,087
Other industries	55,907	80,874	83,177	90,777	132,785
R&D Economic affairs	16,062	1,141	2,596	3,106	5,376
Economic affairs n.e.c.	0	0	1,200	400	0
5. Environment protection	187,384	102,804	107,700	156,248	194,182
Waste management	104,232	60,729	60,379	67,548	86,563
Waste water management	52,383	20,156	20,944	54,404	57,467
Pollution abatement	8,184	1,933	2,200	3,515	6,354
Protection of biodiversity and landscape	18,209	19,070	22,697	28,378	41,860
R&D Environmental protection	2,734	19	60	121	37
Environmental protection n.e.c.	1,642	897	1,420	2,281	1,901
6. Housing and community amenities	35,288	26,660	29,379	54,668	56,290
Housing development	11,580	4,211	1,867	4,964	4,014
Community development	14,799	16,802	20,179	43,152	44,125
Water supply	75	0	20	20	0
Street lighting	8,687	5,510	7,155	6,404	8,026
R&D Housing and community amenities	0	0	0	0	0
Housing and community amenities n.e.c.	146	137	158	128	126
7. Health	538,846	558,026	618,314	669,886	735,063
Medical products, appliances and equipment	45,276	57,169	65,847	76,789	77,268
Outpatient services	91,539	95,048	104,912	121,333	123,859
Hospital services	363,911	366,605	413,023	433,605	492,872
Public health services	1,875	2,548	1,951	5,417	2,755
R&D Health	49	172	382	95	100
Health n.e.c.	36,197	36,483	32,198	32,647	38,208
8. Recreation, culture and religion	116,457	106,139	137,440	147,197	147,018
Recreational and sporting services	12,518	9,552	21,540	29,445	27,888
Cultural services	82,062	74,467	96,039	96,483	95,533
Broadcasting and publishing services	6,770	9,018	7,039	7,420	8,091
Religious and other community services	2,652	1,323	2,276	1,608	2,036
R&D Recreation, culture and religion	45	118	130	97	134
Recreation, culture and religion n.e.c.	12,410	11,661	10,417	12,143	13,337

... Table 5. General Government expenditure by second level function: 2015-2019

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	2015	2016	2017	2018	2019
9. Education	509,076	540,701	554,963	641,595	706,799
Pre-primary and primary education	127,859	131,486	143,594	164,786	180,319
Secondary education	197,802	210,877	200,009	246,190	253,356
Post-secondary non-tertiary education	9,635	10,256	15,447	5,286	6,552
Tertiary education	88,417	102,645	104,456	110,012	128,142
Education not definable by level	1,523	1,034	1,934	2,404	7,165
Subsidiary services to education	9,701	11,270	11,264	17,012	30,823
R&D Education	36,709	40,193	43,152	51,657	51,390
Education n.e.c.	37,431	32,940	35,107	44,248	49,053
10. Social protection	1,152,760	1,200,648	1,279,569	1,351,867	1,452,359
Sickness and disability	107,995	107,354	107,926	115,010	117,715
Old age	678,736	738,332	796,803	841,210	910,723
Survivors	134,143	140,849	150,147	155,928	158,401
Family and children	105,285	96,562	103,647	111,308	122,270
Unemployment	42,258	36,137	30,873	31,465	27,071
Housing	20,860	16,319	16,250	18,272	19,245
Social exclusion n.e.c.	29,577	25,661	29,403	32,224	38,975
R&D Social protection	0	0	0	0	0
Social protection n.e.c.	33,905	39,433	44,520	46,450	57,960
Total General Government expenditure by function	3,827,177	3,800,009	4,071,415	4,575,744	4,989,884

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: https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Expenditure-of-General-Government-Sector-by-Function.aspx
Statistical Concepts: <https://metadata.nso.gov.mt/concepts.aspx>
Metadata: <https://metadata.nso.gov.mt/reports.aspx?id=170>

European statistics comparable to data in this News Release are available at:

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