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In 2020, Government spending on Economic affairs and Health increased significantly over the previous year, while Social protection remained the core function of government expenditure, representing 26.1 per cent of total General Government expenditure.

Expenditure of General Government Sector by Function: 2020

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 2020, total General Government expenditure increased by €946.5 million over 2019, amounting to €6,001.8 million. Social protection remained the primary expenditure function, amounting to €1,569.4 million. This represents an annual increase of €116.9 million, mainly attributable to a rise of €78.2 million in social benefits.

Expenditure on Economic affairs amounted to €1,311.8 million, registering the highest expenditure increase over 2019, that of €552.1 million. This was highly affected by the COVID-19 pandemic and subsequent government measures to mitigate its adverse effects, particularly the COVID-19 Business Assistance Programme of €394.6 million and a further €40.2 million spent on the Economic Regeneration Voucher Scheme.



Total outlay on Health stood at €939.9 million, a rise of €207.7 million, the second largest increase over 2019, mainly as a result of an increase of €120.5 million in Public health services spent on COVID-19 related expenditure such as the purchases of equipment, sanitation products, swabbing and testing services and several repatriation and cargo flights.

This was followed by expenditure on Education and General public services, which amounted to €766.8 million and €729.0 million, respectively. The increase in Education expenditure of €54.3 million was mainly on account of higher compensation of employees (€23.2 million), capital expenditure (€18.9 million) and social transfers in kind (€10.8 million), predominantly the provision of free school transport. Expenditure on General public services amounted to €729.0 million, a marginal increase of €3.3 million over 2019. Almost all functions of General Government expenditure registered an increase, except for Defence, Environment protection and Housing and community amenities (Tables 1 and 4).

In 2020, the highest share of General Government expenditure was spent on Social protection, which accounted for 26.1 per cent of the total outlay. This was followed by Economic affairs (21.9 per cent), Health (15.7 per cent), Education (12.8 per cent) and General public services (12.1 per cent). Expenditure on Environment protection registered a share of 3.3 per cent, while Public order and safety recorded a share of 3.2 per cent. Similar to 2019, expenditure on Housing and community amenities had the lowest share of total expenditure, followed by Defence, amounting 1.0 and 1.1 per cent, respectively (Table 2).

Spending on Economic affairs as a share of total General Government expenditure registered an increase of 6.8 percentage points over 2019, which represented the highest increase. Decreases in the share of expenditure were noted mainly for Social protection and General public services, down by 2.6 and 2.2 percentage points, respectively (Table 2).

General Government expenditure as a percentage of GDP increased by almost 10 percentage points, from 36.0 in 2019 to 45.9 per cent in 2020 (Table 3).

Similar to the previous four years, when considering the components of General Government expenditure by function for 2020, a considerable share of government outlay was in the form of wages and salaries (26.4 per cent), social benefits in cash or in kind (22.4 per cent) and intermediate consumption (19.7 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 largest share of government expenditure was spent on Old age (€942.4 million), which represented 60.1 per cent of spending on Social protection and 15.7 per cent of total General Government expenditure. This was followed by General economic, commercial and labour affairs, which increased in light of the pandemic, and amounted to €626.3 million or 47.7 per cent of expenditure on Economic affairs. Also, a considerable share of government expenditure was recorded for Hospital services (€544.0 million), followed by a total of €361.2 million and €282.7 million on Transport and Secondary education, respectively (Table 5).

Table 1. General Government expenditure by function

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COFOG	2016	2017	2018	2019	2020
General public services	630,652	638,300	667,777	725,732	729,008
Defence	60,839	70,882	64,288	93,287	68,729
Public order and safety	117,324	126,864	147,959	170,535	192,851
Economic affairs	482,945	549,548	723,048	759,794	1,311,844
Environment protection	102,826	107,673	163,534	201,258	197,732
Housing and community amenities	26,660	29,379	56,193	57,881	57,464
Health	558,195	609,721	660,981	732,143	939,892
Recreation, culture and religion	106,319	139,435	150,718	149,682	168,061
Education	540,798	555,348	642,362	712,440	766,785
Social protection	1,200,501	1,279,506	1,351,805	1,452,484	1,569,400
Total	3,827,058	4,106,656	4,628,666	5,055,236	6,001,766

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

COFOG	2016	2017	2018	2019	2020
General public services	16.5	15.5	14.4	14.4	12.1
Defence	1.6	1.7	1.4	1.8	1.1
Public order and safety	3.1	3.1	3.2	3.4	3.2
Economic affairs	12.6	13.4	15.6	15.0	21.9
Environment protection	2.7	2.6	3.5	4.0	3.3
Housing and community amenities	0.7	0.7	1.2	1.1	1.0
Health	14.6	14.8	14.3	14.5	15.7
Recreation, culture and religion	2.8	3.4	3.3	3.0	2.8
Education	14.1	13.5	13.9	14.1	12.8
Social protection	31.4	31.2	29.2	28.7	26.1
Total	100.0	100.0	100.0	100.0	100.0

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

COFOG	2016	2017	2018	2019	2020
General public services	6.0	5.3	5.1	5.2	5.6
Defence	0.6	0.6	0.5	0.7	0.5
Public order and safety	1.1	1.1	1.1	1.2	1.5
Economic affairs	4.6	4.6	5.6	5.4	10.0
Environment protection	1.0	0.9	1.3	1.4	1.5
Housing and community amenities	0.3	0.2	0.4	0.4	0.4
Health	5.3	5.1	5.1	5.2	7.2
Recreation, culture and religion	1.0	1.2	1.2	1.1	1.3
Education	5.1	4.6	5.0	5.1	5.9
Social protection	11.4	10.7	10.4	10.3	12.0
Total	36.4	34.4	35.7	36.0	45.9

Source of Gross Domestic Product data: [News Release 217/2021](#) dated 29 November 2021.

Table 4. Components of General Government expenditure by function: 2016-2020 ...

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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	46,845	7,536	136,047	317	220,901	0	106,438	583	97,283	14,702	630,652	-30,426
Defence	10,435	0	44,278	0	0	0	6,095	0	31	0	60,839	58,307
Public order and safety	6,663	0	100,464	0	0	0	9,415	0	782	0	117,324	108,017
Economic affairs	74,226	0	129,823	108,958	588	0	102,973	924	7,465	57,989	482,945	237,064
Environment protection	12,716	0	16,630	1,126	9	0	71,879	0	265	202	102,826	106,048
Housing and community amenities	1,249	0	15,559	0	16	0	9,825	0	0	10	26,660	7,715
Health	34,633	0	312,013	0	0	37,714	173,574	1	235	26	558,195	552,609
Recreation, culture and religion	10,833	0	28,661	21,445	0	56	36,323	0	8,977	25	106,319	64,495
Education	68,676	0	326,829	256	0	36,376	34,949	2	73,699	10	540,798	375,603
Social protection	-587	0	95,440	0	1,825	1,012,005	75,101	0	8,120	8,597	1,200,501	189,324
Total	265,690	7,536	1,205,743	132,101	223,338	1,086,151	626,571	1,510	196,557	81,560	3,827,058	1,668,756
2017												
General public services	53,019	5,261	159,790	50	212,657	0	113,646	1,814	88,411	3,652	638,300	-101,276
Defence	16,575	0	47,212	0	0	0	6,981	0	114	0	70,882	63,914
Public order and safety	11,507	0	103,134	0	0	0	11,005	0	1,218	0	126,864	112,681
Economic affairs	70,436	-3,200	145,006	127,886	686	0	98,243	2,504	19,391	88,596	549,548	247,933
Environment protection	6,924	0	19,661	1,285	0	0	79,161	0	492	150	107,673	109,996
Housing and community amenities	4,236	0	13,996	0	0	0	11,078	-20	80	9	29,379	4,192
Health	31,677	0	334,201	0	0	40,030	203,615	0	198	0	609,721	602,934
Recreation, culture and religion	36,407	0	30,097	10,709	0	84	46,752	0	14,466	921	139,435	73,378
Education	47,199	0	350,426	0	0	36,254	45,502	0	75,568	400	555,348	409,421
Social protection	4,729	0	97,628	0	1,880	1,057,344	99,416	0	11,049	7,460	1,279,506	213,125
Total	282,708	2,061	1,301,149	139,929	215,223	1,133,711	715,400	4,299	210,988	101,188	4,106,656	1,736,298

... Table 4. Components of General Government expenditure by function: 2016-2020

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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	85,964	-4,479	154,917	54	194,945	0	109,582	1,181	123,491	2,124	667,777	-54,810
Defence	7,323	0	49,446	0	0	0	7,453	0	66	0	64,288	67,620
Public order and safety	7,765	0	117,254	0	0	0	20,905	0	2,035	0	147,959	137,243
Economic affairs	137,551	1,127	145,902	156,721	1,086	0	134,475	1,087	19,347	125,751	723,048	279,977
Environment protection	9,694	0	30,290	10,799	0	0	83,471	0	2,761	26,520	163,534	129,648
Housing and community amenities	9,732	0	21,467	0	0	0	24,269	67	649	10	56,193	14,778
Health	45,486	0	350,386	0	0	45,188	219,278	-1	644	0	660,981	632,978
Recreation, culture and religion	33,897	0	32,583	11,451	0	0	56,743	0	15,229	815	150,718	81,269
Education	67,140	0	389,837	0	0	41,631	52,970	2	90,768	15	642,362	459,569
Social protection	5,642	0	104,040	0	2,030	1,094,209	121,765	0	14,883	9,237	1,351,805	253,374
Total	410,193	-3,352	1,396,122	179,024	198,061	1,181,028	830,910	2,336	269,872	164,472	4,628,666	2,001,646
2019												
General public services	111,666	5,330	171,431	27	186,753	0	126,031	966	121,306	2,222	725,732	10,314
Defence	35,512	0	48,466	0	0	0	9,159	0	150	0	93,287	69,999
Public order and safety	7,064	0	128,886	0	0	0	30,774	0	3,810	0	170,535	157,423
Economic affairs	180,573	665	149,787	185,628	-10	0	167,727	460	20,519	54,444	759,794	321,138
Environment protection	15,633	0	33,912	1,799	0	0	104,976	0	3,089	41,848	201,258	151,954
Housing and community amenities	9,521	0	23,331	0	0	0	25,007	-20	25	17	57,881	19,225
Health	41,537	0	385,380	0	19	58,051	246,879	-1	278	0	732,143	707,274
Recreation, culture and religion	24,657	0	38,007	7,648	0	0	65,593	0	12,333	1,444	149,682	95,566
Education	79,390	0	412,322	0	0	54,927	63,168	195	102,416	21	712,440	508,154
Social protection	30,429	0	117,961	0	2,408	1,131,889	140,397	0	19,044	10,356	1,452,484	294,378
Total	535,983	5,995	1,509,485	195,102	189,169	1,244,867	979,712	1,600	282,970	110,353	5,055,236	2,335,425

... Table 4. Components of General Government expenditure by function: 2016-2020

COFOG	2020											Total expenditure	Final consumption expenditure			
	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						
General public services	87,601	13,411	168,529	25	173,312	0	139,133	849	142,591	3,557						84,965
Defence	5,349	0	47,317	0	0	0	15,934	0	129	0						73,708
Public order and safety	8,389	0	134,072	0	0	0	47,283	0	3,108	0						179,991
Economic affairs	230,404	0	155,773	635,123	-246	0	167,619	766	21,166	101,239						342,709
Environment protection	28,053	0	34,996	1,339	0	0	103,993	0	3,857	25,493						155,259
Housing and community amenities	11,363	0	23,107	0	0	0	21,296	-20	1,717	1						23,682
Health	55,559	0	420,125	0	28	71,299	392,788	0	79	14						894,331
Recreation, culture and religion	40,963	0	38,320	17,258	0	0	56,030	0	13,485	2,005						97,035
Education	98,287	0	435,570	0	0	65,707	58,860	442	107,408	511						544,886
Social protection	17,880	0	126,089	0	3,092	1,210,044	176,844	0	21,285	14,167						336,579
Total	583,848	13,411	1,583,897	653,746	176,186	1,347,050	1,179,780	2,036	314,826	146,987						2,733,147

Chart 1. General Government expenditure by function: 2016-2020

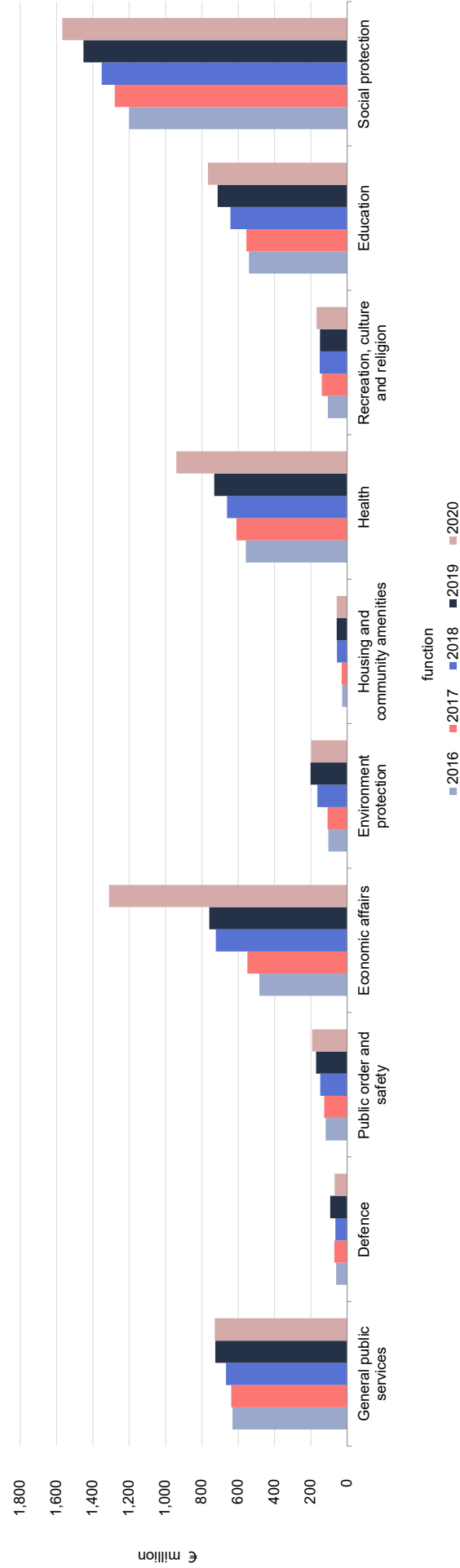


Table 5. General Government expenditure by second level function: 2016-2020 ...

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	2016	2017	2018	2019	2020
1. General public services	630,652	638,300	667,777	725,732	729,008
Executive and legislative organs, financial, fiscal and external affairs	289,513	280,757	328,542	342,721	347,704
Foreign economic aid	3,067	1,690	1,986	1,600	5,433
General services	83,437	103,024	103,560	148,976	146,321
Basic Research	351	321	325	348	324
R&D General public services	814	0	0	0	0
General public services n.e.c.	30,012	40,799	34,431	39,531	48,770
Public debt transactions	223,458	211,708	198,934	192,557	180,456
Transfers of a general character between levels of government	0	0	0	0	0
2. Defence	60,839	70,882	64,288	93,287	68,729
Military defence	60,814	64,808	64,118	91,521	66,834
Civil defence	25	6,073	170	1,766	1,894
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	117,324	126,864	147,959	170,535	192,851
Police services	67,533	74,001	89,435	98,144	105,005
Fire-protection services	7,767	8,111	9,073	11,112	16,484
Law courts	28,666	29,162	31,632	39,861	45,675
Prisons	13,250	15,591	17,820	21,418	25,515
R&D Public order and safety	107	0	0	0	173
Public order and safety n.e.c.	0	0	0	0	0
4. Economic affairs	482,945	549,548	723,048	759,794	1,311,844
General economic, commercial and labour affairs	107,747	169,170	177,338	190,212	626,331
Agriculture, forestry, fishing and hunting	48,014	44,614	58,368	51,852	55,914
Fuel and energy	54,102	62,056	72,779	66,277	82,438
Mining, manufacturing and construction	35,117	30,671	38,673	34,512	41,992
Transport	151,767	151,263	278,405	273,412	361,182
Communication	4,177	4,750	4,701	6,991	6,109
Other industries	80,874	83,197	89,272	131,296	133,635
R&D Economic affairs	1,148	2,627	3,111	1,028	498
Economic affairs n.e.c.	0	1,200	400	4,213	3,745
5. Environment protection	102,826	107,673	163,534	201,258	197,732
Waste management	60,729	60,379	74,833	93,629	107,022
Waste water management	20,156	20,944	54,404	57,467	41,002
Pollution abatement	1,933	2,200	3,515	6,354	11,199
Protection of biodiversity and landscape	19,100	22,697	28,379	41,860	36,157
R&D Environmental protection	12	32	121	37	61
Environmental protection n.e.c.	897	1,420	2,281	1,910	2,291
6. Housing and community amenities	26,660	29,379	56,193	57,881	57,464
Housing development	4,211	1,867	4,964	4,024	8,739
Community development	16,802	20,179	43,152	43,979	37,547
Water supply	0	20	1,545	1,726	2,195
Street lighting	5,510	7,155	6,404	8,026	8,872
R&D Housing and community amenities	0	0	0	0	0
Housing and community amenities n.e.c.	137	158	128	126	112
7. Health	558,195	609,721	660,981	732,143	939,892
Medical products, appliances and equipment	57,169	65,847	76,789	82,902	87,548
Outpatient services	95,048	104,347	120,733	123,872	135,483
Hospital services	366,605	404,642	424,756	483,590	544,023
Public health services	15,878	16,720	21,002	18,976	139,431
R&D Health	172	382	95	100	29
Health n.e.c.	23,323	17,783	17,607	22,702	33,377
8. Recreation, culture and religion	106,319	139,435	150,718	149,682	168,061
Recreational and sporting services	9,552	21,861	29,538	27,839	21,710
Cultural services	74,628	97,935	99,686	97,995	121,765
Broadcasting and publishing services	9,018	7,039	7,420	7,355	8,596
Religious and other community services	1,323	2,276	1,608	2,772	3,192
R&D Recreation, culture and religion	118	131	98	260	277
Recreation, culture and religion n.e.c.	11,679	10,194	12,369	13,462	12,520

... Table 5. General Government expenditure by second level function: 2016-2020

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	2016	2017	2018	2019	2020
9. Education	540,798	555,348	642,362	712,440	766,785
Pre-primary and primary education	131,486	143,223	169,491	179,694	201,283
Secondary education	209,314	202,927	250,295	259,154	282,652
Post-secondary non-tertiary education	11,905	13,309	2,612	2,751	493
Tertiary education	102,656	103,237	104,482	127,098	129,503
Education not definable by level	1,034	1,934	2,404	7,165	27,915
Subsidiary services to education	11,270	11,264	17,012	30,823	41,542
R&D Education	40,193	43,277	51,818	56,605	56,781
Education n.e.c.	32,940	36,176	44,248	49,149	26,616
10. Social protection	1,200,501	1,279,506	1,351,805	1,452,484	1,569,400
Sickness and disability	107,168	107,668	114,510	117,419	134,064
Old age	738,332	796,803	841,210	910,825	942,439
Survivors	140,849	150,147	155,928	158,401	165,683
Family and children	96,562	103,647	111,308	122,270	135,251
Unemployment	36,137	30,873	31,465	27,071	30,269
Housing	16,319	16,250	18,272	19,574	22,347
Social exclusion n.e.c.	25,661	29,403	32,224	38,975	51,560
R&D Social protection	0	0	0	0	0
Social protection n.e.c.	39,471	44,715	46,888	57,949	87,786
Total General Government expenditure by function	3,827,058	4,106,656	4,628,666	5,055,236	6,001,766

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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