

Social protection remained the core function of government expenditure in 2021, representing 25.3 per cent of total General Government expenditure, followed by expenditure on Economic affairs and Health.

## **Expenditure of General Government Sector by Function: 2021**

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 2021, total General Government expenditure increased by €527.3 million over 2020, amounting to €6,542.4 million. Social protection remained the primary expenditure function amounting to €1,655.5 million, an increase of €85.7 million over 2020, with the main increase reported in social benefits (€37.9 million).

A total of €1,375.1 million was spent on Economic affairs, an increase of €39.3 million over 2020. A significant amount was spent on measures to mitigate the adverse effects of the COVID-19 pandemic, particularly the COVID-19 Business Assistance Programme of €355.2 million and a further €42.9 million spent on the Economic Regeneration Voucher Scheme. A share of Government spending was also allocated to energy support initiatives to lessen the effects of the energy crisis (€77.4 million).

Total outlay on Health stood at €970.7 million, a rise of €28.5 million, mainly as a result of a larger outlay on compensation of employees (€48.8 million). This was followed by expenditure on General public services and Education, which amounted to €913.3 million and €837.1 million, respectively. The expenditure increase of €189.7 million in General public services over 2020 largely reflects an increase in the payments related to the EU Own Resources (€139.6 million). The increase in Education expenditure was mainly on account of higher compensation of employees (€36.5 million), intermediate consumption (€19.5 million) and other current transfers (€14.1 million), predominantly a higher contribution to church schools. Almost all functions of General Government expenditure registered an increase, except for Housing and community amenities, which stood at €77.7 million (Tables 1 and 4).

In 2021, the highest share of General Government expenditure was spent on Social protection, which accounted for 25.3 per cent of the total outlay. This was followed by Economic affairs (21.0 per cent), Health (14.8 per cent), General public services (14.0 per cent) and Education (12.8 per cent). Expenditure on Public order and safety registered a share of 3.4 per cent, while Environment protection recorded a share of 3.1 per cent. Moreover, expenditure on Housing and community amenities had the lowest share of total expenditure, followed by Defence, standing at 1.2 and 1.5 per cent, respectively (Table 2).

Spending on General public services as a share of total General Government expenditure registered an increase of 1.9 percentage points over 2020, representing the highest increase. Decreases in the share of expenditure were noted for Economic affairs and Health, down by 1.2 and 0.8 percentage points, respectively (Table 2).

General Government expenditure as a percentage of GDP decreased by 2 percentage points, from

General Government expenditure as a percentage of GDP decreased by 2 percentage points, from 45.7 in 2020 to 43.7 per cent in 2021 (Table 3).

Similar to previous years, when considering the components of General Government expenditure by function for 2021, a considerable share of government outlay was in the form of compensation of employees (27.0 per cent), social benefits in cash or in kind (21.2 per cent), intermediate consumption (19.7 per cent) and subsidies (10.6 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 (€1,039.8 million), which represents 62.8 per cent of spending on Social protection and 15.9 per cent of total General Government expenditure. This was followed by expenditure on General economic, commercial and labour affairs, which amounted to €614.8 million, or 44.7 per cent of expenditure on Economic affairs. Furthermore, a considerable share of General Government outlay was spent on Executive and legislative organs, financial, fiscal and external affairs (€576.1 million), followed by a total of €550.6 million and €335.4 million on Hospital services and Transport, respectively (Table 5).

Table 1. General Government expenditure by function

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COFOG	2017	2018	2019	2020	2021
General public services	638,515	664,019	732,182	723,541	913,277
Defence	70,882	64,288	93,287	68,729	98,135
Public order and safety	126,864	147,959	170,535	192,911	225,466
Economic affairs	549,515	725,723	760,583	1,335,803	1,375,056
Environment protection	113,292	174,836	170,786	186,337	205,606
Housing and community amenities	29,379	53,984	97,506	80,019	77,734
Health	609,721	660,981	732,143	942,187	970,692
Recreation, culture and religion	139,435	153,743	143,824	162,069	183,826
Education	555,348	642,237	712,327	753,802	837,142
Social protection	1,279,506	1,351,805	1,452,484	1,569,745	1,655,486
<b>Total</b>	<b>4,112,458</b>	<b>4,639,575</b>	<b>5,065,657</b>	<b>6,015,144</b>	<b>6,542,419</b>

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

COFOG	2017	2018	2019	2020	2021
General public services	15.5	14.3	14.5	12.0	14.0
Defence	1.7	1.4	1.8	1.1	1.5
Public order and safety	3.1	3.2	3.4	3.2	3.4
Economic affairs	13.4	15.6	15.0	22.2	21.0
Environment protection	2.8	3.8	3.4	3.1	3.1
Housing and community amenities	0.7	1.2	1.9	1.3	1.2
Health	14.8	14.2	14.5	15.7	14.8
Recreation, culture and religion	3.4	3.3	2.8	2.7	2.8
Education	13.5	13.8	14.1	12.5	12.8
Social protection	31.1	29.1	28.7	26.1	25.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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

COFOG	2017	2018	2019	2020	2021
General public services	5.3	5.1	5.2	5.5	6.1
Defence	0.6	0.5	0.7	0.5	0.7
Public order and safety	1.1	1.1	1.2	1.5	1.5
Economic affairs	4.6	5.6	5.4	10.1	9.2
Environment protection	0.9	1.3	1.2	1.4	1.4
Housing and community amenities	0.2	0.4	0.7	0.6	0.5
Health	5.1	5.1	5.2	7.2	6.5
Recreation, culture and religion	1.2	1.2	1.0	1.2	1.2
Education	4.7	5.0	5.0	5.7	5.6
Social protection	10.7	10.4	10.2	11.9	11.0
<b>Total</b>	<b>34.5</b>	<b>35.8</b>	<b>35.7</b>	<b>45.7</b>	<b>43.7</b>

Source of Gross Domestic Product data: [News Release 218/2022](#) dated 29 November 2022.

Table 4. Components of General Government expenditure by function: 2017-2021 ...

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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
<b>2017</b>												
General public services	53,019	5,261	159,790	50	212,658	0	113,519	1,814	88,752	3,652	<b>638,515</b>	-101,618
Defence	16,575	0	47,212	0	0	0	6,981	0	114	0	<b>70,882</b>	63,805
Public order and safety	11,507	0	103,134	0	0	0	11,005	0	1,218	0	<b>126,864</b>	112,626
Economic affairs	70,436	-3,200	144,973	127,886	686	0	98,243	2,504	19,391	88,596	<b>549,515</b>	247,365
Environment protection	6,924	0	19,694	1,285	0	0	81,015	0	492	3,883	<b>113,292</b>	111,747
Housing and community amenities	4,236	0	13,996	0	0	0	11,078	-20	80	9	<b>29,379</b>	4,170
Health	31,677	0	334,201	0	0	40,030	203,615	0	198	0	<b>609,721</b>	602,585
Recreation, culture and religion	36,407	0	30,097	10,709	0	84	46,752	0	14,466	921	<b>139,435</b>	73,212
Education	47,199	0	350,426	0	0	36,254	45,502	0	75,568	400	<b>555,348</b>	409,149
Social protection	4,729	0	97,628	0	1,880	1,057,344	99,416	0	11,049	7,460	<b>1,279,506</b>	213,076
<b>Total</b>	<b>282,708</b>	<b>2,061</b>	<b>1,301,150</b>	<b>139,929</b>	<b>215,224</b>	<b>1,133,711</b>	<b>717,127</b>	<b>4,299</b>	<b>211,329</b>	<b>104,921</b>	<b>4,112,458</b>	<b>1,736,117</b>
<b>2018</b>												
General public services	85,964	-4,479	154,917	54	194,944	0	109,430	1,181	119,883	2,124	<b>664,019</b>	-54,995
Defence	7,323	0	49,446	0	0	0	7,453	0	66	0	<b>64,288</b>	67,625
Public order and safety	7,765	0	117,254	0	0	0	20,905	0	2,035	0	<b>147,959</b>	137,248
Economic affairs	137,590	1,127	148,578	156,721	1,086	0	134,436	1,087	19,347	125,751	<b>725,723</b>	282,780
Environment protection	9,694	0	27,614	10,799	0	0	86,094	0	2,761	37,875	<b>174,836</b>	129,759
Housing and community amenities	13,779	0	21,115	0	0	0	18,382	67	640	1	<b>53,984</b>	14,341
Health	45,486	0	350,386	0	0	45,188	219,278	-1	644	0	<b>660,981</b>	633,004
Recreation, culture and religion	33,897	0	32,667	11,451	0	0	59,685	0	15,229	815	<b>153,743</b>	84,339
Education	67,014	0	389,837	0	0	41,631	52,970	2	90,768	15	<b>642,237</b>	459,982
Social protection	5,642	0	104,040	0	2,030	1,094,209	121,765	0	14,883	9,237	<b>1,351,805</b>	253,382
<b>Total</b>	<b>414,153</b>	<b>-3,352</b>	<b>1,395,855</b>	<b>179,024</b>	<b>198,060</b>	<b>1,181,028</b>	<b>830,396</b>	<b>2,336</b>	<b>266,256</b>	<b>175,818</b>	<b>4,639,575</b>	<b>2,007,465</b>

... Table 4. Components of General Government expenditure by function: 2017-2021

€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
<b>2019</b>												
General public services	112,141	5,330	171,463	27	186,755	0	126,234	966	127,044	2,222	<b>732,182</b>	7,210
Defence	35,512	0	48,466	0	0	0	9,159	0	150	0	<b>93,287</b>	71,868
Public order and safety	7,064	0	128,886	0	0	0	30,774	0	3,810	0	<b>170,535</b>	158,139
Economic affairs	180,574	665	150,557	185,628	-10	0	167,745	460	20,519	54,444	<b>760,583</b>	324,564
Environment protection	15,633	0	33,912	1,799	0	0	107,605	0	3,089	8,747	<b>170,786</b>	151,680
Housing and community amenities	9,533	0	23,540	0	0	0	25,700	123	25	38,585	<b>97,506</b>	19,327
Health	41,537	0	385,380	0	19	58,051	246,879	-1	278	0	<b>732,143</b>	711,191
Recreation, culture and religion	24,705	0	38,018	7,648	0	0	56,529	0	15,412	1,512	<b>143,824</b>	87,527
Education	79,277	0	412,322	0	0	54,927	63,168	195	102,416	21	<b>712,327</b>	503,492
Social protection	30,429	0	117,961	0	2,408	1,131,889	140,397	0	19,044	10,356	<b>1,452,484</b>	295,190
<b>Total</b>	<b>536,406</b>	<b>5,995</b>	<b>1,510,506</b>	<b>195,102</b>	<b>189,171</b>	<b>1,244,867</b>	<b>974,191</b>	<b>1,744</b>	<b>291,788</b>	<b>115,887</b>	<b>5,065,657</b>	<b>2,330,187</b>
<b>2020</b>												
General public services	85,765	14,147	169,157	25	173,060	0	144,248	964	132,631	3,545	<b>723,541</b>	93,055
Defence	5,349	0	47,317	0	0	0	15,934	0	129	0	<b>68,729</b>	75,683
Public order and safety	8,389	0	134,072	0	0	0	47,342	0	3,108	0	<b>192,911</b>	180,862
Economic affairs	228,826	639	162,294	656,108	-1,160	0	164,910	-57	21,139	103,106	<b>1,335,803</b>	353,660
Environment protection	25,188	0	34,769	1,339	0	0	107,421	0	2,872	14,747	<b>186,337</b>	154,046
Housing and community amenities	11,364	0	23,352	0	0	0	27,314	0	2,717	15,272	<b>80,019</b>	28,018
Health	57,257	0	419,061	0	28	66,870	398,835	34	88	14	<b>942,187</b>	901,731
Recreation, culture and religion	40,952	0	37,442	17,258	0	0	48,480	0	15,875	2,062	<b>162,069</b>	90,069
Education	85,349	0	435,570	0	0	65,707	58,815	442	107,408	511	<b>753,802</b>	539,293
Social protection	17,914	0	126,089	0	3,092	1,210,044	177,155	0	21,285	14,167	<b>1,569,745</b>	337,891
<b>Total</b>	<b>566,353</b>	<b>14,785</b>	<b>1,589,121</b>	<b>674,731</b>	<b>175,020</b>	<b>1,342,621</b>	<b>1,190,456</b>	<b>1,382</b>	<b>307,252</b>	<b>153,422</b>	<b>6,015,144</b>	<b>2,754,308</b>

... Table 4. Components of General Government expenditure by function: 2017-2021

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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
<b>2021</b>												
General public services	65,373	15,702	179,053	7,256	170,099	0	177,361	2,369	289,425	6,638	<b>913,277</b>	101,344
Defence	22,682	0	62,896	0	0	0	12,465	0	92	0	<b>98,135</b>	88,253
Public order and safety	13,425	0	147,893	0	0	0	57,162	0	6,986	0	<b>225,466</b>	201,609
Economic affairs	239,529	639	167,343	665,826	1,914	0	187,220	-81	26,240	86,426	<b>1,375,056</b>	369,157
Environment protection	25,860	0	41,406	5,411	0	0	108,288	0	2,324	22,318	<b>205,606</b>	163,861
Housing and community amenities	11,605	0	25,942	1,894	0	0	28,773	0	1,679	7,841	<b>77,734</b>	32,895
Health	46,552	0	467,856	0	16	65,423	390,503	34	485	-176	<b>970,692</b>	939,673
Recreation, culture and religion	47,288	0	48,866	14,616	0	0	54,281	0	18,252	523	<b>183,826</b>	117,002
Education	83,842	0	472,054	744	0	75,643	78,325	145	121,496	4,894	<b>837,142</b>	605,902
Social protection	12,540	0	152,997	213	5,106	1,247,987	197,566	0	23,980	15,098	<b>1,655,486</b>	388,378
<b>Total</b>	<b>568,696</b>	<b>16,341</b>	<b>1,766,306</b>	<b>695,960</b>	<b>177,136</b>	<b>1,389,052</b>	<b>1,291,942</b>	<b>2,467</b>	<b>490,959</b>	<b>143,562</b>	<b>6,542,419</b>	<b>3,008,075</b>

Chart 1. General Government expenditure by function: 2017-2021

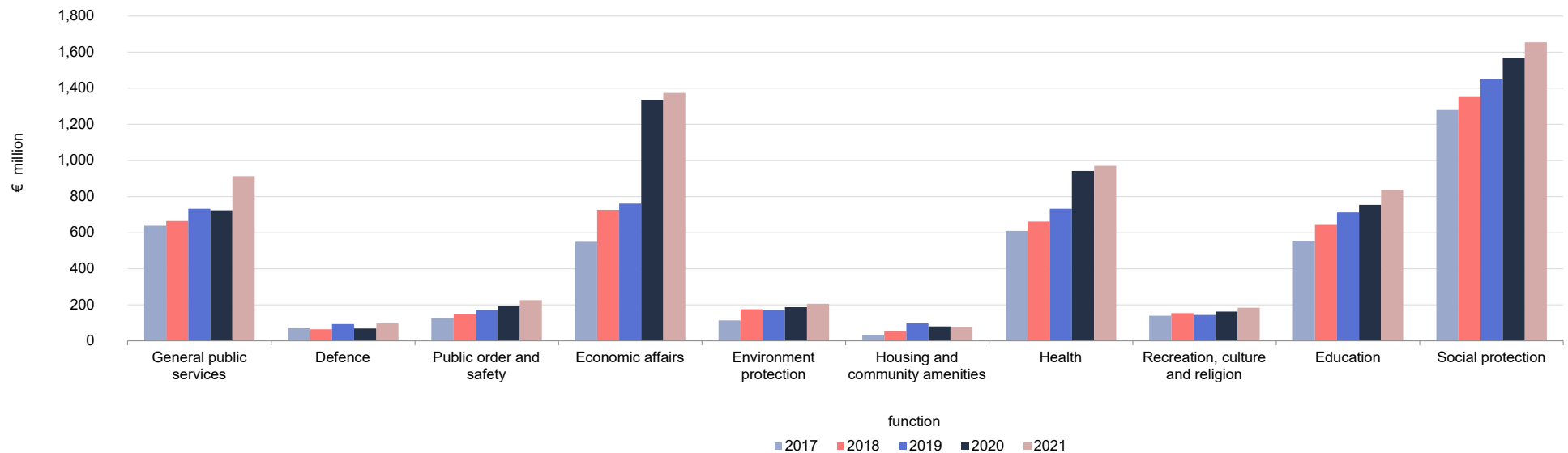


Table 5. General Government expenditure by second level function: 2017-2021 ...

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	2017	2018	2019	2020	2021
<b>1. General public services</b>	<b>638,515</b>	<b>664,019</b>	<b>732,182</b>	<b>723,541</b>	<b>913,277</b>
Executive and legislative organs, financial, fiscal and external affairs	281,098	324,934	349,089	342,734	576,072
Foreign economic aid	1,690	1,986	1,600	5,433	3,560
General services	102,897	103,409	149,057	145,006	109,673
Basic Research	321	325	348	324	324
R&D General public services	0	0	0	0	43
General public services n.e.c.	40,799	34,431	39,531	48,769	44,485
Public debt transactions	211,709	198,933	192,559	181,276	179,120
Transfers of a general character between levels of government	0	0	0	0	0
<b>2. Defence</b>	<b>70,882</b>	<b>64,288</b>	<b>93,287</b>	<b>68,729</b>	<b>98,135</b>
Military defence	64,808	64,118	91,521	66,834	86,052
Civil defence	6,073	170	1,766	1,894	12,082
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
<b>3. Public order and safety</b>	<b>126,864</b>	<b>147,959</b>	<b>170,535</b>	<b>192,911</b>	<b>225,466</b>
Police services	74,001	89,435	98,144	105,064	114,495
Fire-protection services	8,111	9,073	11,112	16,484	17,479
Law courts	29,162	31,632	39,861	45,675	58,445
Prisons	15,591	17,820	21,418	25,515	34,188
R&D Public order and safety	0	0	0	173	228
Public order and safety n.e.c.	0	0	0	0	630
<b>4. Economic affairs</b>	<b>549,515</b>	<b>725,723</b>	<b>760,583</b>	<b>1,335,803</b>	<b>1,375,056</b>
General economic, commercial and labour affairs	169,170	177,338	191,003	625,891	614,815
Agriculture, forestry, fishing and hunting	44,561	60,868	51,852	55,914	59,920
Fuel and energy	62,056	72,779	66,277	102,293	157,397
Mining, manufacturing and construction	30,671	38,673	34,512	41,501	27,481
Transport	151,263	278,405	273,412	366,281	335,402
Communication	4,750	4,701	6,991	6,109	3,176
Other industries	83,197	89,272	131,296	133,635	175,940
R&D Economic affairs	2,647	3,286	1,026	433	924
Economic affairs n.e.c.	1,200	400	4,213	3,745	0
<b>5. Environment protection</b>	<b>113,292</b>	<b>174,836</b>	<b>170,786</b>	<b>186,337</b>	<b>205,606</b>
Waste management	60,412	72,154	93,629	106,834	91,707
Waste water management	20,944	54,404	18,899	20,980	18,513
Pollution abatement	2,200	3,515	6,354	11,213	21,235
Protection of biodiversity and landscape	22,697	28,379	41,860	38,962	53,227
R&D Environmental protection	32	121	37	61	31
Environmental protection n.e.c.	7,007	16,262	10,006	8,287	20,893
<b>6. Housing and community amenities</b>	<b>29,379</b>	<b>53,984</b>	<b>97,506</b>	<b>80,019</b>	<b>77,734</b>
Housing development	1,867	4,964	5,081	11,271	14,094
Community development	20,179	40,942	43,979	37,547	38,991
Water supply	20	1,545	40,294	22,217	15,019
Street lighting	7,155	6,404	8,026	8,872	9,425
R&D Housing and community amenities	0	0	0	0	0
Housing and community amenities n.e.c.	158	128	126	112	205
<b>7. Health</b>	<b>609,721</b>	<b>660,981</b>	<b>732,143</b>	<b>942,187</b>	<b>970,692</b>
Medical products, appliances and equipment	65,847	76,789	82,902	83,306	94,595
Outpatient services	104,347	120,733	123,872	135,425	165,788
Hospital services	404,642	424,756	483,590	549,676	550,643
Public health services	16,720	21,002	18,976	139,431	113,472
R&D Health	382	95	100	29	55
Health n.e.c.	17,783	17,607	22,702	34,320	46,141
<b>8. Recreation, culture and religion</b>	<b>139,435</b>	<b>153,743</b>	<b>143,824</b>	<b>162,069</b>	<b>183,826</b>
Recreational and sporting services	21,861	29,538	27,839	21,702	36,977
Cultural services	97,935	102,711	92,138	115,755	118,991
Broadcasting and publishing services	7,039	7,420	7,355	8,596	8,861
Religious and other community services	2,276	1,608	2,772	3,193	1,929
R&D Recreation, culture and religion	131	97	259	279	383
Recreation, culture and religion n.e.c.	10,194	12,369	13,462	12,544	16,683

... Table 5. General Government expenditure by second level function: 2017-2021

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	2017	2018	2019	2020	2021
<b>9. Education</b>	<b>555,348</b>	<b>642,237</b>	<b>712,327</b>	<b>753,802</b>	<b>837,142</b>
Pre-primary and primary education	143,223	169,491	179,694	193,979	214,091
Secondary education	202,927	250,295	259,154	272,924	299,291
Post-secondary non-tertiary education	13,309	2,612	2,751	493	303
Tertiary education	103,237	104,482	127,098	129,503	132,822
Education not definable by level	1,934	2,404	7,165	27,915	36,251
Subsidiary services to education	11,264	17,012	30,823	41,542	54,279
R&D Education	43,277	51,693	56,492	54,797	60,727
Education n.e.c.	36,176	44,248	49,149	32,649	39,378
<b>10. Social protection</b>	<b>1,279,506</b>	<b>1,351,805</b>	<b>1,452,484</b>	<b>1,569,745</b>	<b>1,655,486</b>
Sickness and disability	107,668	114,510	122,961	134,615	139,493
Old age	796,803	841,210	910,825	942,199	1,039,782
Survivors	150,147	155,928	158,401	165,683	175,225
Family and children	103,647	111,308	122,270	135,251	151,373
Unemployment	30,873	31,465	27,071	30,269	18,939
Housing	16,250	18,272	19,574	22,347	22,278
Social exclusion n.e.c.	29,403	32,224	33,433	51,560	52,455
R&D Social protection	0	0	0	0	0
Social protection n.e.c.	44,715	46,888	57,949	87,820	55,942
<b>Total General Government expenditure by function</b>	<b>4,112,458</b>	<b>4,639,575</b>	<b>5,065,657</b>	<b>6,015,144</b>	<b>6,542,419</b>



## 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](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:**

[EUROSTAT Website/Homepage/Statistics Database](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en)

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For further assistance send a request from:

<https://workflow.gov.mt/Runtime/Runtime/Form/01+NSO+Request+for+Statistical+Information/?language=en>