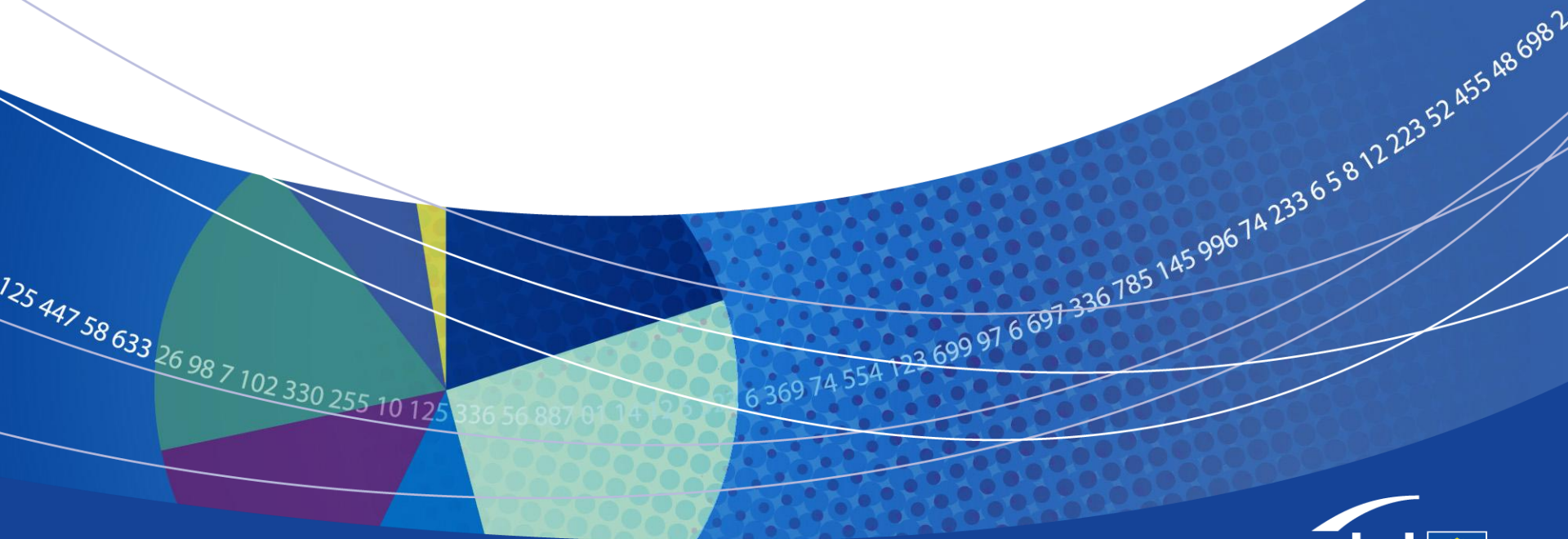


Data on government expenditure by function (COFOG)



Overview:

- Background
- Main characteristics of COFOG structure
- COFOG Data transmission (ESA95 Table 11)
- Some Transport-function related figures
- Conclusion

Background:

- COFOG=Classification of the Functions of Government
- Purpose/ function = ‘the socio-economic objective’ for which government engages in certain transactions
- Intended for the following uses:
 - Examine trends in government expenditure on particular functions or purposes over time,
 - Make inter-country comparisons of the extent to which governments are involved in economic and social functions

COFOG structure:

10 **divisions** (COFOG I level breakdown)

= *broad objectives of government*

split into:

– 69 **groups** (COFOG II level),

split further into:

• **109 classes** (COFOG III level)

Groups & classes

= *the means by which these broad objectives are achieved*

COFOG level I - 10 divisions

- 01 - General public services
- 02 - Defence
- 03 - Public order and safety
- 04 - Economic affairs
- 05 - Environmental protection
- 06 - Housing and community amenities
- 07 - Health
- 08 - Recreation, culture and religion
- 09 - Education
- 10 - Social protection

Transport function = COFOG level II group 04.5

- Part of Division 04- Economic affairs
- Includes COFOG level III classes:
 - 04.51 – Road transport
 - 04.52 – Water transport
 - 04.53 – Railway transport
 - 04.54 – Air transport
 - 04.55 – pipeline and other transport
- Some transport related functions may not be considered in this group

COFOG data transmission – ESA95 Table 11

- Legislation framework: EC regulation 1392/2007 on National Accounts data Transmission Programme (ESA95)
- Transmission deadline at t+12 months after the end of reference period
- Series length: from 1995-onwards
- Dimensions:
 - Year
 - Country
 - General Government (S13) + 4 sub-sectors:
 - Economic categories (transactions)
 - COFOG breakdown (1st and 2nd levels)

ESA95 economic categories - Main transactions

Operational expenses

Intermediate consumption (P.2), Compensation of employees (D.1), Taxes

Interests payable

Property income (D.4)

Capital investment

Gross capital formation (P.5), Acquisitions less disposals of non-financial non-produced assets (K.2)

Contributions and social transfers

Subsidies, payable (D.3),

Social benefits other than social transfers in kind and social transfers (D.60),

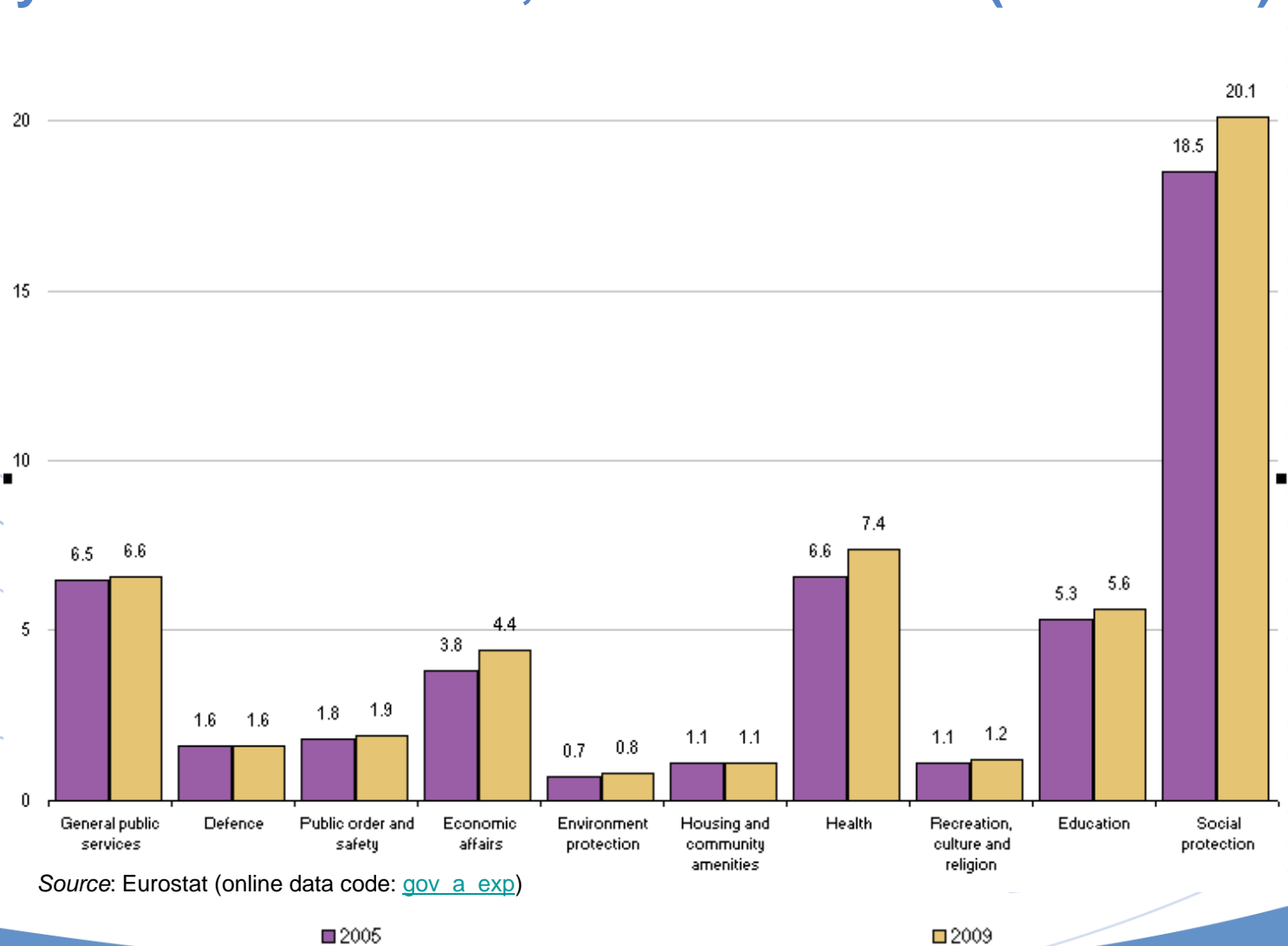
Other current transfers (D.7),

Capital transfers (D.9)

Availability of COFOG functions

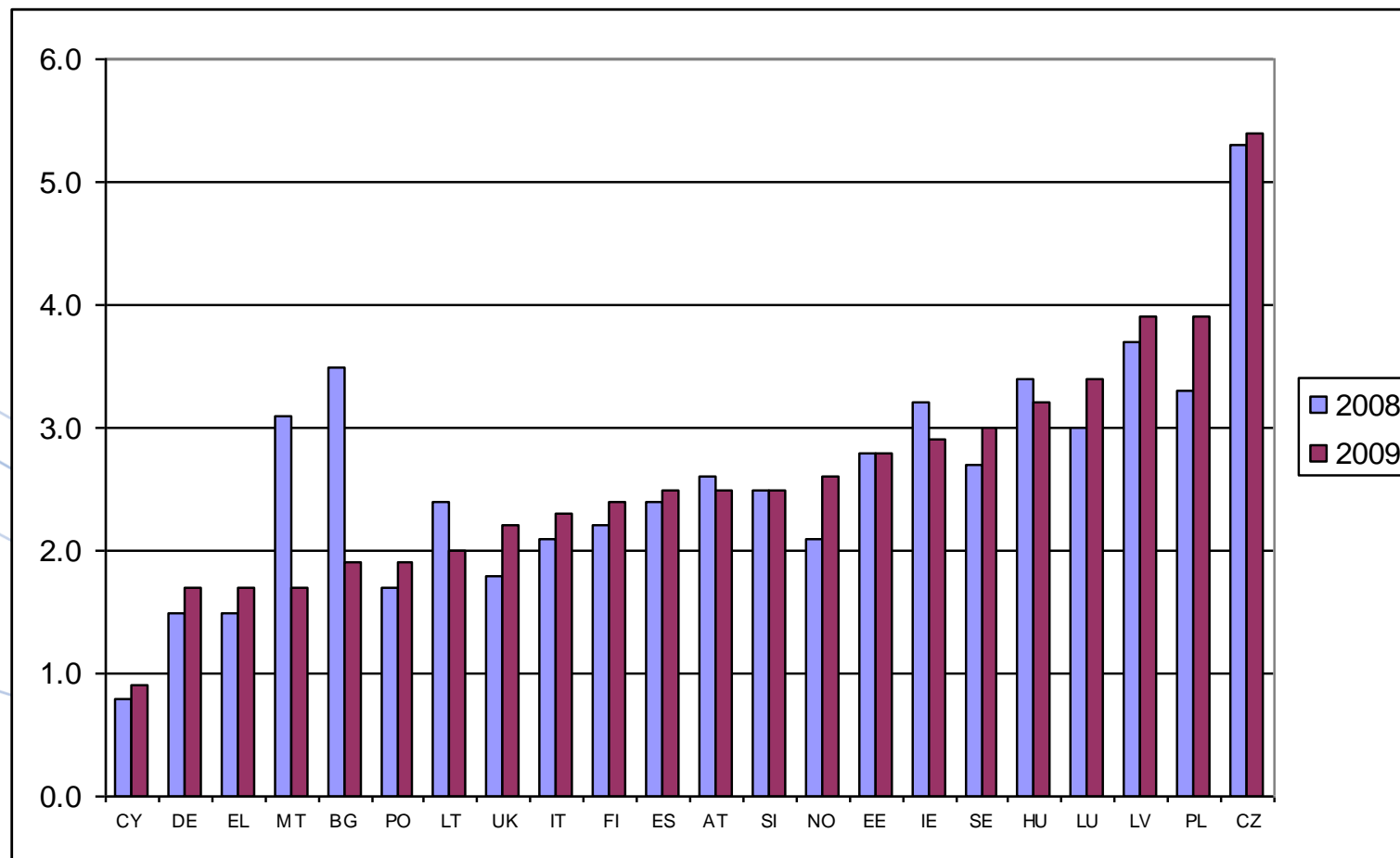
- Level I breakdown available for 30 European countries
- Level II breakdown on a voluntary basis (in the current Transmission programme):
 - Full coverage for 12 EU countries + NO
 - Incomplete time series for 13 EU countries
 - Incomplete set of groups for 2 EU countries + IS
- Level III is not collected at European level

General Government total expenditure by COFOG divisions, EU27 2005-2009 (% of GDP)



Source: Eurostat (online data code: [gov_a_exp](#))

General Government total expenditure in the Transport group, 2008-2009 (% of GDP)



Source: Eurostat (online data code: [gov_a_exp](#))

Gross fixed capital formation expenditure in the Transport function, 1995-2009 (Millions of Euro)

	1995	2000	2005	2009		1995	2000	2005	2009
Belgium	:	:	:	:	Hungary	163.7	294.8	1,154.3	1,110.0
Bulgaria	:	58.1	174.5	269.7	Malta	:	:	49.9	18.4
Czech Republic	1,070.2	1,016.3	2,455.7	3,990.1	Netherlands	:	:	:	:
Denmark	:	:	:	:	Austria	1,200.9	850.1	923.2	1,044.3
Germany	:	:	:	:	Poland	:	:	3,153.2	7,596.8
Estonia	24.6	39.6	152.4	194.6	Portugal	1,261.0	1,411.3	1,546.2	1,258.7
Ireland	435.6	1,069.5	1,963.9	2,499.4	Romania	:	:	:	:
Greece	:	:	498.0	2,059.0	Slovenia	:	:	:	:
Spain	7,290.4	7,169.0	12,897.0	16,620.0	Slovakia	:	:	:	:
France	:	:	:	:	Finland	:	:	1,410.0	1,823.0
Italy	3,359.6	5,541.0	8,274.0	9,601.0	Sweden	77.8	482.8	3,369.7	3,990.6
Cyprus	40.6	46.2	60.7	41.6	United Kingdom	:	3,368.4	7,259.4	6,091.3
Latvia	:	:	:	313.0	Iceland	:	:	:	:
Lithuania	:	208.7	243.0	327.6	Norway	1,001.4	1,105.5	1,701.4	2,835.8
Luxembourg	:	:	:	:	Switzerland	:	:	:	:

Source: Eurostat (online data code: [gov_a_exp](#))

Some limitations

- COFOG level II: not full coverage yet
- More exhaustive quality analysis needed
- Level III not collected
- Do not always enable to reflect well different national contexts/organisations

Advantages of COFOG:

- Consistent set of data integrated with other macroeconomic statistics (common National Accounts concepts)
 - Integrates information on all the areas of government activities (functional approach)
 - Continuing improvement in the availability and quality of COFOG data
- key statistics for strengthening the analysis on quality of public finance.

More information

- [Government Finance Statistics dedicated section on Eurostat website](#)
- Manual on sources and methods for the compilation of COFOG statistics (2011 edition)
- *Statistics in Focus*

The screenshot displays the Eurostat website interface. At the top, the Eurostat logo and tagline 'Your key to European statistics' are visible. The navigation menu includes 'Home', 'Statistics', 'Publications', 'About Eurostat', and 'User support'. The main content area is divided into three columns:

- Government finance statistics**: A sidebar menu with categories like Introduction, Data, Methodology, Manuals, Decisions for GFS, Guidance on accounting rules, Advice to Member States, Legislation, Excessive Deficit Procedure, EDP Notification Tables, Eurostat EDP visits to Member States, Supplementary tables on financial turmoil, Publications, Press releases, Statistics in focus, Quality reports, Other publications, and Links.
- Introduction**: A central text block titled 'Government finance statistics (GFS) show the economic activities of government, including:' followed by a bulleted list: government revenue, government expenditure, government deficit, transactions in assets, transactions in liabilities, other economic flows, and balance sheets. It also includes sections for 'Presentation' and 'Use'.
- News**: A right-hand sidebar with a 'News' section containing a headline about Euro area and EU27 government deficits, a 'Stock-flow adjustment' link, a 'Background note on the supplementary table for the financial crisis' link, a 'See also' section with 'Statistics Explained', and a 'Don't miss' section with a link to a list of common acronyms.