

# Media Release

[info@cbs.gov.il](mailto:info@cbs.gov.il) [www.cbs.gov.il](http://www.cbs.gov.il) Fax: 02-6521340

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## National Expenditure on Culture, Entertainment and Sports in 2022: NIS 81.7 Billion

### In 2022 (preliminary estimate)

- National expenditure on culture, entertainment and sports amounted to NIS 81.7 billion at current prices, comprising 4.7% of the GDP.
- The national expenditure on culture, entertainment and sports, at constant prices, increased by 5.8% compared to 2021 following an increase of 23.7% in 2021.
- The highest expenditure of the total current national expenditure, by type of activity, was on Music and performing arts – 19.0%.
- Segmented by operating sector, the Business sector is the main sector who provides goods and services of culture, entertainment and sports (66.2%).
- Households financed 83.6% of the national expenditure on culture, entertainment and sports, compared to 82.6% in 2021, and 81.0% in 2020.

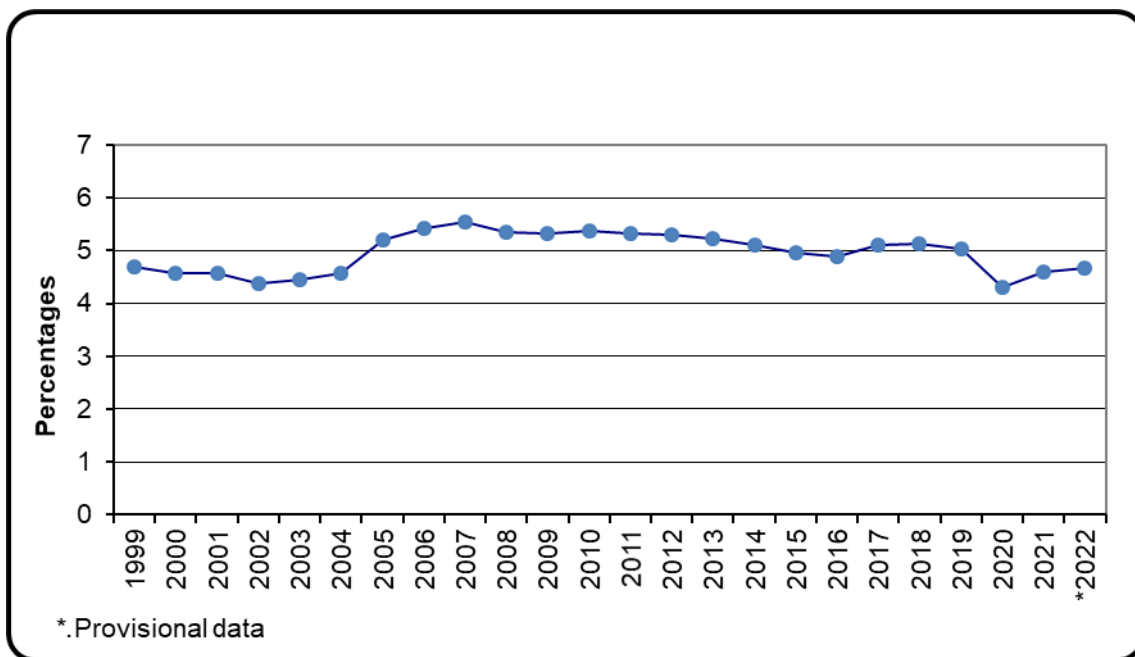
### Definitions and Explanations

The expenditure on culture, entertainment and sports, includes the value of services and goods provided by the Business sector, the General government sector, and the Non-profit institutions, and their fixed capital formation in buildings, and equipment, machinery and vehicles.

The services, included in the expenditure, are those of orchestras and theatres, sports and games, use of internet, radio and television services, cinemas, community centres, national lottery, sport lottery etc. The services do not include expenses on accommodation and food services in the country or on overseas trips, as well as entertainment and sports services abroad. Goods include televisions, video cameras, musical instruments, personal computers, books, games etc.

The national expenditure on culture, entertainment and sports in 2022, amounted to NIS 81.7 billion and comprised 4.7% of the GDP.

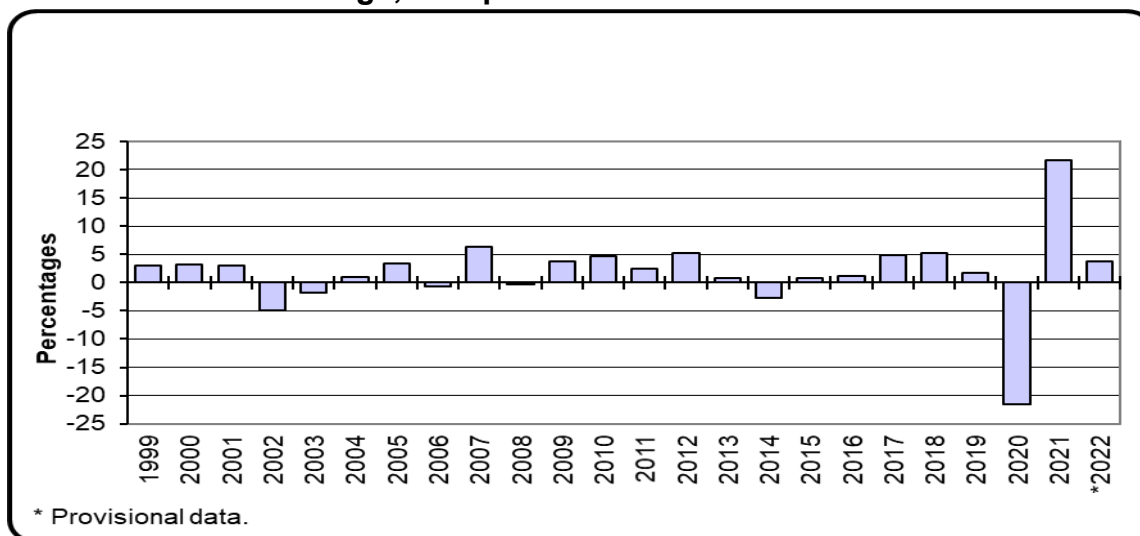
**Diagram 1 - National Expenditure on Culture, Entertainment and Sports, as Percentage of GDP 1999-2022\***



The national expenditure on culture, entertainment and sports, at constant prices, increased by 5.8% in 2022, following an increase of 23.7% in 2021 (Table 1).

The current expenditure on culture, entertainment, and sports per capita, at constant prices in 2022, was NIS 7,828.6 – an increase of 3.8% compared to 2021.

**Diagram 2 - Expenditure on Culture, Entertainment and Sports, per Capita, Quantity Change, Compared to the Previous Year**



## Current Expenditure, by Type of Activity in 2022 (Table 1)

Type of activity	Percentage of the current expenditure
Music and performing arts (concerts, cultural shows, night clubs, etc.)	19.0
Sports and games (sport clubs, swimming pools, etc.)	17.0
Socio-cultural activities (community centres)	16.8
Computers and internet	14.3
Environmental protection (zoos, gardens and planting)	9.3
Radio and television (television and radio broadcasting, cable broadcasting, etc.)	6.8
Literature and printed matter	6.5
Gambling (the national lottery and the sport lottery, excluding prizes)	4.9
Cultural heritage (museums, antiquities)	2.4
Cinema and photography (production and screening of films, filming equipment, etc.)	1.8
Visual arts	0.6
General administration and unclassified activities	0.6

Within the classification by **sector**, two types of classifications were used: by operating sector, and by financing sector.

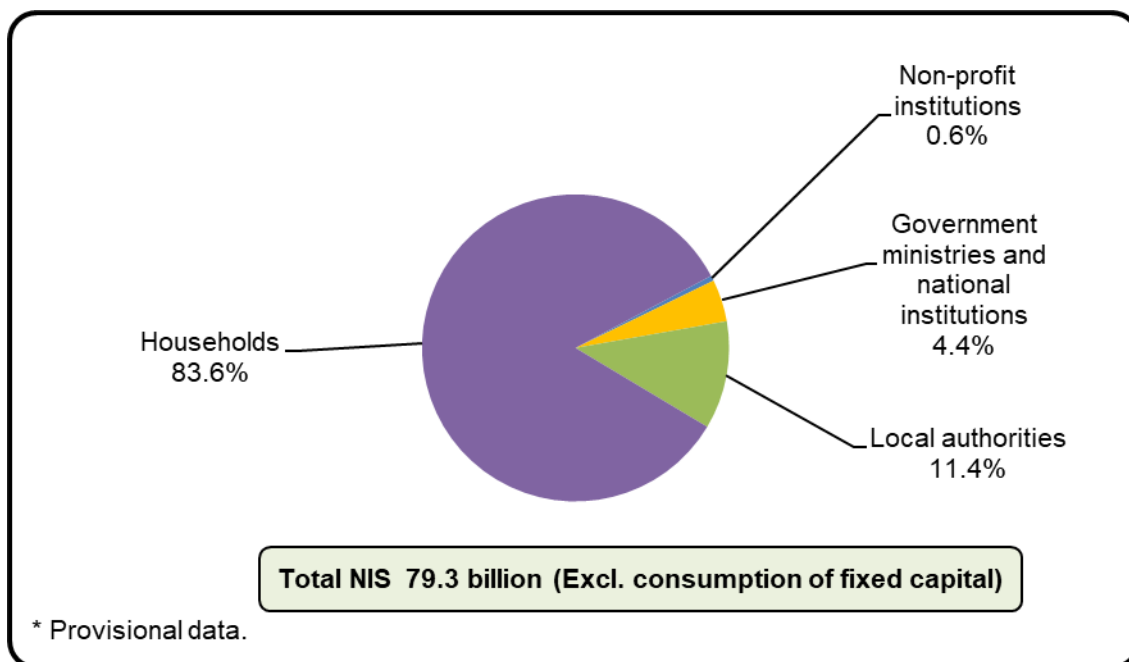
In the classification by **financing sector**, financing of the sector is defined as the total direct expenditure on goods and services plus subsidies, grants, transfers and other net payments to other sectors (excluding loans).

In the classification **by operating sector**, expenditure was summed up according to the sector that supplies the goods and services, irrespective of the financing sector.

For example, the expenditure of non-profit institutions (such as museums or cinemas) on the purchase of goods and services was recorded as the expenditure of these institutions and not as the expenditure of other bodies in the economy that financed them.

### Expenditure by Financing Sector (Table 2, Diagram 3)

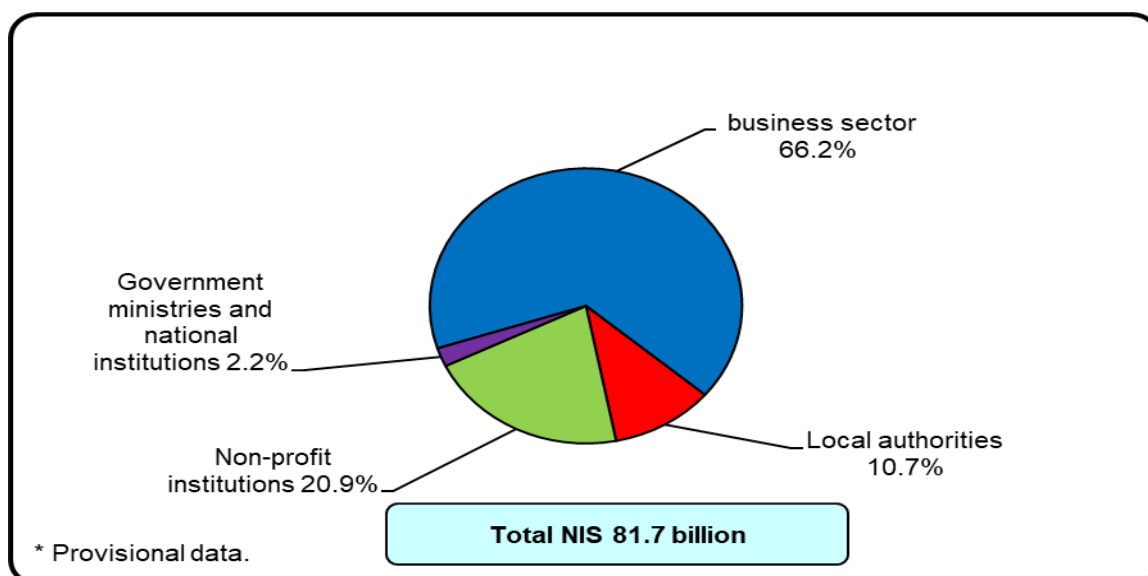
Diagram 3 - National Expenditure on Culture, Entertainment and Sports, by Financing Sector, 2022\*



In 2022 Households financed 83.6% of the national expenditure on culture, entertainment and sports (excl. consumption of fixed capital), compared to 82.6% in 2021 and 81.0% in 2020. The rest of the expenditure was financed by the Local authorities (11.4%), the government ministries and national institutions (4.4%) and the Non-profit institutions (0.6%).

### Expenditure by Operating Sector (Table 2, Diagram 4)

Diagram 4 - National Expenditure on Culture, Entertainment and Sports, by Operating Sector, 2022\*



In 2022 the share of the **Business sector** was 66.2% of the overall expenditure on culture, entertainment and sports. The business sector supplied all the goods and services of gambling, computers and internet, and most of the cultural services of radio and television, cinema and photography, music, performing arts and literature and printed matter.

The rest was supplied by **Non-profit institutions** (20.9%) – community centres, museums, theatres, sport associations etc., **Local authorities** (10.7%) – public libraries, culture and sport activities, gardens and planting and swimming pools. The **government ministries and national institutions** share was relatively small (2.2%) and included mainly services of culture and arts, social and community activities, the youth wing and the sports authority, that were financed by the Ministry of Education and the Jewish Agency.

### **Fixed Capital Formation (Buildings and Equipment)**

Fixed capital formation government ministries and national institutions, in culture, entertainment and sport activities, in 2022, amounted to NIS 4.0 billion and comprised 1.0% of the total fixed capital formation of the economy. 87.2% of the capital formation was allocated to buildings, and the rest was allocated to equipment, machinery and vehicles. Most of the fixed capital formation (80.8%) was carried out by the Local authorities.

## Definitions and Explanations

The expenditure on culture, entertainment and sports includes expenditure of households on goods and services supplied by the business sector, the value of the services of government and other non-profit institutions and the value of the fixed capital formation of these institutions.

The value provided by the government and non-profit institutions at a low cost or free of charge was estimated according to the cost of production. Cost of production includes:

- (1) Labour cost, which includes compensation for employees/employee jobs, taxes on wages and salaries, and other components of work.
- (2) Current purchases of other goods and services.

Costs of production do not include expenditure of the government, local authorities and non-profit institutions on interest and linkage differentials. As a result, financing by loans, as opposed to financing by taxes and grants, does not affect the estimate of the value of culture, entertainment and sports services.

Expenditure on purchase of durable goods by households was recorded as expenditure for the year of purchase, even though these goods serve households for a longer period of time.

Fixed capital formation is comprised of expenditure on construction of buildings and purchasing equipment and vehicles used for culture, entertainment and sports. Capital formation is only classified by sector, due to the lack of a complete breakdown by the aim of the expenditure.

## Classification of Goods and Services

Classification of goods and services in the field of culture, entertainment and sports, by type of activity, was mainly based on UNESCO's recommendations:

**Cultural heritage:** Museums, archives, preservation of antiquities and archaeological excavations.

**Literature and printed matter:** Libraries, books, newspapers and other periodicals (except textbooks and school libraries).

**Music and performing arts:** Theatre, dance and concerts; nightclubs and other entertainment performances; purchase of instruments and equipment for playing and listening to music.

**Visual arts:** Galleries and painting, sculpture and other arts.

**Cinema and photography:** Production and presentation of films; purchase of photographic and filming equipment.

**Radio and television:** Television and radio broadcasting; purchase of radio and television receivers.

**Socio-cultural activities:** Preparatory military programs, community centres and cultural activities in the community, including Centres for Culture, Youth and Sport.

**Sports and games:** Sports clubs, swimming pools, purchase of sports equipment, etc.; organization of games and sports competitions.

**Computers and internet:** Using the internet, purchasing computers and equipment for computers.

**Environmental protection:** Recreational activities connected with nature and preservation of the environment.

**Gambling:** National Lottery and Sports Lottery.

**General administration and unclassified activities:** Administration of cultural, youth and sports activities, non-profit institutions n.e.c.

### **The national expenditure on culture, entertainment and sports, classified by sectors:**

- (1) Businesses: expenditure on products and services supplied by all industries - except the government, local authorities, national institutions and non-profit institutions which sell their services at a price that is not economically significant, and whose expenditures are not financed mainly by commercial establishments. This sector also excludes expenditure on housing services.
- (2) Government ministries and national institutions (the Jewish Agency for Israel and the World Zionist Organization).
- (3) Local authorities (municipalities, local councils and regional councils).
- (4) Non-profit institutions, where a distinction is made between:
  - (a) Public non-profit institutions - non-profit institutions for which over 50% of their expenditure is financed by the government sector (government ministries, national institutions, or local authorities).
  - (b) Private non-profit institutions - non-profit institutions for which the financing of the government sector is less than 50% of their expenditure.

Within the classification of expenditure by sector, two types of classifications were used: by operating sector, and by financing sector.

In the classification by **operating sector**, expenditures were summed up according to the sector that supplied the goods and services, irrespective of the financing sector. For example, the expenditure of non-profit institutions (such as museums or cinematheques) on the purchase of goods and services was recorded as the expenditure of these institutions and not as the expenditure of other bodies in the economy that financed them.

In the classification by **financing sector**, financing was defined as the total direct expenditure on goods and services plus subsidies, grants, transfers and other net payments to other sectors (excluding loans).

Government financing excluded the component of subsidies in government loans, which were provided at low interest rates or without linkage.

Transfers between sectors were determined according to the entries in the government's reports. The corresponding entry in the reports of the other sectors may differ from the entries in these reports. The most common differences were cases where receipts from the government were recorded in the financial reports of the non-profit institutions or the local authorities for periods different from those in which the government recorded its payments to these entities.