

FACT SHEET

The Government's Quarterly General Revenue Account, Capital Works Reserve Fund Account and Capital Investment Fund Account

Table 1 – General Revenue Account: revenue for the period 1 April 2006 to 31 March 2007

| | Estimates 2007-2008 (in HK\$'000) | 1 April 2005 - 31 March 2006 = (a) (in HK\$'000) | 1 April 2006 - 31 March 2007 = (b) (in HK\$'000) | Change in revenue (b) – (a) (in HK\$'000) |
|---|---|--|--|---|
| Duties | 6,288,796 | 6,424,366 | 7,022,969 | 598,603 |
| General rates | 11,552,000 | 14,146,318 | 15,467,273 | 1,320,955 |
| Internal revenue ⁽¹⁾ | 149,072,610 | 144,982,283 | 155,134,636 | 10,152,353 |
| Motor vehicle taxes | 4,464,610 | 3,894,940 | 4,334,659 | 439,719 |
| Fines, forfeitures and penalties | 993,053 | 987,869 | 1,008,698 | 20,829 |
| Royalties and concessions | 781,331 | 616,059 | 609,964 | -6,095 |
| Properties and investments | 20,759,466 | 13,700,857 | 21,916,293 | 8,215,436 |
| Loans, reimbursements, contributions and other receipts ⁽²⁾ | 4,554,064 | 5,745,173 | 8,422,178 | 2,677,005 |
| Utilities ⁽³⁾ | 3,451,134 | 3,373,900 | 3,335,675 | -38,225 |
| Fees and charges | 11,983,878 | 11,109,430 | 11,672,619 | 563,189 |
| Total | 213,900,942 | 204,981,195 | 228,924,964 | 23,943,769 |

Notes: (1) This revenue head is credited direct taxes on earnings and profits which include profits tax, property tax and salaries tax. A range of indirect taxes is also included.

(2) This revenue head is credited repayments of loans and advances such as payments made by the trading funds.

(3) This revenue head is credited all income generated by government-operated public utilities except government toll-tunnels and bridges.

Sources: The Treasury (2006) and The Government of the Hong Kong Special Administrative Region (2007b).

Table 2 – Capital Works Reserve Fund⁽¹⁾ Account: revenue for the period 1 April 2006 to 31 March 2007

| | Estimates 2007-2008 (in HK\$'000) | 1 April 2005 - 31 March 2006 = (a) (in HK\$'000) | 1 April 2006 - 31 March 2007 = (b) (in HK\$'000) | Change in revenue (b) – (a) (in HK\$'000) |
|---|--|---|---|--|
| Land premium | | | | |
| Sales by public auction and tender | – | 10,673,260 | 7,200,500 | -3,472,760 |
| Private treaty grants | – | 4,459,637 | 23,188,328 | 18,728,691 |
| Modification of existing leases, exchanges and extensions | – | 14,073,698 | 6,324,827 | -7,748,871 |
| Fees received in respect of short term waivers | – | 265,353 | 286,758 | 21,405 |
| <i>Sub-total</i> | <i>38,500,000⁽²⁾</i> | <i>29,471,948</i> | <i>37,000,413</i> | <i>7,528,465⁽³⁾</i> |
| Investment income | 4,024,740 | 1,377,545 | 4,358,479 | 2,980,934 ⁽³⁾ |

Notes: (1) The Capital Works Reserve Fund mainly finances the public works programmes. Most of its income is derived from land premia and appropriation from the General Revenue Account.

(2) According to the Government, no breakdown in the land premium estimate for 2007-2008 is provided because of the market-driven nature of the land sales under the Application List, Private Treaty Grants and Modifications. The total land premium for 2007-2008 is estimated having regard to the overall performance of the property market under the past and current market conditions. The Government has assumed that land revenue will be around 2.5% of the forecast Gross Domestic Product.

(3) The Government has explained that the amounts of land premium and investment income received may fluctuate depending on the economic conditions.

Sources: The Treasury (2006) and The Government of the Hong Kong Special Administrative Region (2007c).

Table 3 – Capital Works Reserve Fund Account: expenditure of the Public Works Programme for the period 1 April 2006 to 31 March 2007

| | Estimates 2007-2008 (in HK\$'000) | 1 April 2005 - 31 March 2006 = (a) (in HK\$'000) | 1 April 2006 - 31 March 2007 = (b) (in HK\$'000) | Change in expenditure (b) – (a) (in HK\$'000) |
|---|--|---|---|--|
| Port and airport development | 7,569 | 370,108 | 129,416 | -240,692 |
| Buildings | 6,519,718 | 6,369,445 | 5,929,672 | -439,773 |
| Drainage | 1,416,262 | 1,405,151 | 1,449,583 | 44,432 |
| Civil engineering | 1,824,217 | 2,383,950 | 2,211,724 | -172,226 |
| Highways | 3,414,593 | 7,077,273 | 5,235,185 | -1,842,088 |
| New towns and urban area development | 1,699,019 | 2,343,085 | 1,773,008 | -570,077 |
| Waterworks | 1,494,619 | 1,259,354 | 1,098,355 | -160,999 |
| Housing | 361,521 | 743,772 | 669,122 | -74,650 |
| Total | 16,737,518 | 21,952,138 | 18,496,065 | -3,456,073 |

Sources: The Treasury (2006) and The Government of the Hong Kong Special Administrative Region (2007c).

Table 4 – Capital Investment Fund⁽¹⁾ Account: revenue for the period 1 April 2006 to 31 March 2007

| | Estimates 2007-2008 (in HK\$'000) | 1 April 2005 - 31 March 2006 = (a) (in HK\$'000) | 1 April 2006 - 31 March 2007 = (b) (in HK\$'000) | Change in revenue (b) – (a) (in HK\$'000) |
|--|--|---|---|--|
| Dividends, interests and other receipts from investments/loans | 903,000 ⁽²⁾ | 1,427,524 | 1,090,579 | -336,945 ⁽³⁾ |
| Loan repayments | 1,207,000 | 1,213,153 | 1,178,787 | -34,366 |
| Interest on deposits and bank balances | 48,000 | 38,317 | 37,714 | -603 |
| Proceeds from sale of equity holdings | Not available ⁽²⁾ | 264,327 ⁽⁴⁾ | 0 | -264,327 |
| Appropriation from General Revenue | 0 | 2,000,000 | 0 | -2,000,000 |
| Total | 2,158,000 | 4,943,321 | 2,307,080 | -2,636,241 |

Notes: (1) The Capital Investment Fund finances the Government's capital investments, such as equity injections in the Airport Authority, the Kowloon-Canton Railway Corporation and the MTR Corporation Limited, and capital investments in the Hong Kong Housing Authority and the Urban Renewal Authority. Its income is derived mainly from appropriation from the General Revenue Account and dividends.

(2) According to the Government, as regards the estimates 2007-2008, the total of dividends, interests and other receipts from investments/loans has already included the figure of proceeds from sale of equity holdings.

(3) The Government has explained that the dividends and interests from investments/loans may fluctuate depending on the economic conditions.

(4) This total was generated from the initial public offering of the Tradelink Electronic Commerce Limited.

Sources: The Treasury (2006) and The Government of the Hong Kong Special Administrative Region (2007c).

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References

1. *Speech by the Financial Secretary: The 2007-08 Budget*. (2007) Hong Kong, Government Logistics Department.
2. The Government of the Hong Kong Special Administrative Region. (2007a) *Estimates for the Year Ending 31 March 2008: Volume 1A – General Revenue Account*. Hong Kong, Government Logistics Department.
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4. The Government of the Hong Kong Special Administrative Region. (2007c) *Estimates for the Year Ending 31 March 2008: Volume II – Fund Accounts*. Hong Kong, Government Logistics Department.
5. The Treasury. (2007) *Accounts Published in the Gazette: Accounts for the Year Ended 31 March 2007*. Available from: http://www.try.gov.hk/cgi-bin/try/text_only.pl?search=/internet/eharch_acc_gaze_310307.html [Accessed 18 July 2007].