

## 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 2007 to 31 March 2008**

	Estimates 2008-2009 (in HK\$'000)	1 April 2006 - 31 March 2007 = (a) (in HK\$'000)	1 April 2007 - 31 March 2008 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Duties	6,198,696	7,022,969	7,059,525	36,556 <sup>(4)</sup>
General rates	7,333,000	15,467,273	9,494,544	-5,972,729 <sup>(5)</sup>
Internal revenue <sup>(1)</sup>	162,950,517	155,134,636	200,801,441	45,666,805
Motor vehicle taxes	5,570,100	4,334,659	5,552,874	1,218,215
Fines, forfeitures and penalties	1,013,477	1,008,698	996,968	-11,730
Royalties and concessions	870,914	609,964	863,270	253,306
Properties and investments	35,239,322	21,916,293	28,078,385	6,162,092
Loans, reimbursements, contributions and other receipts <sup>(2)</sup>	28,794,812	8,422,178	37,993,181	29,571,003 <sup>(6)</sup>
Utilities <sup>(3)</sup>	3,514,019	3,335,675	3,343,639	7,964
Fees and charges	10,394,037	11,672,619	12,296,648	624,029
<b>Total</b>	<b>261,878,894</b>	<b>228,924,964</b>	<b>306,480,475</b>	<b>77,555,511</b>

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, pension contributions, reimbursements, transfers from Government Funds and payments made by Trading Funds.

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

(4) Since 2007-2008, the Government has reduced the rate of stamp duty on property transactions and the duty on alcoholic beverages.

(5) The Government waived the general rates for the first, second and fourth quarters of 2007-2008.

(6) The Government transferred a lump sum of HK\$30 billion from the Capital Works Reserve Fund to the General Revenue Account in 2007-2008.

Sources: The Treasury (2008) and The Government of the Hong Kong Special Administrative Region (2008b).

**Table 2 – Capital Works Reserve Fund<sup>(1)</sup> Account: revenue for the period 1 April 2007 to 31 March 2008**

	<b>Estimates 2008-2009 (in HK\$'000)</b>	<b>1 April 2006 - 31 March 2007 = (a) (in HK\$'000)</b>	<b>1 April 2007 - 31 March 2008 = (b) (in HK\$'000)</b>	<b>Change in revenue (b) – (a) (in HK\$'000)</b>
Land premium				
Sales by public auction and tender	–	7,200,500	33,373,780	26,173,280
Private treaty grants	–	23,188,328	10,804,691	-12,383,637
Modification of existing leases, exchanges and extensions	–	6,324,827	17,741,737	11,416,910
Fees received in respect of short term waivers	–	286,758	397,672	110,914
<i>Sub-total</i>	<i>43,100,000<sup>(2)</sup></i>	<i>37,000,413</i>	<i>62,317,880</i>	<i>25,317,467<sup>(3)</sup></i>
Investment income	2,470,737	4,358,479	4,003,170	-355,309 <sup>(3)</sup>

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 2008-2009 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 2008-2009 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 stated that the amounts of land premium and investment income received may fluctuate depending on economic conditions.

Sources: The Treasury (2008) and The Government of the Hong Kong Special Administrative Region (2008c).

**Table 3 – Capital Works Reserve Fund Account: expenditure of the Public Works Programme for the period 1 April 2007 to 31 March 2008**

	<b>Estimates 2008-2009 (in HK\$'000)</b>	<b>1 April 2006 - 31 March 2007 = (a) (in HK\$'000)</b>	<b>1 April 2007 - 31 March 2008 = (b) (in HK\$'000)</b>	<b>Change in expenditure (b) – (a) (in HK\$'000)</b>
Port and airport development	1,957	129,416	3,791	-125,625
Buildings	6,867,686	5,929,672	6,593,077	663,405
Drainage	2,293,818	1,449,583	1,643,648	194,065
Civil engineering	1,586,440	2,211,724	1,724,937	-486,787
Highways	3,188,799	5,235,185	3,918,447	-1,316,738
New towns and urban area development	1,752,498	1,773,008	1,388,467	-384,541
Waterworks	1,735,613	1,098,355	1,588,235	489,880
Housing	432,613	669,122	330,326	-338,796
<b>Total</b>	<b>17,859,424</b>	<b>18,496,065</b>	<b>17,190,928</b>	<b>-1,305,137</b>

Sources: The Treasury (2008) and The Government of the Hong Kong Special Administrative Region (2008c).

**Table 4 – Capital Investment Fund<sup>(1)</sup> Account: revenue for the period 1 April 2007 to 31 March 2008**

	<b>Estimates 2008-2009 (in HK\$'000)</b>	<b>1 April 2006 - 31 March 2007 = (a) (in HK\$'000)</b>	<b>1 April 2007 - 31 March 2008 = (b) (in HK\$'000)</b>	<b>Change in revenue (b) – (a) (in HK\$'000)</b>
Dividends, interests and other receipts from investments/loans	1,123,911	1,090,579	969,218	-121,361 <sup>(2)</sup>
Loan repayments	658,059	1,178,787	1,214,982	36,195
Interest on deposits and bank balances	15,078	37,714	22,576	-15,138
<b>Total</b>	<b>1,797,048</b>	<b>2,307,080</b>	<b>2,206,776</b>	<b>-100,304</b>

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

Sources: The Treasury (2008) and The Government of the Hong Kong Special Administrative Region (2008c).

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16 July 2008  
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**References**

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2. The Government of the Hong Kong Special Administrative Region. (2008a) *Estimates for the Year Ending 31 March 2009: Volume IA – General Revenue Account*. Hong Kong, Government Logistics Department.
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