

## 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 2008 to 31 December 2008**

	Revised estimates 2008-2009 (in HK\$'000)	Estimates 2009-2010 (in HK\$'000)	1 April 2007 - 31 December 2007 = (a) (in HK\$'000)	1 April 2008 - 31 December 2008 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Duties	6,001,208	6,581,811 <sup>(1)</sup>	5,255,815	4,452,606	-803,209 <sup>(2)</sup>
General rates	7,240,000	13,899,000 <sup>(3)</sup>	7,779,098	5,478,157	-2,300,941 <sup>(4)</sup>
Internal revenue <sup>(5)</sup>	189,795,405	149,651,588 <sup>(6)</sup>	127,062,076	130,803,863	3,741,787
Motor vehicle taxes	4,823,695	4,080,832	4,234,149	4,237,751	3,602
Fines, forfeitures and penalties	954,602	1,012,499	758,311	761,097	2,786
Royalties and concessions	2,353,573	1,004,341 <sup>(7)</sup>	768,034	748,497	-19,537
Properties and investments	36,050,533	29,427,839	21,223,185	34,001,660	12,778,475
Loans, reimbursements, contributions and other receipts <sup>(8)</sup>	8,478,734	5,279,733 <sup>(9)</sup>	35,342,188	2,837,099	-32,505,089 <sup>(10)</sup>
Utilities <sup>(11)</sup>	3,336,187	3,412,827	2,533,754	2,508,013	-25,741
Fees and charges	10,533,548	12,120,481 <sup>(12)</sup>	9,165,182	7,900,220	-1,264,962
<b>Total</b>	<b>269,567,485</b>	<b>226,470,951</b>	<b>214,121,792</b>	<b>193,728,963</b>	<b>-20,392,829</b>

Notes: (1) The Government has increased the duty rates for tobacco by 50% in 2009-2010.

(2) Since 2008-2009, the Government has exempted the duties on alcoholic beverages except spirits.

(3) The increase in the estimate for 2009-2010 over the revised estimate for 2008-2009 is mainly due to the expiry of the rates concession in 2008-2009 partly offset by the effect of the rates concession in 2009-2010. The Government has waived the general rates for the first two quarters in 2009-2010, subject to a ceiling of \$1,500 per quarter for each rateable tenement.

(4) The Government waived the general rates in 2008-2009, subject to a ceiling of \$5,000 per quarter for each rateable tenement.

(5) 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.

(6) The decrease in the estimate for 2009-2010 over the revised estimate for 2008-2009 is mainly due to the projected decrease in revenue from profits tax and stamp duties.

(7) The decrease in the estimate for 2009-2010 over the revised estimate for 2008-2009 is mainly due to the projected decrease in revenue from the spectrum utilization fee.

(8) This revenue head is credited repayments of loans and advances, pension contributions, reimbursements, transfers from Government Funds and payments made by Trading Funds.

(9) The decrease in the estimate for 2009-2010 over the revised estimate for 2008-2009 is mainly due to the projected decrease in transfers from Government Funds and the other receipts subhead.

(10) The Government has stated that the change was mainly due to fluctuations in the transfers from Government Funds and the other receipts subhead.

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

(12) The increase in the estimate for 2009-2010 over the revised estimate for 2008-2009 is mainly due to the projected increase in the Inland Revenue Department subhead with the cessation of the one-year waiver of the business registration fee.

Sources: The Treasury (2009) and The Government of the Hong Kong Special Administrative Region (2009b).

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

	<b>Revised estimates 2008-2009 (in HK\$'000)</b>	<b>Estimates 2009-2010 (in HK\$'000)</b>	<b>1 April 2007 - 31 December 2007 = (a) (in HK\$'000)</b>	<b>1 April 2008 - 31 December 2008 = (b) (in HK\$'000)</b>	<b>Change in revenue (b) – (a) (in HK\$'000)</b>
Land premium					
Sales by public auction and tender	783,700	–	32,605,680	664,680	-31,941,000
Private treaty grants	6,776,300	–	7,418,419	6,496,227	-922,192
Modification of existing leases, exchanges and extensions	8,931,900	–	12,914,740	8,714,751	-4,199,989
Fees received in respect of short term waivers	420,300	–	289,223	330,814	41,591
<i>Sub-total</i>	<i>16,912,200</i>	<i>16,500,000<sup>(2)</sup></i>	<i>53,228,062</i>	<i>16,206,472</i>	<i>-37,021,590<sup>(3)</sup></i>
Investment income	6,081,938	1,727,000	3,997,331	6,081,353	2,084,022 <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 2009-2010 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 2009-2010 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 1% 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 (2009) and The Government of the Hong Kong Special Administrative Region (2009c).

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

	<b>Revised estimates 2008-2009 (in HK\$'000)</b>	<b>Estimates 2009-2010 (in HK\$'000)</b>	<b>1 April 2007 - 31 December 2007 = (a) (in HK\$'000)</b>	<b>1 April 2008 - 31 December 2008 = (b) (in HK\$'000)</b>	<b>Change in expenditure (b) – (a) (in HK\$'000)</b>
Port and airport development	2,783	1,167	2,419	717	-1,702
Buildings	7,364,086	9,186,540 <sup>(1)</sup>	3,706,936	4,718,732	1,011,796
Drainage	2,518,230	3,350,022	1,138,791	1,889,037	750,246
Civil engineering	1,803,830	1,921,372	1,111,479	1,235,340	123,861
Highways	3,749,700	5,263,386 <sup>(2)</sup>	3,136,103	2,589,123	-546,980
New towns and urban area development	1,758,945	1,828,783	963,649	1,113,933	150,284
Waterworks	1,921,990	2,965,614 <sup>(3)</sup>	1,157,582	1,652,201	494,619
Housing	492,089	557,726	222,810	363,338	140,528
<b>Total</b>	<b>19,611,653</b>	<b>25,074,610</b>	<b>11,439,769</b>	<b>13,562,421</b>	<b>2,122,652</b>

Notes: (1) The increase in the estimate for 2009-2010 over the revised estimate for 2008-2009 is mainly due to the projected increase in expenditure on projects related to government offices and block allocation for refurbishment of government buildings for items in Category D of the Public Works Programme which cost \$21 million or less for each item. The projected increase in block allocation by \$701.24 million over the approved allocation will have to be approved by the Finance Committee of the Legislative Council.

(2) The increase in the estimate for 2009-2010 over the revised estimate for 2008-2009 is mainly due to the projected increase in expenditure on railway projects such as the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, and the Shatin to Central Link.

(3) The increase in the estimate for 2009-2010 over the revised estimate for 2008-2009 is mainly due to the projected increase in expenditure on projects related to combined fresh and salt water supplies and block allocation for waterworks, studies and investigations for items in Category D of the Public Works Programme which cost \$21 million or less for each item. The projected increase in block allocation by \$97.8 million over the approved allocation will have to be approved by the Finance Committee of the Legislative Council.

Sources: The Treasury (2009) and The Government of the Hong Kong Special Administrative Region (2009c).

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

	<b>Revised estimates 2008-2009 (in HK\$'000)</b>	<b>Estimates 2009-2010 (in HK\$'000)</b>	<b>1 April 2007 - 31 December 2007 = (a) (in HK\$'000)</b>	<b>1 April 2008 - 31 December 2008 = (b) (in HK\$'000)</b>	<b>Change in revenue (b) – (a) (in HK\$'000)</b>
Dividends, interests and other receipts from investments/loans	1,166,450	825,315	243,530	201,782	-41,748 <sup>(2)</sup>
Loan repayments	645,182	47,134	899,444	626,413	-273,031
Interest on deposits and bank balances	85,674	56,000	22,575	85,674	63,099
<b>Total</b>	<b>1,897,306</b>	<b>928,449</b>	<b>1,165,549</b>	<b>913,869</b>	<b>-251,680</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 (2009) and The Government of the Hong Kong Special Administrative Region (2009c).

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