## **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 2009 to 30 September 2009

	Estimates 2009-2010 (in HK\$'000)	1 April 2008 – 30 September 2008 = (a) (in HK\$'000)	1 April 2009 – 30 September 2009 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Duties	6,581,811	2,914,649	2,969,365	54,716
General rates	13,899,000	3,849,949	5,016,231	1,166,282 <sup>(1)</sup>
Internal revenue <sup>(2)</sup>	149,651,588	37,687,972	36,890,812	-797,160
Motor vehicle taxes	4,080,832	3,267,783	2,084,342	-1,183,441 <sup>(3)</sup>
Fines, forfeitures and penalties	1,012,499	519,873	474,110	-45,763
Royalties and concessions	1,004,341	336,510	402,914	66,404
Properties and investments	29,427,839	7,595,344	7,617,431	22,087
Loans, reimbursements, contributions and other receipts <sup>(4)</sup>	5,279,733	1,972,198	3,896,481	1,924,283 <sup>(5)</sup>
Utilities <sup>(6)</sup>	3,412,827	1,666,533	1,723,661	57,128
Fees and charges	12,120,481	5,322,409	5,493,918	171,509
Total	226,470,951	65,133,220	66,569,265	1,436,045

Notes: (1) The Government waived the general rates in 2009-2010, subject to a ceiling of \$1,500 per quarter for each rateable tenement. The ceiling of the general rates concession in 2008-2009 was \$5,000 per quarter for each rateable tenement.

- (2) 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.
- (3) According to the Government, the change was mainly due to the decrease in the number of vehicles subject to the first registration tax.
- (4) This revenue head is credited repayments of loans and advances, pension contributions, reimbursements, transfers from Government Funds and payments made by Trading Funds.
- (5) According to the Government, the change was mainly due to the increase in revenue in the subhead of "other receipts".
- (6) This revenue head is credited all income generated by government-operated public utilities except government toll-tunnels and bridges.

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 2009 to 30 September 2009

	Estimates 2009-2010 (in HK\$'000)	1 April 2008 – 30 September 2008 = (a) (in HK\$'000)	1 April 2009 – 30 September 2009 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Land premium				
Sales by public auction and tender	_	664,680	526,991	-137,689
Private treaty grants	_	4,072,905	97,690	-3,975,215
Modification of existing leases, exchanges and extensions	-	7,504,458	3,271,083	-4,233,375
Fees received in respect of short term waivers	-	188,682	211,672	22,990
Sub-total	16,500,000 <sup>(2)</sup>	12,430,725	4,107,436	-8,323,289 <sup>(3)</sup>
Investment income	1,727,000	1,450	1,072	-378 <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

<sup>(2)</sup> 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.

<sup>(3)</sup> According to the Government, 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 2009 to 30 September 2009

	Estimates 2009-2010 (in HK\$'000)	1 April 2008 – 30 September 2008 = (a) (in HK\$'000)	1 April 2009 – 30 September 2009 = (b) (in HK\$'000)	Change in expenditure (b) – (a) (in HK\$'000)
Port and airport development	1,167	675	67,397	66,722
Buildings	9,186,540	3,029,654	3,417,383	387,729
Drainage	3,350,022	1,130,206	1,844,330	714,124
Civil engineering	1,921,372	644,089	896,839	252,750
Highways	5,263,386	1,534,297	2,186,698	652,401
New towns and urban area development	1,828,783	699,604	987,699	288,095
Waterworks	2,965,614	1,063,192	1,526,376	463,184
Housing	557,726	203,326	447,551	244,225
Total	25,074,610	8,305,043	11,374,273	3,069,230

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 2009 to 30 September 2009

	Estimates 2009-2010 (in HK\$'000)	1 April 2008 – 30 September 2008 = (a) (in HK\$'000)	1 April 2009 – 30 September 2009 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Dividends, interests and other receipts from investments/loans	825,315	122,554	95,692	-26,862 <sup>(2)</sup>
Loan repayments	47,134	626,413	_	-626,413
Investment income <sup>(3)</sup>	56,000	1	1 <sup>(4)</sup>	0
Total	928,449	748,968	95,693	-653,275

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, dividends and interests from investments/loans may fluctuate depending on economic conditions.
- (3) Investment income includes payment from the Exchange Fund for investment of the fiscal reserves, interest on deposits and bank balances.
- (4) Payment from the Exchange Fund is usually credited to the Capital Investment Fund Account in the third quarter of a financial year.

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

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## References

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