
FACT SHEET

The Government's Quarterly General Revenue Account, Capital Works Reserve Fund Account and Capital Investment Fund Account (for the period of 1 April 2010 to 30 June 2010)

1. Introduction

1.1 This fact sheet provides updated information on the Government's Quarterly General Revenue Account, Capital Works Reserve Fund Account and Capital Investment Fund Account for the period of 1 April 2010 to 30 June 2010.

2. General Revenue Account

2.1 The total General Revenue of Hong Kong in the first quarter of the 2010-2011 Financial Year was HK\$38.9 billion, up HK\$2.5 billion when compared to the same period in the 2009-2010 Financial Year. The change was mainly attributable to the increase in revenue in the subheads of "stamp duties" and "other internal revenue" under the head of "internal revenue" as well as in the head of "motor vehicle taxes".

2.2 Details of the General Revenue Account for the period of 1 April 2010 to 30 June 2010 are shown in **Table 1**.

Table 1 – General Revenue Account: revenue for the period of 1 April 2010 to 30 June 2010

	Estimates 2010-2011 (in HK\$'000)	1 April 2009 – 30 June 2009 = (a) (in HK\$'000)	1 April 2010 – 30 June 2010 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Duties	6,172,405	1,328,730	1,507,440	178,710
General rates	9,375,000	2,517,885	2,104,443	-413,442 ⁽¹⁾
Internal revenue ⁽²⁾	167,904,243	23,595,800	25,236,985	1,641,185
Motor vehicle taxes	4,552,883	926,464	1,642,021	715,557
Fines, forfeitures and penalties	1,013,195	235,189	351,667	116,478
Royalties and concessions	2,166,300	172,879	464,485	291,606
Properties and investments	28,854,158	3,114,120	3,271,021	156,901
Loans, reimbursements, contributions and other receipts ⁽³⁾	4,436,881	779,191	900,789	121,598
Utilities ⁽⁴⁾	3,480,471	816,977	834,635	17,658
Fees and charges	10,463,066	2,889,532	2,602,395	-287,137
Total	238,418,602	36,376,767	38,915,881	2,539,114

Notes: (1) The Government waived the general rates in 2010-2011, subject to a ceiling of HK\$1,500 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) This revenue head is credited repayments of loans and advances, pension contributions, reimbursements, transfers from Government Funds and payments made by Trading Funds.

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

Sources: The Treasury (2010) and The Government of the Hong Kong Special Administrative Region (2010b).

3. Capital Works Reserve Fund Account

3.1 In the first quarter of the 2010-2011 Financial Year, revenue of the Capital Works Reserve Fund Account¹ from land premium was HK\$21.1 billion, up HK\$19.5 billion when compared to the first quarter of the last financial year. In particular, the revenue from private treaty grants increased by HK\$10.5 billion.

3.2 Details of revenue of the Capital Works Reserve Fund Account for the period of 1 April 2010 to 30 June 2010 are shown in **Table 2**.

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

Table 2 – Capital Works Reserve Fund⁽¹⁾ Account: revenue for the period of 1 April 2010 to 30 June 2010

	Estimates 2010-2011 (in HK\$'000)	1 April 2009 – 30 June 2009 = (a) (in HK\$'000)	1 April 2010 – 30 June 2010 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Land premium				
Sales by public auction and tender	–	289,191	4,785,000	4,495,809
Private treaty grants	–	71,077	10,562,794	10,491,717
Modification of existing leases, exchanges and extensions	–	1,059,518	5,532,009	4,472,491
Fees received in respect of short term waivers	–	111,685	165,728	54,043
<i>Sub-total</i>	<i>34,100,000⁽¹⁾</i>	<i>1,531,471</i>	<i>21,045,531</i>	<i>19,514,060⁽²⁾</i>
Investment income	1,596,000	805	798	-7 ⁽²⁾

Notes: (1) According to the Government, no breakdown in the land premium estimate for 2010-2011 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 2010-2011 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% of the forecast Gross Domestic Product.

(2) According to the Government, the amounts of land premium and investment income received may fluctuate depending on economic conditions.

Sources: The Treasury (2010) and The Government of the Hong Kong Special Administrative Region (2010c).

3.3 Under the Capital Works Reserve Fund Account, expenditure on the Public Works Programme was HK\$8.6 billion in the first quarter of the 2010-2011 Financial Year, up HK\$3.3 billion when compared to the same period of the last financial year. The change was mainly attributable to the increase in expenditure in the head of "highways".

3.4 Details of expenditure of the Public Works Programme under the Capital Works Reserve Fund Account for the period of 1 April 2010 to 30 June 2010 are shown in **Table 3**.

Table 3 – Capital Works Reserve Fund Account: expenditure of the Public Works Programme for the period of 1 April 2010 to 30 June 2010

	Estimates 2010-2011 (in HK\$'000)	1 April 2009 – 30 June 2009 = (a) (in HK\$'000)	1 April 2010 – 30 June 2010 = (b) (in HK\$'000)	Change in expenditure (b) – (a) (in HK\$'000)
Port and airport development	3,758	66,960	31	-66,929
Buildings	11,895,091	1,529,463	2,110,365	580,902
Drainage	6,348,837	673,590	1,286,130	612,540
Civil engineering	2,884,927	417,794	411,138	-6,656
Highways	14,281,064	983,634	3,070,093	2,086,459
New towns and urban area development	3,134,688	504,432	718,382	213,950
Waterworks	3,646,343	813,972	847,897	33,925
Housing	671,584	316,193	128,516	-187,677
Total	42,866,292	5,306,038	8,572,552	3,266,514

Sources: The Treasury (2010) and The Government of the Hong Kong Special Administrative Region (2010c).

4. Capital Investment Fund Account

4.1 Revenue of the Capital Investment Fund Account² rose from HK\$50 million in the first quarter of the 2009-2010 Financial Year to HK\$68 million in the first quarter of the 2010-2011 Financial Year.

4.2 Details of revenue of the Capital Investment Fund Account for the period of 1 April 2010 to 30 June 2010 are shown in **Table 4**.

Table 4 – Capital Investment Fund⁽¹⁾ Account: revenue for the period of 1 April 2010 to 30 June 2010

	Estimates 2010-2011 (in HK\$'000)	1 April 2009 – 30 June 2009 = (a) (in HK\$'000)	1 April 2010 – 30 June 2010 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Dividends, interest and other receipts from investments/loans	1,059,382	49,972	67,942	17,970
Loan repayments	60,389	–	–	–
Investment income ⁽¹⁾	101,000	1	1	0
Total	1,220,771	49,973	67,943	17,970⁽²⁾

Notes: (1) Investment income includes payment from the Exchange Fund for investment of the fiscal reserves, interest on deposits and bank balances.

(2) According to the Government, revenue of the Capital Investment Fund Account may fluctuate depending on economic conditions.

Sources: The Treasury (2010) and The Government of the Hong Kong Special Administrative Region (2010c).

² 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.

References

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3. The Government of the Hong Kong Special Administrative Region. (2010b) *Estimates for the Year Ending 31 March 2011: Volume IB – General Revenue Account*. Hong Kong, Government Logistics Department.
4. The Government of the Hong Kong Special Administrative Region. (2010c) *Estimates for the Year Ending 31 March 2011: Volume II – Fund Accounts*. Hong Kong, Government Logistics Department.
5. The Treasury. (2010) *Accounts Published in the Gazette: Accounts for the Three Months Ended 30 June 2010*. Available from: http://www.try.gov.hk/internet/eharch_acc_gaze_300610.html [Accessed November 2010].

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