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## 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 September 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 September 2010.

#### 2. General Revenue Account

2.1 The total General Revenue of Hong Kong for the period of 1 April 2010 to 30 September 2010 was HK\$74.1 billion, up HK\$7.5 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", the head of "properties and investments" as well as the head of "motor vehicle taxes". The change in the head of "loans, reimbursements, contributions and other receipts" was mainly attributable to the decrease in revenue in the subhead of "other receipts".

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

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

	<b>Estimates 2010-2011 (in HK\$'000)</b>	<b>1 April 2009 – 30 September 2009 = (a) (in HK\$'000)</b>	<b>1 April 2010 – 30 September 2010 = (b) (in HK\$'000)</b>	<b>Change in revenue (b) – (a) (in HK\$'000)</b>
Duties	6,172,405	2,969,365	3,350,223	380,858
General rates	9,375,000	5,016,231	4,588,705	-427,526 <sup>(1)</sup>
Internal revenue <sup>(2)</sup>	167,904,243	36,890,812	41,855,512	4,964,700
Motor vehicle taxes	4,552,883	2,084,342	3,304,108	1,219,766
Fines, forfeitures and penalties	1,013,195	474,110	606,985	132,875
Royalties and concessions	2,166,300	402,914	1,144,330	741,416
Properties and investments	28,854,158	7,617,431	10,176,915	2,559,484
Loans, reimbursements, contributions and other receipts <sup>(3)</sup>	4,436,881	3,896,481	1,870,438	-2,026,043
Utilities <sup>(4)</sup>	3,480,471	1,723,661	1,737,925	14,264
Fees and charges	10,463,066	5,493,918	5,475,380	-18,538
<b>Total</b>	<b>238,418,602</b>	<b>66,569,265</b>	<b>74,110,521</b>	<b>7,541,256</b>

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 For the period of 1 April 2010 to 30 September 2010, revenue of the Capital Works Reserve Fund Account<sup>1</sup> from land premium was HK\$53.1 billion, up HK\$49 billion when compared to the same period of the last financial year. In particular, the revenue from "sales by public auction and tender" and "private treaty grants" increased by HK\$34.8 billion and HK\$10.5 billion respectively.

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

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<sup>1</sup> 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.

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**Table 2 – Capital Works Reserve Fund Account: revenue for the period of 1 April 2010 to 30 September 2010**

	<b>Estimates 2010-2011 (in HK\$'000)</b>	<b>1 April 2009 – 30 September 2009 = (a) (in HK\$'000)</b>	<b>1 April 2010 – 30 September 2010 = (b) (in HK\$'000)</b>	<b>Change in revenue (b) – (a) (in HK\$'000)</b>
Land premium				
Sales by public auction and tender	–	526,991	35,285,600	34,758,609
Private treaty grants	–	97,690	10,596,073	10,498,383
Modification of existing leases, exchanges and extensions	–	3,271,083	6,978,511	3,707,428
Fees received in respect of short term waivers	–	211,672	257,171	45,499
<i>Sub-total</i>	<i>34,100,000<sup>(1)</sup></i>	<i>4,107,436</i>	<i>53,117,355</i>	<i>49,009,919<sup>(2)</sup></i>
Investment income	1,596,000	1,072	1,057	-15 <sup>(2)</sup>

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 amount 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\$17.9 billion for the period of 1 April 2010 to 30 September 2010, up HK\$6.5 billion when compared to the same period of the last financial year. The change was mainly attributable to the increase in expenditure in the heads of "highways" and "buildings".

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 September 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 September 2010**

	<b>Estimates 2010-2011 (in HK\$'000)</b>	<b>1 April 2009 – 30 September 2009 = (a) (in HK\$'000)</b>	<b>1 April 2010 – 30 September 2010 = (b) (in HK\$'000)</b>	<b>Change in expenditure (b) – (a) (in HK\$'000)</b>
Port and airport development	3,758	67,397	208	-67,189
Buildings	11,895,091	3,417,383	4,882,271	1,464,888
Drainage	6,348,837	1,844,330	2,434,481	590,151
Civil engineering	2,884,927	896,839	947,578	50,739
Highways	14,281,064	2,186,698	6,117,627	3,930,929
New towns and urban area development	3,134,688	987,699	1,535,742	548,043
Waterworks	3,646,343	1,526,376	1,712,348	185,972
Housing	671,584	447,551	257,259	-190,292
<b>Total</b>	<b>42,866,292</b>	<b>11,374,273</b>	<b>17,887,514</b>	<b>6,513,241</b>

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 Account<sup>2</sup> was HK\$133 million for the period of 1 April 2010 to 30 September 2010, up HK\$37 million when compared to the same period in the 2009-2010 Financial Year.

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

**Table 4 – Capital Investment Fund Account: revenue for the period of 1 April 2010 to 30 September 2010**

	<b>Estimates 2010-2011 (in HK\$'000)</b>	<b>1 April 2009 – 30 September 2009 = (a) (in HK\$'000)</b>	<b>1 April 2010 – 30 September 2010 = (b) (in HK\$'000)</b>	<b>Change in revenue (b) – (a) (in HK\$'000)</b>
Dividends, interest and other receipts from investments/loans	1,059,382	95,692	132,953	37,261
Loan repayments	60,389	–	–	–
Investment income <sup>(1)</sup>	101,000	1	1	0
<b>Total</b>	<b>1,220,771</b>	<b>95,693</b>	<b>132,954</b>	<b>37,261<sup>(2)</sup></b>

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).

<sup>2</sup> 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.

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## References

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