
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 31 December 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 31 December 2010.

2. General Revenue Account

2.1 The total General Revenue of Hong Kong for the period of 1 April 2010 to 31 December 2010 was HK\$199.9 billion, up HK\$22.8 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 "profits tax" and "stamp duties" 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 31 December 2010 are shown in **Table 1**.

Table 1 – General Revenue Account: revenue for the period of 1 April 2010 to 31 December 2010

	Revised estimates 2010-2011 (in HK\$'000)	Estimates 2011-2012 (in HK\$'000)	1 April 2009 – 31 December 2009 = (a) (in HK\$'000)	1 April 2010 – 31 December 2010 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Duties	6,960,538	7,797,868	4,649,343	5,281,667	632,324
General rates	9,385,000	11,011,000	7,519,887	7,387,623	-132,264 ⁽¹⁾
Internal revenue ⁽²⁾	213,628,043	207,069,118 ⁽³⁾	112,007,713	134,005,266	21,997,553
Motor vehicle taxes	6,199,158	7,493,607	3,570,494	5,106,578	1,536,084
Fines, forfeitures and penalties	1,108,299	985,679	872,369	920,230	47,861
Royalties and concessions	2,381,404	2,410,173	900,303	1,973,400	1,073,097
Properties and investments	33,600,508	34,962,266	29,027,940	31,408,273	2,380,333
Loans, reimbursements, contributions and other receipts ⁽⁴⁾	4,114,490	5,834,681	8,039,799	2,795,877	-5,243,922
Utilities ⁽⁵⁾	3,556,638	3,655,386	2,599,961	2,612,473	12,512
Fees and charges	11,022,716	12,510,219	7,881,197	8,360,259	479,062
Total	291,956,794	293,729,997	177,069,006	199,851,646	22,782,640

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) The decrease in the estimate for 2011-2012 over the revised estimate for 2010-2011 is mainly due to the projected decrease in revenue from the subhead of "stamp duties".

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

Sources: The Treasury (2011) and The Government of the Hong Kong Special Administrative Region (2011b).

3. Capital Works Reserve Fund Account

3.1 For the period of 1 April 2010 to 31 December 2010, revenue of the Capital Works Reserve Fund Account¹ from land premium was HK\$60.4 billion, up HK\$52.3 billion when compared to the same period of the last financial year. In particular, revenue from "sales by public auction and tender" and "private treaty grants" increased by HK\$39.8 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 31 December 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 Account: revenue for the period of 1 April 2010 to 31 December 2010

	Revised estimates 2010-2011 (in HK\$'000)	Estimates 2011-2012 (in HK\$'000)	1 April 2009 – 31 December 2009 = (a) (in HK\$'000)	1 April 2010 – 31 December 2010 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Land premium					
Sales by public auction and tender	41,756,500	–	576,991	40,397,600	39,820,609
Private treaty grants	10,677,600	–	130,746	10,649,596	10,518,850
Modification of existing leases, exchanges and extensions	9,154,600	–	7,133,080	9,036,925	1,903,845
Fees received in respect of short term waivers	419,700	–	326,543	358,850	32,307
<i>Sub-total</i>	<i>62,008,400</i>	<i>62,000,000⁽¹⁾</i>	<i>8,167,360</i>	<i>60,442,971</i>	<i>52,275,611⁽²⁾</i>
Investment income	2,710,995	2,689,000	2,216,110	2,710,507	494,397 ⁽²⁾

Notes: (1) According to the Government, no breakdown in the land premium estimate for 2011-2012 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 2011-2012 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 at around the same level as that for 2010-2011.

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

Sources: The Treasury (2011) and The Government of the Hong Kong Special Administrative Region (2011c).

3.3 Under the Capital Works Reserve Fund Account, expenditure on the Public Works Programme was HK\$29.0 billion for the period of 1 April 2010 to 31 December 2010, up HK\$10.5 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 31 December 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 31 December 2010

	Revised estimates 2010-2011 (in HK\$'000)	Estimates 2011-2012 (in HK\$'000)	1 April 2009 – 31 December 2009 = (a) (in HK\$'000)	1 April 2010 – 31 December 2010 = (b) (in HK\$'000)	Change in expenditure (b) – (a) (in HK\$'000)
Port and airport development	996	4,214	67,674	404	-67,270
Buildings	11,900,140	11,767,867	5,521,429	7,790,695	2,269,266
Drainage	6,081,230	6,108,637	3,412,268	3,778,050	365,782
Civil engineering	2,426,123	3,448,202	1,369,737	1,532,056	162,319
Highways	15,328,127	20,992,157 ⁽¹⁾	3,378,446	10,487,827	7,109,381
New towns and urban area development	3,395,808	2,588,078	1,775,282	2,526,817	751,535
Waterworks	3,645,570	3,662,876	2,350,874	2,505,675	154,801
Housing	607,584	572,553	604,726	381,780	-222,946
Total	43,385,578	49,144,584	18,480,436	29,003,304	10,522,868

Note: (1) The increase in the estimate for 2011-2012 over the revised estimate for 2010-2011 is mainly due to the projected increase in expenditure on the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and Shatin to Central Link.

Sources: The Treasury (2011) and The Government of the Hong Kong Special Administrative Region (2011c).

4. Capital Investment Fund Account

4.1 Revenue of the Capital Investment Fund Account² was HK\$438 million for the period of 1 April 2010 to 31 December 2010, up HK\$123 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 31 December 2010 are shown in **Table 4**.

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.

Table 4 – Capital Investment Fund Account: revenue for the period of 1 April 2010 to 31 December 2010

	Revised estimates 2010-2011 (in HK\$'000)	Estimates 2011-2012 (in HK\$'000)	1 April 2009 – 31 December 2009 = (a) (in HK\$'000)	1 April 2010 – 31 December 2010 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Dividends, interests and other receipts from investments/loans	1,233,738	1,103,308	260,844	333,744	72,900
Loan repayments	17,336	83,981	–	–	–
Investment income ⁽¹⁾	104,174	109,000	54,536	104,174	49,638
Total	1,355,248	1,296,289	315,380	437,918	122,538⁽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 (2011) and The Government of the Hong Kong Special Administrative Region (2011c).

References

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2. The Government of the Hong Kong Special Administrative Region. (2011a) *Estimates for the Year Ending 31 March 2012: Volume IA – General Revenue Account*. Hong Kong, Government Logistics Department.
3. The Government of the Hong Kong Special Administrative Region. (2011b) *Estimates for the Year Ending 31 March 2012: Volume IB – General Revenue Account*. Hong Kong, Government Logistics Department.
4. The Government of the Hong Kong Special Administrative Region. (2011c) *Estimates for the Year Ending 31 March 2012: Volume II – Fund Accounts*. Hong Kong, Government Logistics Department.
5. The Treasury. (2011) *Accounts Published in the Gazette: Accounts for the Six Months Ended 31 December 2010*. Available from: http://www.try.gov.hk/internet/ehpubl_acc_quaraccounts.html [Accessed March 2011].

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