
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 2011 to 31 December 2011)

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 2011 to 31 December 2011.

2. General Revenue Account

2.1 The total General Revenue of Hong Kong for the period of 1 April 2011 to 31 December 2011 was HK\$231.0 billion, up HK\$31.2 billion when compared with the same period in the 2010-2011 Financial Year. The change was mainly attributable to the increase in revenue in the subhead of "profits tax" under the head of "internal revenue" and the head of "properties and investments".

2.2 Details of the General Revenue Account for the period of 1 April 2011 to 31 December 2011 are shown in **Table 1**.

Table 1 – General Revenue Account: revenue for the period of 1 April 2011 to 31 December 2011

	Revised estimates 2011-2012 (in HK\$'000)	Estimates 2012-2013 (in HK\$'000)	1 April 2010 – 31 December 2010 = (a) (in HK\$'000)	1 April 2011 – 31 December 2011 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Duties	8,198,254	8,331,645	5,281,667	5,583,252	301,585
General rates	9,693,000	10,471,000	7,387,623	8,124,964	737,341 ⁽¹⁾
Internal revenue ⁽²⁾	235,832,670	216,504,833 ⁽³⁾	134,005,266	153,630,565	19,625,299
Motor vehicle taxes	7,544,495	7,360,111	5,106,578	5,562,319	455,741
Fines, forfeitures and penalties	2,554,550	998,279	920,230	2,397,303	1,477,073
Royalties and concessions	4,360,032	3,096,410	1,973,400	3,837,597	1,864,197
Properties and investments	36,862,743	36,909,720	31,408,273	34,831,016	3,422,743
Loans, reimbursements, contributions and other receipts ⁽⁴⁾	7,796,316	9,281,546	2,795,877	4,707,014	1,911,137
Utilities ⁽⁵⁾	3,639,003	3,733,808	2,612,473	2,707,570	95,097
Fees and charges	13,010,997	11,408,719	8,360,259	9,652,095	1,291,836
Total	329,492,060	308,096,071	199,851,646	231,033,695	31,182,049

Notes: (1) The Government waived the general rates in 2010-2011 and 2011-2012, 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 2012-2013 over the revised estimate for 2011-2012 is mainly due to the projected decrease in revenue from the subheads of "earnings and profits tax" and "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 (2012) and The Government of the Hong Kong Special Administrative Region (2012b).

3. Capital Works Reserve Fund Account

3.1 For the period of 1 April 2011 to 31 December 2011, revenue of the Capital Works Reserve Fund Account¹ from land premium was HK\$73.2 billion, up HK\$12.7 billion when compared with the same period of the last financial year. In particular, revenue from "sales by public auction and tender" and "modification of existing leases, exchanges and extensions" increased by HK\$13.3 billion and HK\$9.8 billion respectively, while revenue from "private treaty grants" decreased by HK\$10.5 billion.

3.2 Details of revenue of the Capital Works Reserve Fund Account for the period of 1 April 2011 to 31 December 2011 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 2011 to 31 December 2011

	Revised estimates 2011-2012 (in HK\$'000)	Estimates 2012-2013 (in HK\$'000)	1 April 2010 – 31 December 2010 = (a) (in HK\$'000)	1 April 2011 – 31 December 2011 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Land premium					
Sales by public auction and tender	63,298,400	–	40,397,600	53,722,594	13,324,994
Private treaty grants	158,100	–	10,649,596	146,472	-10,503,124
Modification of existing leases, exchanges and extensions	19,085,100	–	9,036,925	18,861,684	9,824,759
Fees received in respect of short term waivers	512,500	–	358,850	455,836	96,986
<i>Sub-total</i>	<i>83,054,100</i>	<i>60,000,000⁽¹⁾</i>	<i>60,442,971</i>	<i>73,186,586</i>	<i>12,743,615⁽²⁾</i>
Investment income	3,609,059	4,111,000	2,710,507	3,608,553	898,046 ⁽²⁾

Notes: (1) According to the Government, no breakdown in the land premium estimate for 2012-2013 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 2012-2013 is estimated having regard to the overall performance of the property market under the past and current market conditions.

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

Sources: The Treasury (2012) and The Government of the Hong Kong Special Administrative Region (2012c).

3.3 Under the Capital Works Reserve Fund Account, expenditure on the Public Works Programme was HK\$31.5 billion for the period of 1 April 2011 to 31 December 2011, up HK\$2.5 billion when compared with the same period of the last financial year. The change was mainly attributable to the increase in expenditure in the heads of "highways" and "civil engineering".

3.4 Details of expenditure of the Public Works Programme under the Capital Works Reserve Fund Account for the period of 1 April 2011 to 31 December 2011 are shown in **Table 3**.

Table 3 –Capital Works Reserve Fund Account: expenditure of the Public Works Programme for the period of 1 April 2011 to 31 December 2011

	Revised estimates 2011-2012 (in HK\$'000)	Estimates 2012-2013 (in HK\$'000)	1 April 2010 – 31 December 2010 = (a) (in HK\$'000)	1 April 2011 – 31 December 2011 = (b) (in HK\$'000)	Change in expenditure (b) – (a) (in HK\$'000)
Port and airport development	1,494	5,300	404	1,424	1,020
Buildings	12,076,445	10,586,214	7,790,695	7,721,909	-68,786
Drainage	5,919,769	5,192,975	3,778,050	3,730,484	-47,566
Civil engineering	3,525,043	4,368,506	1,532,056	2,560,753	1,028,697
Highways	20,282,212	27,356,216 ⁽¹⁾	10,487,827	12,884,560	2,396,733
New towns and urban area development	2,759,688	2,276,950	2,526,817	2,027,880	-498,937
Waterworks	3,357,317	3,315,829	2,505,675	2,243,691	-261,984
Housing	528,371	544,912	381,780	348,348	-33,432
Total	48,450,339	53,646,902	29,003,304	31,519,049	2,515,745

Note: (1) The increase in the estimate for 2012-2013 over the revised estimate for 2011-2012 is mainly due to the projected increase in expenditure on the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, Shatin to Central Link and Hong Kong-Zhuhai-Macao Bridge.

Sources: The Treasury (2012) and The Government of the Hong Kong Special Administrative Region (2012c).

4. Capital Investment Fund Account

4.1 Revenue of the Capital Investment Fund Account² was HK\$347 million for the period of 1 April 2011 to 31 December 2011, down HK\$91 million when compared with the same period in the 2010-2011 Financial Year.

4.2 Details of revenue of the Capital Investment Fund Account for the period of 1 April 2011 to 31 December 2011 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 2011 to 31 December 2011

	Revised estimates 2011-2012 (in HK\$'000)	Estimates 2012-2013 (in HK\$'000)	1 April 2010 – 31 December 2010 = (a) (in HK\$'000)	1 April 2011 – 31 December 2011 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Dividends, interests and other receipts from investments/loans	1,268,013	1,096,987	333,744	248,311	-85,433
Loan repayments	18,106	101,743	–	–	–
Investment income ⁽¹⁾	98,522	84,000	104,174	98,522	-5,652
Total	1,384,641	1,282,730	437,918	346,833	-91,085⁽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 (2012) and The Government of the Hong Kong Special Administrative Region (2012c).

References

1. *Speech by the Financial Secretary: The 2012-13 Budget*. (2012) Hong Kong, Government Logistics Department.
2. The Government of the Hong Kong Special Administrative Region. (2012a) *Estimates for the Year Ending 31 March 2013: Volume IA – General Revenue Account*. Hong Kong, Government Logistics Department.
3. The Government of the Hong Kong Special Administrative Region. (2012b) *Estimates for the Year Ending 31 March 2013: Volume IB – General Revenue Account*. Hong Kong, Government Logistics Department.
4. The Government of the Hong Kong Special Administrative Region. (2012c) *Estimates for the Year Ending 31 March 2013: Volume II – Fund Accounts*. Hong Kong, Government Logistics Department.
5. The Treasury. (2012) *Accounts Published in the Gazette: Accounts for the Nine Months Ended 31 December 2011*. Available from: http://www.gld.gov.hk/cgi-bin/gld/egazette/gazettefiles.cgi?lang=e&year=2012&month=2&day=10&vol=16&no=06&gn=748&header=1&part=0&df=1&nt=gn&newfile=1&acurrentpage=12&agree=1&gaz_type=mg [Accessed April 2012].

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11 April 2012
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