

財經事務及庫務局  
(庫務科)

香港下亞厘畢道  
中區政府合署

FINANCIAL SERVICES AND THE  
TREASURY BUREAU  
(The Treasury Branch)

Central Government Offices,  
Lower Albert Road,  
Hong Kong

By fax : 2121 0420

傳真號碼 Fax No. : 2179 5848  
電話號碼 Tel. No. : 2810 3729  
本函檔號 Our Ref. : FIN CR 8/2321/02 Pt. 2  
來函檔號 Your Ref. : CB1/SS/6/02

17 April 2003

Clerk to Subcommittee  
(Attn: Miss Polly Yeung)  
Legislative Council Secretariat  
3th Floor, Citibank Tower  
Central, Hong Kong

Dear Miss Yeung,

**Subcommittee on the motion to amend the Resolution of the Land Fund  
under section 29 of the Public Finance Ordinance (Cap. 2)**

I refer to your letter of 16 April 2003 and would like to provide below our response to and supplementary information on the issues raised by Members at the Subcommittee meeting yesterday -

- (a) We are considering Members' suggestion to stipulate in the Resolution to be moved the amount of funds (i.e. \$120 billion) proposed to be transferred from the Land Fund to the general revenue for meeting the cashflow requirements in the medium term, and shall report our response at the coming Subcommittee meeting;
- (b) We undertake to examine and consult the Financial Affairs Panel on the way forward for the Land Fund in the longer run, including whether or not the Land Fund should be abolished and the fund balance be transferred to the general revenue; and
- (c) A summary of the actual and projected fund balance of the General Revenue Account and the Capital Works Reserve Fund in the past twelve months and in the coming months up to August 2003 is at the **Annex**.

The names and post titles of the Government representatives who will attend the next meeting of the Subcommittee are as follows -

- (a) Mr Martin GLASS Deputy Secretary for Financial Services and the Treasury (Treasury)2  
( 郭立誠先生 ) ( 財經事務及庫務局副秘書長(庫務)2 )
- (b) Mr Allen LEUNG Principal Assistant Secretary for Financial Services and the Treasury (Treasury)(MA)  
( 梁耀發先生 ) ( 財經事務及庫務局首席助理秘書長(庫務)(管理會計) )
- (c) Mr Charlix WONG Senior Treasury Accountant (MA)2  
( 黃成禧先生 ) ( 高級庫務會計師(管理會計)2 )
- (d) Miss Shandy LIU Senior Government Counsel  
( 廖穎雯女士 ) ( 高級政府律師 )

Yours sincerely,

( Allen Leung )  
for Secretary for Financial Services and  
the Treasury

Encl.

c.c. D of J (Attn : Miss Shandy Liu, Law Drafting Division) - Fax No: 2521 3275

**Actual and Projected Fund Balance of the  
General Revenue Account and Capital Works Reserve Fund  
in 2002-03 and in the Coming Months up to August 2003  
(without transfer of fund balance from Land Fund to General Revenue Account)**

***Financial Year 2002-03***

<b>Fund Balance</b>	<b>2002</b>									<b>2003</b>		
	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
	\$bn	\$bn	\$bn	\$bn	\$bn	\$bn	\$bn	\$bn	\$bn	\$bn	\$bn	\$bn
Opening balance	99.2	93.9	84.3	72.4	60.0	44.0	29.1	27.4	29.2	22.3	41.3	32.0
Surplus/(deficit) for the month	(5.3)	(9.6)	(11.8)	(12.5)	(15.9)	(14.9)	(1.7)	1.8	(6.9)	19.0	(9.3)	(11.7)
Closing balance	93.9	84.3	72.4	60.0	44.0	29.1	27.4	29.2	22.3	41.3	32.0	20.3

***Financial Year 2003-04***

<b>Fund Balance</b>	<b>2003</b>				
	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>
	\$bn	\$bn	\$bn	\$bn	\$bn
Opening balance	20.3	15.4	3.0	(10.2)	(23.2)
Surplus/(deficit) for the month	(4.9)	(12.4)	(13.2)	(13.0)	(15.6)
Closing balance	15.4	3.0	(10.2)	(23.2)	(38.8)

**Notes:**

- (1) The General Revenue Account and the Capital Works Reserve Fund are the main Account/Fund for day-to-day departmental expenditure/revenue collection and capital works payments.
- (2) Although this forecast has incorporated the latest information, the accounts for March 2003 have not been closed yet and may be subject to further adjustments.
- (3) Notwithstanding a forecast closing balance of \$3 billion by the end of May 2003, it may not be sufficient to meet the intra-month expenditure requirements in view of such a low balance.