

2010-11 Budget

Briefing for the Legislative Council

25 February 2010

2010-11 Estimates Three Key Objectives

- Consolidating the recovery
- Developing our economy
- Building a caring society

2010-11 Estimates

	\$billion
Government revenue	292.0
Government expenditure	(317.2)
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Consolidated deficit	(25.2)
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Forecast balance of fiscal reserves as at end March 2011	483.0

2010-11 Estimates

- Launch special measures amounting to over \$20 billion to provide relief and to consolidate economic recovery

- Other major expenditure initiatives include:
 - capital works expenditure (\$49.6 billion)
 - increase recurrent funding for School-based After-school Learning and Support Programmes (to \$175 million)
 - matching grant to tertiary institutions (\$1 billion)
 - injection to Arts and Sport Development Fund (\$3 billion)
 - injection to Beat Drugs Fund (\$3 billion)

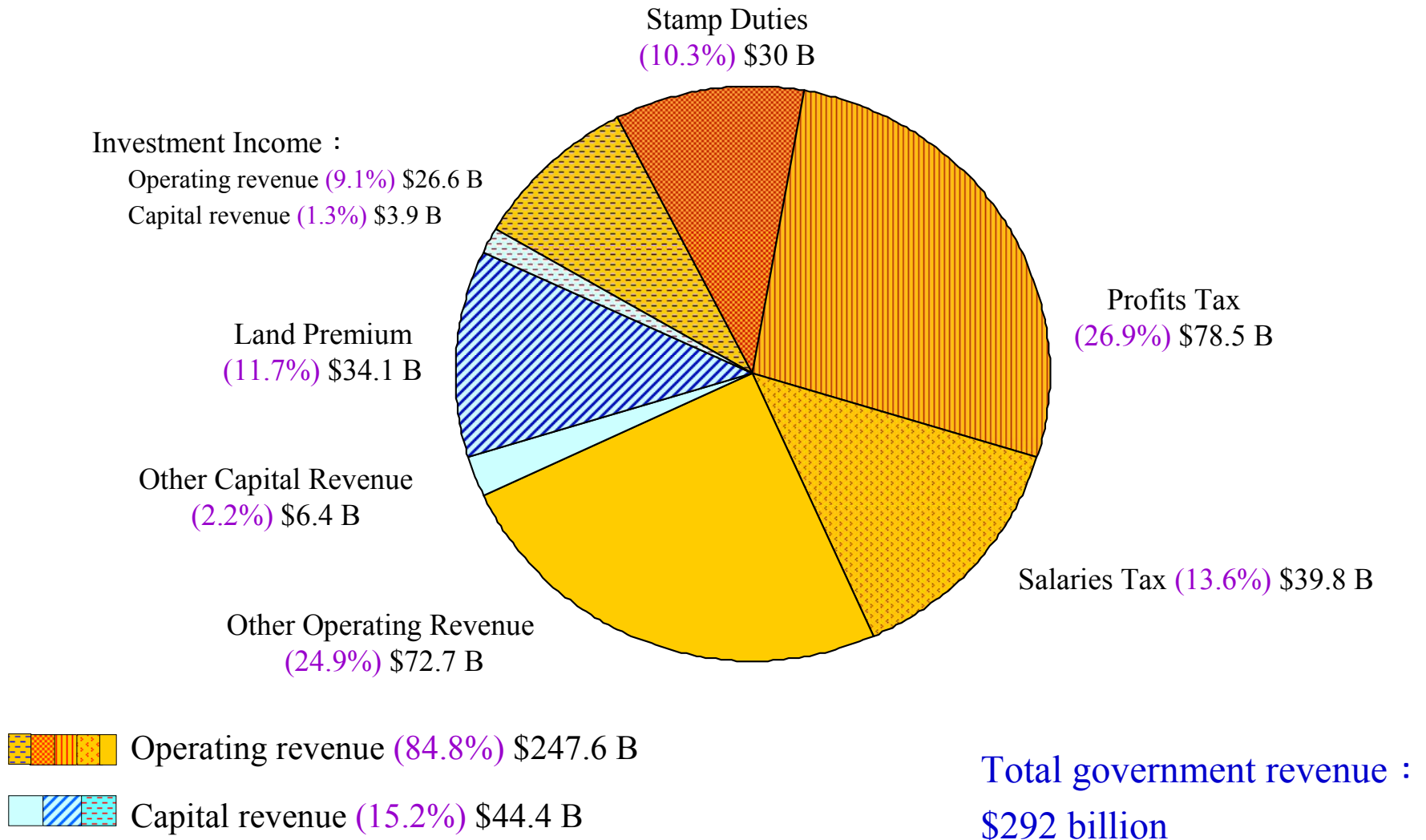
2010-11 Estimates (Cont'd)

- Other major expenditure initiatives include (cont'd):
 - strengthen services provided by the Hospital Authority (around \$1.2 billion)
 - promote mental health (around \$200 million)
 - strengthen services to the elderly and persons with disabilities (around \$300 million)
 - implement pilot schemes for enhancing services to elderly and persons with disabilities as well as promoting different service modes (around \$300 million)
 - set up Pilot Green Transport Fund (\$300 million)
 - subsidise replacement of Euro II diesel commercial vehicles (\$540 million)

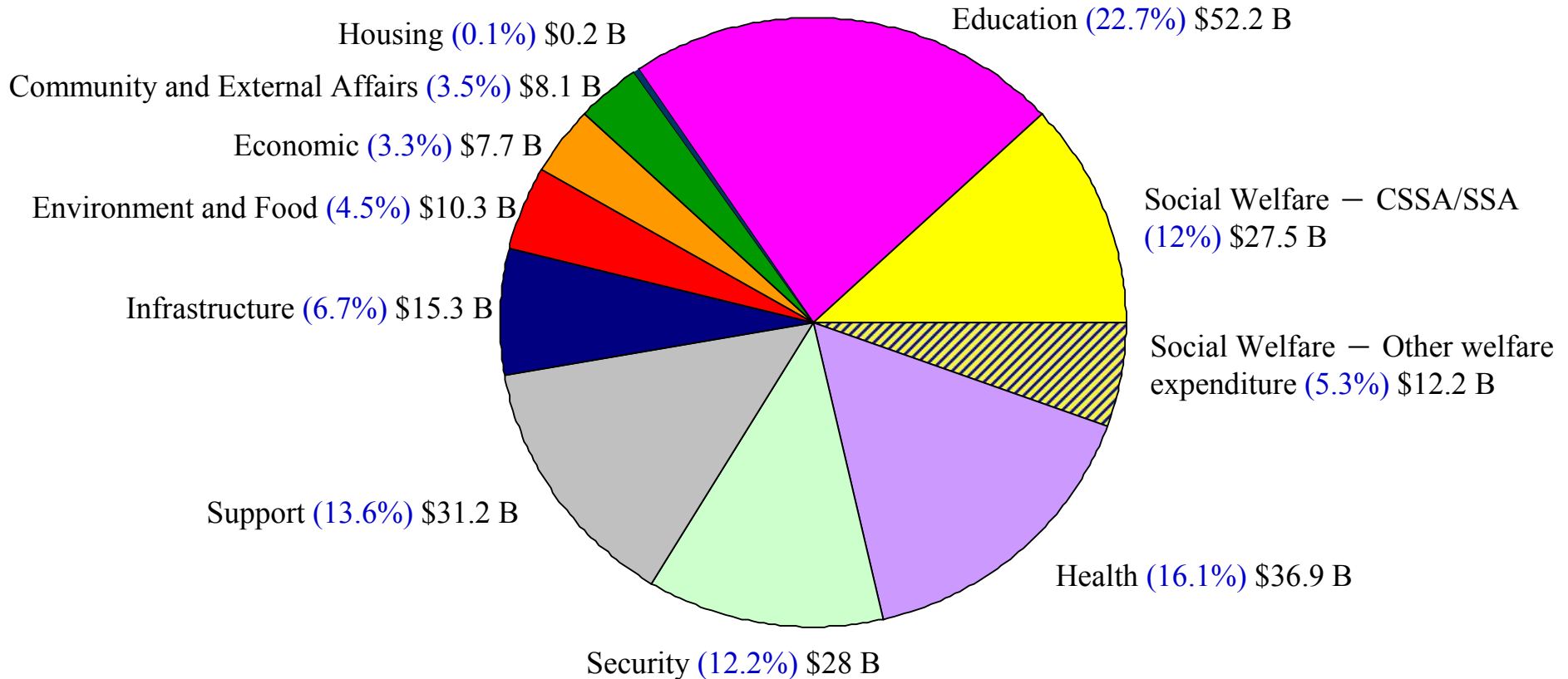
2010-11 Estimates (Cont'd)

- Other major revenue initiatives include:
 - increase stamp duty rate to 4.25% for properties valued more than \$20 million
 - extend the scope of stamp duty concession for Exchange Traded Funds
 - extend the scope of profits tax concession for qualifying debt instruments
 - profit tax deduction for the purchase of registered trademarks, copyrights and registered designs
 - accelerate profit tax deduction for capital expenditure on environment-friendly vehicles

Revenue for 2010-11 (Estimates)



Recurrent Expenditure for 2010-11 (Estimates)



Total recurrent government expenditure : \$229.6 billion (72.4% of total government expenditure of \$317.2 billion)

2010 Medium Range Forecast

(\$ billion)	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Operating surplus / (deficit)	(3.8)	22.9	28.1	30.7	36.9
Capital deficit	(21.4)	(36.0)	(34.9)	(30.6)	(21.6)
Consolidated surplus / (deficit) after repayment of bonds and notes	(25.2)	(13.1)	(6.8)	0.1	5.5
Fiscal reserves	483.0	469.9	463.1	463.2	468.7
- as number of months of government expenditure	18	17	16	15	15
- as a percentage of GDP	28.3%	26.0%	24.1%	22.8%	21.7%

Thank You
