

2018-19 Budget Consultation

二零一八至一九年度
財政預算案諮詢

January 2018
二零一八年一月

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The Economy

經濟狀況

2017 economic indicators 二零一七年經濟指標

GDP real growth 本地生產總值實質增長	Q1 – Q3 首三季	3.9%
	Q3 第三季	3.6%
Unemployment rate 失業率	Sep – Nov 九月至十一月	3.0%
Underlying consumer price inflation 基本消費物價通脹率	Jan – Nov 一月至十一月	1.7%
	Nov 十一月	1.6%

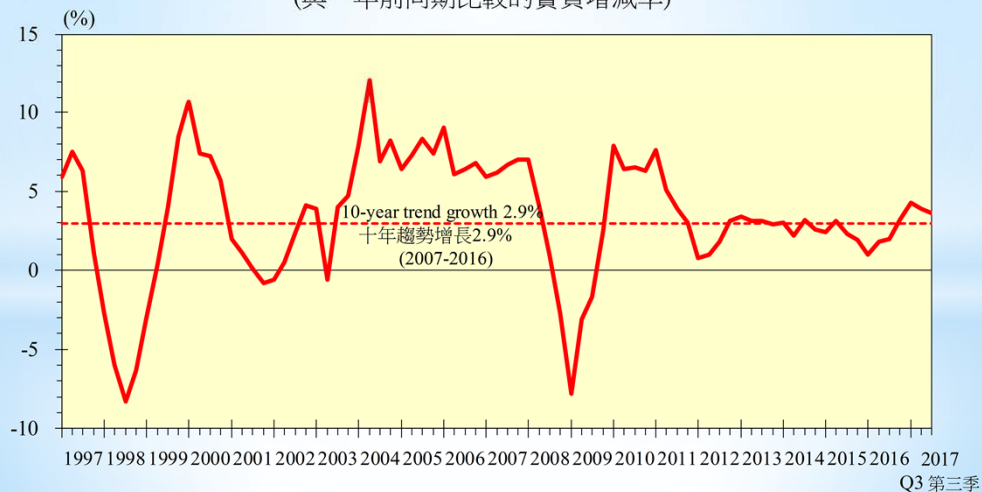
Except for unemployment rate, the above percentages represent year-on-year changes.
除失業率外，上列百分率表示與一年前同期比較的變動。

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- The Hong Kong economy picked up to grow notably by 3.9% year-on-year in real terms in the first three quarters of 2017. External demand stayed vibrant amid the rather strong global economic growth momentum, and domestic demand also grew solidly.
二零一七年首三季，香港經濟增長加快，按年實質顯著增長3.9%。環球經濟增長勢頭不錯，外部需求持續向好，而內部需求亦穩步增長。
- The labour market has been in a state of full employment and tightened further. The seasonally adjusted unemployment rate stayed at a nearly 20-year low of 3.0% in September – November 2017. Inflation eased further, with the underlying rate averaging 1.7% in the first eleven months of 2017, 0.6 percentage point lower than that for 2016 as a whole.
勞工市場持續處於全民就業狀態，並進一步趨緊。經季節性調整的失業率在二零一七年九月至十一月維持於3.0%，為近二十年的低位。通脹進一步回落，二零一七年首十一個月的基本通脹率平均為1.7%，較二零一六年全年平均低0.6個百分點。

Economy grew notably in the first three quarters of 2017 二零一七年首三季經濟錄得顯著增幅

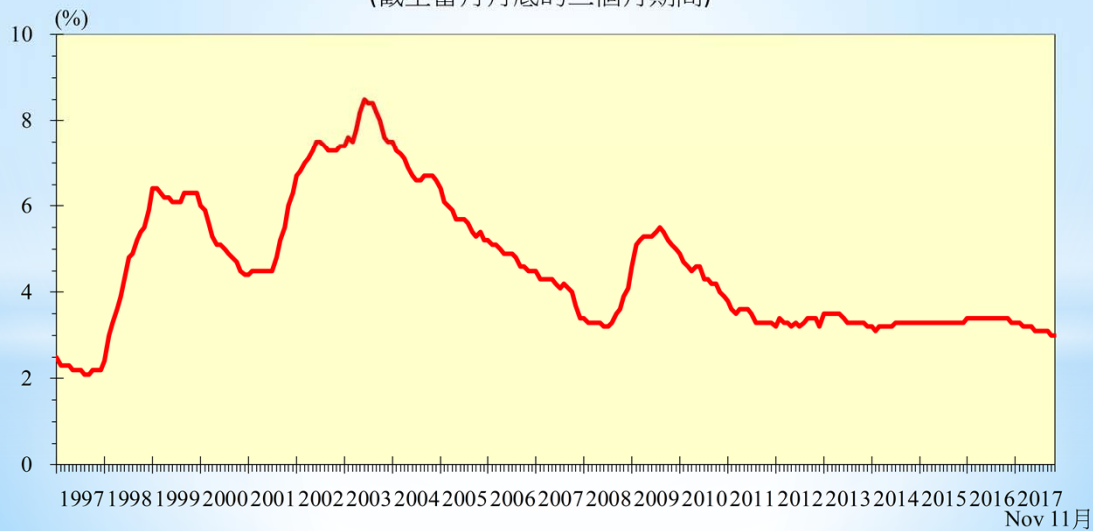
Gross Domestic Product
(year-on-year rate of change in real terms)
本地生產總值
(與一年前同期比較的實質增減率)



- Hong Kong's economic growth in the first three quarters of 2017, at 3.9% year-on-year in real terms, was above the past ten-year trend, marking the fastest growth in six years.
二零一七年首三季，香港經濟按年實質增長3.9%，高於過去十年平均趨勢，亦是六年以來最快。
- Global economic growth has been picking up over the course of 2017. The synchronised upturn in major economies has bolstered regional trade flows in Asia. Inbound tourism concurrently recovered. Hong Kong's goods exports registered visible growth, while exports of services also progressively improved during the year.
環球經濟增長在二零一七年內續見加快，主要經濟體同步改善，令亞洲區內貿易往來暢旺。訪港旅遊業亦同時復蘇。香港貨物出口錄得可觀的增幅，而服務輸出則在年內逐步改善。
- Domestic demand stayed firm. Underpinned by tight labour market conditions, private consumption expenditure expanded briskly in the first three quarters of 2017. Thanks to strong local consumption demand and bottoming out in inbound tourism, retail sales have gradually turned up.
內部需求持續堅挺。在勞工市場情況偏緊的支持下，私人消費開支在二零一七年首三季顯著增加。隨着本地消費需求暢旺，而訪港旅遊業亦見底回升，零售銷售漸見好轉。

Labour market remained in full employment 勞工市場維持全民就業

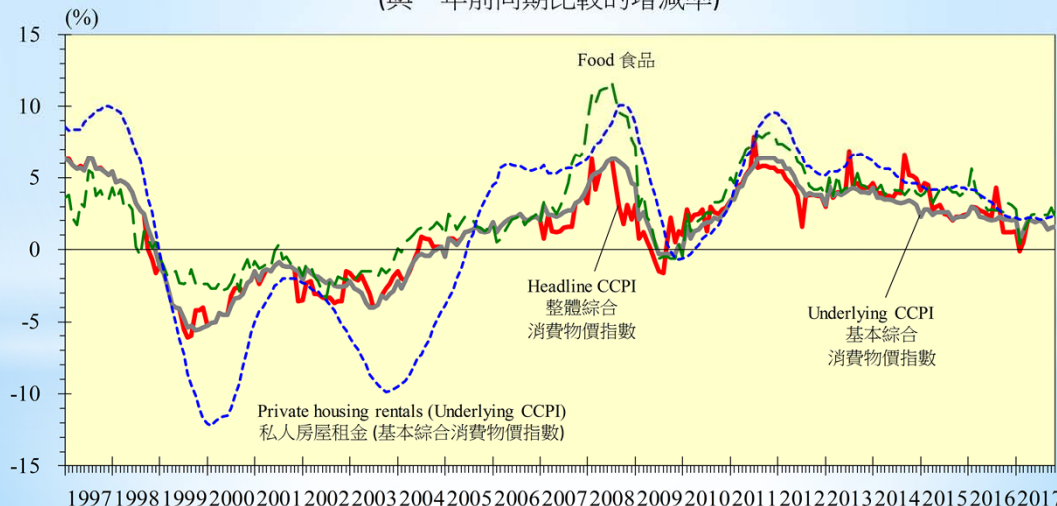
Seasonally adjusted unemployment rate
(three months ending)
經季節性調整的失業率
(截至當月月底的三個月期間)



- The labour market stayed in full employment. Thanks to robust economic expansion, the supply-demand balance in the labour market tightened further. The seasonally adjusted unemployment rate stayed low at 3.0% in September – November 2017, accompanied by notable year-on-year growth in total employment.
勞工市場維持全民就業狀態。隨着經濟強勁增長，勞工市場的供求情況進一步趨緊。二零一七年九月至十一月，經季節性調整的失業率維持於3.0%的低水平，總就業人數亦錄得顯著的按年增長。
- Wages and earnings generally sustained growth in real terms. Earnings of the lower-income workers continued to see appreciable growth in recent months, in tandem with the upward adjustment of the Statutory Minimum Wage rate in May 2017.
工資及收入普遍維持實質增長。隨着法定最低工資水平在二零一七年五月起上調，較低薪工人的就業收入在近月持續錄得可觀的升幅。

Inflation pressure remained modest 通脹壓力溫和

Composite Consumer Price Index (CCPI)
(year-on-year rate of change)
綜合消費物價指數
(與一年前同期比較的增減率)



Nov 11月

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- The underlying inflation rate eased further to 1.7% in the first eleven months of 2017. Overall inflationary pressure remained limited amid low external price pressure and moderate increase in local costs.
二零一七年首十一個月，基本通脹率進一步回落至1.7%。外圍通脹壓力低企，本地成本升幅溫和，整體通脹壓力不大。

Latest forecasts for 2017

二零一七年最新預測

GDP real growth 3.7%

本地生產總值實質增長

Consumer price inflation

消費物價通脹

Underlying 1.7%

基本

Headline 1.5%

整體

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- The global economy is likely to remain on course for moderate expansion in the near term, providing support to Asia's trade as well as our exports. Private consumption should be underpinned by favourable employment and income conditions, while building and construction activity should also sustain at an intensive level. Recent surveys continued to point to positive business sentiments.

短期而言，環球經濟料會繼續溫和擴張，為亞洲貿易以至香港出口帶來支持。就業及收入狀況良好，帶動私人消費增長，而樓宇及建造活動料亦會維持在高位。近期的調查反映企業營商信心維持正面。

- Considering the actual growth outturn in the first three quarters of 2017 and the expected further solid growth in the fourth quarter of 2017, the Hong Kong economy is forecast to grow by 3.7% for 2017 as a whole in real terms. This marks a visible pick-up from the 2.0% growth in 2016.

考慮到二零一七年首三季的實際增長數字，加上二零一七年第四季經濟料會進一步穩健擴張，二零一七年全年計，香港經濟可望有3.7%實質增長，明顯高於二零一六年2.0%的增幅。

- On prices, the underlying and headline consumer price inflation rates for 2017 as a whole are forecast at 1.7% and 1.5% respectively.

物價方面，二零一七年全年合計，基本及整體消費物價通脹率預測分別為1.7%和1.5%。

Economic uncertainties

經濟不明朗因素

- The pace of the US Fed's monetary policy normalisation and possible tapering of policy stimuli by some other major central banks
美國聯儲局貨幣政策正常化的步伐，以及一些其他主要央行可能縮減政策刺激
- Possibility of gyrations in asset markets amid a complicated global monetary environment
複雜的環球貨幣環境下資產價格或會更為波動
- Potential impacts of US monetary policy normalisation and tax reform on global capital flows
美國貨幣政策正常化及稅改對全球資金流動可能帶來的影響
- Rising protectionist sentiment
保護主義情緒升溫
- Elevated geopolitical tensions
地緣政治局勢緊張

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- The US Fed has started to scale back its balance sheet gradually since October 2017, marking a new milestone in the monetary policy normalisation process. Moreover, the Fed is expected to continue its interest rate hikes gradually. Under the Linked Exchange Rate System, the interest rates in Hong Kong will eventually rise. Besides, central banks in some other major economies may also alter the current loose monetary stances step by step as economic recoveries become more entrenched. The complicated global monetary environment could heighten financial volatility in the period ahead, with possible spillover to local asset prices and economic sentiment.

美國聯儲局自二零一七年十月開始逐漸縮減資產負債表，標誌着貨幣政策正常化新的里程碑。同時，聯儲局料會繼續循序漸進地加息。在聯繫匯率制度下，香港息口最終亦會上揚。此外，隨着各地經濟復蘇更趨鞏固，一些其他主要經濟體的央行亦可能會逐步改變現時寬鬆的貨幣政策。如此複雜的環球貨幣環境，可能會令往後金融市場變得更為波動，從而亦會波及本地的資產價格以至經濟氣氛。

- Uncertainties linked to the Brexit negotiations persist. The potential impacts of US monetary policy normalisation and tax reform on global capital flows remain to be seen. The risks of rising protectionist sentiment, possible policy shifts in US trade and other economic policy direction, as well as elevated geopolitical tensions in various regions also warrant attention.

英國「脫歐」談判繼續帶來不明朗因素；美國貨幣政策正常化及稅改對全球資金流動可能帶來的影響有待觀察；而保護主義情緒升溫、美國貿易及其他經濟政策方向可能轉變，以及世界多個地區的地緣政治局勢緊張，相關風險也須留意。



Public Finance

公共財政

New Fiscal Philosophy 理財新哲學

On the premise of ensuring the health of our public finance, adopt forward-looking and strategic financial management principles in wisely using our accumulated fiscal surpluses, which are wealth derived from the community, to benefit the community –

在確保公共財政穩健的前提下，採取具有前瞻性與策略性的財政方針，有智慧地把「取自社會」的財政盈餘「用於社會」：

- **Seize the opportunity and invest for the future**
把握機遇，投資未來
- **Timely investments as preventive measures**
及時投放資源，防患於未然
- **Fiscal policy for economic and social development**
運用財務措施，促進經濟和社會發展
- **New direction for taxation to enhance competitiveness**
落實稅務新方向，提升競爭力

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On the premise of ensuring the health of our public finance, the Government should adopt forward-looking and strategic financial management principles in wisely using our accumulated fiscal surpluses, which are wealth derived from the community, to benefit the community:

在確保公共財政穩健的前提下，政府應採取具有前瞻性與策略性的財政方針，有智慧地把「取自社會」的財政盈餘「用於社會」：

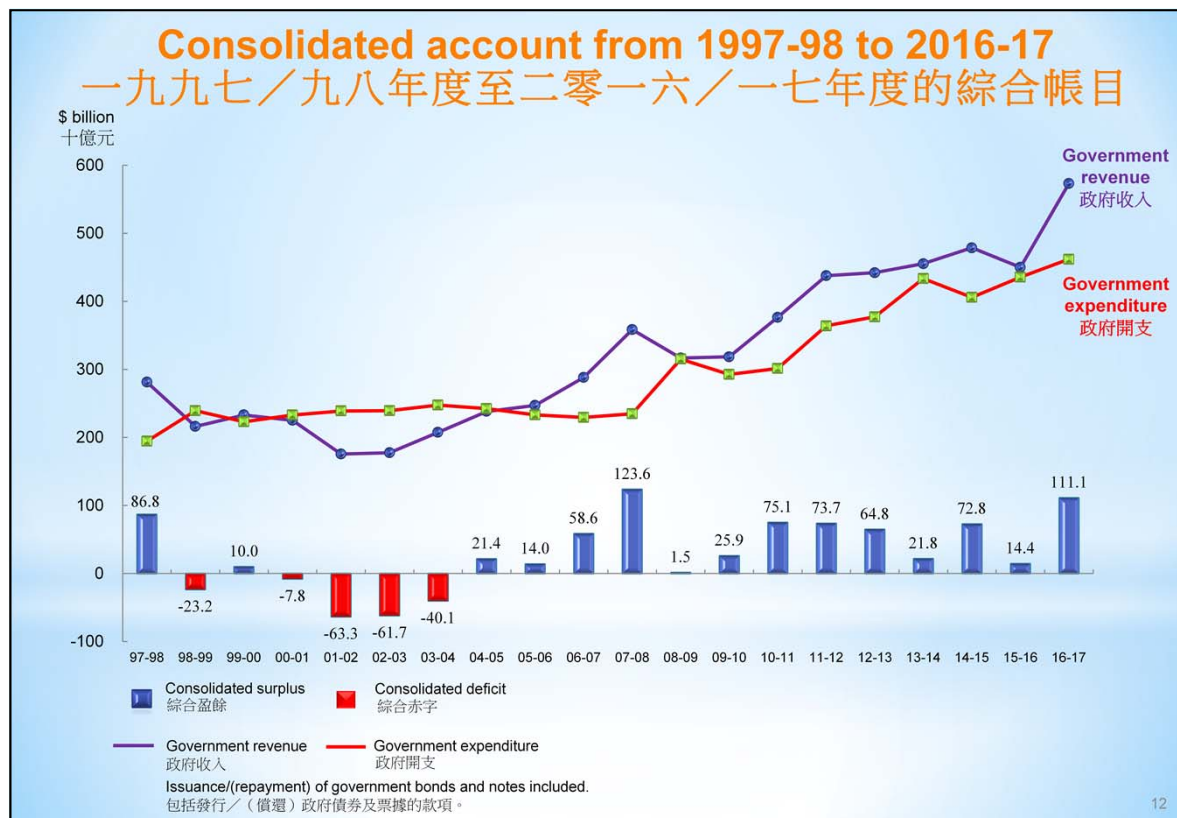
- **Seize the opportunity and invest for the future:** Bring about long-term returns for society by investing more generously so that government revenues will increase continuously, thereby enabling us to make further investments for our future.
把握機遇，投資未來：不吝嗇可作投資的開支能為社會帶來長期回報，並持續地增加政府財政收入，進一步投資未來。
- **Timely investments as preventive measures:** Expenditure for preventive medical care, training, re-training and investment in social enterprises can all add value to society.
及時投放資源，防患於未然：預防性醫療開支、培訓及再培訓開支、社會企業投資等，都有資源增值的效果。
- **Fiscal policy for economic and social development:** We may identify options to increase Hong Kong's competitiveness and create benefits for society.
運用財務措施，促進經濟和社會發展：我們會研究通過政策增加香港的競爭力和促成有利社會的行為。
- **New direction for taxation to enhance competitiveness:** While maintaining a simple tax system, we should also make targeted reductions in tax rates to alleviate the tax burden of companies to steer social and economic activities.
落實稅務新方向，提升競爭力：在維持簡單稅制的同時，針對性地減低稅務負擔，以引導社會經濟活動。

Three objectives of public finance 公共財政的三大目標

- Developing the economy and improving livelihood
發展經濟、改善民生
- Investing for the future and enhancing liveability
投資未來、宜居宜業
- Upholding social justice and sharing fruits of economic success
公平公義、共享成果

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- The Government must be appropriately proactive in developing the economy and improving people's livelihood.
政府必須適度有為，並投入資源發展經濟、改善民生。
- The Government must be forward-looking and invest continuously for the future of Hong Kong so that our economy and society can develop in a sustained manner and our living environment can keep improving.
政府必須目光遠大，為香港的未來持續投資，提升競爭力，讓經濟和社會得以持續發展，生活環境不斷改善。
- The Government must make good use of financial resources, with a view to building a fair and just society where people from all walks of life can share the fruits of economic advancement.
政府必須善用財政資源，以建立公平公義的社會為願景，讓各階層市民可以分享經濟發展的成果。



- The HKSAR Government strives to achieve fiscal balance over a period of time.
特區政府力求在一段期間內達至收支平衡。

- We have achieved budget surpluses for 15 years since 1997-98. But budget deficits had beset us for five years between 1998-99 and 2003-04 and the drain on the fiscal reserves was substantial.
自一九九七／九八年度以來，有十五年錄得財政盈餘。可是，在一九九八／九九至二零零三／零四年度期間，我們經歷了五年的財政赤字，令財政儲備大量消耗。

Tax measures to be implemented in 2018-19 即將在二零一八／一九年度實施的稅務措施

Two-tiered profits tax rates regime 利得稅兩級制

	Corporation 法團	Unincorporated business (partnership & sole proprietorship) 非法團業務（獨資或合夥業務）
First \$2 million 首二百萬元	8.25%	7.5%
Excess 其後金額	16.5%	15%

Enhanced tax deduction for R&D expenditure 為研發開支提供額外稅務扣減

- First \$2 million of qualifying R&D expenditure would enjoy a 300% tax deduction with the remainder at 200%
首二百萬元的合資格研發支出可獲300%扣稅，餘額則獲200%扣稅
- The Innovation and Technology Commission is now consulting stakeholders on the proposal 創新科技署現正就建議諮詢持份者

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Two-tiered profits tax rates regime 利得稅兩級制

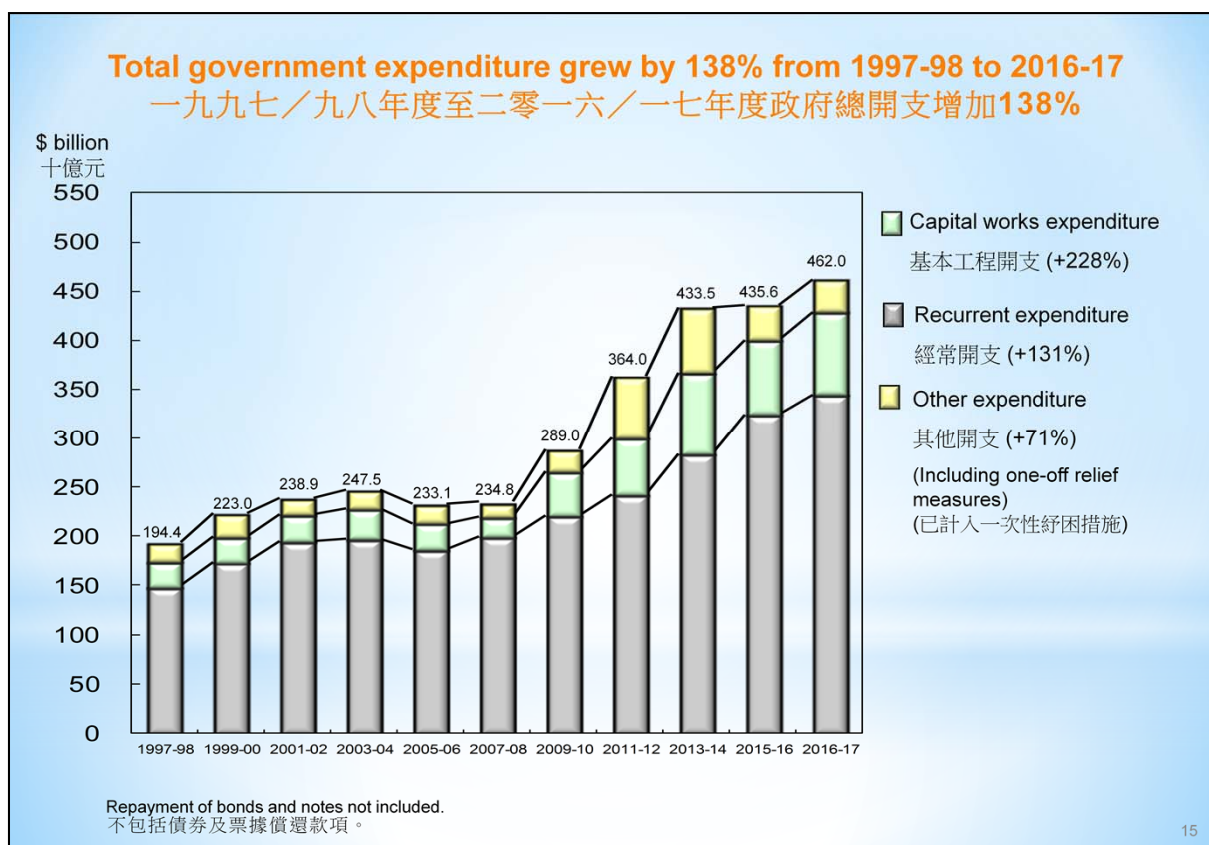
- The introduction of a two-tiered profits tax rates regime will reduce the tax burden on enterprises, especially small and medium enterprises (SMEs), while maintaining a simple and low tax system. 引入兩級制利得稅，可在維持簡單低稅制的前提下，減輕企業，特別是中小的稅務負擔。
- The profits tax rate for the first \$2 million of profits of enterprises will be halved to 8.25%. Profits above that amount will continue to be subject to the standard tax rate of 16.5%. Correspondingly, for unincorporated businesses which are mainly partnerships and sole proprietorships, the two-tiered tax rates will be set at 7.5% and 15% respectively. 法團首二百萬元的利得稅稅率將減半至8.25%，其後的利潤則繼續按16.5%徵稅。至於以合夥和獨資經營為主的非法團業務，首二百萬元利潤的稅率將相應下調至7.5%，餘下利潤的稅率則維持在15%。
- To target such benefit primarily for SMEs, we propose to introduce restrictions to limit the application to only one enterprise nominated from among those which are connected. 為確保受惠企業以中小企為主，我們建議限制有關連企業只可提名一家企業受惠。

Enhanced tax deduction for R&D expenditure 為研發開支提供額外稅務扣減

- At present, the Inland Revenue Ordinance allows 100% tax deduction for R&D expenditure. 現時《稅務條例》允許為研發開支提供100%稅務扣減。
- We propose to introduce higher rates of tax deduction on R&D to promote more local R&D activities and create a more vibrant innovation and technology ecosystem in Hong Kong. The first \$2 million of qualifying R&D expenditure would enjoy a 300% tax deduction with the remainder at 200%. 我們建議為研發開支提供更高的扣稅金額，以推動更多本地研發活動，以及為香港締造更有活力的創新及科技生態。首二百萬元的合資格研發支出可獲300%扣稅，餘額則獲200%扣稅。
- The Innovation and Technology Commission is now consulting stakeholders on the proposal. 創新科技署現正就建議諮詢持份者。

Expenditure

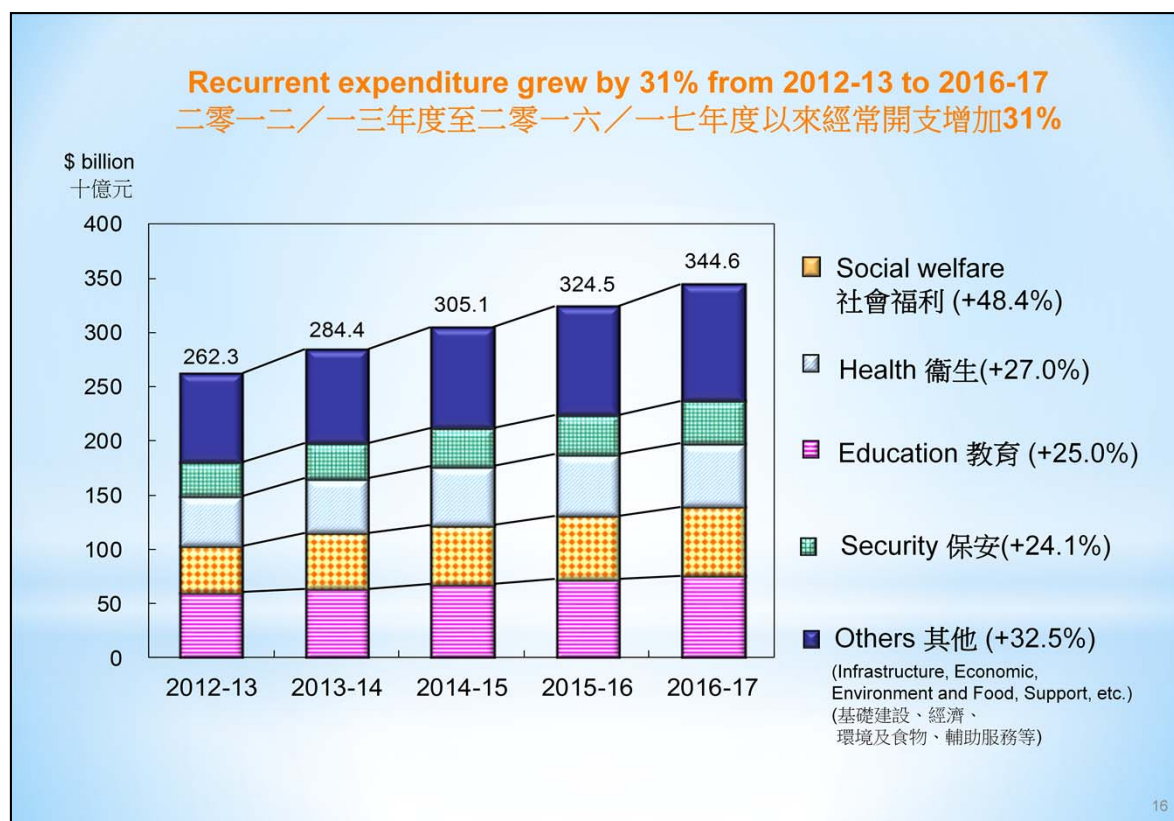
開支



- Total government expenditure for 2016-17 was \$462.0 billion, representing an increase of \$26.4 billion, or 6.1%, against 2015-16, mainly due to the increase in recurrent expenditure of \$20.1 billion and equity injection in the Hong Kong Science and Technology Parks Corporation of \$9.5 billion. It is more than doubled when compared with 1997-98 –

二零一六／一七年度政府總開支為4,620億元，較二零一五／一六年度增加264億元(或6.1%)，主要是由於經常開支增加了201億元，以及透過資本投資向香港科技園公司注資了95億元。與一九九七／九八年度比較，增幅逾一倍：

	2016-17 compared with 1997-98 二零一六／一七年度與 一九九七／九八年度 比較	2017-18 Estimate compared with 1997-98 二零一七／一八年度預算 與一九九七／九八年度 比較
➤ Capital works expenditure 基本工程開支	+228%	+238%
➤ Recurrent expenditure 經常開支	+131%	+148%

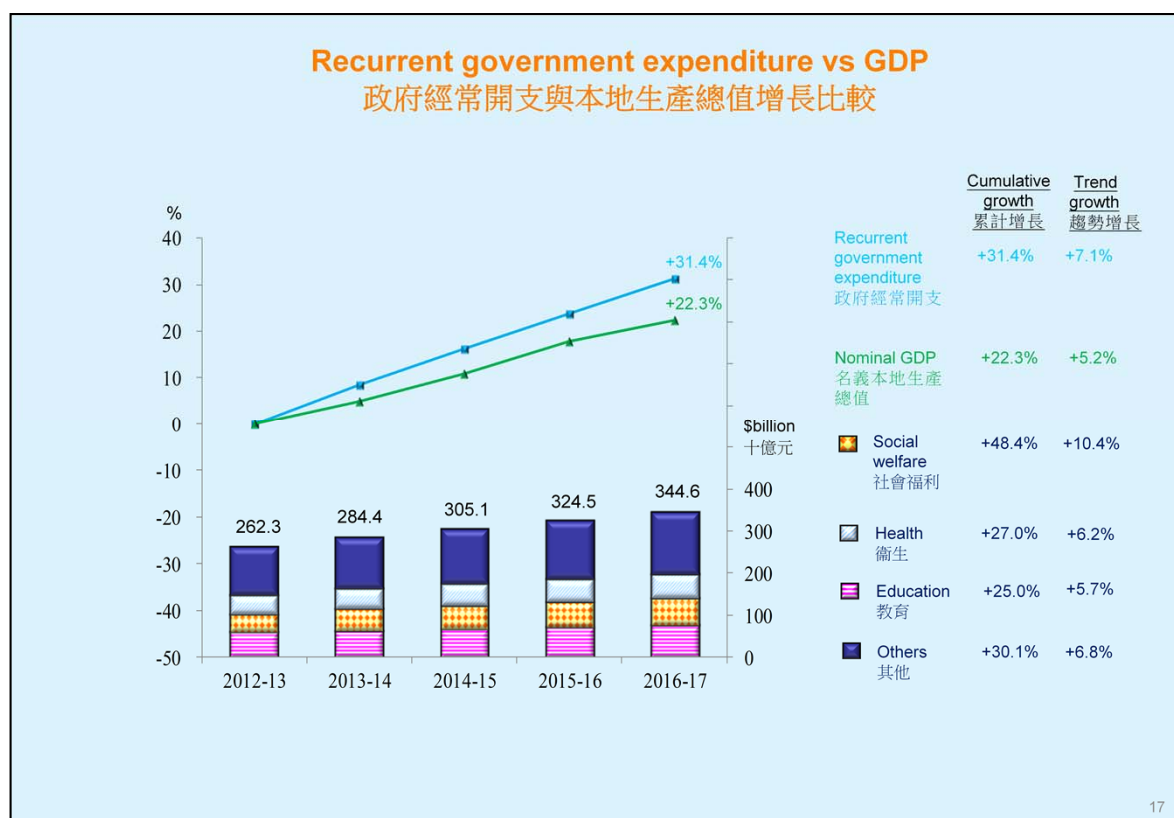


- Recurrent expenditure for 2016-17 was \$344.6 billion, representing an increase of \$20.1 billion (or 6.2%) over 2015-16. It has been growing steadily since 2012-13 at a trend rate of 7.1%. The increase in recurrent expenditure reflects the Government's long-term commitment in improving people's livelihood.

二零一六／一七年度的經常開支達3,446億元，較二零一五／一六年度增加201億元(或6.2%)。自二零一二／一三年度起，經常開支以7.1%的趨勢增長率穩步上升。經常開支的增幅反映政府在改善民生方面的長遠承擔。

- Recurrent expenditure on social welfare, health and education has been increasing –
社會福利、衛生和教育方面的經常開支持續增加：

	2016-17 compared with 2012-13 二零一六／一七年度與 二零一二／一三年度 比較	2017-18 Estimate compared with 2012-13 二零一七／一八年度預算 與二零一二／一三年度 比較
➤ Social welfare 社會福利	+48.4%	+71.2%
- Comprehensive Social Security Assistance Scheme 綜合社會保障援助計劃	+13.4%	+11.6%
- Social Security Allowance Scheme 公共福利金計劃	+109.3%	+170.8%
- Other welfare expenditure 其他福利開支	+52.4%	+80.7%
➤ Health 衛生	+27.0%	+34.0%
➤ Education 教育	+25.0%	+30.1%

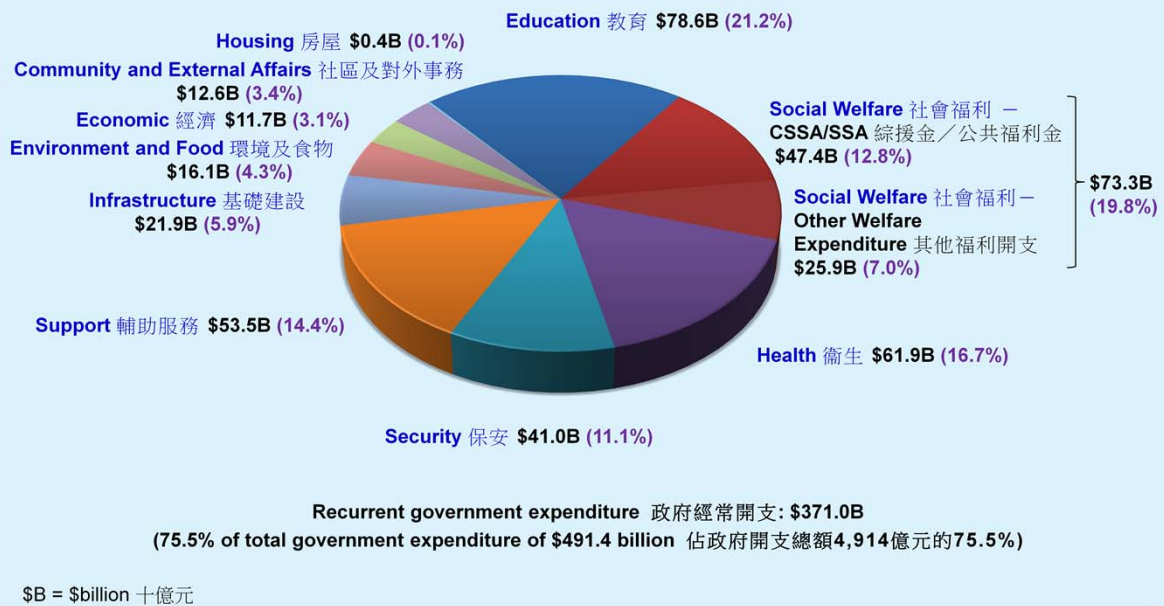


- The cumulative and trend growths are as follows –
累計增長及趨勢增長如下：

	2016-17 compared with 2012-13 二零一六／一七年度與 二零一二／一三年度 比較		2017-18 Estimate compared with 2012-13 二零一七／一八年度預算 與二零一二／一三年度 比較	
	Cumulative growth 累計增長	Trend growth 趨勢增長	Cumulative growth 累計增長	Trend growth 趨勢增長
Recurrent government expenditure 政府經常開支	+31.4%	+7.1%	+41.4%	+7.2%
➤ Social welfare 社會福利	+48.4%	+10.4%	+71.2%	+11.4%
➤ Health 衛生	+27.0%	+6.2%	+34.0%	+6.0%
➤ Education 教育	+25.0%	+5.7%	+30.1%	+5.4%
➤ Others 其他	+30.1%	+6.8%	+39.2%	+6.8%
Nominal GDP 名義本地生產總值	+22.3%	+5.2%	+27.7%	+5.0%

Recurrent expenditure estimates for 2017-18

二零一七／一八年度的經常開支預算



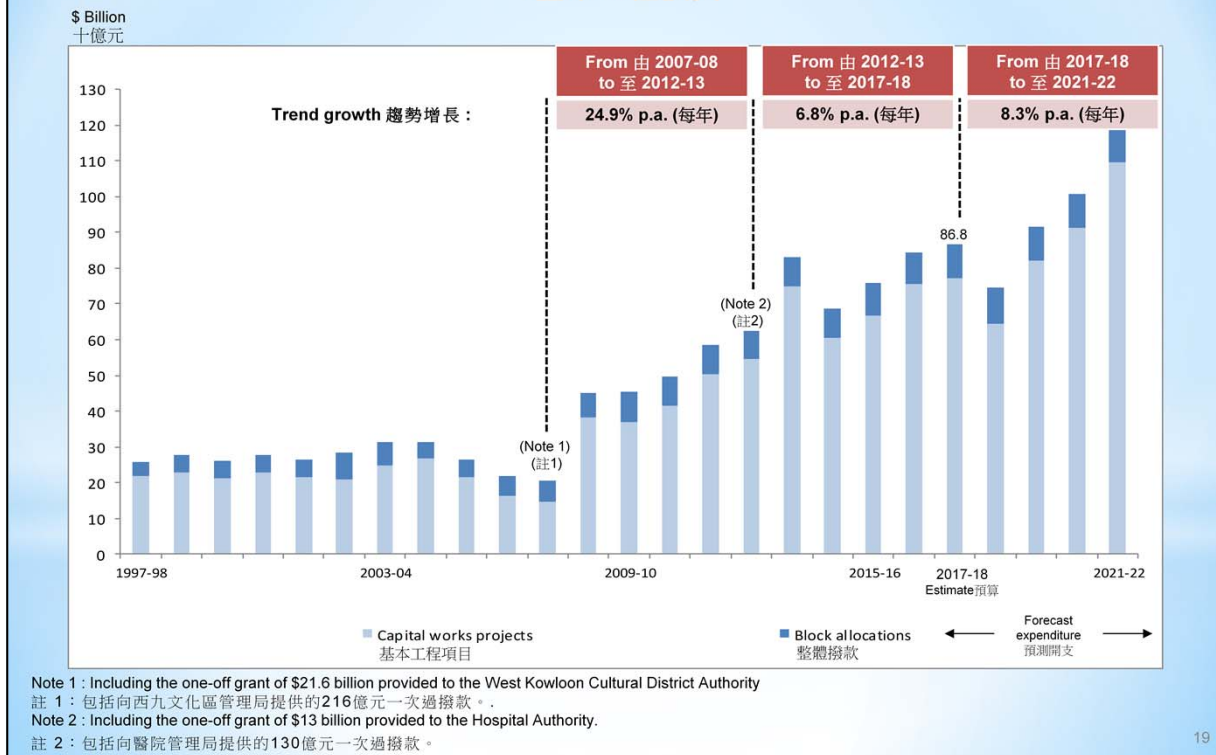
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- Based on the 2017-18 Estimates of expenditure, the spending on education (21.2%), social welfare (19.8%) and health (16.7%) together accounts for 57.7% of total recurrent government expenditure.

根據二零一七／一八年度的開支預算，教育(21.2%)、社會福利(19.8%)及衛生(16.7%)的開支，合共佔政府經常開支總額的57.7%。

Investments in capital works

基本工程投資



- The estimated capital works expenditure (CapWex) for 2017-18 is \$86.8 billion. For 2016-17, the actual expenditure was \$84.4 billion. The CapWex for 2017-18 has increased substantially by about 320% since 2007-08 (\$20.5 billion). We expect that the CapWex will stay at a high level in the coming few years.

二零一七／一八年度的基本工程開支預算為868億元，二零一六／一七年度的實際開支為844億元。二零一七／一八年度的基本工程開支較二零零七／零八年度(205億元)大幅增加約320%。預計未來數年，基本工程開支會維持在高水平。

- The percentage of annual CapWex as against the total government expenditure is expected to increase from 8.7% in 2007-08 to about 17.7% in 2017-18. It fully demonstrates Government's commitment in capital investment.

每年基本工程開支佔政府總開支的百分比預計會由二零零七／零八年度的8.7%增至二零一七／一八年度的約17.7%，充分體現政府對資源投放於基本工程的承擔。

- The total public and private construction output would reach over \$210 billion. The outlook of construction industry in Hong Kong remains positive.

公私營總體工程完成量會超逾2,100億元。香港建造業前景仍然樂觀。

- On affordability, the CWRP has a healthy balance of some \$100 billion as of end March 2017. The main revenue stream to the CWRP is land premium. Affordability, alongside with merits of individual projects, is a major consideration in deciding our capital works programme. If needed, the Government may transfer from the general revenue to fund our public works programme.

承擔能力方面，二零一七年三月底基本工程儲備基金的結餘約為1,000億元。地價收入是基本工程儲備基金的主要收入來源。承擔能力和個別項目的效益是決定基本工程計劃的主要考慮因素。如有需要，政府可從政府一般收入轉撥款項至基本工程儲備基金推行工務計劃。

Financial year 財政年度	CapWex (\$billion) 基本工程開支 (十億元)	Nominal GDP (\$billion) 名義本地生產總值 (十億元)	CapWex (% of GDP) 基本工程開支 (相當於本地生產總值的百分比)
2007-08	20.5	1,650.8	1.2%
2017-18 OE 原來預算	86.8	2,601.1	3.3%

- The trend growth –
趨勢增長：

	Trend Growth (%) 趨勢增長 (%)
2007-08 - 2012-13	24.9% p.a. 每年24.9%
2012-13 - 2017-18	6.8% p.a. 每年6.8%
MRF period 中期預測期間 (2017-18 - 2021-22)	8.3% p.a. 每年8.3%

Capital works projects 基本工程項目

Apart from strategic infrastructure to improve transport links and develop new growth areas, the capital works programme covers cultural, education, environmental protection, hospitals, sports complexes and district projects, etc.

除了為改善運輸通道和發展新增長地區而進行的策略性基建項目外，基本工程項目亦包括文化、教育、環境保護、醫院、運動場館及地區工程項目等。

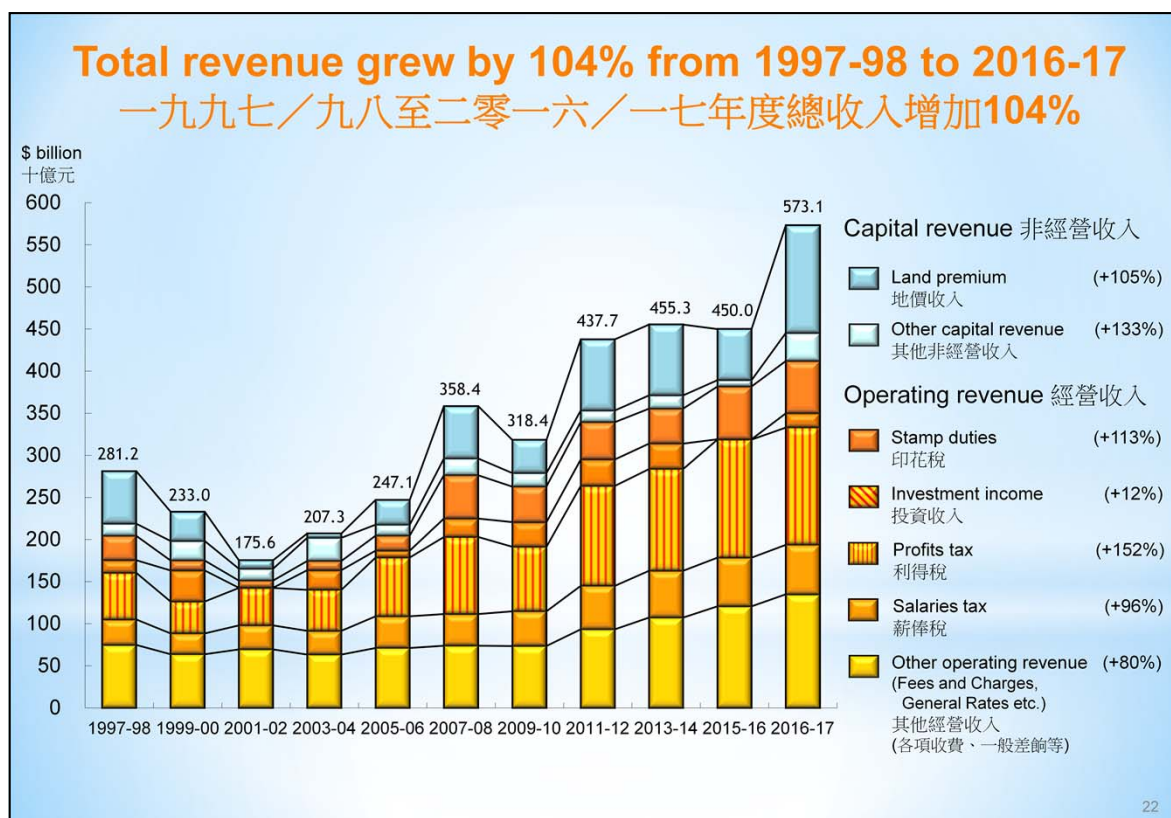


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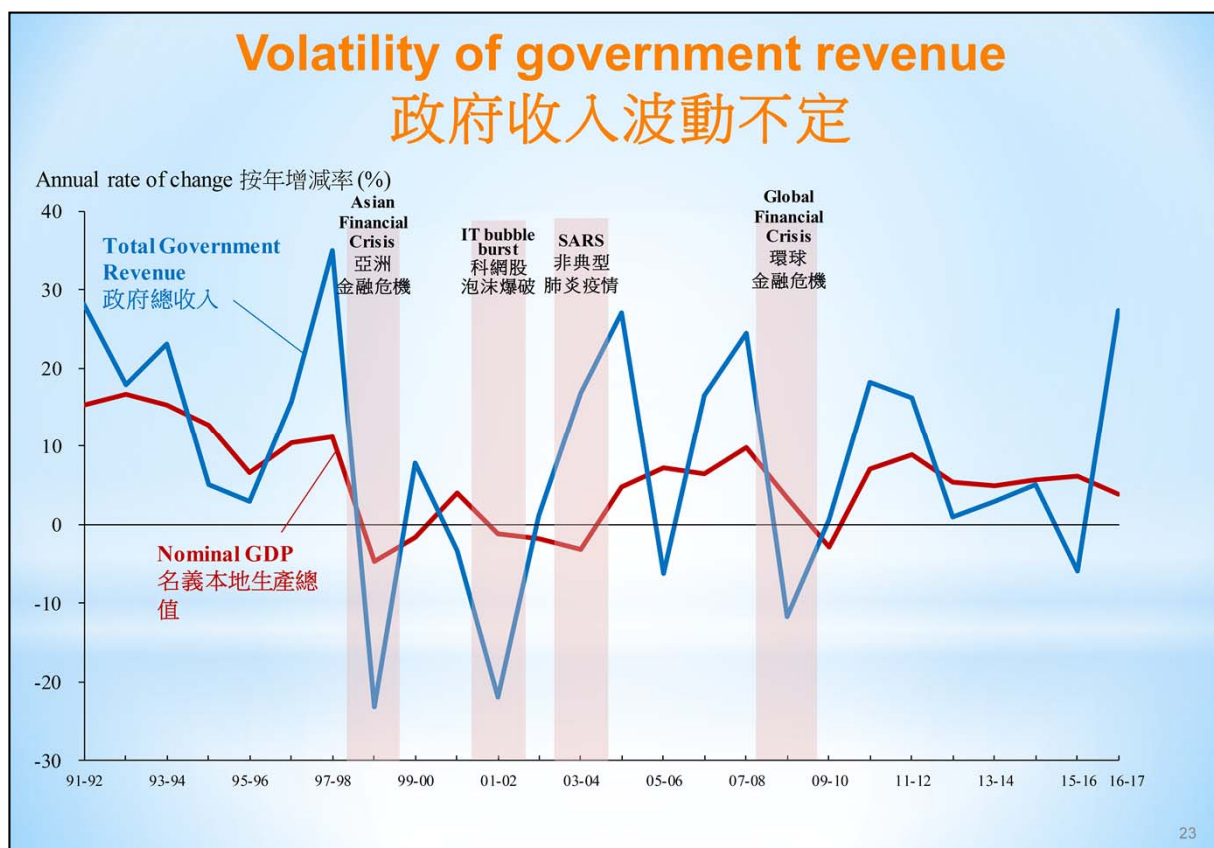
- Strategic infrastructure projects under way 現正進行的策略性基建項目：
 1. Hong Kong-Zhuhai-Macao Bridge 港珠澳大橋
 2. Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link 廣深港高速鐵路香港段
 3. Tuen Mun-Chek Lap Kok Link and Tuen Mun Western Bypass 屯門至赤鱗角連接路及屯門西繞道
 4. Shatin to Central Link 沙田至中環線
 5. West Kowloon Cultural District 西九文化區
 6. Kai Tak Development 啓德發展計劃
 7. New Development Areas (Kwu Tung North and Fanling North and Hung Shui Kiu) 新發展區 (古洞北及粉嶺北、洪水橋)
- Other projects include 其他項目包括：
 8. Health – e.g. construction works for New Acute Hospital at Kai Tak Development Area, redevelopment of Prince of Wales Hospital and extension of operating theatre block for Tuen Mun Hospital 衛生 – 例如在啓德發展區興建新急症全科醫院、威爾斯親王醫院重建計劃及屯門醫院手術室大樓擴建計劃
 9. Environmental protection – e.g. construction of dry weather flow interceptor in Kowloon and Tsuen Wan 環境保護 – 例如在九龍及荃灣建設旱季截流器
 10. Education – primary and secondary schools and tertiary institutions projects 教育 – 小學、中學及大專院校工程
 11. Sports, recreational and cultural – e.g. development of Kai Tak Sports Park and infrastructure works for West Kowloon Cultural District 文娛、康樂及體育 – 例如發展啓德體育園及開展西九文化區相關的工程

Revenue

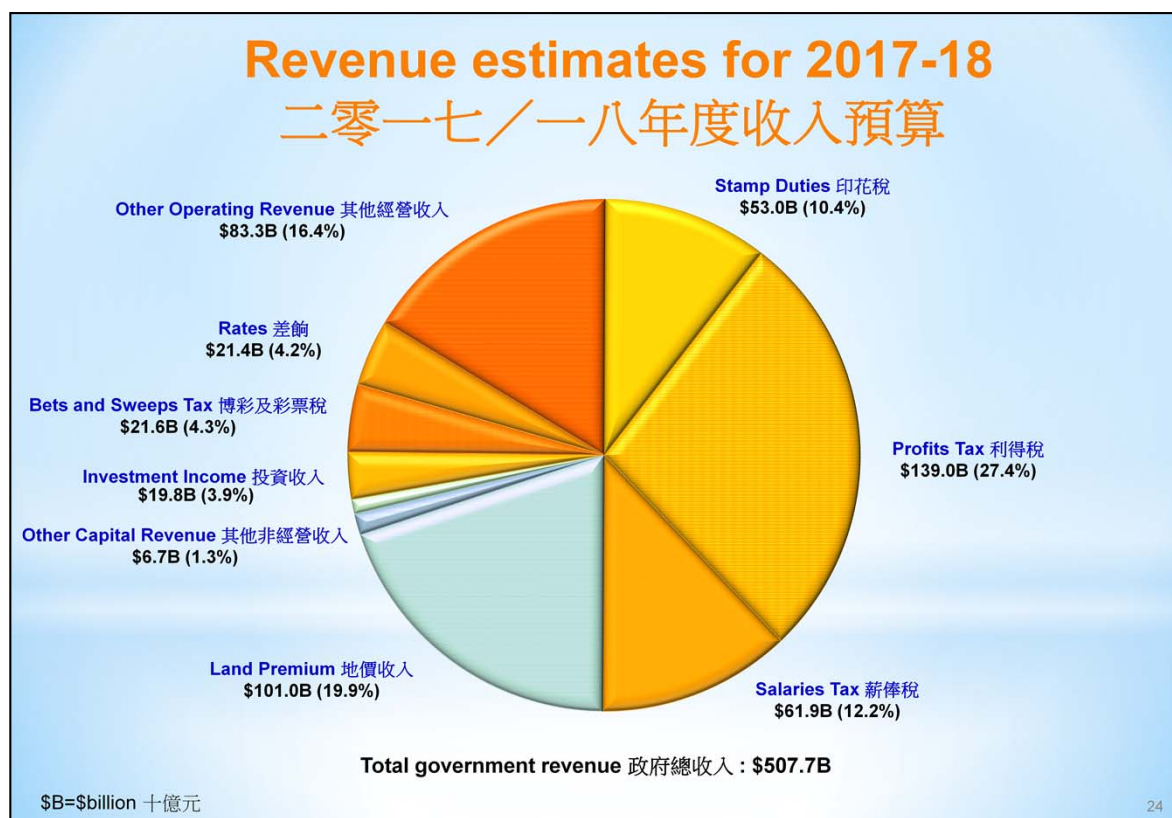
收入



- Profits tax has been our largest operating revenue. It varied from \$37.7 billion (1999-2000) to \$140.2 billion (2015-16). 利得稅是政府最大的經營收入來源，款額介乎 377 億元（一九九九／二零零零年度）與 1,402 億元（二零一五／一六年度）之間。
- Salaries tax has been our second or third largest operating revenue. It varied from \$24.8 billion (1999-2000) to \$59.3 billion (2014-15). 薪俸稅是第二或第三大的經營收入來源，款額介乎 248 億元（一九九九／二零零零年度）與 593 億元（二零一四／一五年度）之間。
- Stamp duties varied from \$7.5 billion (2002-03) to \$74.8 billion (2014-15). 印花稅收入介乎 75 億元（二零零二／零三年度）與 748 億元（二零一四／一五年度）之間。
- Since 1 April 2007, we have adopted an arrangement whereby the rate of investment return is pre-determined based on past returns. This has greatly reduced the volatility of investment income. The average annual revenue from this source was \$36.3 billion from 2007-08 to 2013-14. The investment income in respect of the fiscal reserves for 2014 (\$27.5 billion) and 2015 (\$45.2 billion) was set aside and retained within the Exchange Fund for the Housing Reserve. 由二零零七年四月一日起，我們採用新的安排，根據過往的回報預先釐定投資回報率，從而大大減少投資收入的波動。在二零零七／零八至二零一三／一四年度期間，平均每年投資收入為 363 億元。政府在二零一四及二零一五年分別預留 275 億元及 452 億元，存放在外匯基金內，作為房屋儲備金。
- As for capital revenue, land premium has been most volatile, fluctuating from \$5.4 billion (2003-04) to \$128.0 billion (2016-17) in the period. 至於非經營收入，以地價收入波動最大。在這段期間，地價收入在 54 億元（二零零三／零四年度）與 1,280 億元（二零一六／一七年度）之間上落。



- Hong Kong is a small and open economy. Our tax base is narrow and government revenue is sensitive to economic fluctuations depending on the broader economic changes beyond government's control. 香港是規模小而開放的經濟體。本港稅基狹窄，政府收入易受經濟波動影響，也取決於更廣泛層面的經濟變化，並非政府所能控制。
- The volatility of our revenue poses challenges to the management of public finances. Profits tax, salaries tax, stamp duties and land premium accounted for 67.7% of the 2016-17 total government revenue. 收入波動不定，為公共財政管理帶來挑戰。利得稅、薪俸稅、印花稅和地價收入，合共佔二零一六／一七年度政府總收入的67.7%。



- The seven major revenue items are profits tax (27.4%), land premium (19.9%), salaries tax (12.2%), stamp duties (10.4%), bets and sweeps tax (4.3%), rates (4.2%) and investment income (3.9%). Together they account for 82.3% of total government revenue. 七個主要收入項目分別為利得稅(27.4%)、地價收入(19.9%)、薪俸稅(12.2%)、印花稅(10.4%)、博彩及彩票稅(4.3%)、差餉(4.2%)和投資收入(3.9%)，合共佔政府總收入的82.3%。
- Other capital revenue of \$6.7 billion includes 其他非經營收入為67億元，當中包括：

- Loan Fund: Loan Repayments 貸款基金: 償還的貸款	\$2.1 billion 21億元
- Lotteries Fund: Mark Six Lottery 獎券基金: 六合彩獎券	\$1.4 billion 14億元
- Capital Investment Fund: Dividends, Interest and Other Receipts from Investments/Loans 資本投資基金: 來自投資／貸款的股息、利息及其他收入	\$1.1 billion 11億元

**Only half of working population pay salaries tax;
top 5% taxpayers bearing 60%+ of salaries tax revenue**
只有一半工作人口須繳納薪俸稅；5%納稅人繳納60%+薪俸稅收入

Salaries tax 薪俸稅

2015-16 (Year of assessment 課稅年度)

Taxpaying population 納稅人總數：1 852 000[^]

Annual income (\$) 全年收入(元)	No. of taxpayers 納稅人數目	% of total salaries tax* yield 佔薪俸稅收益總額*的百分比
>2,000,000	44 000 (2.4%)	46.9%
1,000,001 - 2,000,000	107 000 (5.7%)	25.8%
700,001 - 1,000,000	138 000 (7.5%)	13.0%
500,001 - 700,000	228 000 (12.3%)	8.3%
400,001 - 500,000	206 000 (11.1%)	3.0%
300,001 - 400,000	300 000 (16.2%)	1.8%
200,001 - 300,000	427 000 (23.1%)	1.0%
120,001 [#] - 200,000	402 000 (21.7%)	0.2%

[^] Of the 3 774 000 working population, only 49% pay salaries tax 在3 774 000工作人口中，只有49%須繳納薪俸稅

* After the one-off 75% tax reduction up to \$20,000 實施一次性減免75%稅款(上限為20,000元)措施後

[#] The basic allowance for individuals in the 2015-16 year of assessment is \$120,000
2015-16課稅年度的個人基本免稅額為120,000元

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- In the year of assessment 2015-16, of the 3.77 million working population, about 1.92 million or 51% of the working population need not pay any salaries tax. 在二零一五／一六課稅年度，本港有377萬工作人口，當中約192萬人(工作人口的51%)無須繳納薪俸稅。
- Of the 1.85 million who paid salaries tax, the top 5% taxpayers (i.e. about 93 000 taxpayers) contributed 63% of the revenue from salaries tax. 在185萬名繳納薪俸稅的人士中，納稅最多的5%(約93 000人)所繳納的稅款佔薪俸稅收入的63%。

**Only 10% of registered corporations pay profits tax;
top 5% taxpayers bearing 85%+ of profits tax revenue**
只有10%註冊公司須繳納利得稅；5%註冊公司繳納85%+利得稅收入

Profits tax 利得稅

2015-16 (Year of assessment 課稅年度)

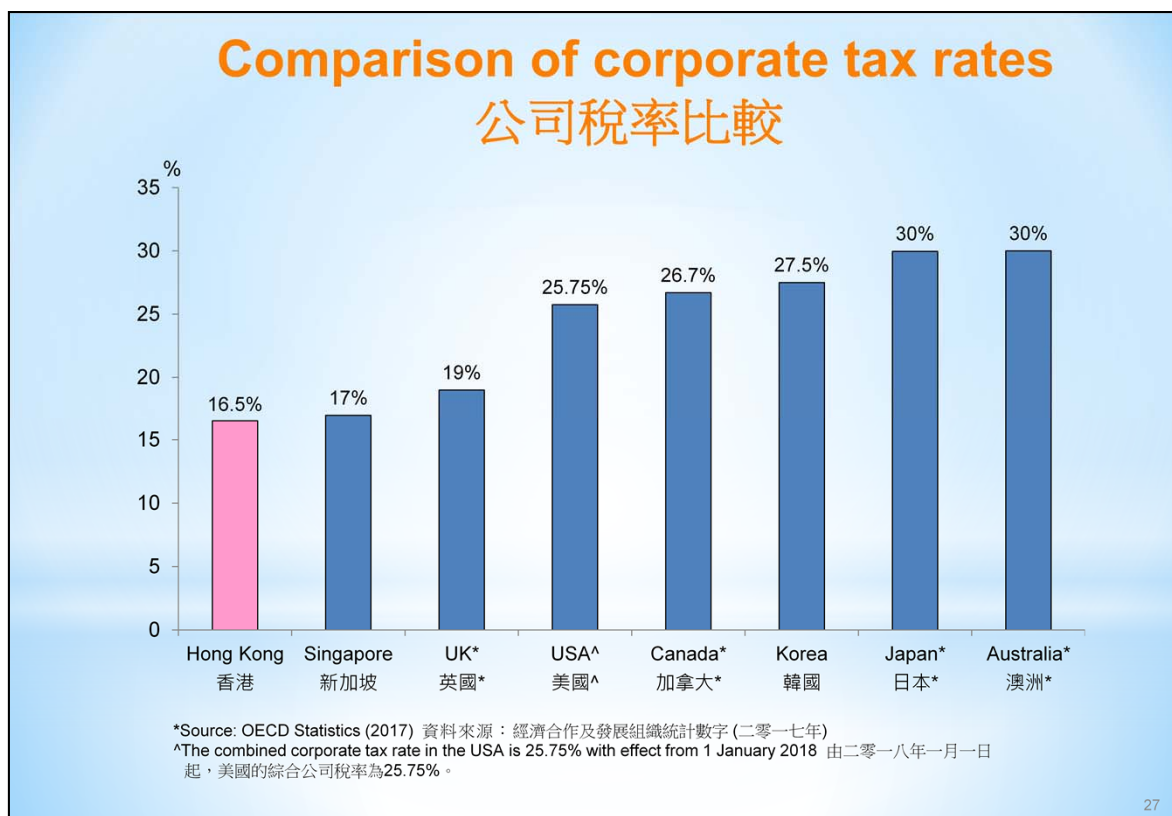
Assessable profits (\$) 應評稅利潤(元)	No. of corporations^ 公司數目^	% of total profits tax* yield 佔利得稅收益總額* 的百分比
>100,000,000	1 000 (1.0%)	66.9%
50,000,001 - 100,000,000	800 (0.8%)	7.6%
30,000,001 - 50,000,000	1 100 (1.1%)	5.2%
20,000,001 - 30,000,000	1 200 (1.2%)	3.8%
10,000,001 - 20,000,000	3 000 (2.9%)	5.4%
7,500,001 - 10,000,000	1 700 (1.6%)	1.8%
5,000,001 - 7,500,000	3 000 (2.9%)	2.3%
3,000,001 - 5,000,000	4 800 (4.6%)	2.3%
2,000,001 - 3,000,000	4 700 (4.5%)	1.4%
1,000,001 - 2,000,000	10 500 (10.1%)	1.7%
500,001 - 1,000,000	12 500 (12.0%)	1.0%
1 - 500,000	59 500 (57.3%)	0.6%

^ Registered Corporations: 1 176 000, with 103 800 (9%) taxpaying 註冊公司總數：1 176 000，其中103 800 (9%) 繳納利得稅

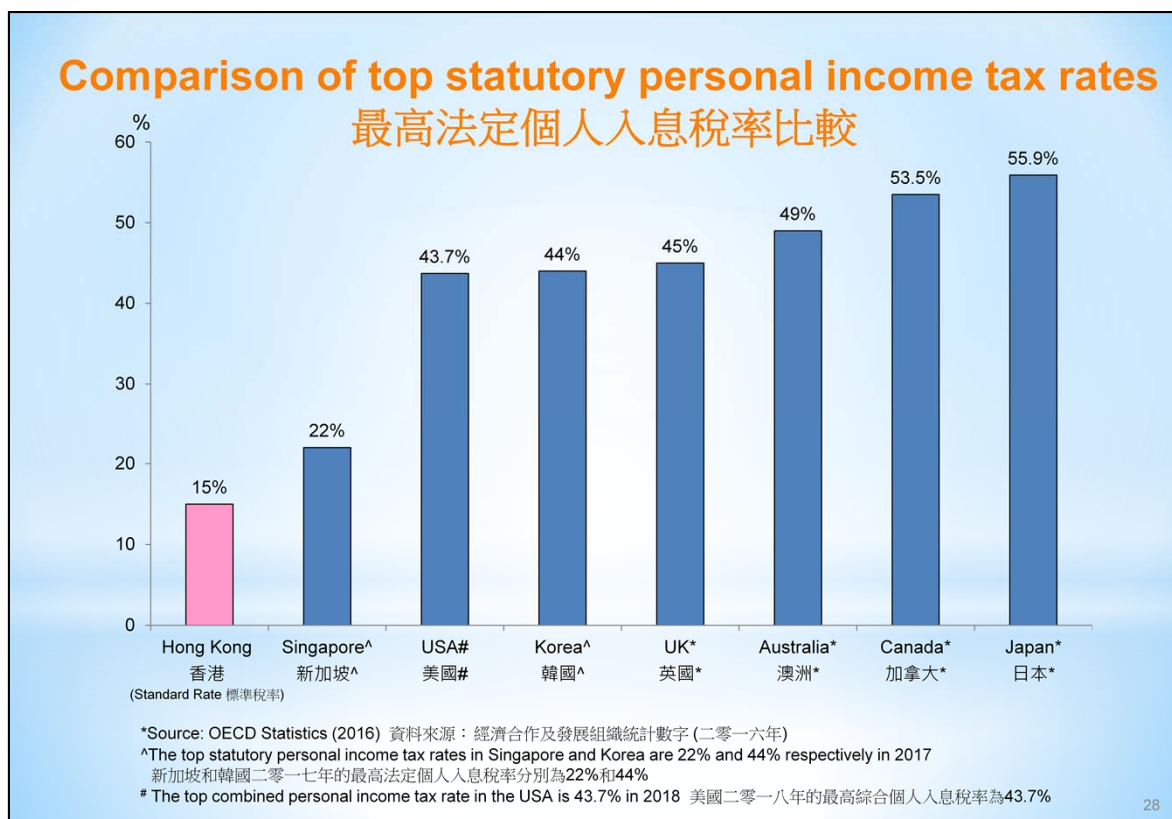
* After the one-off 75% tax reduction up to \$20,000 實施一次性減免75%稅款(上限為20,000元)措施後

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- In the year of assessment 2015-16, about 86% of our profits tax is contributed by the top 5% taxpaying corporations (i.e. about 5 200 corporations). Around 1 072 000 registered companies (about 91% of the total registered corporations) do not pay any profits tax. 在二零一五／一六課稅年度，納稅最多的 5% 註冊公司(約5 200家)所繳納的稅款佔政府利得稅收入約 86%。無須繳納利得稅的註冊公司約有1 072 000家(佔註冊公司總數約91%)。



- Hong Kong has a simple tax system anchored by a low tax rate. Our profits tax rate is a flat 16.5% for corporations, and is among the lowest in the world (figures are up to 2017). A two-tiered profits tax regime will be implemented in 2018-19. 香港奉行簡單低稅制，公司利得稅率劃一為16.5%，屬全球最低之列(截至二零一七年的數字)。利得稅兩級制將於二零一八／一九年度實施。
- Before 1 January 2018, the US corporate tax rate (combined with average state and local corporate tax rates) was 38.9%. The combined corporate rate has dropped to 25.75% under the tax reform. 在二零一八年一月一日之前，美國的公司稅率(綜合州及地方公司稅率的平均數)為38.9%，有關的綜合公司稅率在稅務改革下已降至25.75%。



- The same applies to our salaries tax rate, which is now capped at a standard rate of 15% (figures are up to 2016). 本港的薪俸稅率情況也相同，現時上限為標準稅率15% (截至二零一六年的數字)。
- From tax years beginning in 2018, the new top combined personal income tax rate in the USA is 43.7% (the old combined rate under OECD statistics was 46.3%). 由二零一八年開始的課稅年度，新的最高綜合個人入息稅率為43.7% (根據經濟合作及發展組織的資料，舊的綜合稅率為46.3%)。



Government Financial Position

政府財政狀況

Financial results (2016-17 actual) 二零一六／一七年度實際財務狀況

	(\$B 十億元)
Operating account 經營帳目	
Operating revenue 經營收入	411.7
Less: Operating expenditure 減：經營開支	353.2
Operating surplus 經營盈餘	58.5
Capital account 非經營帳目	
Capital revenue 非經營收入	161.4
Less: Capital expenditure 減：非經營開支	108.8
Capital surplus 非經營盈餘	52.6
Government revenue 政府收入	573.1
Government expenditure 政府開支	462.0
Consolidated surplus 綜合盈餘	111.1
Fiscal reserves at 31 March 財政儲備(截至三月三十一日)*	954.0

* The fiscal reserves balance has not included Housing Reserve of \$76.6B. 財政儲備結餘不包括766億元的房屋儲備金。

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- Expenditure for the year ended March 31, 2017 amounted to \$462.0 billion and revenue \$573.1 billion, resulting in a surplus of \$111.1 billion. The overall fiscal position was more favourable than the original and revised estimates for the year. This is mainly due to the increase in revenue from land sales and stamp duty.

二零一六／一七年度的整體開支為4,620億元，收入為5,731億元，因而有1,111億元盈餘。該年度整體財政狀況較原來預算及修訂預算為佳。主要由於地價及印花稅的收入上升。

Optimal use of annual surplus in 2016-17

善用二零一六／一七年度的盈餘

Guiding Principles 指導原則:

- The source and nature of the surplus
盈餘的來源及性質
- Prevailing economic situation and external environment
當時的經濟情況和外圍環境
- Future needs of society
社會未來的需要
- Expectations of the community
市民的期望

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Guiding Principles 指導原則

- In considering how our annual surplus is to be deployed, we should take into account the source and nature of the surplus, alongside the prevailing economic situation and external environment, the future needs of society and the expectations of the community, so as to ensure optimal allocation of resources.
處理年度盈餘的時候，應考慮其來源和性質，結合當時的經濟情況和外圍環境，以及社會未來的需要和市民的期望，以作出最妥善的分配。

Use of annual surplus in 2016-17

二零一六／一七年度盈餘的運用

	(\$B 十億元)	(\$B 十億元)
Earmarked for 預留作 –		
Elderly services and rehabilitation services for persons with disabilities 安老及殘疾人士康復服務		30
Sports development 體育發展		20
Innovation and technology development 創新及科技發展		10
Education 教育		18
		<hr/> 78
Short-term Relief Measures 短期紓緩措施 –		
Salaries tax and tax under personal assessment 薪俸稅和個人入息課稅	16.4	
Profits tax 利得稅	1.9	
Rates 差餉	10.9	
Extra payment to social security recipients, etc. 向領取社會保障金額等人士發放額外援助金／津貼	3.6	
	<hr/>	32.8
		<hr/> 110.8 <hr/>

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Use of Annual Surplus in 2016-17 二零一六／一七年度盈餘的運用

Earmark 預留：

- \$30 billion for strengthening elderly services and rehabilitation services for persons with disabilities; 三百億元加強安老和殘疾人士康復服務；
- \$20 billion for sports development; 二百億元作體育發展；
- \$10 billion for supporting innovation and technology development; 一百億元支援創新及科技發展；
- \$18 billion for education. 一百八十億元作教育用途。

Short-term relief measures 短期紓緩措施：

- Reduce salaries tax and tax under personal assessment for 2016-17 by 75%, subject to a ceiling of \$20,000. This will benefit 1.84 million taxpayers and reduce government revenue by \$16.4 billion; 寬減二零一六／一七年度百分之七十五的薪俸稅和個人入息課稅，上限為二萬元，全港一百八十四萬名納稅人受惠。政府收入將減少一百六十四億元；
- Reduce profits tax for 2016-17 by 75%, subject to a ceiling of \$20,000. This will benefit 132 000 taxpayers and reduce government revenue by \$1.9 billion; 寬減二零一六／一七年度百分之七十五的利得稅，上限為二萬元，全港十三萬二千名納稅人受惠。政府收入將減少十九億元；

- Waive rates for four quarters of 2017-18, subject to a ceiling of \$1,000 per quarter for each rateable property. This will benefit 3.21 million properties and reduce government revenue by \$10.9 billion; 寬免二零一七／一八年度四季的差餉，每戶每季上限為一千元，涉及三百二十一萬個物業。政府收入將減少一百零九億元；
- Provide an extra allowance to social security recipients, equal to one month of the standard rate Comprehensive Social Security Assistance payments, Old Age Allowance, Old Age Living Allowance or Disability Allowance. Similar arrangements will apply to Low Income Working Family Allowance and Work Incentive Transport Subsidy. This will involve a total additional expenditure of about \$3.6 billion. 向領取社會保障金額的人士，發放金額相當於一個月的綜合社會保障援助標準金額、高齡津貼、長者生活津貼或傷殘津貼。此外，就低收入在職家庭津貼及鼓勵就業交通津貼，亦作出相若的安排。額外開支合共約三十六億元。

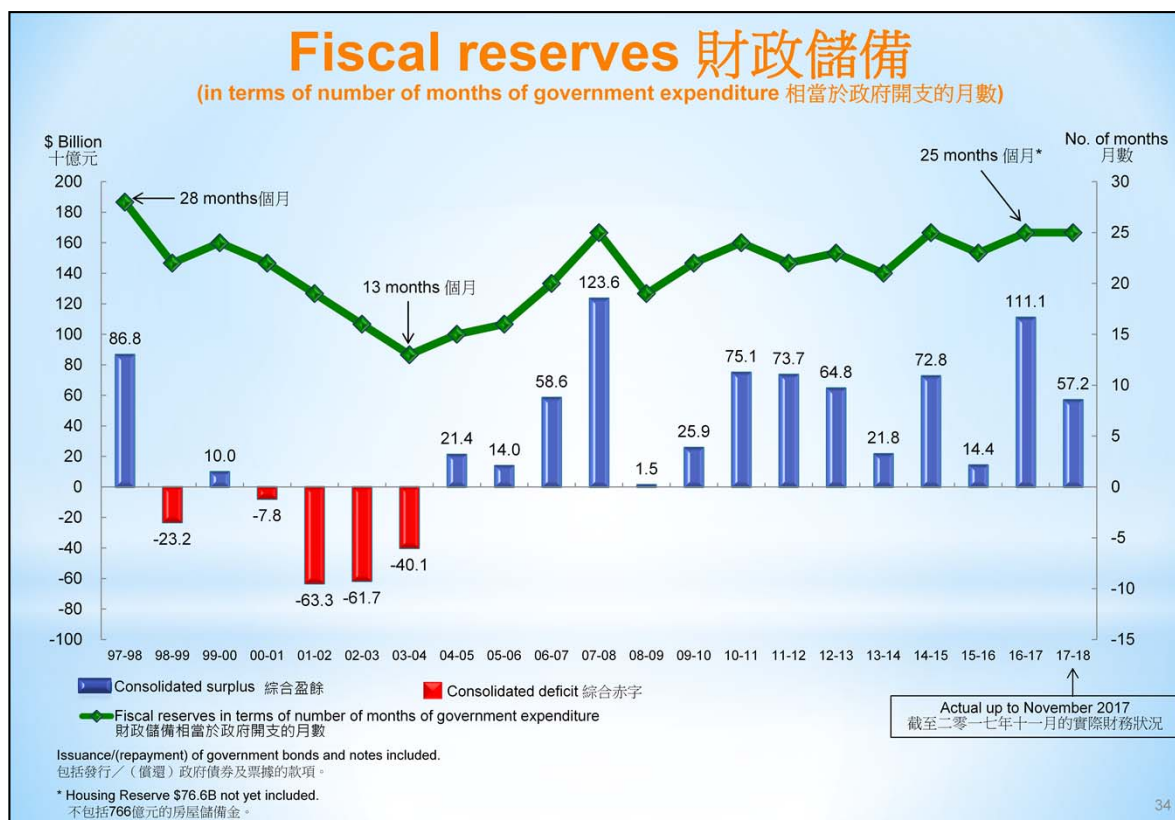
2017-18 Financial results (up to Nov) 二零一七／一八年度(截至十一月)的財務狀況

	2017-18 Estimate 預算 (\$B 十億元) (a)	Actual up to November 2017 截至二零一七年十一月的 實際財務狀況 (\$B 十億元) (b)
Operating account 經營帳目		
Operating revenue 經營收入	395.3	234.9
Less: Operating expenditure 減：經營開支	384.2	243.3
Operating surplus / (deficit) 經營盈餘／(赤字)	11.1	(8.4)
Capital account 非經營帳目		
Capital revenue 非經營收入	112.4	122.3
Less: Capital expenditure 減：非經營開支	107.2	56.7
Capital surplus 非經營盈餘	5.2	65.6
Government revenue 政府收入	507.7	357.2
Government expenditure 政府開支	491.4	300.0
Consolidated surplus 綜合盈餘	16.3	57.2
Fiscal reserves at period-end 期末時的財政儲備*	970.3	1,011.1

* The fiscal reserves balance has taken into account the financial results in 2016-17 but not included Housing Reserve of \$76.6B.
財政儲備結餘已計入2016-17年度的實際盈餘，但不包括766億元的房屋儲備金。

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- Total government expenditure for 2017-18 was estimated to reach \$491.4 billion, representing an increase of \$29.4 billion, or 6.4%, against the actual expenditure for 2016-17, mainly due to the increase in provisions for recurrent expenditure.
二零一七／一八年度政府總開支預計為4,914億元，較二零一六／一七年度實際開支增加294億元(或6.4%)，主要是由於經常開支撥款增加。
- Expenditure for the period from April to November 2017 amounted to \$300.0 billion and revenue \$357.2 billion, resulting in the cumulative year-to-date surplus of \$57.2 billion.
二零一七年四月至十一月的整體開支為3,000億元，收入為3,572億元，使本財政年度首八個月(截至十一月三十日)的盈餘為572億元。



- In both 2016-17 and 2017-18 (up to November 2017), the fiscal reserves (excluding Housing Reserve) were equivalent to 25 months of government expenditure.
二零一六／一七年度和二零一七／一八年度（截至二零一七年十一月）的財政儲備（不包括房屋儲備金），均相當於25個月的政府開支。

Financial Year 財政年度	Fiscal Reserves 財政儲備 (\$ billion 十億元)	Nominal GDP 名義本地生產總值 (\$ billion 十億元)	Fiscal Reserves in terms of % of GDP 財政儲備相當於 本地生產總值的百分比
1997-98	457.5	1,373.1	33.3%
2016-17	954.0	2,491.0	38.3%
2017-18	1,011.1#	2,601.1	38.9%

- From 1997-98 to 2017-18 (up to November 2017), the fiscal reserves in terms of number of months of government expenditure are as follows –
在一九九七／九八至二零一七／一八年度（截至二零一七年十一月）期間，財政儲備相當於政府開支的月數如下：

Financial Year 財政年度	97-98	98-99	99-00	00-01	01-02	02-03	03-04
No. of months 月數	28	22	24	22	19	16	13
	(highest) 最高						(lowest) 最低
Financial Year 財政年度	04-05	05-06	06-07	07-08	08-09	09-10	10-11
No. of months 月數	15	16	20	25	19	22	24
Financial Year 財政年度	11-12	12-13	13-14	14-15	15-16	16-17	17-18
No. of months 月數	22	23	21	25	23	25	25#

Actual up to November 2017 截至二零一七年十一月的實際財務狀況



Needs and Challenges

需求與挑戰



Ageing Population 人口老化

- An ageing population will significantly increase the demand for in-patient services and ageing-in-place services. 高齡化社會將大幅增加對住院及居家安老服務的需求。
- The overall labour force in Hong Kong is expected to continue to drop after reaching the peak in 2019 to 2022. 整體勞動人口預計在二零一九至二零二二年到高位後便會持續下降。

Challenges for Government Revenue 政府收入的挑戰

- Concentrated income sources and narrow tax base. 稅基狹窄，而且收入來源集中。
- Tax revenue heavily reliant on a few key industries. “Distribution”, “Property, Investment and Finance” and “Banking” account for over 65% of profits tax, 30% of revenue comes from land premium and stamp duties. 稅收倚重主要行業，“分銷業”、“地產、投資及財務”和“銀行業”的稅款佔利得稅總額超過65%，30%的收入來自地價收入和印花稅。
- Have to fulfil international tax obligations so that our tax measures are not regarded as “harmful tax practices” by OECD and EU. 需要符合國際稅務標準，以確保稅務措施不被視為“具損害性的稅務措施”。

Continued Need for Public Expenditure 公共開支需求持續

- Housing, healthcare, education, welfare services and other livelihood issues are closely related to the daily lives of our people, we shall put more resources to provide more comprehensive care for the needy in society. 房屋、醫療、教育、福利服務等民生事務與市民生活息息相關，我們應投放更多資源，為社會上有需要的人提供更全面的照顧。
- The housing problem is the most challenging, formidable and complex issue. The current shortage in housing supply and surging property prices have resulted from both external and internal factors. 房屋問題是最嚴峻、最棘手、最複雜的。今日房屋供不應求、樓價飆升，既有外圍的因素，也有種種內部成因。
- The Government should look after the underprivileged with compassion and must ensure the provision of reliable social support. 政府要以關愛的態度照顧弱勢社群，並須確保安穩的社會支援。
- Talent is the most important element in Hong Kong's continued development, and education is the key to nurturing talent. Government expenditure on education is therefore the most meaningful investment for our future development. 人才是香港向前發展的最重要元素，而教育是培育人才的關鍵。政府的教育開支是對未來發展最有意義的投資。

Invest for the long-term development of Hong Kong 為香港長遠發展作投資

- On economic development, we need to consolidate and enhance our traditional advantages while developing new areas of economic growth as a matter of urgency. 在經濟發展方面，我們要鞏固及提升傳統產業，也要盡快推動新的經濟增長點。
- While upholding the free market principle, the Government has to actively enhance its role in boosting our economic vibrancy through efforts in various areas, including land supply, talent, government-to-government business, policy directions, investment, business-friendly environment and taxation. In the face of keen global competition, the Government must step up its policy effort in the areas of talent and innovation to ensure sustainable economic development. 在維持自由市場經濟的前提下，政府要在土地供應、人才、政府對政府事務、政策方向、投資、方便營商環境及稅務等方面積極發揮提升經濟動力的角色。而面對環球激烈競爭，政府必須加強在人才和創新方面的政策力度，以確保經濟長足發展。
- The development of innovation and technology can lead to new industries and create wealth, provide more employment for young people and improve people's daily lives. To catch up in the innovation and technology race, the Government will step up its efforts to develop innovation and technology. 發展創科能帶來新的產業及創造財富，幫助更多青年人就業，改善市民生活。要在創科路上急起直追，政府會加強創科發展。

We welcome your views
歡迎提供意見

Thank you!
謝謝!