

Financial results for the eight months ended November 30, 2021

The Government announced today (December 31) its financial results for the eight months ended November 30, 2021.

There was a surplus of HK\$46 billion in the month of November. Expenditure for the eight-month period amounted to HK\$420.6 billion and revenue HK\$325.7 billion, with the cumulative year-to-date deficit at HK\$65.8 billion after receipt of net proceeds of HK\$29.1 billion from issuance of green bonds under the Government Green Bond Programme (Green Bond).

A Government spokesperson said that the cumulative year-to-date deficit for the period was mainly due to the fact that some major types of revenue, including salaries and profits taxes, are mostly received towards the end of a financial year. The revised estimates for the current financial year will be published along with the 2022-23 Budget.

The fiscal reserves stood at HK\$862 billion as at November 30, 2021.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended November 30, 2021 HK\$ million	Eight months ended November 30, 2021 HK\$ million
Revenue	69,616.5	325,708.1
Expenditure	(52,764.7)	(420,672.8)
Surplus/(Deficit) before issuance of Green Bond	16,851.8	(94,964.7)
Net proceeds from issuance of Green Bond	29,124.2	29,124.2
Surplus/(Deficit) after issuance of Green Bond	45,976.0	(65,840.5)
Financing		

Domestic		
Banking Sector (Note 2)	(46,017.0)	64,832.0
Non-Banking Sector	41.0	1,008.5
External	–	–
Total	(45,976.0)	65,840.5

Government Debts as at November 30, 2021 (Note 3)

HK\$56,618 million

Debts Guaranteed by Government as at November 30, 2021 (Note 4)

HK\$114,248 million

TABLE 2. FISCAL RESERVES

	Month ended November 30, 2021 HK\$ million	Eight months ended November 30, 2021 HK\$ million
Fiscal Reserves at start of period	815,950.5	927,767.0
Consolidated Surplus/(Deficit) after issuance of Green Bond	45,976.0	(65,840.5)
Fiscal Reserves at end of period (Note 5)	861,926.5	861,926.5

Notes:

1. This Account consolidates the General Revenue Account and the following eight Funds: Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund. It excludes the Bond Fund, the balance of which is not part of the fiscal reserves. The Bond Fund balance as at November 30, 2021, was HK\$200,818 million.

2. Includes transactions with the Exchange Fund and resident banks.

3. These were the Green Bonds (equivalent to HK\$56,618 million as at November 30, 2021) issued under the Government Green Bond Programme. They were denominated in US dollars (US\$4,500 million with maturity from May 2024 to February 2051), euros (1,750 million euros with maturity from November 2026 to November 2041) and Renminbi (RMB5,000 million with maturity from November

2024 to November 2026). They do not include the outstanding bonds with nominal value of HK\$168,621 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,800 million as at November 30, 2021) issued under the Government Bond Programme (with proceeds credited to the Bond Fund). Of these bonds under the Government Bond Programme (including Silver Bonds with nominal value of HK\$50,621 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$2,899 million were repaid upon maturity on December 17, 2021; bonds with nominal value of HK\$12,919 million will mature within the period from January 2022 to November 2022 and the rest within the period from December 2022 to March 2036.

4. Includes guarantees provided under the SME Loan Guarantee Scheme launched in 2001, the Special Loan Guarantee Scheme launched in 2008, the SME Financing Guarantee Scheme launched in 2012 and a commercial loan of the Hong Kong Science and Technology Parks Corporation.

5. Includes HK\$219,690 million, being the balance of the Land Fund held in the name of "Future Fund", for long-term investments initially up to December 31, 2025. The Future Fund also includes HK\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.

Monetary Statistics for November 2021

The following is issued on behalf of the Hong Kong Monetary Authority:

According to statistics published today (December 31) by the Hong Kong Monetary Authority, total deposits with authorised institutions increased by 0.6 per cent in November 2021. Among the total, Hong Kong dollar deposits edged down by 0.1 per cent, while overall foreign currency deposits increased by 1.4 per cent. In the year to end-November, total deposits and Hong Kong dollar deposits grew by 4.2 per cent and 2.2 per cent respectively. Renminbi deposits in Hong Kong increased by 4.1 per cent to RMB868.7 billion at the end of November. The total remittance of renminbi for cross-border trade settlement amounted to RMB606.6 billion in November, compared with RMB498.7 billion in October.

Total loans and advances remained virtually unchanged in November, but rose by 4.7 per cent in the year to end-November. Among the total, loans for use in Hong Kong (including trade finance) increased by 0.2 per cent, while loans for use outside Hong Kong decreased by 0.5 per cent. The Hong Kong dollar loan-to-deposit ratio increased to 85.7 per cent at the end of November from 84.9 per cent at the end of October, as Hong Kong dollar loans increased while Hong Kong dollar deposits decreased.

Hong Kong dollar M2 and M3 both remained virtually unchanged in

November, but went up by 1.9 per cent and 1.8 per cent respectively compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 picked up by 2.0 per cent in November, and grew by 6.1 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both rose by 0.8 per cent in November, and both picked up by 2.9 per cent from a year earlier.

As monthly monetary statistics are subject to volatilities due to a wide range of transient factors, such as seasonal and IPO-related funding demand as well as business and investment-related activities, caution is required when interpreting the statistics.

Final report on runway contact accident by tail of Boeing 777-333ER passenger aircraft published

The Air Accident Investigation Authority (AAIA) today (December 31) published the final report (5/2021) on the investigation into an accident involving a Boeing 777-333ER passenger aircraft (registration mark C-FITW) operated by Air Canada that occurred at Hong Kong International Airport (HKIA) on December 11, 2018.

At about 2.50pm, the aircraft entered into series of minor lateral roll deviations while landing at the South Runway of HKIA. The pilot introduced inputs into the aircraft to control the roll behaviour. The right-hand main gear contacted the runway first on touchdown, followed by a tail strike. No one was injured. The occurrence was classified as an accident according to the criteria of the International Civil Aviation Organization (ICAO).

The investigation was conducted by a team of professional investigators in strict adherence to international standards established by the ICAO. The investigation concluded that the cause of the accident was an unstable approach developed due to pilot-induced lateral rolling oscillations of the aircraft, which, coupling with a high rate of descent, resulted in abnormal runway contact.

The investigation team made seven safety recommendations to the operator regarding operational and training refinements.

"The investigation report was published by the AAIA with the objective of identifying the circumstances and causes of the accident with a view to preventing recurrence," an AAIA spokesperson said.

Throughout the investigation, all parties concerned were properly

consulted on the report. The report is available for download at the AAIA webpage (www.thb.gov.hk/aaia/eng/investigation_reports/index.htm).

Exchange Fund Abridged Balance Sheet and Currency Board Account

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) announced today (December 31) that the total assets of the Exchange Fund amounted to HK\$4,626.2 billion as at November 30, 2021, HK\$1.1 billion lower than that at the end of October 2021. Foreign currency assets decreased by HK\$58.8 billion while Hong Kong dollar assets increased by HK\$57.7 billion.

The decline in foreign currency assets was mainly due to a decrease in the month-end balances of unsettled purchase of securities, which was partly offset by the proceeds from the issuance of the HKSAR Government's Green Bonds. The rise in Hong Kong dollar assets was mainly due to an increase in Exchange Fund Bills and Notes issued but not yet settled, which was partly offset by the mark-to-market revaluation on Hong Kong equities.

The Currency Board Account shows that the Monetary Base at the end of November 2021 was HK\$2,119.5 billion, decreased by HK\$1.1 billion, or 0.1 per cent, from the end of October 2021. The decline was mainly due to a decrease in the outstanding amount of Certificates of Indebtedness.

The amount of Backing Assets increased by HK\$5.3 billion, or 0.2 per cent, to HK\$2,339.2 billion. The increase was mainly attributable to the translation effect of foreign currency investments into Hong Kong dollars. The backing ratio increased from 110.06 per cent at the end of October 2021 to 110.37 per cent at the end of November 2021.

At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS). The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of December 2021, the scheduled dates for issuing the press releases are as follows:

December 7 SDDS International Reserves
(Issued) (Hong Kong's Latest Foreign Currency Reserve Assets Figures)

December 14 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
December 31	SDDS Template on International Reserves and Foreign Currency Liquidity
December 31	Exchange Fund Abridged Balance Sheet and Currency Board Account

International Reserves and Foreign Currency Liquidity

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) released today (December 31) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of November 2021 (Annex). These data are published monthly in the Template on International Reserves and Foreign Currency Liquidity in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS).

At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's SDDS. The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of December 2021, the scheduled dates for issuing the press releases are as follows:

December 7 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
December 14 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
December 31	SDDS Template on International Reserves and Foreign Currency Liquidity
December 31	Exchange Fund Abridged Balance Sheet and Currency Board Account