

Financial results for the eight months ended November 30, 2019

The Government announced today (December 31) its financial results for the eight months ended November 30, 2019.

Expenditure for the period April to November 2019 amounted to HK\$369.7 billion and revenue HK\$218.2 billion, resulting in a cumulative year-to-date deficit of HK\$145.2 billion after receipt of net proceeds of HK\$7.8 billion from issuance of green bonds under the Government Green Bond Programme (Green Bond) and repayment of institutional notes of HK\$1.5 billion.

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 2020-21 Budget on February 26, 2020.

The fiscal reserves stood at HK\$1,025.7 billion as at November 30, 2019.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended November 30, 2019 HK\$ million	Eight months ended November 30, 2019 HK\$ million
Revenue	16,981.9	218,223.4
Expenditure	(42,730.1)	(369,728.6)
Deficit before issuance and repayment of government bonds and notes	(25,748.2)	(151,505.2)
Net proceeds from issuance of Green Bond	–	7,828.7
Repayment of government bonds and notes	–	(1,500.0)

Deficit after issuance and repayment of government bonds and notes	(25,748.2)	(145,176.5)
Financing		
Domestic		
Banking Sector (Note 2)	25,955.0	144,171.3
Non-Banking Sector	(206.8)	1,005.2
External	–	–
Total	25,748.2	145,176.5

Government Debts as at November 30, 2019 (Note 3)

HK\$7,828 million

Debts Guaranteed by Government as at November 30, 2019 (Note 4)

HK\$28,241 million

TABLE 2. FISCAL RESERVES

	Month ended November 30, 2019 HK\$ million	Eight months ended November 30, 2019 HK\$ million
Fiscal Reserves at start of period	1,051,454.2	1,170,882.5
Consolidated Deficit after issuance and repayment of government bonds and notes	(25,748.2)	(145,176.5)
Fiscal Reserves at end of period (Note 5)	1,025,706.0	1,025,706.0

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, 2019 was HK\$134,685 million.

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

3. These were the green bonds of US\$1,000 million (equivalent to HK\$7,828

million as at November 30, 2019) which were denominated in US dollars with maturity in May 2024. They do not include the outstanding bonds with nominal value of HK\$100,141 million and alternative bonds with nominal value of US\$2,000 million (equivalent to HK\$15,656 million as at November 30, 2019) 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\$8,841 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$31,769 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,828 million as at November 30, 2019) will mature within the period from December 2019 to November 2020 and the rest within the period from December 2020 to March 2034.

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

5. Includes HK\$219,730 million being the balance of the Land Fund held in the name of "Future Fund" as from January 1, 2016, for long-term investments initially up to December 31, 2025. As from July 1, 2016, 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 2019

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 grew by 0.4 per cent in November 2019 as compared to October. Among the total, Hong Kong dollar deposits edged down by 0.1 per cent; overall foreign-currency deposits increased by 1.0 per cent. Renminbi deposits in Hong Kong edged up by 0.2 per cent to RMB637.8 billion at the end of November. The total remittance of renminbi for cross-border trade settlement amounted to RMB444.5 billion in November, compared with RMB429.4 billion in October.

Total loans and advances increased by 0.2 per cent in November. Among the total, loans for use in Hong Kong (including trade finance) increased by 0.1 per cent and loans for use outside Hong Kong went up by 0.3 per cent from a month ago (Note). The Hong Kong dollar loan-to-deposit ratio declined to 90.0 per cent at the end of November from 90.7 per cent at the end of October, as Hong Kong dollar deposits decreased at a slower pace than Hong Kong dollar loans.

Hong Kong dollar M2 and M3 both remained virtually unchanged in November, and rose by 3.2 per cent and 3.1 per cent respectively compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 increased by 0.6 per cent in November, but declined by 2.5 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both increased by 0.6 per cent in November, and expanded by 4.4 per cent and 4.3 per cent respectively 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.

Note: The December 2018 figures for loans for use in/outside Hong Kong have been restated to reflect authorised institutions' reclassification of working capital loans. The reported month-on-month and quarter-on-quarter growth rates are calculated based on the reclassified loan data. As reclassified loan data before December 2018 are not available, year-on-year growth rates of loans for use in/outside Hong Kong (including their sub-components) as shown in Table 1H of the Annex are calculated based on the data without such reclassification.

[Opening remarks by SDEV on land sale programme for January to March 2020](#)

Following is the transcript of the opening remarks by the Secretary for Development, Mr Michael Wong, at a media session today (December 31) on the land sale programme for January to March 2020:

In the fourth quarter of the financial year 2019-20, the Government will sell by tender three residential sites, two in Mong Kok and one on Anderson Road in Kwun Tong. The total estimated flat yield of these three sites is about 1 850 units.

The Anderson Road site is the largest amongst these three sites and will provide about 1 720 units, including 1 000 units as Starter Homes units. The Transport and Housing Bureau will announce in due course more details about these units.

The Urban Renewal Authority will also tender a project at the junction of Tonkin Street and Fuk Wing Street in Sham Shui Po, which will provide about 180 flats. The four sites, taken together, will provide a supply of about 2 030 flats.

Together with the land supply in the first three quarters, the private housing land supply from all sources in this financial year, as of today, has reached almost 90 per cent of our annual target.

As regards commercial sites, the Government will sell by tender one commercial site in Kai Tak, which is capable of providing about 105 000 square metres of floor area. The successful bidder will be required to include a number of welfare facilities on this site, which will take up about 10 per cent of the gross floor area.

Looking ahead, the Government will continue to increase land supply through a multi-pronged approach, and maintain a sustained and steady land supply to meet the community's needs for housing and economic and social development.

Thank you.

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Tuesday, December 31, 2019 is 105.9 (down 0.2 against yesterday's index).

Substantive hearing of CoI into Construction Works at and near Hung Hom Station Extension under Shatin to Central Link Project resumes on January 2, 2020

The following is issued on behalf of the Commission of Inquiry into the Construction Works at and near the Hung Hom Station Extension under the Shatin to Central Link Project:

The Commission of Inquiry into the Construction Works at and near the Hung Hom Station Extension under the Shatin to Central Link Project will resume its substantive hearing on Thursday (January 2) at the hearing room on the first floor of the former Tsuen Wan Law Courts Building (Courts Building), 70 Tai Ho Road, Tsuen Wan, New Territories. The substantive

hearing shall, subject to any adjournments that the Commission may consider necessary from time to time, continue until mid-February 2020.

Upon approval of a further extension of time by the Chief Executive in Council on September 10, 2019, the Commission will submit a final report on its findings and recommendations to the Chief Executive on or before March 31, 2020. The Commission plans to finish all expert evidence and, if necessary, further factual evidence, as well as all closing submissions by mid-February 2020.

Unless otherwise directed by the Commission, the substantive hearing will be held from 10am to 1pm and from 2.30pm to 5pm on weekdays. The Commission may consider holding the substantive hearing on Saturdays during the said period if necessary.

The substantive hearing will be open to the public, and live video/audio broadcasts of the proceedings will be provided at the hearing transmission gallery and the hall area next to the hearing room. No photography or audio/video recordings are allowed inside the hearing room, hearing transmission galley, hall area and other areas within the Courts Building.