

Financial results for the five months ended August 31, 2019

The Government announced today (September 30) its financial results for the five months ended August 31, 2019.

Expenditure for the period April to August 2019 amounted to HK\$214 billion and revenue HK\$165.7 billion, resulting in a cumulative year-to-date deficit of HK\$42 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 fiscal reserves stood at HK\$1,128.9 billion as at August 31, 2019.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

| | Month ended August 31, 2019 HK\$ million | Five months ended August 31, 2019 HK\$ million |
|--|--|--|
| Revenue | 30,356.6 | 165,697.9 |
| Expenditure | (45,193.9) | (214,011.7) |
| | | |
| Deficit before issuance and repayment of government bonds and notes | (14,837.3) | (48,313.8) |
| | | |
| 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 | (14,837.3) | (41,985.1) |

| | | |
|----------------------------|----------|----------|
| | | |
| Financing | | |
| Domestic | | |
| Banking Sector (Note 2) | 15,034.1 | 40,595.9 |
| Non-Banking Sector | (196.8) | 1,389.2 |
| External | – | – |
| | | |
| Total | 14,837.3 | 41,985.1 |

Government Debts as at August 31, 2019 (Note 3)

HK\$7,844 million

Debts Guaranteed by Government as at August 31, 2019 (Note 4)

HK\$27,147.8 million

TABLE 2. FISCAL RESERVES

| | Month ended August 31, 2019 HK\$ million | Five months ended August 31, 2019 HK\$ million |
|---|--|--|
| Fiscal Reserves at start of period | 1,143,734.7 | 1,170,882.5 |
| Consolidated Deficit after issuance and repayment of government bonds and notes | (14,837.3) | (41,985.1) |
| Fiscal Reserves at end of period (Note 5) | 1,128,897.4 | 1,128,897.4 |

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 August 31, 2019 was HK\$135,466 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\$7,844 million as at August 31, 2019) which were denominated in US dollars with maturity in May 2024. They do not include the outstanding bonds with nominal value of HK\$92,861 million and alternative bonds with nominal value of

US\$3,000 million (equivalent to HK\$23,532 million as at August 31, 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\$8,861 million, which may be redeemed before maturity upon request from bond holders), alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,844 million as at August 31, 2019) were repaid upon maturity on September 18, 2019; bonds with nominal value of HK\$22,277 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,844 million as at August 31, 2019) will mature within the period from October 2019 to August 2020 and the rest within the period from September 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.