

Financial results for the six months ended September 30, 2019

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

Expenditure for the period April to September 2019 amounted to HK\$281.7 billion and revenue HK\$180 billion, resulting in a cumulative year-to-date deficit of HK\$95.4 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\$1,075.5 billion as at September 30, 2019.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended September 30, 2019 HK\$ million	Six months ended September 30, 2019 HK\$ million
Revenue	14,276.1	179,974.0
Expenditure	(67,647.0)	(281,658.7)
Deficit before issuance and repayment of government bonds and notes	(53,370.9)	(101,684.7)
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	(53,370.9)	(95,356.0)
Financing		
Domestic		
Banking Sector (Note 2)	53,236.4	93,832.3
Non-Banking Sector	134.5	1,523.7
External	–	–
Total	53,370.9	95,356.0

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

HK\$7,841 million

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

HK\$27,750.9 million

TABLE 2. FISCAL RESERVES

	Month ended September 30, 2019 HK\$ million	Six months ended September 30, 2019 HK\$ million
Fiscal Reserves at start of period	1,128,897.4	1,170,882.5
Consolidated Deficit after issuance and repayment of government bonds and notes	(53,370.9)	(95,356.0)
Fiscal Reserves at end of period (Note 5)	1,075,526.5	1,075,526.5

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 September 30, 2019 was HK\$128,374 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\$7,841

million as at September 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\$93,656 million and alternative bonds with nominal value of US\$2,000 million (equivalent to HK\$15,682 million as at September 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\$8,856 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$22,275 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,841 million as at September 30, 2019) will mature within the period from October 2019 to September 2020 and the rest within the period from October 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.