

Financial results for the three months ended June 30, 2019

The Government announced today (July 31) its financial results for the three months ended June 30, 2019.

Expenditure for the period April to June 2019 amounted to HK\$124.4 billion and revenue HK\$101.8 billion, resulting in a cumulative year-to-date deficit of HK\$14.8 billion after receipt of net proceeds of HK\$7.8 billion from issuance of green bond 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 fiscal reserves stood at HK\$1,156.1 billion as at June 30, 2019.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended June 30, 2019 HK\$ million	Three months ended June 30, 2019 HK\$ million
Revenue	32,980.6	101,818.6
Expenditure	(43,473.0)	(124,464.7)
Deficit before issuance of Green Bond	(10,492.4)	(22,646.1)
Net proceeds from issuance of Green Bond	—	7,828.7
Deficit after issuance of Green Bond	(10,492.4)	(14,817.4)
Financing		
Domestic		

Banking Sector (Note 2)	10,398.7	13,355.4
Non-Banking Sector	93.7	1,462.0
External	–	–
Total	10,492.4	14,817.4

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

HK\$9,313.5 million

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

HK\$26,430 million

TABLE 2. FISCAL RESERVES

	Month ended June 30, 2019 HK\$ million	Three months ended June 30, 2019 HK\$ million
Fiscal Reserves at start of period	1,166,557.5	1,170,882.5
Consolidated Deficit after issuance of Green Bond	(10,492.4)	(14,817.4)
Fiscal Reserves at end of period (Note 5)	1,156,065.1	1,156,065.1

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 June 30, 2019 was HK\$136,017 million.

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

3. These were the outstanding institutional notes totalling HK\$1,500 million as at June 30, 2019 and the Green Bond totalling US\$1,000 million (equivalent to HK\$7,814 million as at June 30, 2019) with maturity in July 2019 and May 2024 respectively. They do not include the outstanding bonds with nominal value of HK\$92,729 million and alternative bonds with nominal value of US\$3,000 million (equivalent to HK\$23,441 million as at June 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\$8,729 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$25,138 million and alternative bonds with nominal value of US\$2,000

million (equivalent to HK\$15,627 million as at June 30, 2019) will mature within the period from July 2019 to June 2020 and the rest within the period from July 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.