

HA to consider Budget for 2019-20

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

The Finance Committee (FC) of the Hong Kong Housing Authority (HA) held a meeting today (January 3) on the HA's proposed budgets and forecasts for the period 2018-19 to 2022-23. After the meeting, the FC Chairman, Professor Chan Ka-lok, said, "The HA is projected to have the necessary financial resources to meet its recurrent expenditure and implement its current public housing construction programme and maintenance programme in the budget and forecast period."

On the basis of the prevailing assumptions, the cash and investment balance of the HA is projected to decrease slightly from about \$45 billion at the beginning of April 2018 to about \$41 billion by the end of March 2023.

"If and when there are changes to any of the assumptions, the projected financial position will be different. In the face of the upcoming uncertainties, the HA will have to remain vigilant and exercise prudent financial control, to ensure that public funds will continue to be used in the most cost-effective manner. According to the established mechanism, the HA will conduct the annual rolling five-year budgeting process and assess its financial position and future funding requirements," Professor Chan added.

Based on the Long Term Housing Strategy Annual Progress Report 2018 announced by the Government last month, the public housing supply target for the 10-year period from 2019-20 to 2028-29 will be 315 000 units, which represents an increase of 35 000 flats compared to the public housing supply target announced in 2017. The relevant financial implications will be reflected in the annual rolling five-year budgets as appropriate.

To achieve the public housing supply target, the Government stands ready to increase spending on public housing and has set aside about \$82.4 billion as the Housing Reserve to provide financial support to the HA.

Today, the FC endorsed the Revised Budget for 2018-19 and the Proposed Budget for 2019-20. The FC has also noted the Financial Forecasts for 2020-21 to 2022-23.

The HA meeting will examine the Budget on January 25.