

Provisional financial results for the year ended March 31, 2019

The Government announced today (April 30) its provisional financial results for the year ended March 31, 2019.

Expenditure for the year ended March 31, 2019 amounted to HK\$531.8 billion and revenue HK\$599.8 billion, resulting in a surplus of HK\$68 billion. The overall fiscal position was more favourable than the original and revised estimates for the year.

Expenditure and revenue for the year recorded a variance of 6.6 per cent (HK\$37.8 billion) and 0.8 per cent (HK\$4.7 billion) lower than the original estimate respectively.

The consolidated surplus for the year was HK\$9.3 billion higher than the revised estimate of HK\$58.7 billion. Revenue was HK\$3.4 billion (0.6 per cent) higher than expected, mainly attributable to land premium (HK\$1 billion higher) and earnings and profits tax (HK\$1 billion higher). Expenditure was HK\$5.9 billion (1.1 per cent) lower than forecast for the revised estimate mainly due to lower-than-expected requirements.

The fiscal reserves stood at HK\$1,170.9 billion as at March 31, 2019.

The government spokesperson said that these were provisional figures pending the final closing of the annual accounts. According to past experience, any changes to the provisional figures would unlikely be significant.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (PROVISIONAL) (Note 1)

	Month ended March 31, 2019 HK\$ million	Year ended March 31, 2019 HK\$ million
Revenue	34,502.7	599,759.2
Expenditure	(66,356.5)	(531,810.4)
(Deficit)/Surplus	(31,853.8)	67,948.8
Financing		
Domestic		

Banking Sector (Note 2)	31,471.0	(70,928.1)
Non-Banking Sector	382.8	2,979.3
External	—	—
Total	31,853.8	(67,948.8)

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

HK\$1,500 million

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

HK\$24,694.1 million

TABLE 2. FISCAL RESERVES (PROVISIONAL)

	Month ended March 31, 2019 HK\$ million	Year ended March 31, 2019 HK\$ million
Fiscal Reserves at start of period	1,202,736.3	1,102,933.7
Consolidated (Deficit)/ Surplus	(31,853.8)	67,948.8
Fiscal Reserves at end of period (Note 5)	1,170,882.5	1,170,882.5

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 March 31, 2019 was HK\$138,403 million.

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

3. These were the outstanding institutional notes as at March 31, 2019, which were denominated in Hong Kong dollars with maturity in July 2019. They do not include the outstanding bonds with nominal value of HK\$94,747 million and alternative bonds with nominal value of US\$3,000 million (equivalent to HK\$23,550 million as at March 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\$8,747 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$32,256 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,850 million

as at March 31, 2019) will mature within the period from April 2019 to March 2020 and the rest within the period from April 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.