

Provisional financial results for the year ended March 31, 2020

The Government announced today (April 29) its provisional financial results for the year ended March 31, 2020.

Expenditure for the year ended March 31, 2020 amounted to HK\$607.8 billion and revenue HK\$590.9 billion, resulting in a deficit of HK\$10.6 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.

Expenditure for the year is in line with the original estimate, while revenue for the year recorded a variance of 5.6 per cent (HK\$35.2 billion) lower than expected.

The consolidated deficit for the year was HK\$27.2 billion lower than the revised estimate of HK\$37.8 billion. Revenue was HK\$23.6 billion (4.2 per cent) higher than expected, mainly attributable to profits tax (HK\$24.5 billion higher). Expenditure was HK\$3.6 billion (0.6 per cent) lower than forecast for the revised estimate mainly due to lower-than-expected requirements.

The fiscal reserves stood at HK\$1,160.3 billion as at March 31, 2020.

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

Detailed figures are shown in Tables 1 and 2.

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

| | Month ended March 31, 2020 HK\$ million | Year ended March 31, 2020 HK\$ million |
|--|---|--|
| Revenue | 42,929.3 | 590,926.9 |
| Expenditure | (72,702.3) | (607,830.3) |
| | | |
| Deficit before issuance and repayment of government bonds and notes | (29,773.0) | (16,903.4) |
| | | |

| | | |
|--|------------|------------|
| 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 | (29,773.0) | (10,574.7) |
| | | |
| Financing | | |
| Domestic | | |
| Banking Sector (Note 2) | 30,224.2 | 11,645.2 |
| Non-Banking Sector | (451.2) | (1,070.5) |
| External | – | – |
| | | |
| Total | 29,773.0 | 10,574.7 |

Government Debts as at March 31, 2020 (Note 3)
HK\$7,754 million

Debts Guaranteed by Government as at March 31, 2020 (Note 4)
HK\$30,016.2 million

TABLE 2. FISCAL RESERVES (PROVISIONAL)

| | Month ended March 31, 2020 HK\$ million | Year ended March 31, 2020 HK\$ million |
|---|---|--|
| Fiscal Reserves at start of period | 1,190,080.8 | 1,170,882.5 |
| Consolidated Deficit after issuance and repayment of government bonds and notes | (29,773.0) | (10,574.7) |
| Fiscal Reserves at end of period (Note 5) | 1,160,307.8 | 1,160,307.8 |

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, 2020 was HK\$121,057 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\$7,754 million as at March 31, 2020) which were denominated in US dollars with maturity in May 2024. They do not include the outstanding bonds with nominal value of HK\$83,213 million and alternative bonds with nominal value of US\$2,000 million (equivalent to HK\$15,509 million as at March 31, 2020) 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\$8,813 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$12,361 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,754 million as at March 31, 2020) will mature within the period from April 2020 to March 2021 and the rest within the period from April 2021 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 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.