

Provisional financial results for the year ended March 31, 2021

The Government announced today (April 30) its provisional financial results for the year ended March 31, 2021.

Expenditure for the year ended March 31, 2021, amounted to HK\$816 billion and revenue HK\$564.2 billion, resulting in a deficit of HK\$232.5 billion after receipt of net proceeds of HK\$19.3 billion from issuance of green bonds under the Government Green Bond Programme (Green Bond).

Expenditure for the year recorded a variance of 11.6 per cent (HK\$84.9 billion) higher than the original estimate, while revenue recorded a variance of 1.5 per cent (HK\$8.3 billion) lower than the original estimate.

The consolidated deficit for the year was HK\$25.1 billion lower than the revised estimate of HK\$257.6 billion. Revenue was HK\$20.7 billion (3.8 per cent) higher than expected, mainly attributable to stamp duties (HK\$10 billion higher) and earnings and profits tax (HK\$7 billion higher). Expenditure was HK\$4.4 billion (0.5 per cent) lower than forecast for the revised estimate mainly due to lower-than-expected requirements.

The fiscal reserves stood at HK\$927.8 billion as at March 31, 2021.

A 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, 2021 HK\$ million	Year ended March 31, 2021 HK\$ million
Revenue	54,180.8	564,230.1
Expenditure	(93,087.2)	(816,065.3)
Deficit before issuance of Green Bond	(38,906.4)	(251,835.2)
Net proceeds from issuance of Green Bond	–	19,303.6

Deficit after issuance of Green Bond	(38,906.4)	(232,531.6)
Financing		
Domestic		
Banking Sector (Note 2)	36,946.4	232,179.3
Non-Banking Sector	1,960.0	352.3
External	–	–
Total	38,906.4	232,531.6

Government Debts as at March 31, 2021 (Note 3)

HK\$27,216 million

Debts Guaranteed by Government as at March 31, 2021 (Note 4)

HK\$82,589.5 million

TABLE 2. FISCAL RESERVES (PROVISIONAL)

	Month ended March 31, 2021 HK\$ million	Year ended March 31, 2021 HK\$ million
Fiscal Reserves at start of period	966,682.6	1,160,307.8
Consolidated Deficit after issuance of Green Bond	(38,906.4)	(232,531.6)
Fiscal Reserves at end of period (Note 5)	927,776.2	927,776.2

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, 2021, was HK\$152,848 million.

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

3. These were the Green Bonds of US\$3,500 million (equivalent to HK\$27,216 million as at March 31, 2021) including US\$1,000 million and US\$2,500 million

issued under the Government Green Bond Programme in May 2019 and February 2021 respectively, which were denominated in US dollars with maturity from May 2024 to February 2051. They do not include the outstanding bonds with nominal value of HK\$119,157 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,776 million as at March 31, 2021) 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\$20,857 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$17,430 million will mature within the period from April 2021 to March 2022 and the rest within the period from April 2022 to March 2036.

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\$219,691 million being the balance of the Land Fund held in the name of "Future Fund", for long-term investments initially up to December 31, 2025. The Future Fund also includes HK\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.