

Press Release
Financial results for month ended April 30, 2016 and
top-up for Future Fund

Tuesday, May 31, 2016

The Government announced today (May 31) its financial results for April 2016, the first month of the current financial year. On the basis of government accounts for 2015-16 gazetted on May 27, 2016, the Government further announced that the first periodic top-up for Future Fund would be arranged on July 1, 2016.

Results for April 2016

Expenditure for the first month amounted to HK\$37.4 billion and revenue HK\$40.6 billion, resulting in a surplus of HK\$3.2 billion.

A government spokesperson said that the surplus in April was mainly due to the receipt of salaries tax, profits tax and proceeds from disposal of government property.

The fiscal reserves stood at HK\$846.1 billion as at April 30, 2016.

Top-up for Future Fund

"Pursuant to the Financial Secretary's decision announced in the 2016-17 budget, the Government will inject HK\$4.8 billion, being one-third of the actual surplus of the consolidated government accounts of HK\$14.4 billion for the year 2015-16, into Future Fund as the first periodic top-up on July 1, 2016," the spokesperson added.

Future Fund was established on January 1, 2016 with an initial endowment of around HK\$220 billion from the balance of the Land Fund as a notional savings account within the fiscal reserves with a view to securing higher investment returns over a 10-year investment period. This is one of the fiscal measures implemented to address the fiscal sustainability challenges arising from ageing population and slowing economic growth.

More detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended April 30, 2016 ----- HK\$ million
Revenue	40,630.0
Expenditure	(37,433.5)

Surplus	3,196.5

Financing	
Domestic	
Banking Sector	(3,863.8)
(Note 2)	
Non-Banking Sector	667.3
External	-

Total	(3,196.5)

Government Debts as at April 30, 2016 (Note 3)

HK\$1,500 million

Debts Guaranteed by Government as at April 30, 2016 (Note 4)

HK\$34,125.3 million

TABLE 2. FISCAL RESERVES

	Month ended April 30, 2016 ----- HK\$ million
Fiscal Reserves at start of period	842,887.6

Consolidated Surplus	3,196.5

Fiscal Reserves at end of period (Note 5)	846,084.1

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 April 30, 2016 was HK\$132,464 million.

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

3. These were the outstanding institutional notes as at April 30, 2016, which were denominated in Hong Kong dollars with maturity in July 2019. They do not include the outstanding bonds with nominal value of HK\$104,500 million and alternative bonds with nominal value of US\$2,000 million (equivalent to HK\$15,515 million as at April 30, 2016) issued under the Government Bond Programme (with proceeds credited to the Bond Fund). Of these bonds under the Government Bond Programme, bonds with nominal value of HK\$6,500 million were repaid on May 9, 2016; bonds with nominal value of HK\$23,500 million will mature within the period from June 2016 to April 2017 and the rest within the period from May 2017 to July 2030.

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, will also include the HK\$4.8 billion set aside as top-up for Future Fund.

Ends