

## **Press Release**

### **Provisional financial results for the year ended March 31, 2017**

Friday, April 28, 2017

The Government announced today (April 28) its provisional financial results for the year ended March 31, 2017.

Expenditure for the year ended March 31, 2017 amounted to HK\$462.3 billion and revenue HK\$573.1 billion, resulting in a surplus of HK\$110.8 billion. The overall fiscal position was more favourable than the original and revised estimates for the year.

Setting aside the HK\$10 billion for the Hospital Authority Public-Private Partnership Fund advanced from 2016-17 to 2015-16, expenditure for the year recorded a 3.1 per cent variance (HK\$14.6 billion) lower than the original estimate. Revenue recorded a 15 per cent variance (HK\$74.8 billion) higher than the original estimate; HK\$61 billion and HK\$11.9 billion of the variance were attributed respectively to land premium and stamp duties receipts.

The consolidated surplus for the year was HK\$18 billion higher than the revised estimate of HK\$92.8 billion. Revenue was HK\$13.6 billion (2.4 per cent) higher than expected, mainly attributable to land premium (HK\$10.2 billion higher) and stamp duties (HK\$3.9 billion higher). Expenditure was HK\$4.4 billion (0.9 per cent) lower than forecast for the revised estimate mainly due to lower-than-expected capital expenditure.

The fiscal reserves stood at HK\$953.7 billion as at March 31, 2017.

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.

More detailed figures are shown in Tables 1 and 2.

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

	Month ended March 31, 2017 HK\$ million	Year ended March 31, 2017 HK\$ million
Revenue	49,715.3	573,124.1
Expenditure	(49,377.1)	(462,272.3)
Surplus	338.2	110,851.8
Financing		
Domestic		
Banking Sector (Note 2)	(1,089.1)	(111,704.9)
Non-Banking Sector	750.9	853.1
External	-	-
Total	(338.2)	(110,851.8)

Government Debts as at March 31, 2017 (Note 3)

HK\$1,500 million

Debts Guaranteed by Government as at March 31, 2017 (Note 4)

HK\$28,211.1 million

TABLE 2. FISCAL RESERVES (PROVISIONAL)

	Month ended March 31, 2017 HK\$ million	Year ended March 31, 2017 HK\$ million
Fiscal Reserves at start of period	953,401.2	842,887.6
Consolidated Surplus	338.2	110,851.8
Fiscal Reserves at end of period (Note 5)	953,739.4	953,739.4

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, 2017 was HK\$141,379 million.

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

3. These were the outstanding institutional notes as at March 31, 2017, which were denominated in Hong Kong dollars with maturity in July 2019. They do not include the outstanding bonds with nominal value of HK\$103,078 million and alternative bonds with nominal value of US\$3,000 million (equivalent to HK\$23,312 million as at March 31, 2017) 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\$2,978 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$24,400 million will mature within the period from April 2017 to March 2018 and the rest within the period from April 2018 to March 2032.

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.

Ends