

Press Release
Financial results for the four months ended July 31, 2016

Wednesday, August 31, 2016

The Government announced today (August 31) its financial results for the four months ended July 31, 2016.

Expenditure for the period April to July 2016 amounted to HK\$145.1 billion and revenue HK\$103.9 billion, resulting in a cumulative year-to-date deficit of HK\$41.2 billion.

A government spokesperson said that the cumulative year-to-date deficit for the period was mainly because some major types of revenue, including salaries and profits taxes, are mostly received towards the end of a financial year.

The fiscal reserves stood at HK\$801.7 billion as at July 31, 2016.

More detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended July 31, 2016 HK\$ million	Four months ended July 31, 2016 HK\$ million
Revenue	31,775.4	103,874.9
Expenditure	(35,718.3)	(145,047.9)
Deficit	(3,942.9)	(41,173.0)
Financing		
Domestic		
Banking Sector (Note 2)	4,129.4	40,791.2
Non-Banking Sector	(186.5)	381.8
External	-	-

Total	3,942.9	41,173.0
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Government Debts as at July 31, 2016 (Note 3)

HK\$1,500 million

Debts Guaranteed by Government as at July 31, 2016 (Note 4)

HK\$31,127.2 million

TABLE 2. FISCAL RESERVES

	Month ended July 31, 2016 HK\$ million	Four months ended July 31, 2016 HK\$ million
Fiscal Reserves at start of period	805,657.5	842,887.6
Consolidated Deficit	(3,942.9)	(41,173.0)
Fiscal Reserves at end of period (Note 5)	801,714.6	801,714.6

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 July 31, 2016 was HK\$129,259 million.

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

3. These were the outstanding institutional notes as at July 31, 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\$101,700 million and alternative bonds with nominal value of US\$2,000 million (equivalent to HK\$15,515 million as at July 31, 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\$13,500 million will mature within the period from August 2016 to July 2017 and the

rest within the period from August 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, the Future Fund also includes HK\$4.8 billion, being one-third of the actual surplus in 2015-16 as top-up.

Ends