

Press Release

Financial results for the seven months ended October 31, 2016

Wednesday, November 30, 2016

The Government announced today (November 30) its financial results for the seven months ended October 31, 2016.

There was a surplus of HK\$38.4 billion in the month of October, thereby bringing the cumulative year-to-date deficit down to HK\$21.7 billion. Expenditure for the seven-month period amounted to HK\$264.8 billion and revenue HK\$243.1 billion.

A government spokesperson said that the improved financial results in October were mainly due to the collection of profits tax.

The fiscal reserves stood at HK\$821.2 billion as at October 31, 2016.

More detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended October 31, 2016 HK\$ million	Seven months ended October 31, 2016 HK\$ million
Revenue	85,483.6	243,106.0
Expenditure	(47,065.4)	(264,794.2)
Surplus/(Deficit)	38,418.2	(21,688.2)
Financing		
Domestic		
Banking Sector (Note 2)	(38,757.6)	20,594.3
Non-Banking Sector	339.4	1,093.9

External	-	-
Total	(38,418.2)	21,688.2

Government Debts as at October 31, 2016 (Note 3)

HK\$1,500 million

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

HK\$29,939.4 million

TABLE 2. FISCAL RESERVES

	Month ended October 31, 2016 HK\$ million	Seven months ended October 31, 2016 HK\$ million
Fiscal Reserves at start of period	782,781.2	842,887.6
Consolidated Surplus/(Deficit)	38,418.2	(21,688.2)
Fiscal Reserves at end of period (Note 5)	821,199.4	821,199.4

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 October 31, 2016, was HK\$136,396 million.

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

3. These were the outstanding institutional notes as at October 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\$109,295 million

and alternative bonds with nominal value of US\$2,000 million (equivalent to HK\$15,510 million as at October 31, 2016) 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\$2,995 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$23,500 million will mature within the period from November 2016 to October 2017 and the rest within the period from November 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\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.

Ends