

2019-20 Budget Consultation 二零一九至二零年度 財政預算案諮詢



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The Economy

經濟狀況



2018 ECONOMIC INDICATORS 二零一八年經濟指標

| | | |
|--|----------------|------|
| GDP real growth 本地生產總值實質增長 | Q1 – Q3 首三季 | 3.7% |
| | Q3 第三季 | 2.9% |
| Unemployment rate 失業率 | Aug – Oct 八至十月 | 2.8% |
| Underlying consumer price inflation 基本消費物價通脹率 | Jan – Oct 一至十月 | 2.6% |
| | Oct 十月 | 3.0% |

Except for unemployment rate, the above percentages represent year-on-year changes.
除失業率外，上列百分率表示與去年同期比較的變動。

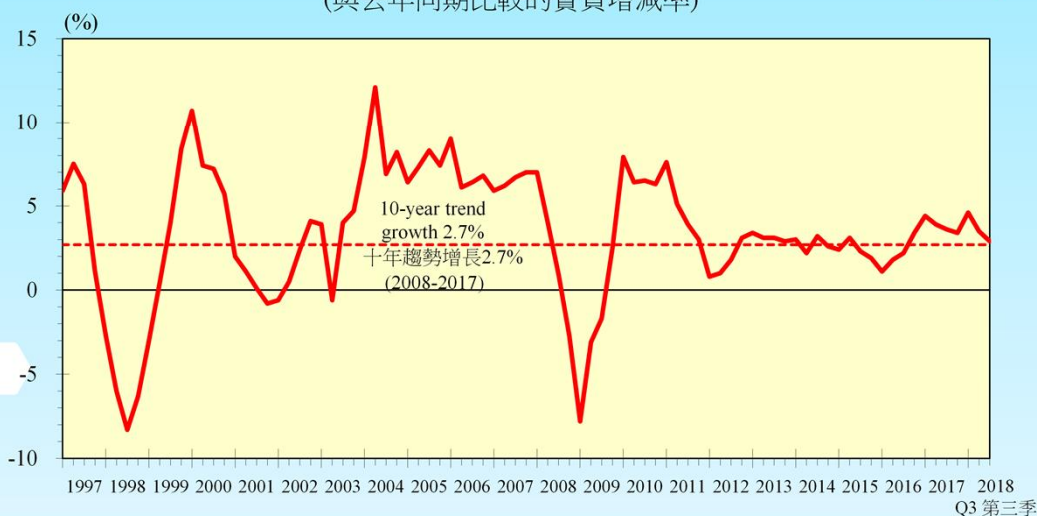
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- The Hong Kong economy grew solidly by 2.9% in the third quarter of 2018 alongside further expansion of the global economy. While the growth pace was still above-trend, it moderated from 4.6% in the first quarter and 3.5% in the second quarter. External demand continued to record visible growth for the third quarter as a whole. Domestic demand held firm.
隨着環球經濟進一步擴張，香港經濟在二零一八年第三季穩健增長2.9%。雖然增速依然高於趨勢，但與第一季4.6%和第二季3.5%相比則有所減慢。外部需求第三季整季合計繼續錄得顯著增長。內部需求保持堅穩。
- The impact of rising external headwinds on the Hong Kong economy has started to surface in recent months.
外圍不利因素增加對香港經濟的影響在近月開始浮現。
- The labour market remained tight. The seasonally adjusted unemployment rate stayed at a 20-year low of 2.8% in August – October 2018. The underlying consumer price inflation averaged 2.6% in the first ten months of 2018.
勞工市場仍然偏緊。經季節性調整的失業率在二零一八年八月至十月維持於2.8%，為二十年來的低位。二零一八年首十個月的基本消費物價通脹平均為2.6%。

ECONOMY EXPANDED SOLIDLY, ALBEIT AT A MODERATED PACE IN 2018 Q3

二零一八年第三季經濟穩健擴張，但增速減慢

Gross Domestic Product
(year-on-year rate of change in real terms)
本地生產總值
(與去年同期比較的實質增減率)



- The Hong Kong economy expanded solidly by 2.9% in the third quarter of 2018, marking the eighth consecutive quarter of above-trend growth, although the growth pace moderated from the first half of the year.

二零一八年第三季，香港經濟穩健擴張2.9%，增速連續八個季度高於趨勢增長率，但增速較上半年減慢。

- Goods exports sustained notable growth for the third quarter as a whole, and exports of services expanded moderately. Yet, the impacts of the US-Mainland trade conflicts began to surface. In early December, the US agreed to stop raising the rate of additional tariffs for the time being, and the two sides will continue to negotiate for an agreement in 90 days. Developments going forward deserve close monitoring.

貨物出口在第三季整季合計繼續顯著增長，而服務輸出也溫和擴張。不過，美國與內地貿易摩擦的影響開始浮現。十二月初，美國同意暫時不會調高額外關稅的稅率，雙方亦會在未來90天繼續談判，以期達到一個協議。往後的事態發展須要密切留意。

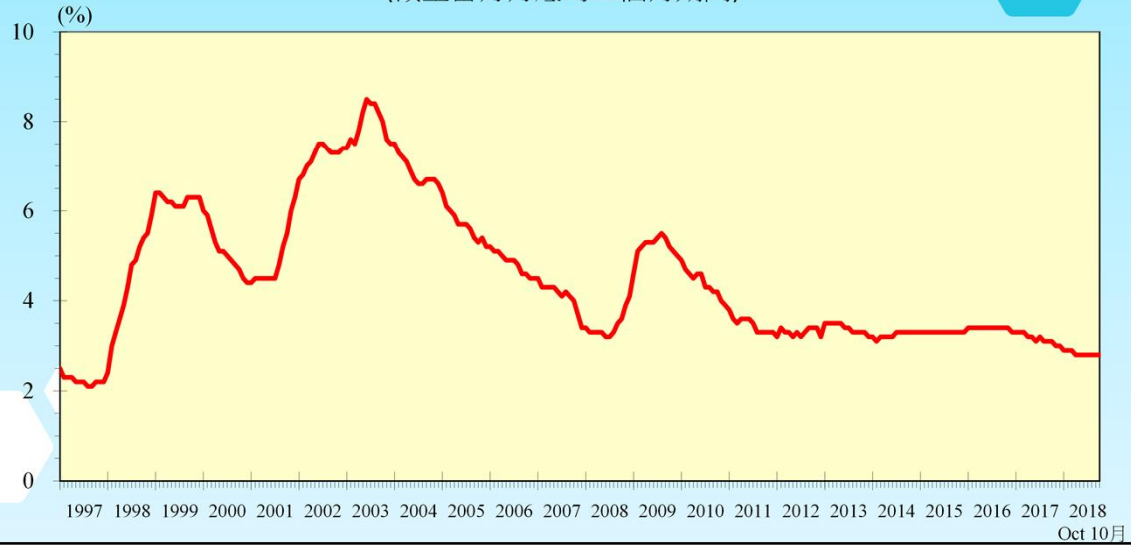
- Domestic demand stayed largely resilient in the third quarter. Yet, various surveys revealed that local business sentiment has become more cautious in recent months.

內部需求在第三季大致保持強韌。不過，多個調查顯示本港營商氣氛在近月已變得更為審慎。

LABOUR MARKET REMAINED TIGHT

勞工市場仍然偏緊

Seasonally adjusted unemployment rate
(three months ending)
經季節性調整的失業率
(截至當月月底的三個月期間)

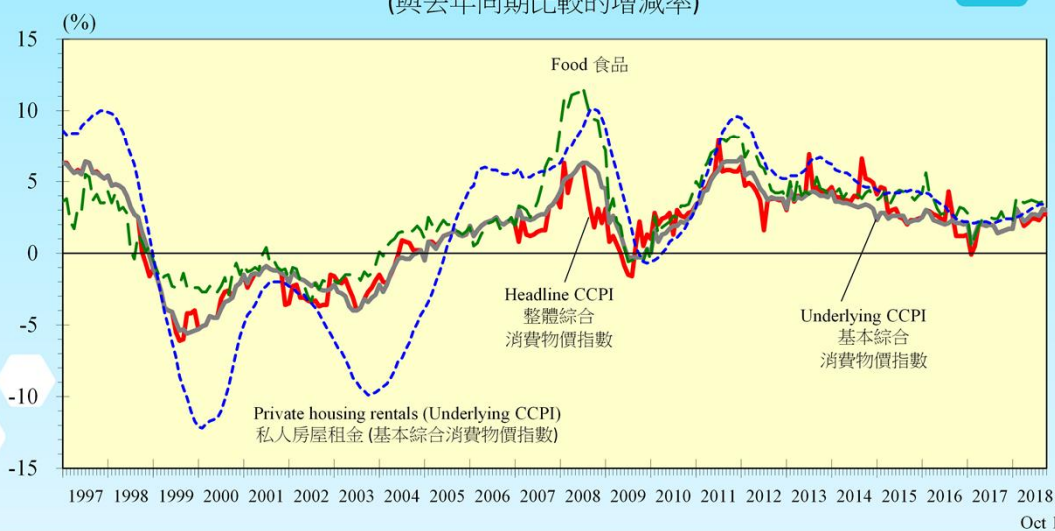


- The labour market remained tight. The seasonally adjusted unemployment rate stayed at 2.8% in August – October 2018, the lowest level in 20 years. Total employment registered visible growth on a year-on-year basis. Wages and earnings sustained solid and broad-based growth in real terms.

勞工市場仍然偏緊。二零一八年八月至十月，經季節性調整的失業率維持於2.8%，為二十年來的低位。總就業人數保持顯著的按年增長。工資及收入繼續錄得穩健而廣泛的實質升幅。

INCREASING PRESSURE ON CONSUMER PRICES 消費物價壓力繼續增加

Composite Consumer Price Index (CCPI)
(year-on-year rate of change)
綜合消費物價指數
(與去年同期比較的增減率)



- Alongside the sustained above-trend economic growth, pressures on consumer prices continued to build up. The underlying consumer price inflation rate was 3.0% in October, and averaged 2.6% in the first ten months of 2018.
隨着經濟增速持續高於趨勢增長率，消費物價壓力繼續增加。基本消費物價通脹率在十月為3.0%，二零一八年首十個月平均為2.6%。

LATEST FORECASTS FOR 2018 二零一八年最新預測



| | |
|------------------------------------|------|
| GDP real growth 本地生產總值實質增長 | 3.2% |
| Consumer price inflation 消費物價通脹 | |
| Underlying 基本 | 2.7% |
| Headline 整體 | 2.4% |

- The global economy, after growing strongly in the first half of 2018, has lost some momentum of late. This was evidenced by the slower growth in the European Union and in many Asian economies in the third quarter. The economic outlook is subject to increasing downside risks.
環球經濟繼二零一八年上半年強勁增長後，近期動力有所減弱，這從歐盟及不少亞洲經濟體的增長速度在第三季減慢可以看到。經濟前景面對的下行風險正在增加。
- Taking into account the actual growth outturn of 3.7% in the first three quarters and the downside risks in the external environment, economic growth for 2018 is forecast at 3.2%.
考慮到首三季3.7%的實際增長，以及外圍環境的下行風險，二零一八年的經濟增長預測為3.2%。
- On prices, the inflation rate may still be subject to some mild upward pressure in the rest of the year. The forecast rates of underlying and headline consumer price inflation for 2018 are forecast at 2.7% and 2.4% respectively.
物價方面，通脹率在年內或仍有一些輕微的上行壓力。二零一八年的基本消費物價通脹率及整體消費物價通脹率預測分別為2.7%及2.4%。

INCREASING DOWNSIDE RISKS 下行風險正在增加



Global economic growth has lost some momentum of late.
環球經濟增長近期有所減弱。

US-China trade conflicts.
美國與中國貿易摩擦。

Further tightening of financial conditions across advanced economies, esp. in the US.
主要先進經濟體(尤其是美國)的金融狀況進一步收緊。

Brexit and geopolitical tensions.
英國脫歐及地緣政治局勢。

Domestic demand may be subject to increasing pressure from the rising external headwinds and weaker asset markets
內部需求在外圍不利因素增加及資產市場轉弱的影響下，可能會面臨更大壓力。

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- The rise of trade protectionism is the most worrying threat to the economic outlook. The US-China trade conflicts have weighed on global economic sentiment. While the situation is still fluid, if the conflicts sustain or escalate, the repercussions on global trade and investment activities, and thus on the Hong Kong economy will become more apparent.
貿易保護主義抬頭是對經濟前景令人最憂慮的威脅。美國與中國的貿易摩擦已拖累環球經濟氣氛。儘管情況目前還有變數，倘若貿易磨擦持續或升溫，環球貿易及投資活動，以至香港經濟要面對的影響將會更趨明顯。
- The further tightening of financial conditions across advanced economies, particularly in the US, is another risk factor. Rising US interest rates and a stronger US dollar had already wreaked financial havoc in some emerging market economies with weak fundamentals earlier in 2018. In the face of this and other external uncertainties, global financial and asset markets could become even more volatile in the period ahead.
先進經濟體(尤其是美國)的金融狀況進一步收緊，是另一個風險因素。美國息率上升及美元強勢，已引致部分經濟基調較弱的新興市場經濟體的金融市場在二零一八年較早時出現激烈震盪。再加上其他外圍不明朗因素，環球金融及資產市場往後或會更為波動。
- Consumer sentiment, while still being supported by the favourable job and income conditions, could increasingly be affected by the external uncertainties and weaker asset markets. Business sentiment could also be hit further.
消費情緒受外圍的不確定性及資產市場轉弱的影響或會增加，雖則依然理想的就業及收入情況仍有支持作用。營商氣氛也或進一步受挫。



Public Finance
公共財政



NEW FISCAL PHILOSOPHY

理財新哲學



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On the premise of ensuring the health of our public finance, the Government should adopt forward-looking and strategic financial management principles in wisely using our accumulated fiscal surpluses, which are wealth derived from the community, to benefit the community:

在確保公共財政穩健的前提下，政府應採取具有前瞻性與策略性的財政方針，有智慧地把「取自社會」的財政盈餘「用於社會」：

- **Seize the opportunity and invest for the future:** Bring about long-term returns for society by investing more generously so that government revenues will increase continuously, thereby enabling us to make further investments for our future.
把握機遇，投資未來：不吝嗇投資開支，為社會帶來長期回報，並持續地增加政府財政收入，進一步投資未來。
- **Timely investment as preventive measures:** Expenditure for preventive medical care, training, re-training and investment in social enterprises can all add value to society.
及時投放資源，防患於未然：預防性醫療開支、培訓及再培訓開支、社會企業投資等，都有資源增值的效果。
- **Fiscal policy for economic and social development:** We may identify options to enhance Hong Kong's competitiveness and create benefits for society.
運用財務措施，促進經濟和社會發展：我們會研究通過政策提升香港的競爭力和促成有利社會的行為。
- **New direction for taxation to enhance competitiveness:** While maintaining a simple tax system, we should also make targeted reductions in tax rates to alleviate the tax burden of companies to steer social and economic activities.
落實稅務新方向，提升競爭力：在維持簡單稅制的同時，針對性地減低稅務負擔，以引導社會經濟活動。

BUDGET STRATEGIES FOR 2018-19

二零一八／一九年度財政預算案策略



The following strategies have been adopted for 2018-19:
二零一八／一九年度財政預算案採取了以下策略：

- proactively promoting economic development by providing favourable conditions for emerging industries such as I&T and identifying growth opportunities on the one hand, and strengthening the competitiveness of the pillar industries on the other, so that our economy will prosper in a sustained and diversified manner, creating quality jobs for our young people;
經濟發展：大力推動經濟發展，既為創科等新興產業提供有利條件，尋找新的經濟增長點，也要鞏固和提升支柱產業的競爭力，令香港經濟持續和多元發展，為青年人提供優質就業機會；
- making bold investments to break through the development bottlenecks. The Budget will optimise the use of surplus to build capacity in terms of land and human capital;
投資未來：大膽突破發展制約，善用盈餘，在土地和人才兩方面創造容量；
- improving the existing services and quality of life;
提升服務：改善現有服務，提升生活質素；
- preparing to meet the community's long-term needs for healthcare and elderly care;
未雨綢繆：應對社會在醫療和安老方面的長遠需要；
- while maintaining the competitiveness of our tax regime, making suitable adjustments to ease the burden on taxpayers and enterprises, having regard to our prevailing fiscal position;
改善稅制：保持稅制競爭力，同時按政府當前的財政狀況，適度調節，減輕市民和企業負擔；
- caring for and sharing with the community by enhancing support for the disadvantaged and enabling members of the public to enjoy the fruits of our economic success; and
關愛共享：對弱勢社羣多加扶持，與社會大眾共享經濟成果；以及
- maintaining adequate fiscal reserves.
財政穩健：審慎理財，維持穩健的財政儲備。

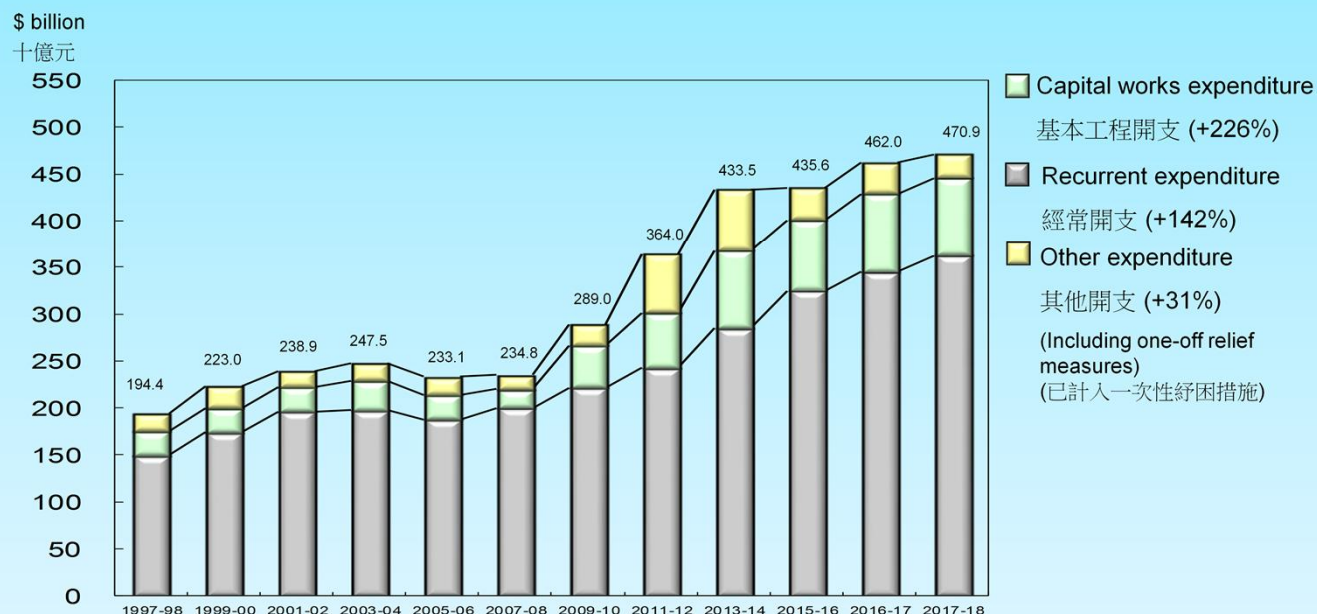


Expenditure 開支



TOTAL GOVERNMENT EXPENDITURE GREW BY 142% FROM 1997-98 TO 2017-18

一九九七／九八至二零一七／一八年度政府總開支增加142%



- Total government expenditure for 2017-18 was \$470.9 billion, representing an increase of \$8.9 billion, or 1.9%, against 2016-17, mainly due to the increase in operating expenditure of \$17.7 billion. It was offset by the decrease in capital expenditure in 2017-18 compared with 2016-17, due to the one-off equity injection in the Hong Kong Science and Technology Parks Corporation of \$9.5 billion in 2016-17. It is more than doubled when compared with 1997-98 –

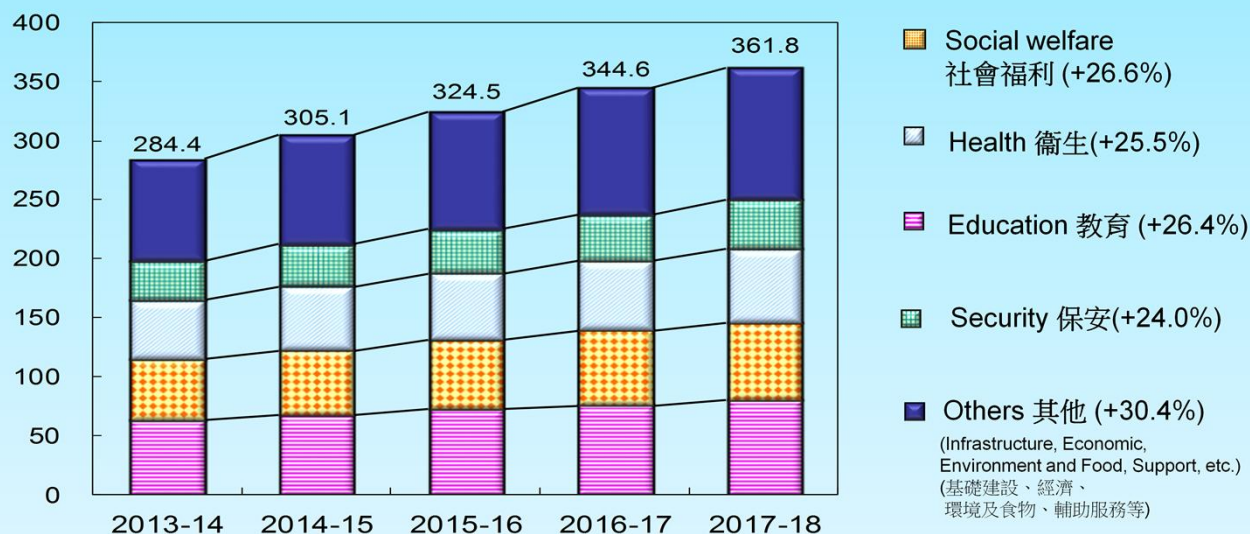
二零一七／一八年度政府總開支為4,709億元，較二零一六／一七年度增加89億元(或1.9%)，主要是由於經營開支增加了177億元。而部分升幅因二零一七／一八年度非經營開支的減少而抵銷了(在二零一六／一七年度曾透過資本投資向香港科技園公司注資了95億元)。與一九九七／九八年度比較，增幅逾一倍：

| | 2017-18 compared with 1997-98 二零一七／一八年度 與一九九七／九八年度 比較 | 2018-19 Estimate compared with 1997-98 二零一八／一九年度預算 與一九九七／九八年度 比較 |
|-------------------------------------|---|--|
| Capital works expenditure 基本工程開支 | +226% | +263% |
| Recurrent expenditure 經常開支 | +142% | +172% |

RECURRENT EXPENDITURE GREW BY 27% FROM 2013-14 TO 2017-18

二零一三／一四至二零一七／一八年度以來經常開支增加27%

\$ billion
十億元



- Recurrent expenditure for 2017-18 was \$361.8 billion, representing an increase of \$17.2 billion (or 5.0%) over 2016-17. It has been growing steadily since 2013-14 at a trend rate of 6.2%. The increase in recurrent expenditure reflects the Government's long-term commitment in improving people's livelihood.

二零一七／一八年度的經常開支達3,618億元，較二零一六／一七年度增加172億元(或5.0%)。自二零一三／一四年度起，經常開支以6.2%的趨勢增長率穩步上升。經常開支的增幅反映政府在改善民生方面的長遠承擔。

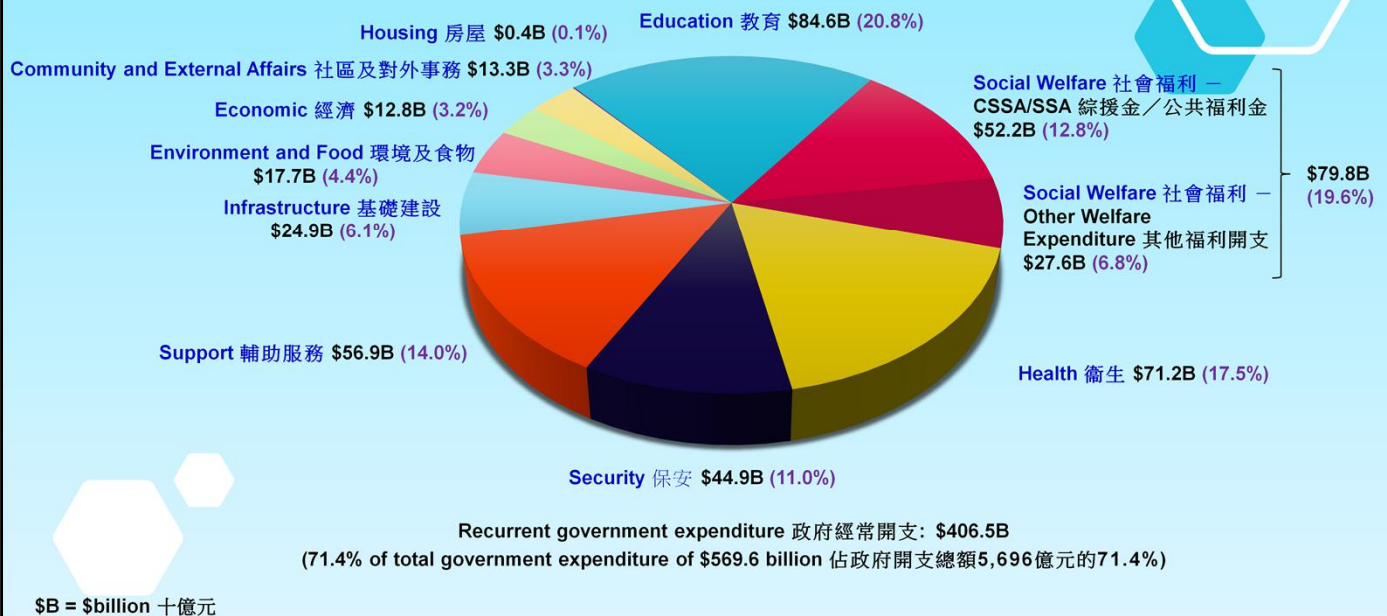
- Recurrent expenditure on social welfare, health and education has been increasing – 社會福利、衛生和教育方面的經常開支持續增加：

| | 2017-18 compared with 2013-14 二零一七／一八年度 與二零一三／一四年度 比較 | 2018-19 Estimate compared with 2013-14 二零一八／一九年度預算 與二零一三／一四年度 比較 |
|--|---|--|
|--|---|--|

| | | |
|---|--------|--------|
| ➤ Social welfare 社會福利 | +26.6% | +54.6% |
| • Comprehensive Social Security Assistance Scheme 綜合社會保障援助計劃 | +11.8% | +7.3% |
| • Social Security Allowance Scheme 公共福利金計劃 | +24.2% | +84.2% |
| • Other welfare expenditure 其他福利開支 | +46.5% | +76.9% |
| ➤ Health 衛生 | +25.5% | +42.6% |
| ➤ Education 教育 | +26.4% | +33.4% |

RECURRENT EXPENDITURE ESTIMATES FOR 2018-19

二零一八／一九年度經常開支預算

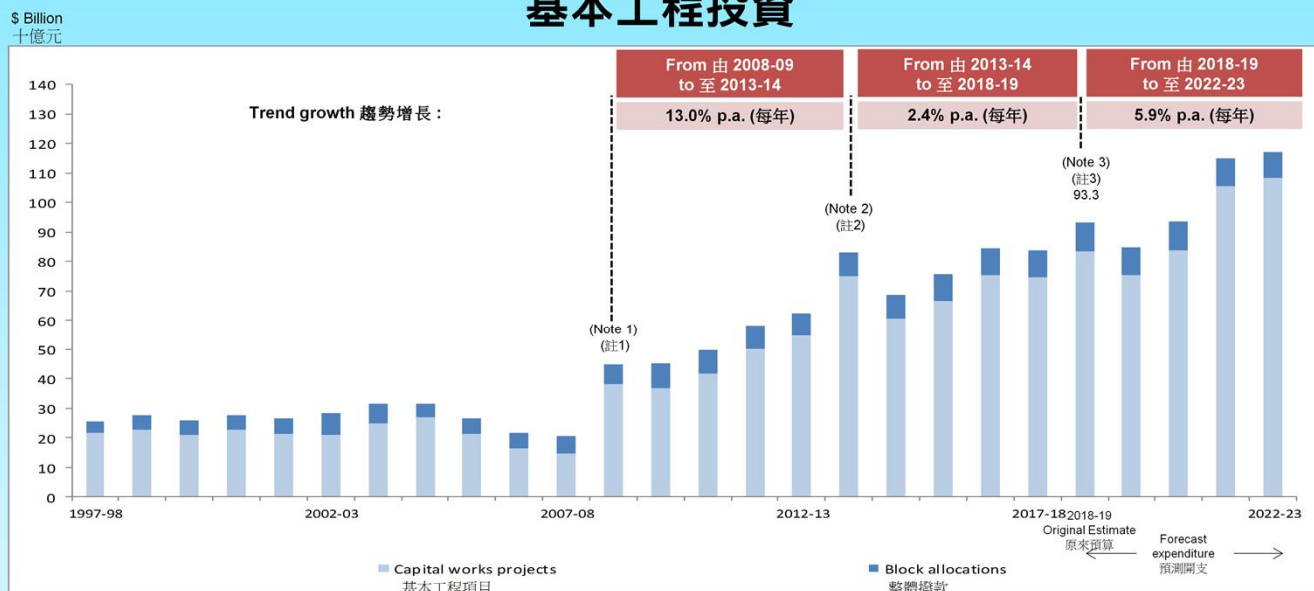


- Based on the 2018-19 Estimates of Expenditure, the spending on Education (20.8%), Social Welfare (19.6%) and Health (17.5%) together accounts for 57.9% of recurrent government expenditure.

根據二零一八／一九年度的開支預算，教育(20.8%)、社會福利(19.6%)及衛生(17.5%)的開支，合共佔政府經常開支總額的57.9%。

INVESTMENTS IN CAPITAL WORKS

基本工程投資



Note 1: Including the one-off grant of \$21.6 billion provided to the West Kowloon Cultural District Authority

註 1: 包括向西九文化區管理局提供的216億元一次過撥款。

Note 2: Including the one-off grant of \$13 billion provided to the Hospital Authority.

註 2: 包括向醫院管理局提供的130億元一次過撥款。

Note 3: Including the one-off grant of \$12.2 billion in the 2018-19 CWRP Estimates for Education Bureau on the Hostel Development Fund

註 3: 包括在2018-19年度基本工程儲備基金預算向教育局宿舍發展基金提供的122億元一次過撥款。

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- The estimated capital works expenditure (CapWex) for 2018-19 is \$93.3 billion. For 2017-18, the actual expenditure was \$83.8 billion. The CapWex for 2018-19 has increased substantially by about 107% since 2008-09 (\$45 billion). We expect that the CapWex will stay at a high level in the coming few years.

二零一八／一九年度的基本工程開支預算為933億元，二零一七／一八年度的實際開支為838億元。二零一八／一九年度的基本工程開支較二零零八／零九年度(450億元)大幅增加約107%。預計未來數年，基本工程開支會維持在高水平。

- The percentage of annual CapWex as against the total government expenditure is expected to increase from 14.4% in 2008-09 to about 16.4% in 2018-19. It fully demonstrates Government's commitment in capital investment.

每年基本工程開支佔政府總開支的百分比預計會由二零零八／零九年度的14.4%增至二零一八／一九年度的約16.4%，充分體現政府對資源投放於基本工程的承擔。

- In December 2017, the Construction Industry Council forecasted the total public and private construction expenditure to reach \$250 billion to \$335 billion, in September 2017 prices, in the coming ten years. The outlook of construction industry in Hong Kong remains positive. 在2017年12月，建造業議會預計在未來十年，按2017年9月價格計算，公私營總體工程開支將達2,500億至3,350億元。香港建造業前景仍然樂觀。

- The CWRP has a balance of some \$180 billion as of end March 2018. The main revenue stream to the CWRP is land premium. The merits and readiness of individual projects are the major considerations in deciding our capital works programme. If needed, the Government may transfer from the general revenue to fund our public works programme.

二零一八年三月底基本工程儲備基金的結餘約為1,800億元。地價收入是基本工程儲備基金的主要收入來源。個別項目的效益和是否就緒是決定基本工程計劃的主要考慮因素。如有需要，政府可從政府一般收入轉撥款項至基本工程儲備基金推行工務計劃。

| Financial year 財政年度 | CapWex (\$billion) 基本工程開支 (十億元) | Nominal GDP (\$billion) 名義本地生產總值 (十億元) | CapWex (% of GDP) 基本工程開支 (相當於本地生產總值的百分比) |
|------------------------|--|---|---|
| 2008-09 | 45.0 | 1,707.5 | 2.6% |
| 2018-19 OE 原來預算 | 93.3 | 2,822.4 | 3.3% |

- The trend growth –
趨勢增長

| | Trend Growth (%) 趨勢增長 (%) |
|--|------------------------------|
| 2008-09 - 2013-14 | 13.0% p.a. 每年13.0% |
| 2013-14 - 2018-19 | 2.4% p.a. 每年2.4% |
| MRF period 中期預測期間 (2018-19 - 2022-23) | 5.9% p.a. 每年5.9% |

CAPITAL WORKS PROJECTS

基本工程項目



Apart from strategic infrastructure to improve transport links and develop new growth areas, the capital works programme covers cultural, education, environmental protection, hospitals, sports complexes and district projects.

除了為改善交通運輸和發展新增長地區而進行的策略性基建項目外，基本工程項目亦包括文化、教育、環境保護、醫院、運動場館及地區工程等項目。



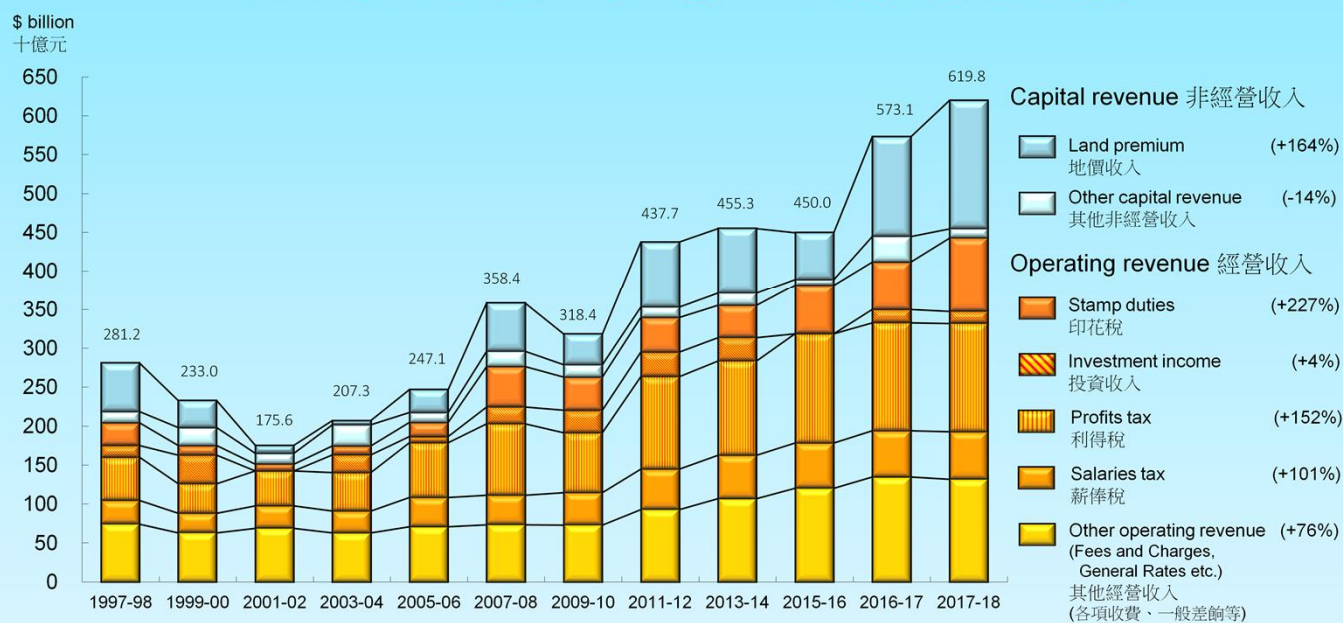
- Strategic infrastructure projects under way 現正進行的策略性基建項目：
 1. Tuen Mun-Chek Lap Kok Link and Tuen Mun Western Bypass 屯門至赤鱸角連接路及屯門西繞道
 2. Kai Tak Development 啟德發展計劃
 3. Development of Lok Ma Chau Loop 落馬洲河套區
 4. Kai Tak Sports Park 啟德體育園
 5. New Development Areas (Kwu Tung North and Fanling North and Hung Shui Kiu) 新發展區（古洞北及粉嶺北、洪水橋）
 6. West Kowloon Cultural District 西九文化區
- Other projects include 其他項目包括：
 7. Health – Ten-year Hospital Development Plan including projects such as redevelopment of Queen Mary Hospital - phase 1, redevelopment of Kwong Wah Hospital and construction works for New Acute Hospital at Kai Tak Development Area, 衛生 – 十年醫院發展計劃，包括瑪麗醫院第一期重建計劃、廣華醫院重建計劃及在啟德發展區興建新急症全科醫院等項目
 8. Environmental protection – e.g. expansion of Sha Tau Kok Sewage Treatment Works – phase 1, Rehabilitation of trunk sewers in Tuen Mun, Upgrading of sewage pumping stations and sewerage along Ting Kok Road, Upgrading of Central and East Kowloon sewerage – phase 3 and West Kowloon drainage improvement – inter-reservoirs transfer scheme 環境保護 – 例如在沙頭角污水處理廠第1期擴建工程、屯門污水幹渠修復工程、汀角路污水泵房及污水收集系統改善工程、九龍中部及東部污水收集系改善工程 – 第3期及西九龍雨水排放系統改善計劃 – 水塘間轉運隊道計劃
 9. Education – primary and secondary schools and tertiary institutions projects, e.g. Academic building at No. 3 Sassoon Road, A 30-classroom primary school at Tonkin Street, Cheung Sha Wan and Redevelopment of Island School at 20 Borrett Road, Mid-Levels 教育 – 小學、中學及大專院校工程，例如在沙宣道3號教學大樓、長沙灣東京街1所設有30間課室的小學，以及重建位於中半山波老道20號的港島中學
 10. Sports, recreational and cultural – e.g. Station Square at Kai Tak, Swimming pool complex and open space in Area 107, Tin Shui Wai and Provision of heated pool at the Morse Park Swimming Pool Complex, Wong Tai Sin 文娛、康樂及體育 – 例如啟德車站廣場、天水圍第107區游泳池場館及休憩用地、改建黃大仙摩士公園游泳池以提供暖水泳池



Revenue
收入



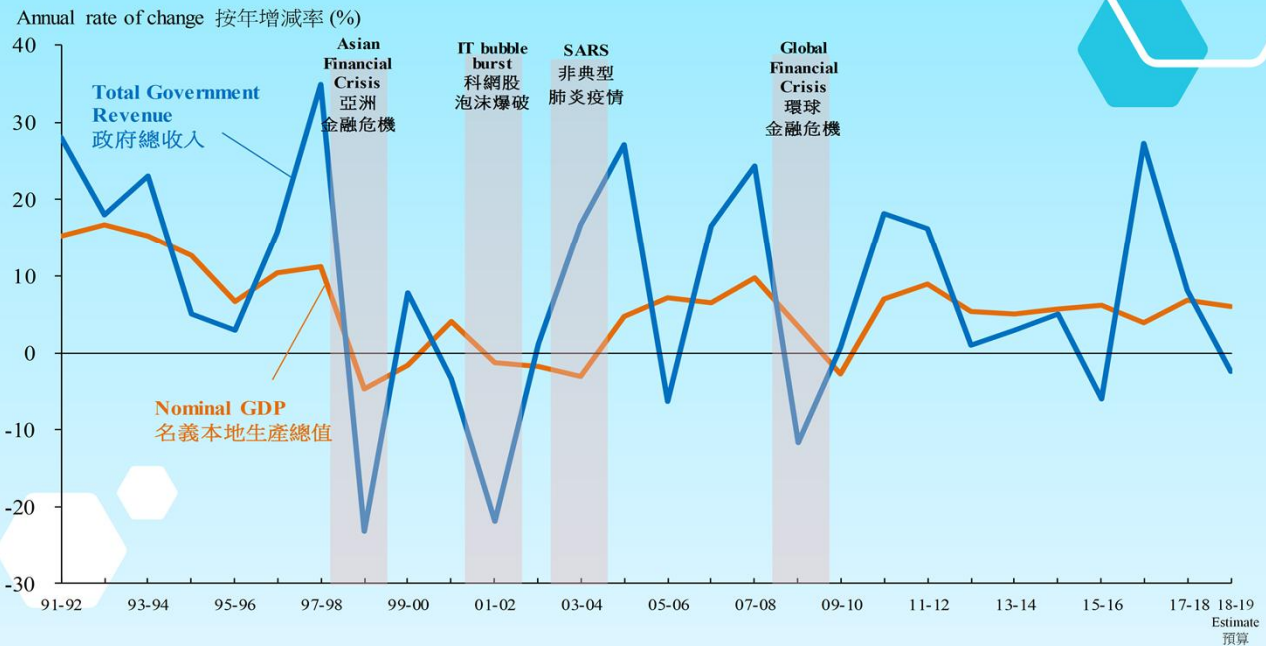
TOTAL REVENUE GREW BY 120% FROM 1997-98 TO 2017-18 一九九七／九八至二零一七／一八年度總收入增加120%



- Profits tax has been our largest operating revenue. It varied from \$37.7 billion (1999-2000) to \$140.2 billion (2015-16). 利得稅是政府最大的經營收入來源，款額介乎377億元(一九九九／二零零零年度)與1,402億元(二零一五／一六年度)之間。
- Salaries tax has been our second or third largest operating revenue. It varied from \$24.8 billion (1999-2000) to \$60.8 billion (2017-18). 薪俸稅是第二或第三大的經營收入來源，款額介乎248億元(一九九九／二零零零年度)與608億元(二零一七／一八年度)之間。
- Stamp duties varied from \$7.5 billion (2002-03) to \$95.2 billion (2017-18). 印花稅收入介乎75億元(二零零二／零三年度)與952億元(二零一七／一八年度)之間。
- Since 1 April 2007, we have adopted an arrangement whereby the rate of investment return is pre-determined based on past returns. This has greatly reduced the volatility of investment income. The average annual revenue from this source was \$36.3 billion from 2007-08 to 2013-14. The investment income in respect of the fiscal reserves for 2014 (\$27.5 billion) and 2015 (\$45.2 billion) was set aside and retained within the Exchange Fund for the Housing Reserve. 由二零零七年四月一日起，我們採用新的安排，根據過往的回報預先釐定投資回報率，從而大大減少投資收入的波動。在二零零七／零八至二零一三／一四年度期間，平均每年投資收入為363億元。政府在二零一四及二零一五年分別預留275億元及452億元，存放在外匯基金內，作為房屋儲備金。
- As for capital revenue, land premium has been most volatile, fluctuating from \$5.4 billion (2003-04) to \$164.8 billion (2017-18) in the period. 至於非經營收入，以地價收入波動最大。在這段期間，地價收入在54億元(二零零三／零四年度)與1,648億元(二零一七／一八年度)之間上落。

VOLATILITY OF GOVERNMENT REVENUE

政府收入波動



- Hong Kong is a small and open economy. Our tax base is narrow and government revenue is sensitive to economic fluctuations depending on the broader economic changes beyond government's control.

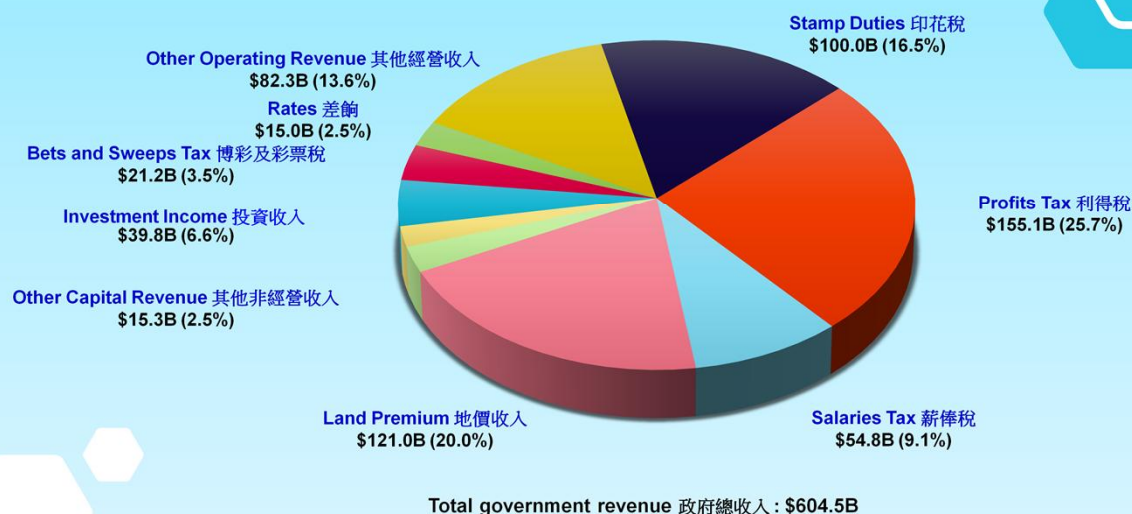
香港是細小而開放的經濟體。本港稅基狹窄，政府收入易受經濟波動所影響，也取決於更廣泛層面的經濟變化，並非政府所能控制。

- The volatility of our revenue poses challenges to the management of public finances. Profits tax, salaries tax, stamp duties and land premium is expected to account for 71.3% of the 2018-19 total government revenue.

收入波動不定，為公共財政管理帶來挑戰。利得稅、薪俸稅、印花稅和地價收入，合共佔二零一八/一九年度政府總收入的71.3%。

REVENUE ESTIMATES FOR 2018-19

二零一八／一九年度收入預算



\$B=\$billion 十億元

22

- The seven major revenue items are profits tax (25.7%), land premium (20.0%), stamp duties (16.5%), salaries tax (9.1%), investment income (6.6%), bets and sweeps tax (3.5%) and rates (2.5%). Together they account for 83.9% of total government revenue.
七個主要收入項目分別為利得稅(25.7%)、地價收入(20.0%)、印花稅(16.5%)、薪俸稅(9.1%)、投資收入(6.6%)、博彩及彩票稅(3.5%)和差餉(2.5%)，合共佔政府總收入的83.9%。
- Other Capital Revenue of \$15.3 billion includes –
其他非經營收入為153億元，當中包括：
 - General Revenue Account: mainly includes expected receipt of dividend from West Rail Property Development Limited (\$8.0 billion)
政府一般收入帳目：主要包括預期會收到西鐵物業發展有限公司派發的股息(80億元) \$10.2 billion
102億元
 - Loan Fund: Loan Repayments
貸款基金：償還的貸款 \$2.1 billion
21億元
 - Lotteries Fund: Mark Six Lottery
獎券基金：六合彩獎券 \$1.1 billion
11億元
 - Capital Investment Fund: Dividends, Interest and Other Receipts from Investments/Loans
資本投資基金：來自投資／貸款的股息、利息及其他收入 \$0.8 billion
8億元

SALARIES TAX 薪俸稅



2016/17 (Year of assessment 課稅年度)

- Only 47% of working population pay salaries tax 只有47%工作人口須繳納薪俸稅
- Top 9% taxpayers bear more than 73% of salaries tax revenue 9% 納稅人繳納超過73%薪俸稅收入

Taxpaying population 納稅人總數: 1 765 000[^]

| Annual income (\$) 全年收入(元) | No. of taxpayers 納稅人數目 | % of total salaries tax* yield 佔薪俸稅收益總額*的百分比 | Average tax payment*(\$) 平均稅款 |
|-------------------------------|---------------------------|---|----------------------------------|
| >2,000,000 | 46 000 (2.6%) | 46.9% | 603,450 |
| 1,000,001 to 2,000,000 | 114 000 (6.5%) | 26.9% | 138,700 |
| 700,001 to 1,000,000 | 150 000 (8.5%) | 13.2% | 51,560 |
| 500,001 to 700,000 | 247 000 (14.0%) | 8.0% | 19,070 |
| 400,001 to 500,000 | 204 000 (11.6%) | 2.6% | 7,400 |
| 300,001 to 400,000 | 291 000 (16.5%) | 1.5% | 3,100 |
| 200,001 to 300,000 | 398 000 (22.5%) | 0.8% | 1,180 |
| 132,001# to 200,000 | 315 000 (17.8%) | 0.1% | 200 |

[^] Of the 3 787 000 working population, only 47% pay salaries tax 在3 787 000工作人口中，只有47%須繳納薪俸稅

* After the one-off 75% tax reduction up to \$20,000 實施一次性減免75%稅款(上限為20,000元)措施後

The basic allowance for individuals in the 2016/17 year of assessment is \$132,000
2016/17課稅年度的個人基本免稅額為132,000元

- In the year of assessment 2016-17, of the 3.79 million working population, about 2.02 million or 53% of the working population need not pay any salaries tax.
在二零一六／一七課稅年度，本港有379萬工作人口，當中約202萬人(工作人口的53%)無須繳納薪俸稅。
- Of the 1.76 million who paid salaries tax, the top 5% taxpayers (i.e. about 88,000 taxpayers) contributed 61% of the revenue from salaries tax.
在176萬名繳納薪俸稅的人士中，納稅最多的5%(約88,000人)所繳納的稅款佔薪俸稅收入的61%。

PROFITS TAX 利得稅



2016/17 (Year of assessment 課稅年度)

- Only 9% of registered corporations pay profits tax 只有9%註冊公司須繳納利得稅
- Top 4% taxpayers bear more than 82% of profits tax revenue 4%註冊公司繳納超過82%利得稅收入

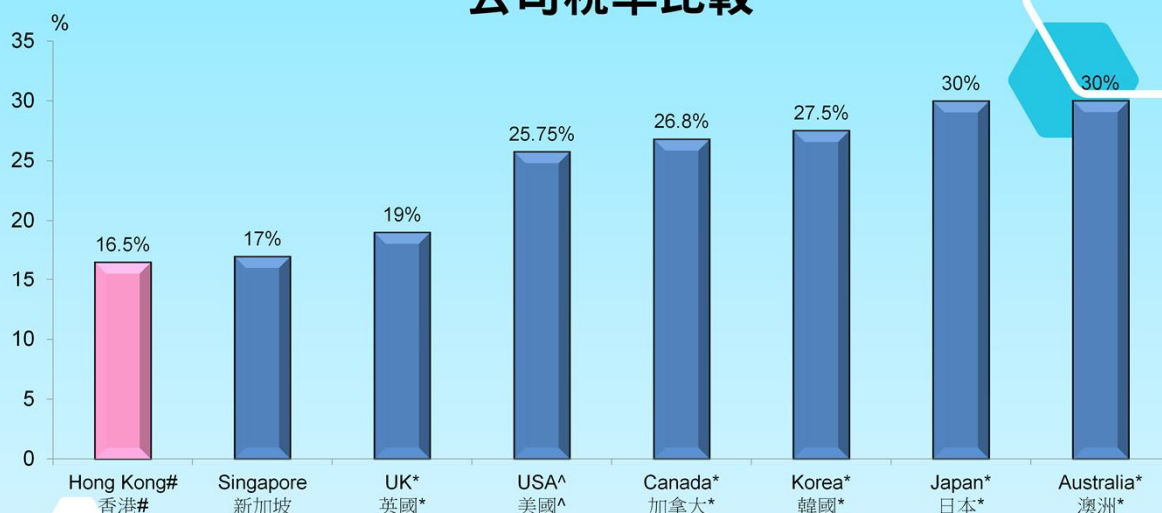
| Assessable profits (\$) 應評稅利潤(元) | No. of corporations^ 公司數目^ | % of total profits tax* yield 佔利得稅收益總額* 的百分比 | Average tax payment* (\$) 平均稅款 |
|-------------------------------------|-------------------------------|---|-----------------------------------|
| >100M | 1 000 (0.9%) | 65.0% | 84,726,360 |
| >50M to 100M | 900 (0.9%) | 8.2% | 11,606,590 |
| >30M to 50M | 1 100 (1.0%) | 5.4% | 6,388,060 |
| >20M to 30M | 1 200 (1.1%) | 4.0% | 4,043,340 |
| >10M to 20M | 3 100 (2.9%) | 5.7% | 2,318,620 |
| >7.5M to 10M | 1 800 (1.7%) | 2.0% | 1,412,300 |
| >5M to 7.5M | 3 000 (2.8%) | 2.4% | 983,660 |
| >3M to 5M | 4 900 (4.6%) | 2.4% | 620,460 |
| >2M to 3M | 4 900 (4.6%) | 1.5% | 383,480 |
| >1M to 2M | 10 700 (10.0%) | 1.8% | 214,680 |
| >0.5M to 1M | 12 700 (11.9%) | 1.0% | 97,790 |
| 1 to 0.5M | 61 400 (57.6%) | 0.6% | 12,880 |

^ Registered Corporations: 1 235 000, with 106 700 (9%) taxpaying 註冊公司總數：1 235 000，其中106 700 (9%) 繳納利得稅
 * After the one-off 75% tax reduction up to \$20,000 實施一次性減免75%稅款(上限為20,000元)措施後

- In the year of assessment 2016-17, about 85% of our profits tax is contributed by the top 5% taxpaying corporations (i.e. about 5,300 corporations). Over 1,128,000 registered companies (about 91% of the total registered corporations) do not need to pay any profits tax.

在二零一六／一七課稅年度，納稅最多的5%註冊公司(約5,300家)所繳納的稅款佔政府利得稅收入約85%。無須繳納利得稅的註冊公司約有1,128,000家(佔註冊公司總數約91%)。

COMPARISON OF CORPORATE TAX RATES 公司稅率比較



The two-tiered profits tax has been implemented in Hong Kong with effect from 1 April 2018. The profits tax rate for the first \$2 million of profits of enterprises will be lowered to 8.25%. Profits above that amount will continue to be subject to the standard tax rate of 16.5%.
香港已由二零一八年四月一日起實施利得稅兩級制，企業首200萬元的利得稅稅率將降至8.25%，其後的利潤則繼續按16.5%徵稅。

* Source: OECD Statistics (2018) 資料來源：經濟合作及發展組織統計數字(二零一八年)

^ The combined corporate tax rate in the USA is 25.75% with effect from 1 January 2018.
由二零一八年一月一日起，美國的综合公司稅率為25.75%。

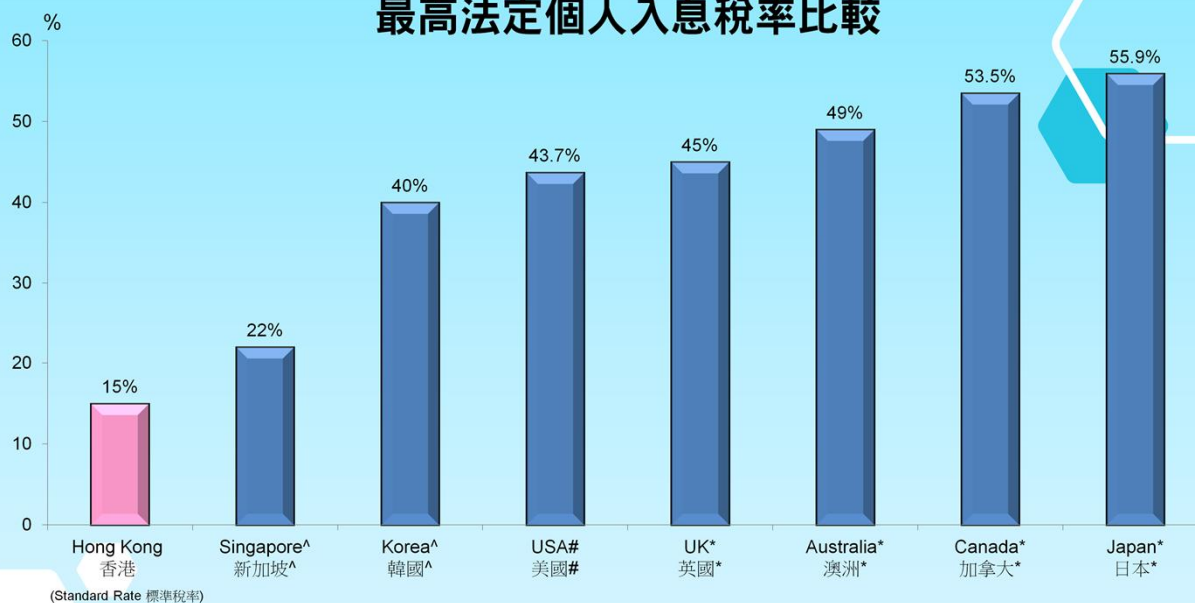
- Hong Kong has a simple tax system anchored by a low tax rate. Our profits tax rate is a flat 16.5% for corporations, and is among the lowest in the world (figures are up to 2017). A two-tiered profits tax regime has been implemented in 2018-19.

香港奉行簡單低稅制，公司利得稅率劃一為16.5%，屬全球最低之列（截至二零一七年的數字），利得稅兩級制亦已於二零一八／一九年度實施，企業首200萬元的利得稅稅率將降至8.25%，其後的利潤則繼續按16.5%徵稅。

- Before 1 January 2018, the US corporate tax rate (combined with average state and local corporate tax rates) was 38.9%. The combined corporate rate has dropped to 25.75% under the tax reform.

在二零一八年一月一日之前，美國的公司稅率（綜合州及地方公司稅率的平均數）為38.9%，有關的综合公司稅率在稅務改革下已降至25.75%。

COMPARISON OF TOP STATUTORY PERSONAL INCOME TAX RATES 最高法定個人入息稅率比較



(Standard Rate 標準稅率)

*Source: OECD Statistics (2017) 資料來源：經濟合作及發展組織統計數字 (二零一七年)

[^]The top statutory personal income tax rates in Singapore and Korea are 22% and 40% respectively in 2018
新加坡和韓國二零一八年的最高法定個人入息稅率分別為22%和40%

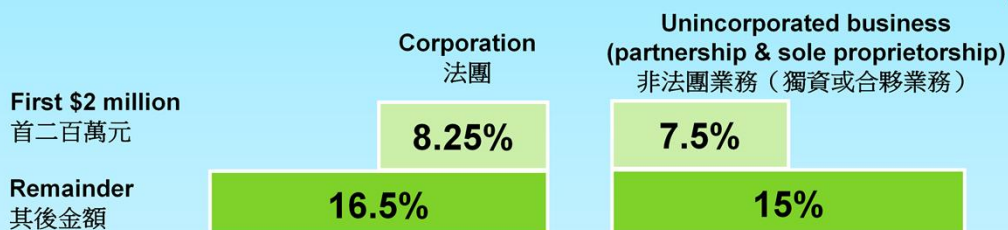
[#] The top combined personal income tax rate in the USA is 43.7% in 2018 美國二零一八年的最高綜合個人入息稅率為43.7%

- The same applies to our salaries tax rate, which is now capped at a standard rate of 15%.
本港的薪俸稅率情況也相同，現時上限為標準稅率15%。
- From tax years beginning in 2018, the new top combined personal income tax rate in the USA is 43.7% (the old combined rate under OECD statistics was 46.3%).
由二零一八年開始的課稅年度，美國新的最高綜合個人入息稅率為43.7% (根據經濟合作及發展組織的資料，舊的綜合稅率為46.3%)。

RECENT TAX MEASURES 近期稅務措施



Two-tiered profits tax rates regime 利得稅兩級制



Enhanced tax deduction for R&D expenditure 為研發開支提供額外稅務扣減



Two-tiered profits tax rates regime 利得稅兩級制

- The two-tiered profits tax rates regime has taken effect from 1 April 2018. 利得稅兩級制已於2018年4月1日起實施。
- The regime will reduce the tax burden on enterprises, especially small and medium enterprises (SMEs), while maintaining a simple and low tax system. 利得稅兩級制可在維持簡單低稅制的前提下，減輕企業，特別是中小的稅務負擔。
- The profits tax rate for the first \$2 million of profits of enterprises will be halved to 8.25%. Profits above that amount will continue to be subject to the standard tax rate of 16.5%. Correspondingly, for unincorporated businesses which are mainly partnerships and sole proprietorships, the two-tiered tax rates will be set at 7.5% and 15% respectively. 法團首二百萬元的利得稅稅率將減半至8.25%，其後的利潤則繼續按16.5%徵稅。至於以合夥和獨資經營為主的非法團業務，首二百萬元利潤的稅率將相應下調至7.5%，餘下利潤的稅率則維持在15%。
- To target such benefit primarily for SMEs, we have introduced restrictions to limit the application to only one enterprise nominated from among those which are connected. 為確保受惠企業以中小企為主，我們已限制有關連企業只可提名一家企業受惠。

Enhanced tax deduction for R&D expenditure 為研發開支提供額外稅務扣減

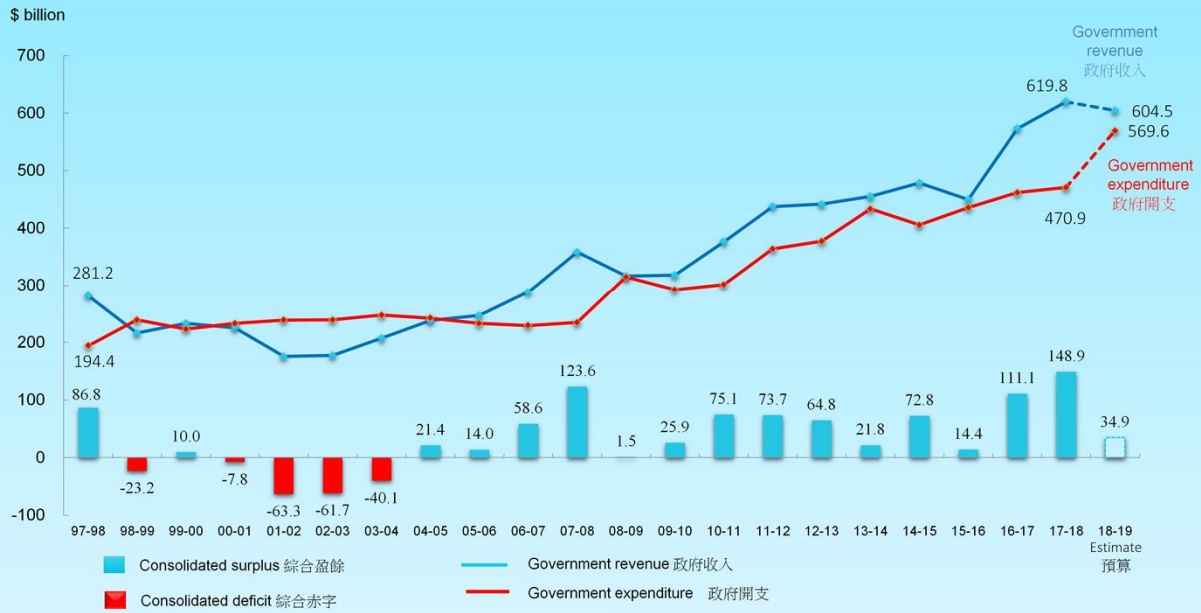
- We have introduced higher rates of tax deduction on R&D to promote more local R&D activities and create a more vibrant innovation and technology ecosystem in Hong Kong. 我們已為研發開支提供更高的扣稅金額，以推動更多本地研發活動，以及為香港締造更有活力的創新及科技生態。
- The first \$2 million of qualifying R&D expenditure would enjoy a 300% tax deduction with the remainder at 200%. 首二百萬元的合資格研發支出可獲300%扣稅，餘額則獲200%扣稅。
- There is no cap on the amount of deduction. 研發開支扣稅金額沒有上限。
- The enhanced tax deduction is applicable to qualifying R&D expenditure incurred by enterprises from 1 April 2018 onwards. 額外稅務扣減適用於2018年4月1日之後的合資格研發開支。



**Government
Financial
Position
政府財政狀況**



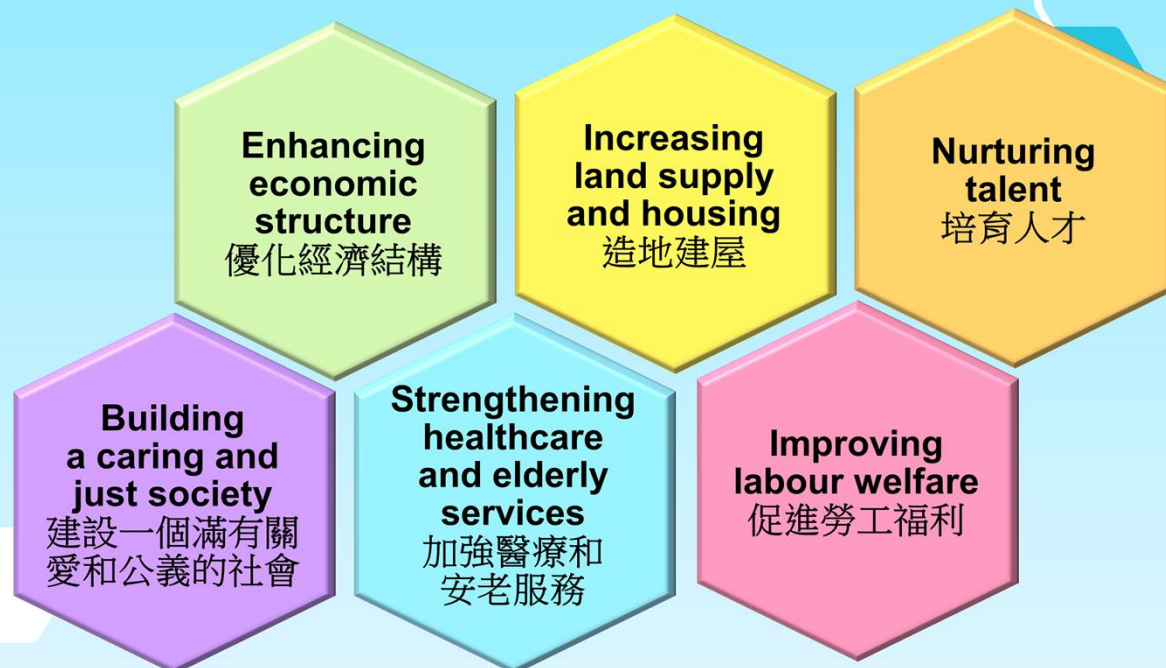
CONSOLIDATED ACCOUNT FROM 1997-98 TO 2018-19 一九九七／九八至二零一八／一九年度的綜合帳目



- The HKSAR Government strives to achieve a fiscal balance over a period of time.
特區政府力求在一段期間內達至收支平衡。

RESOURCE ALLOCATION PRIORITIES IN 2018-19

二零一八／一九年度資源分配重點範疇



Guiding Principles 指導原則

- When considering how our annual surplus is to be deployed, we should carefully take into account the source and nature of the surplus, and make optimal allocation of resources in the light of the external and local economic environment, social needs and public expectations.
處理年度盈餘時，我們應審慎考慮其來源和性質，並會因應外圍和本地經濟情況，以及社會需要和市民期望，作出平衡的分配。

ALLOCATION OF RESOURCES IN 2018-19 BUDGET

二零一八／一九年度財政預算案的資源分配

| | (\$B 十億元) | (\$B 十億元) |
|---|-----------|--------------|
| Earmarked funding 預留撥款 | | 388.3 |
| Including funding for 包括以下用途： | | |
| The second 10-year hospital development plan, improving the clinic facilities in the Department of Health, and upgrading and increasing healthcare teaching facilities 配合第二個十年醫院發展計劃、改善衛生署診所設施，以及提升和增加醫療教學設施 | 300.0 | |
| Development of the Hong Kong-Shenzhen Innovation and Technology Park in Lok Ma Chau Loop 發展落馬洲河套區港深創新及科技園 | 20.0 | |
| Improving and developing cultural facilities 改善和增建文化設施 | 20.0 | |
| Abolition of MPF "offsetting" arrangement 落實取消強積金「對沖」安排 | 15.0 | |
| Support package for research centres run by non-profit-making institutions in the two research clusters 為非牟利科研機構在兩個創新平台營運的科研中心提供財政支援 | 10.0 | |
| Funding support for Hong Kong Science and Technology Parks Corporation 向香港科技園公司撥款 | 10.0 | |
| Other earmarked funding 其他預留撥款 | 13.3 | |
| Caring and Sharing Scheme 關愛共享計劃 | | 11.7 |
| Budget measures with long-term effect 具長遠效益的預算措施 | | 47.0 |
| Concessionary measures 寬減措施 | | 52.4 |

31

| | (\$B) (十億元) |
|--|-------------|
| Other earmarked funding (\$13.3B) includes 其他預留撥款 (133億元) 包括： | |
| Development of district facilities 發展地區設施 | 8.0 |
| Market Modernisation Programme 街市現代化計劃 | 2.0 |
| Optimising the use of vacant government sites and school premises 善用空置政府用地或校舍 | 1.0 |
| Youth development 青年發展 | 1.0 |
| Others 其他 | 1.3 |

| | (\$B) (十億元) |
|--|-------------|
| Budget measures with long-term effect (\$47.0B) include 具長遠效益的預算措施 (470億元) 包括： | |
| Injection into the Continuing Education Fund and raise subsidy ceiling 向持續進修基金注資及提高資助上限 | 8.5 |
| Education related proposals 與教育相關的建議 | 7.2 |
| Considering the redevelopment of the Air Mail Centre at the Hong Kong International Airport 研究重建香港國際機場的空郵中心 | 5.0 |
| Injection into the Elite Athletes Development Fund 向精英運動員發展基金注資 | 5.0 |
| Widening of the tax bands for salaries tax, increase the number of tax bands and adjust the marginal tax rates 擴闊薪俸稅的稅階，增加稅階和調整邊際稅率 | 4.1 |
| Increasing commitment of Dedicated Fund on Branding, Upgrading and Domestic Sales and SME Export Marketing and Development Funds 增加「發展品牌、升級轉型及拓展內銷市場的專項基金」以及「中小企業市場推廣和發展支援基金」的承擔額 | 2.5 |
| Increasing allowances and raise deduction ceiling under salaries tax and tax under personal assessment with effect from the year of assessment 2018/19 由2018/19課稅年度開始提高薪俸稅和個人入息課稅以下的免稅額/最高扣除額 | 2.3 |

| | (\$B) (十億元) |
|---|-------------|
| Expediting installation of lifts for public sector schools as needed 加快為有需要的公營學校安裝升降機 | 2.0 |
| Further support to arts and culture initiatives and infrastructure 對文化藝術措施及基建提供額外支援 | 1.3 |
| Setting up Construction Innovation and Technology Fund 成立「建造業創新及科技基金」 | 1.0 |
| Injection into Gifted Education Fund 向「資優教育基金」注資 | 0.8 |
| Injection into the HKSAR Government Scholarship Fund 向「香港特別行政區政府獎學基金」注資 | 0.8 |
| Injection of an additional \$800 million to further promote the installation of small scale renewable energy facilities at government buildings, venues and community facilities 額外注入8億元進一步推動在現有政府建築物、場地及社區設施設置小規模的可再生能源設施 | 0.8 |
| Tax deduction for Voluntary Health Insurance Scheme (capped at \$8,000 per insured person) starting from the year of assessment following the passage of the relevant legislative amendments by the Legislative Council 自願醫保計劃稅務扣減(每名受保人上限為8,000元)(在立法會通過有關法例修訂後的課稅年度起實施) | 0.8 |
| Enhancing healthcare services 改善醫療服務 | 0.8 |
| School social work services 學校社工服務 | 0.6 |
| Tourism 旅遊 | 0.6 |
| Promoting and facilitating the development of the financial services sector, including launching a pilot bond grant scheme 推動和促進金融服務業發展(包括推出債券資助先導計劃) | 0.5 |
| Setting up a Major Sport Events Matching Grant Scheme 成立「體育盛事配對資助計劃」 | 0.5 |
| Implementing welfare initiatives for disadvantaged groups 為弱勢社羣推行福利措施 | 0.5 |
| Charges for import and export declarations capped at \$200 為進出口報關費設上限為200元 | 0.5 |
| Others 其他 | 0.9 |

| | (\$B 十億元) |
|---|-----------|
| Concessionary measures (\$52.4B) include 寬減措施 (524億元)包括： | |
| One-off relief for salaries tax and personal assessment 寬減薪俸稅和個人入息課稅 | 22.6 |
| Waiver of rates for four quarters 寬免四季差餉 | 17.8 |
| 2-month extra payment to eligible Comprehensive Social Security Assistance, Old Age Allowance, Old Age Living Allowance or Disability Allowance recipients 發放額外兩個月援助金/津貼予綜合社會保障援助、高齡津貼、長者生活津貼或傷殘津貼的受助人 | 7.0 |
| One-off relief for profits tax 寬減利得稅 | 2.9 |
| One-off increase for Elderly Health Care Vouchers (\$1,000 for each eligible recipient) 一次性增加長者醫療券(每名合資格人士1,000元) | 0.8 |
| One-off grant of \$2,000 to each needy student 向有經濟需要的學生發放一筆過的2,000元津貼，支援學習需要 | 0.7 |
| Others 其他 | 0.6 |

2018-19 FINANCIAL RESULTS (UP TO OCTOBER 2018) 二零一八／一九年度(截至二零一八年十月)的財務狀況

| | 2018-19 Estimate 預算 (\$B 十億元) | Actual up to October 2018 截至二零一八年十月的實際財務狀況 (\$B 十億元) |
|---|-------------------------------------|---|
| Operating account 經營帳目 | | |
| Operating revenue 經營收入 | 456.1 | 188.9 |
| Less: Operating expenditure 減：經營開支 | 453.2 | 247.5 |
| Operating surplus / (deficit) 經營盈餘／(赤字) | 2.9 | (58.6) |
| Capital account 非經營帳目 | | |
| Capital revenue 非經營收入 | 148.4 | 59.7 |
| Less: Capital expenditure 減：非經營開支 | 116.4 | 47.1 |
| Capital surplus 非經營盈餘 | 32.0 | 12.6 |
| Government revenue 政府收入 | 604.5 | 248.6 |
| Government expenditure 政府開支 | 569.6 | 294.6 |
| Consolidated surplus / (deficit) 綜合盈餘／(赤字) | 34.9 | (46.0) |
| Fiscal reserves at period-end 期末時的財政儲備* | 1,137.8 | 1,056.9 |

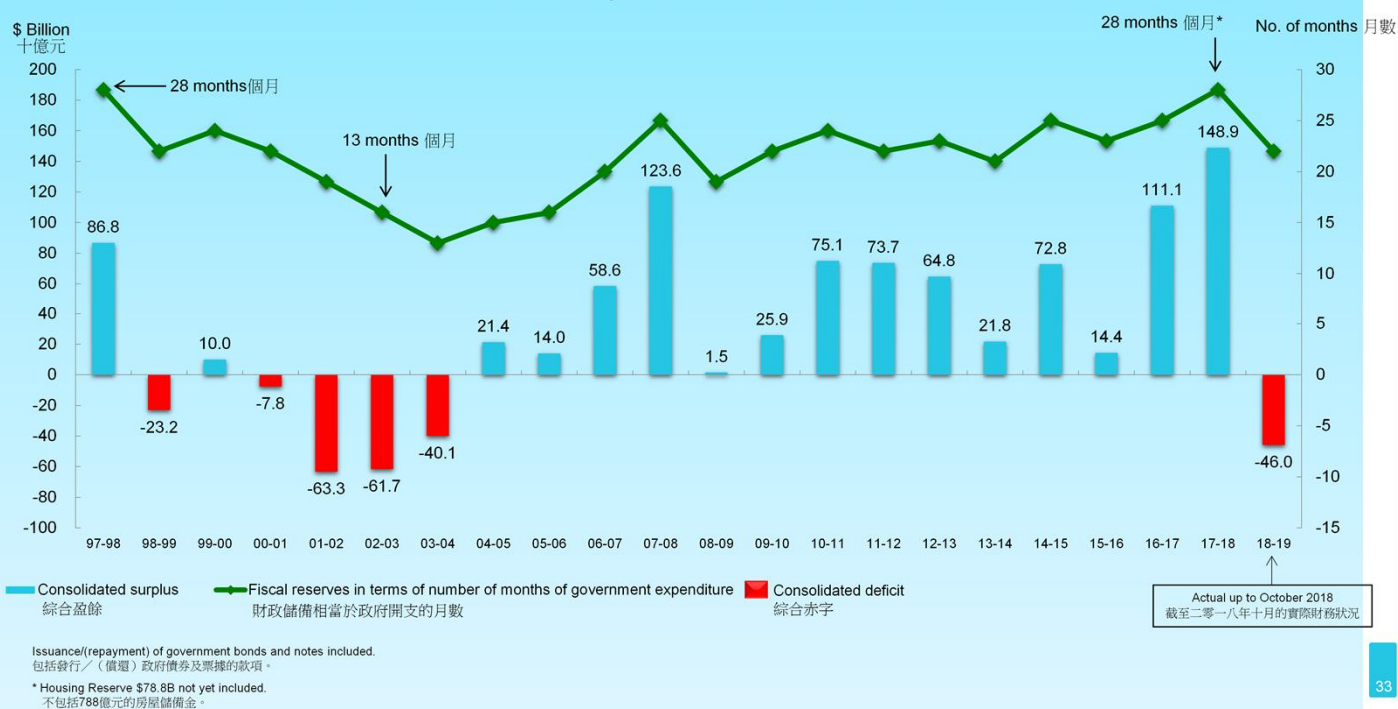
* The fiscal reserves balance has taken into account the financial results in 2017-18 but not included Housing Reserve of \$78.8B.
財政儲備結餘已計入2017-18年度的實際盈餘，但不包括788億元的房屋儲備金。

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- Total government expenditure for 2018-19 was estimated to reach \$569.6 billion, representing an increase of \$98.7 billion, or 21%, against the actual expenditure for 2017-18, mainly due to the increase in provisions for recurrent expenditure.
二零一八／一九年度政府總開支預計為5,696億元，較二零一七／一八年度實際開支增加987億元(或21%)，主要是由於經常開支撥款增加。
- Expenditure for the period from April to October 2018 amounted to \$294.6 billion and revenue \$248.6 billion, resulting in a cumulative year-to-date deficit of \$46.0 billion.
二零一八年四月至十月的整體開支為2,946億元，收入為2,486億元，因此有460億元的赤字。

FISCAL RESERVES 財政儲備

(in terms of number of months of government expenditure 相當於政府開支的月數)



- In 2017-18 and 2018-19 (up to October 2018), the fiscal reserves (excluding Housing Reserve) were equivalent to 28 and 22 months of government expenditure, respectively.
二零一七/一八年度和二零一八/一九年度（截至二零一八年十月）的財政儲備（不包括房屋儲備金），分別相當於28和22個月的政府開支。

| Financial Year 財政年度 | Fiscal Reserves 財政儲備 (\$ billion 十億元) | Nominal GDP 名義本地生產總值 (\$ billion 十億元) | Fiscal Reserves in terms of % of GDP 財政儲備相當於 本地生產總值的百分比 |
|------------------------|---|---|--|
| 1997-98 | 457.5 | 1,373.1 | 33.3% |
| 2017-18 | 1,102.9 | 2,661.0 | 41.4% |
| 2018-19 | 1,056.9# | 2,847.3 | 37.2% |

- From 1997-98 to 2018-19 (up to October 2018), the fiscal reserves in terms of number of months of government expenditure are as follows –
在一九九七/九八至二零一八/一九年度（截至二零一八年十月）期間，財政儲備相當於政府開支的月數如下：

| | | | | | | | | |
|---------------------|-----------------|-------|-------|-------|-------|-------|----------------|-------|
| Financial Year 財政年度 | 97-98 | 98-99 | 99-00 | 00-01 | 01-02 | 02-03 | 03-04 | 04-05 |
| No. of months 月數 | 28 | 22 | 24 | 22 | 19 | 16 | 13 | 15 |
| | (highest) 最高 | | | | | | (lowest) 最低 | |
| Financial Year 財政年度 | 05-06 | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 |
| No. of months 月數 | 16 | 20 | 25 | 19 | 22 | 24 | 22 | 23 |
| Financial Year 財政年度 | 13-14 | 14-15 | 15-16 | 16-17 | 17-18 | 18-19 | | |
| No. of months 月數 | 21 | 25 | 23 | 25 | 28 | 22# | | |

Actual up to October 2018 截至二零一八年十月的實際財務狀況

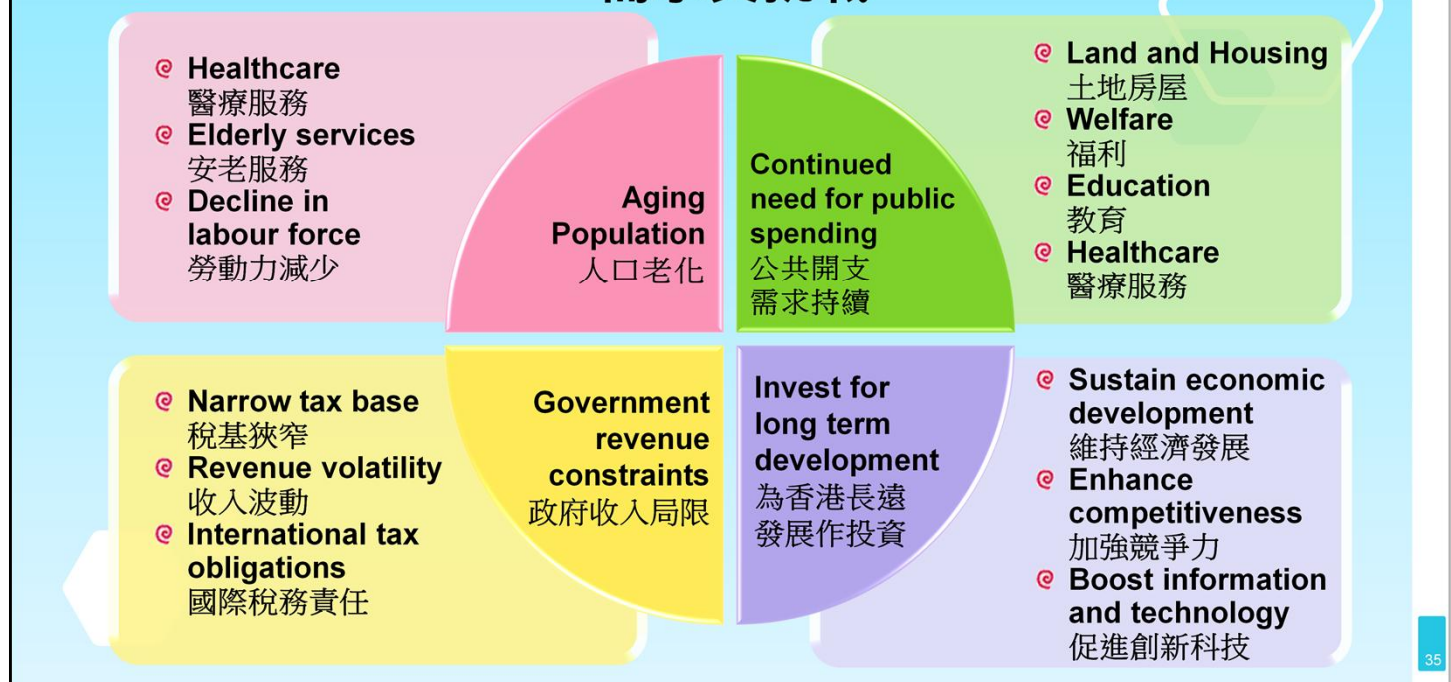
- We have achieved budget surpluses for 16 years from 1997-98 to 2017-18. But budget deficits had beset us for five years between 1998-99 and 2003-04 and the drain on the fiscal reserves was substantial.
一九九七/九八至二零一七/一八年度間，有十六年錄得財政盈餘。可是，在一九九八/九九至二零零三/零四年度期間，我們經歷了五年的財政赤字，令財政儲備大量消耗。



**NEEDS AND
CHALLENGES**
需求與挑戰



NEEDS AND CHALLENGES 需求與挑戰



Ageing Population 人口老化

- An ageing population will significantly increase the demand for in-patient services and ageing-in-place services.
高齡化社會將大幅增加對住院及居家安老服務的需求。
- According to the labour force projections of the Census and Statistics Department, the overall labour force in Hong Kong is expected to continue to drop after reaching the peak from 2019 to 2022.
根據政府統計處2017年的勞動人口推算，整體勞動人口預計在2021年到高位後便會持續下降。

Government Revenue Constraints 政府收入的挑戰

- Concentrated income sources and narrow tax base.
稅基狹窄，而且收入來源集中。
- Tax revenue heavily reliant on a few key industries. In the year of assessment 2016/17, “Distribution”, “Property, Investment and Finance” and “Banking” account for over 68% of profits tax. 42% of revenue comes from land premium and stamp duties in 2017-18.
稅收倚重主要行業，在2016/17課稅年度，“分銷業”、“地產、投資及財務”和“銀行業”的稅款佔利得稅總額超過68%。在2017-18年度，42%的收入來自地價收入和印花稅。
- Have to fulfil international tax obligations so that our tax measures are not regarded as “harmful tax practices” by the OECD and the EU.
需要履行國際稅務責任，以確保稅務措施不被經合組織及歐盟視為“具損害性的稅務措施”。

Continued Need for Public Expenditure 公共開支需求持續

- As land, housing, social welfare, education, healthcare and other livelihood issues are closely related to the daily lives of our people, we shall put sufficient resources to provide comprehensive care for the needy in society.
土地、房屋、福利服務、教育、醫療等民生事務與市民生活息息相關，應投放更多資源，照顧社會上有需要的人，關愛共享。
- Talent is the most important element in Hong Kong's continued development, and education is the key to nurturing talent. Government expenditure on education is therefore the most meaningful investment for our future development.
教育開支是一種投資，培訓充足的優秀人才，是香港未來發展的重要元素。

Invest for the long-term development of Hong Kong 為香港長遠發展作投資

- We need to consolidate and enhance our traditional advantages while developing new areas of economic growth as a matter of urgency.
香港必須鞏固及提升傳統產業，也要物色新的經濟增長點。
- In the face of keen global competition, we must step up our policy effort in the areas of talent and innovation to ensure sustainable economic development.
環球激烈競爭，必須加強人才和創新的政策力度，確保經濟長足發展。
- The development of innovation and technology can lead to new industries and create wealth, provide more employment for young people and improve people's daily lives.
發展創科能帶來新的產業及創造財富，為青年人提供優質就業，改善市民生活。
- We need to invest to diversify our economy to provide young people with more career choices.
香港必須投資發展多元經濟，讓青年人有更多的事業選擇。

A photograph of a person in a white shirt sitting at a desk, typing on a laptop. The desk also has a notebook and a pen. The background is slightly blurred, showing a window and some indoor plants.

We welcome your views
歡迎提供意見

Thank you!
謝謝!