

2019-20 Budget Consultation

二零一九至二零年度 财政预算案咨询



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The Economy

经济状况



2018 ECONOMIC INDICATORS

二零一八年经济指标

GDP real growth 本地生产总值实质增长	Q1 – Q3 首三季	3.7%
	Q3 第三季	2.9%
Unemployment rate 失业率	Aug – Oct 八至十月	2.8%
Underlying consumer price inflation 基本消费物价通胀率	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.
除失业率外，上列百分率表示与去年同期比较的变动。

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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.

随着环球经济进一步扩张，香港经济在二零一八年第三季稳健增长2.9%。虽然增速依然高于趋势，但与第一季4.6%和第二季3.5%相比则有所减慢。外部需求第三季整季合计继续录得显著增长。内部需求保持坚稳。
- The impact of rising external headwinds on the Hong Kong economy has started to surface in recent months.

外围不利因素增加对香港经济的影响在近月开始浮现。
- 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.

劳工市场仍然偏紧。经季节性调整的失业率在二零一八年八月至十月维持于2.8%，为二十年来的低位。二零一八年首十个月的基本消费物价通胀平均为2.6%。

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

二零一八年第三季经济稳健扩张，但增速减慢

Gross Domestic Product
(year-on-year rate of change in real terms)

本地生产总值
(与去年同期比较的实质增减率)



- 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，香港经济稳健扩张2.9%，增速连续八个季度高于趋势增长率，但增速较上半年减慢。

- 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.

货物出口在第三季整季合计继续显着增长，而服务输出也温和扩张。不过，美国与内地贸易摩擦的影响开始浮现。十二月初，美国同意暂时不会调高额外关税的税率，双方亦会在未来90天继续谈判，以期达到一个协议。往后的事态发展须要密切留意。

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

内部需求在第三季大致保持强韧。不过，多个调查显示本港营商气氛在近月已变得更为审慎。

LABOUR MARKET REMAINED TIGHT

劳工市场仍然偏紧

Seasonally adjusted unemployment rate
(three months ending)

经季节性调整的失业率
(截至当月月底的三个月期间)

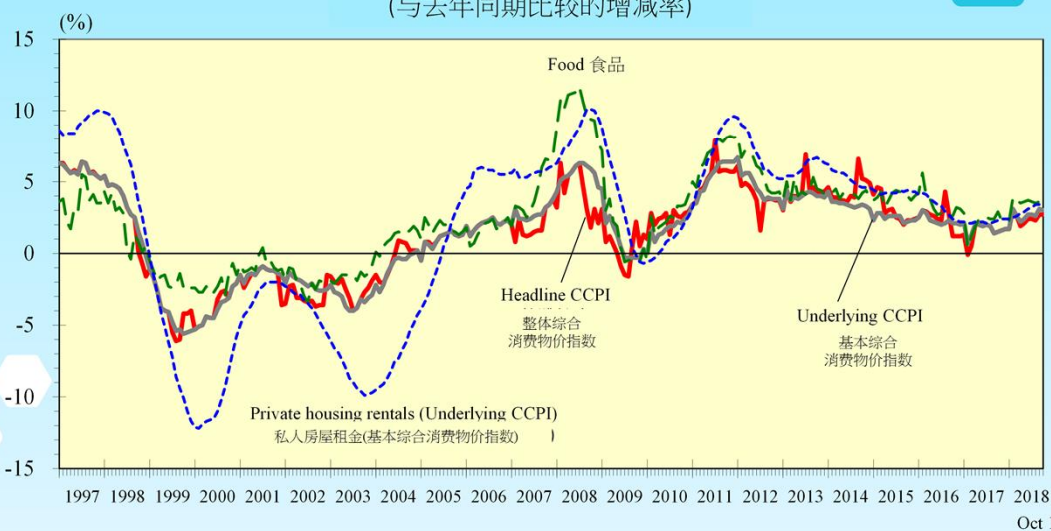


- The labour market remained tight. The seasonally adjusted unemployment rate stayed at 2.8% in August – October 2018, the lowest level in 20 years. Total employment registered visible growth on a year-on-year basis. Wages and earnings sustained solid and broad-based growth in real terms.
劳工市场仍然偏紧。二零一八年八月至十月，经季节性调整的失业率维持于2.8%，为二十年来的低位。总就业人数保持显著的按年增长。工资及收入继续录得稳健而广泛的实质升幅。

INCREASING PRESSURE ON CONSUMER PRICES 消费物价压力继续增加

Composite Consumer Price Index (CCPI)
(year-on-year rate of change)

综合消费物价指数
(与去年同期比较的增减率)



- 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. 随着经济增速持续高于趋势增长率，消费物价压力继续增加。基本消费物价通胀率在十月为3.0%，二零一八年首十个月平均为2.6%。

LATEST FORECASTS FOR 2018

二零一八年最新预测



GDP real growth 本地生产总值实质增长	3.2%
Consumer price inflation 消费物价通胀	
Underlying 基本	2.7%
Headline 整体	2.4%

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- 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.
环球经济继二零一八年上半年强劲增长后，近期动力有所减弱，这从欧盟及不少亚洲经济体的增长速度在第三季减慢可以看到。经济前景面对的下行风险正在增加。
- 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%.
考虑到首三季3.7%的实际增长，以及外围环境的下行风险，二零一八年的经济增长预测为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.
物价方面，通胀率在年内或仍有一些轻微的上行压力。二零一八年的基本消费物价通胀率及整体消费物价通胀率预测分别为2.7%及2.4%。

INCREASING DOWNSIDE RISKS 下行风险正在增加



Global economic growth has lost some momentum of late.
全球经济增长近期有所减弱。

US-China trade conflicts.
美国与中国贸易摩擦。

Further tightening of financial conditions across advanced economies, esp. in the US.
主要先进经济体(尤其是美国)的金融状况进一步收紧。

Brexit and geopolitical tensions.
英国脱欧及地缘政治局势。

Domestic demand may be subject to increasing pressure from the rising external headwinds and weaker asset markets
内部需求在外围不利因素增加及资产市场转弱的影响下，可能会面临更大压力。

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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.
贸易保护主义抬头是对经济前景令人最忧虑的威胁。美国与中国的贸易摩擦已拖累全球经济气氛。尽管情况目前还有变数，倘若贸易摩擦持续或升温，全球贸易及投资活动，以至香港经济要面对的影响将会更趋明显。
- 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.
先进经济体(尤其是美国)的金融状况进一步收紧，是另一个风险因素。美国息率上升及美元强势，已引致部分经济基调较弱的新兴市场经济体的金融市场在二零一八年较早时出现激烈震荡。再加上其他外围不明朗因素，全球金融及资产市场往后或会更为波动。
- 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.
消费情绪受外围的不确定性及其资产市场转弱的影响或会增加，虽则依然理想的就业及收入情况仍有支持作用。营商气氛也或进一步受挫。



Public Finance
公共财政



NEW FISCAL PHILOSOPHY

理财新哲学



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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:

在确保公共财政稳健的前提下，政府应采取具有前瞻性与策略性的财政方针，有智慧地把「取自社会」的财政盈余「用于社会」：

- **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.
把握机遇，投资未来：不吝啬投资开支，为社会带来长期回报，并持续地增加政府财政收入，进一步投资未来。
- **Timely investment as preventive measures:** Expenditure for preventive medical care, training, re-training and investment in social enterprises can all add value to society.
及时投放资源，防患于未然：预防性医疗开支、培训及再培训开支、社会企业投资等，都有资源增值的效果。
- **Fiscal policy for economic and social development:** We may identify options to enhance Hong Kong's competitiveness and create benefits for society.
运用财务措施，促进经济和社会发展：我们会研究通过政策提升香港的竞争力和促成有利社会的行为。
- **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.
落实税务新方向，提升竞争力：在维持简单税制的同时，针对性地减低税务负担，以引导社会经济活动。

BUDGET STRATEGIES FOR 2018-19

二零一八／一九年度财政预算案策略



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The following strategies have been adopted for 2018-19:

二零一八／一九年度财政预算案采取了以下策略：

- 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;
经济发展：大力推动经济发展，既为创科等新兴产业提供有利条件，寻找新的经济增长点，也要巩固和提升支柱产业的竞争力，令香港经济持续和多元发展，为青年人提供优质就业机会；
- 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;
投资未来：大胆突破发展制约，善用盈余，在土地和人才两方面创造容量；
- improving the existing services and quality of life;
提升服务：改善现有服务，提升生活质素；
- preparing to meet the community's long-term needs for healthcare and elderly care;
未雨绸缪：应对社会在医疗和安老方面的长远需要；
- 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;
改善税制：保持税制竞争力，同时按政府当前的财政状况，适度调节，减轻市民和企业负担；
- 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
关爱共享：对弱势社羣多加扶持，与社会大众共享经济成果；以及
- maintaining adequate fiscal reserves.
财政稳健：审慎理财，维持稳健的财政储备。

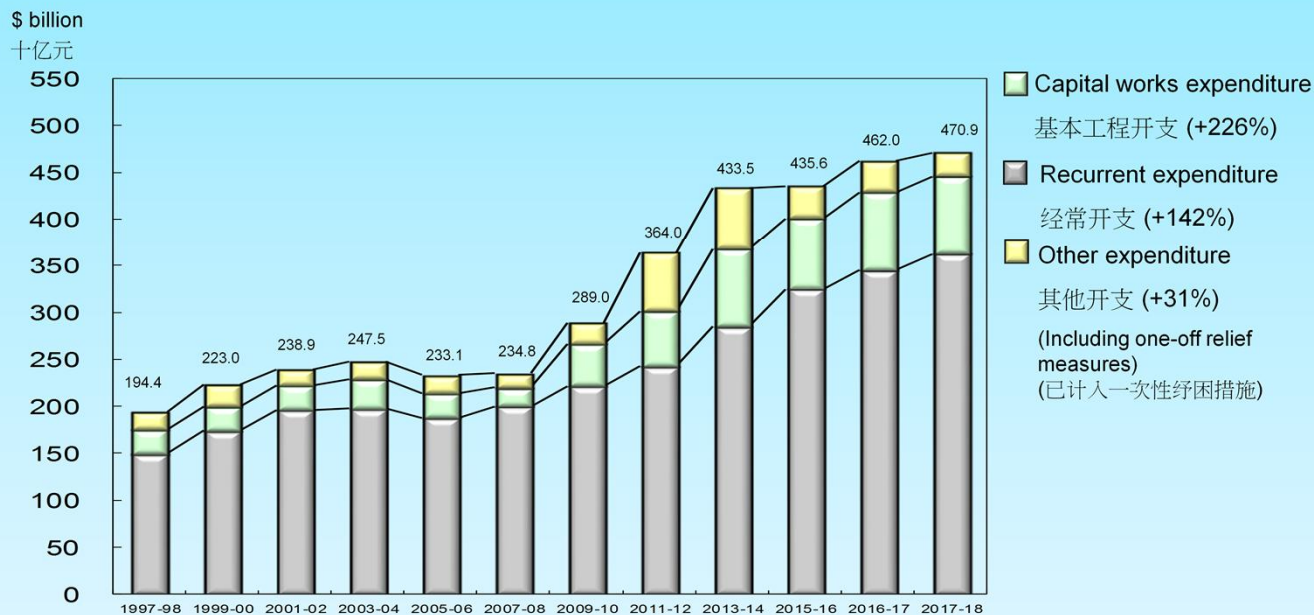


Expenditure 开支



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总开支增加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 –

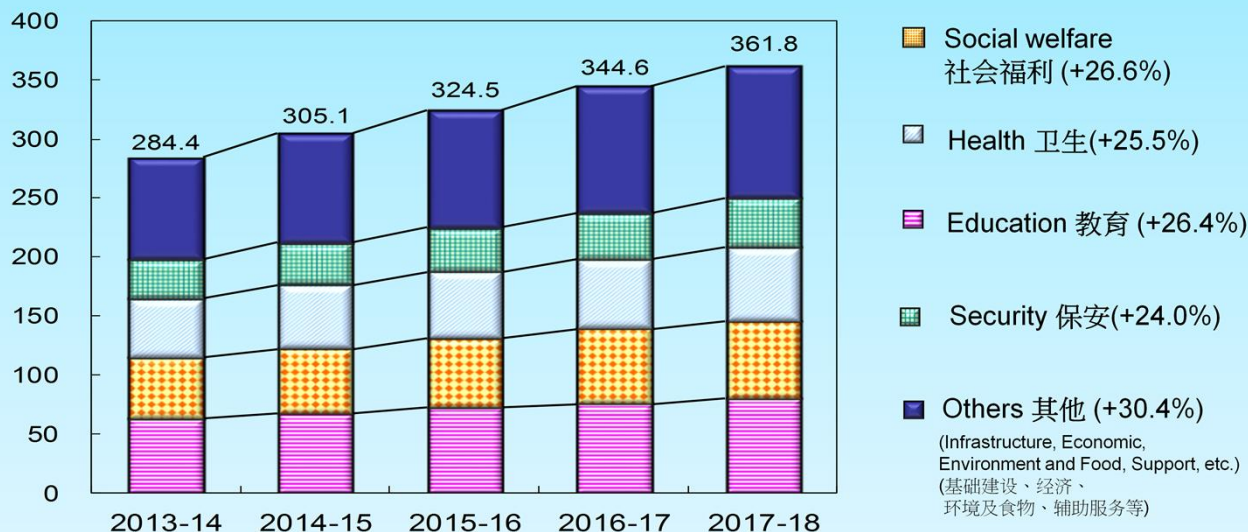
二零一七／一八年度政府总开支为4,709亿元，较二零一六／一七年度增加89亿元(或1.9%)，主要是由于经营开支增加了177亿元。而部分升幅因二零一七／一八年度非经营开支的减少而抵销了（在二零一六／一七年度曾透过资本投资向香港科技园公司注资了95亿元）。与一九九七／九八年度比较，增幅逾一倍：

	2017-18 compared with 1997-98 二零一七／一八年度 与一九九七／九八年度 比较	2018-19 Estimate compared with 1997-98 二零一八／一九年度预算 与一九九七／九八年度 比较
Capital works expenditure 基本工程开支	+226%	+263%
Recurrent expenditure 经常开支	+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来经常开支增加27%

\$ billion
十亿元



- 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经常开支达3,618亿元，较二零一六／一七年度增加172亿元(或5.0%)。自二零一三／一四年度起，经常开支以6.2%的趋势增长率稳步上升。经常开支的增幅反映政府在改善民生方面的长远承担。

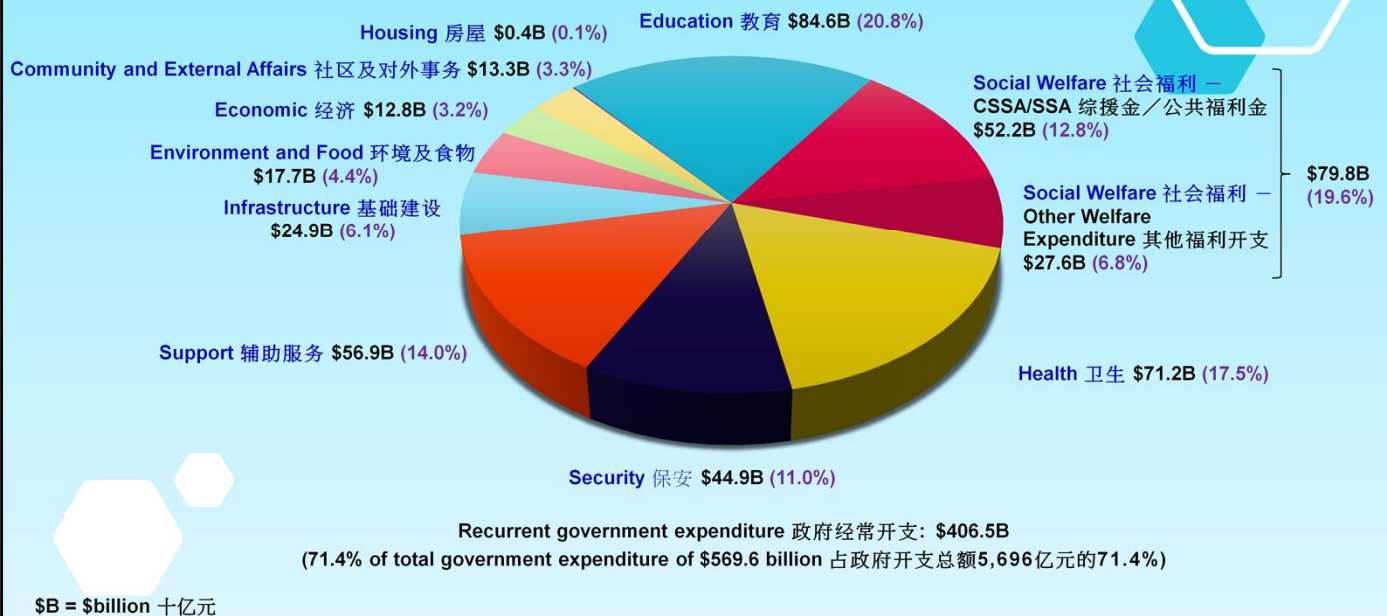
- Recurrent expenditure on social welfare, health and education has been increasing – 社会福利、卫生和 Education 方面的经常开支持续增加：

	2017-18 compared with 2013-14 二零一七／一八年度 与二零一三／一四年度 比较	2018-19 Estimate compared with 2013-14 二零一八／一九年度预算 与二零一三／一四年度 比较
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➤ Social welfare 社会福利	+26.6%	+54.6%
• Comprehensive Social Security Assistance Scheme 综合社会保障援助计划	+11.8%	+7.3%
• Social Security Allowance Scheme 公共福利金计划	+24.2%	+84.2%
• Other welfare expenditure 其他福利开支	+46.5%	+76.9%
➤ Health 卫生	+25.5%	+42.6%
➤ Education 教育	+26.4%	+33.4%

RECURRENT EXPENDITURE ESTIMATES FOR 2018-19

二零一八／一九年度经常开支预算



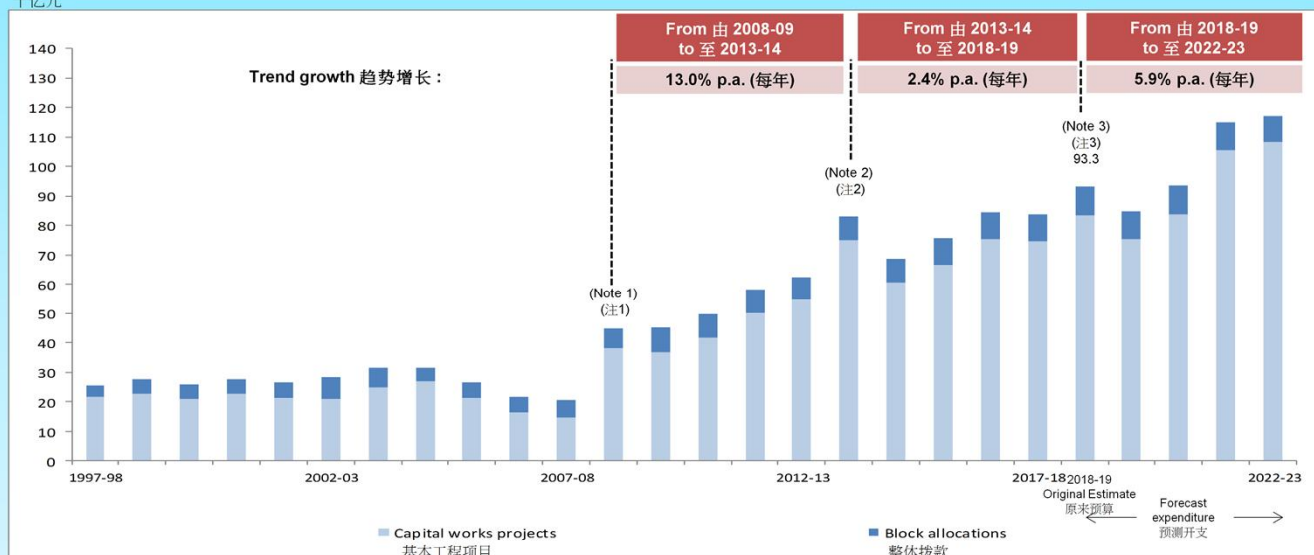
- Based on the 2018-19 Estimates of Expenditure, the spending on Education (20.8%), Social Welfare (19.6%) and Health (17.5%) together accounts for 57.9% of recurrent government expenditure.

根据二零一八／一九年度的开支预算，教育(20.8%)、社会福利(19.6%)及卫生(17.5%)的开支，合共占政府经常开支总额的57.9%。

INVESTMENTS IN CAPITAL WORKS

基本工程投资

\$ Billion
十亿元



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

注 1: 包括向西九文化区管理局提供的216亿元一次过拨款。

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

注 2: 包括向医院管理局提供的130亿元一次过拨款。

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

注 3: 包括在2018-19年度基本工程储备基金预算向教育局宿舍发展基金提供的122亿元一次过拨款。

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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开支预算为933亿元，二零一七／一八年度的实际开支为838亿元。二零一八／一九年度的基本工程开支较二零零八／零九年度(450亿元)大幅增加约107%。预计未来数年，基本工程开支会维持在高水平。

- 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.

每年基本工程开支占政府总开支的百分比预计会由二零零八／零九年度的14.4%增至二零一八／一九年度的约16.4%，充分体现政府对资源投放于基本工程的承担。

- 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，建造业议会预计在未来十年，按2017年9月价格计算，公私营总体工程开支将达2,500亿至3,350亿元。香港建造业前景仍然乐观。

- 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储备基金的结余约为1,800亿元。地价收入是基本工程储备基金的主要收入来源。个别项目的效益和是否就诸是决定基本工程计划的主要考虑因素。如有需要，政府可从政府一般收入转拨款项至基本工程储备基金推行工务计划。

Financial year 财政年度	CapWex (\$billion) 基本工程开支 (十亿元)	Nominal GDP (\$billion) 名义本地生产总值 (十亿元)	CapWex (% of GDP) 基本工程开支 (相当于本地生产总值 的百分比)
2008-09	45.0	1,707.5	2.6%
2018-19 OE 原来预算	93.3	2,822.4	3.3%

- The trend growth –
趋势增长

	Trend Growth (%) 趋势增长 (%)
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 中期预测期间 (2018-19 - 2022-23)	5.9% p.a. 每年5.9%

CAPITAL WORKS PROJECTS

基本工程项目



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.

除了为改善交通运输和发展新增长地区而进行的策略性基建项目外，基本工程项目亦包括文化、教育、环境保护、医院、运动场馆及地区工程项目。

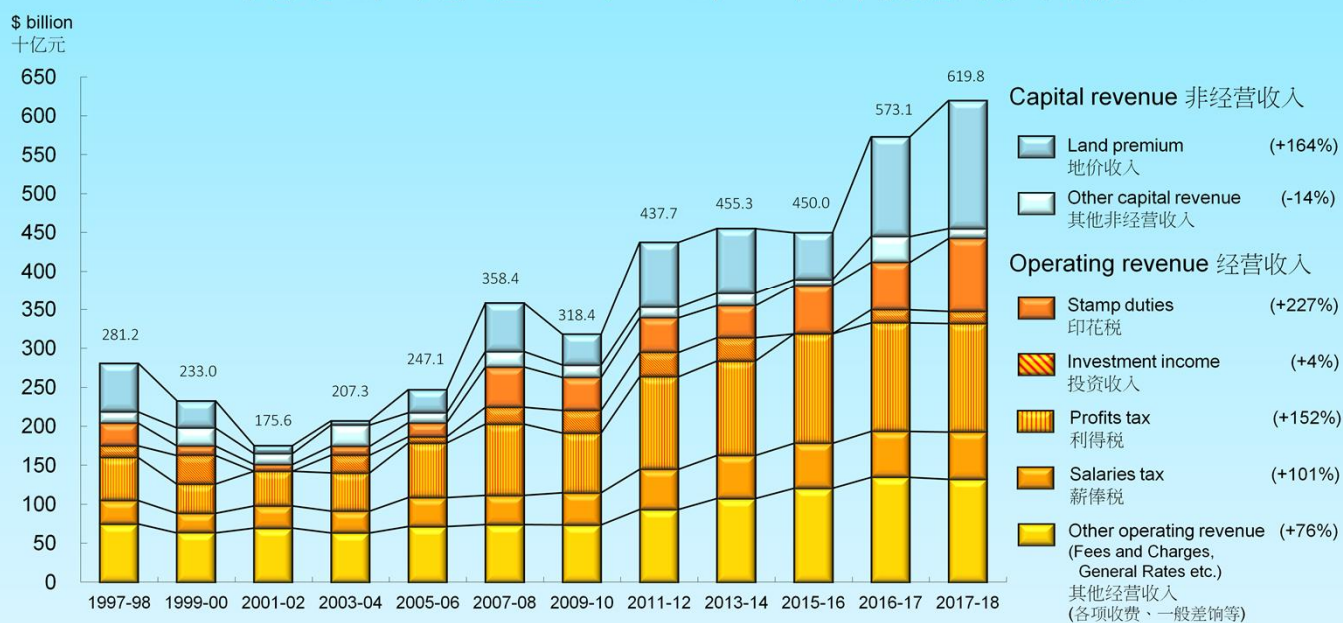


- Strategic infrastructure projects under way 现正进行的策略性基建项目：
 1. Tuen Mun-Chek Lap Kok Link and Tuen Mun Western Bypass 屯门至赤鱸角连接路及屯门西绕道
 2. Kai Tak Development 启德发展计划
 3. Development of Lok Ma Chau Loop 落马洲河套区
 4. Kai Tak Sports Park 启德体育园
 5. New Development Areas (Kwu Tung North and Fanling North and Hung Shui Kiu) 新发展区（古洞北及粉岭北、洪水桥）
 6. West Kowloon Cultural District 西九文化区
- Other projects include 其他项目包括：
 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, 卫生 – 十年医院发展计划，包括玛丽医院第一期重建计划、广华医院重建计划及在启德发展区兴建新急症全科医院等项目
 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 环境保护 – 例如在沙头角污水处理厂第1期扩建工程、屯门污水干渠修复工程、汀角路污水泵房及污水收集系统改善工程、九龙中部及东部污水收集系改善工程 – 第3期及西九龙雨水排放系统改善计划 – 水塘间转运队道计划
 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 – 小学、中学及大专院校工程，例如在沙宣道3号教学大楼、长沙湾东京街1所设有30间课室的小学，以及重建位于中半山波老道20号的港岛中学
 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 文娱、康乐及体育 – 例如启德车站广场、天水围第107区游泳池场馆及休憩用地、改建黄大仙摩士公园游泳池以提供暖水泳池



TOTAL REVENUE GREW BY 120% FROM 1997-98 TO 2017-18

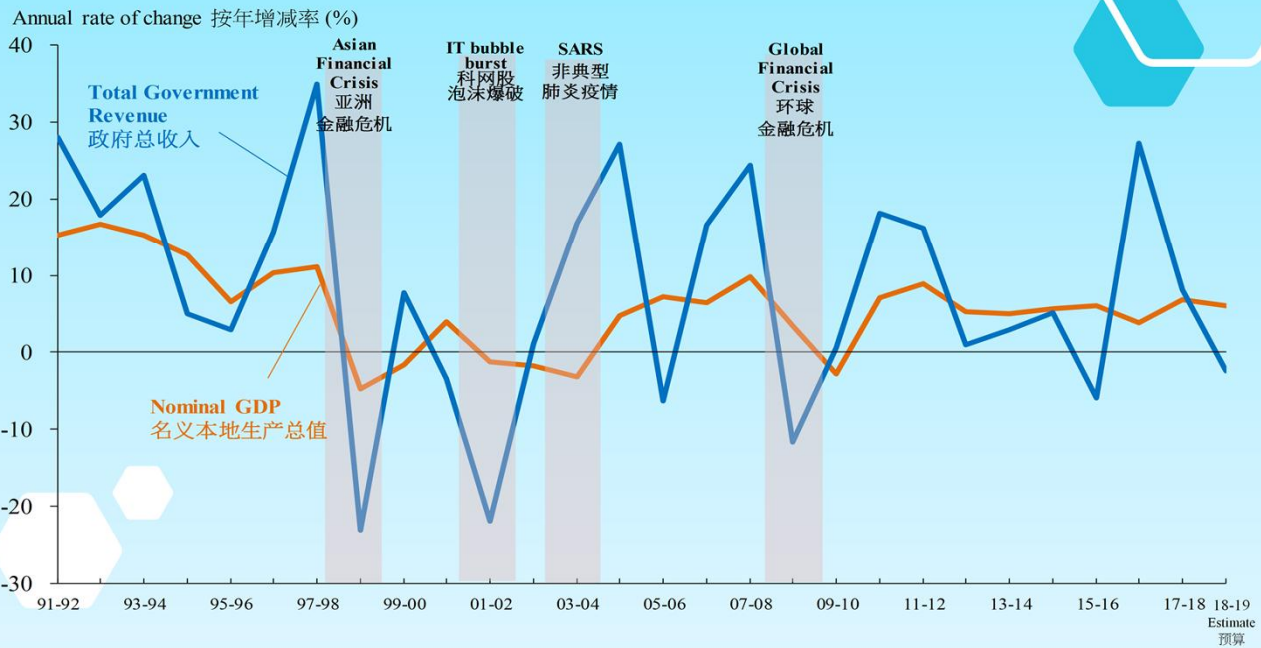
一九九七／九八至二零一七／一八年度总收入增加120%



- Profits tax has been our largest operating revenue. It varied from \$37.7 billion (1999-2000) to \$140.2 billion (2015-16). 利得税是政府最大的经营收入来源，款额介乎377亿元(一九九九／二零零零年度)与1,402亿元(二零一五／一六年度)之间。
- 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). 薪俸税是第二或第三大的经营收入来源，款额介乎248亿元(一九九九／二零零零年度)与608亿元(二零一七／一八年度)之间。
- Stamp duties varied from \$7.5 billion (2002-03) to \$95.2 billion (2017-18). 印花税收入介乎75亿元(二零零二／零三年度)与952亿元(二零一七／一八年度)之间。
- 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，我们采用新的安排，根据过往的回报预先厘定投资回报率，从而大大减少投资收入的波动。在二零零七／零八至二零一三／一四年度期间，平均每年投资收入为363亿元。政府在二零一四及二零一五年分别预留275亿元及452亿元，存放在外汇基金内，作为房屋储备金。
- 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. 至于非经营收入，以地价收入波动最大。在这段期间，地价收入在54亿元(二零零三／零四年度)与1,648亿元(二零一七／一八年度)之间上落。

VOLATILITY OF GOVERNMENT REVENUE

政府收入波动



- 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.

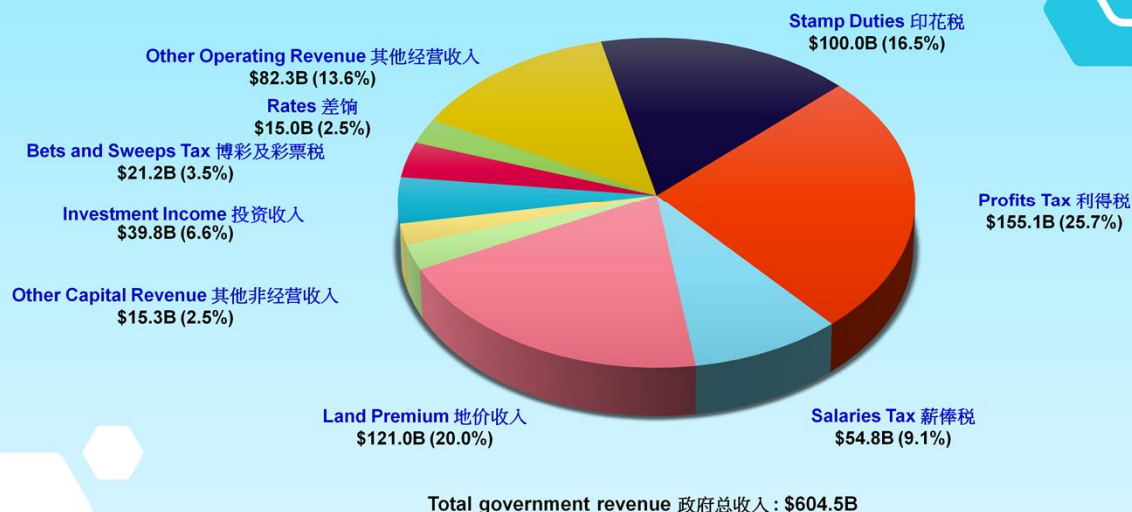
香港是细小而开放的经济体。本港税基狭窄，政府收入易受经济波动所影响，也取决于更广泛层面的经济变化，并非政府所能控制。

- 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.

收入波动不定，为公共财政管理带来挑战。利得税、薪俸税、印花税和地价收入，合共占二零一八/一九年度政府总收入的71.3%。

REVENUE ESTIMATES FOR 2018-19

二零一八／一九年度收入预算



\$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.
七个主要收入项目分别为利得税(25.7%)、地价收入(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%)，合共占政府總收入的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)
政府一般收入賬目：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 薪俸税



2016/17 (Year of assessment 课税年度)

- Only 47% of working population pay salaries tax 只有47%工作人口须缴纳薪俸税
- Top 9% taxpayers bear more than 73% of salaries tax revenue 9% 纳税人缴纳超过73%薪俸税收入

Taxpaying population 纳税人总数: 1 765 000[^]

Annual income (\$) 全年收入(元)	No. of taxpayers 纳税人数目	% of total salaries tax* yield 占薪俸税收益总额*的百分比	Average tax payment*(\$) 平均税款
>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%须缴纳薪俸税

* After the one-off 75% tax reduction up to \$20,000 实施一次性减免75%税款(上限为20,000元)措施后

[#] The basic allowance for individuals in the 2016/17 year of assessment is \$132,000
2016/17课税年度的个人基本免税额为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.
在二零一六/一七课税年度，本港有379万工作人口，当中约202万人(工作人口的53%)无须缴纳薪俸税。
- 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176万名缴纳薪俸税的人士中，纳税最多的5%(约88,000人)所缴纳的税款占薪俸税收入的61%。

PROFITS TAX 利得税



2016/17 (Year of assessment 课税年度)

- Only 9% of registered corporations pay profits tax 只有9%注册公司须缴纳利得税
- Top 4% taxpayers bear more than 82% of profits tax revenue 4%注册公司缴纳超过82%利得税收入

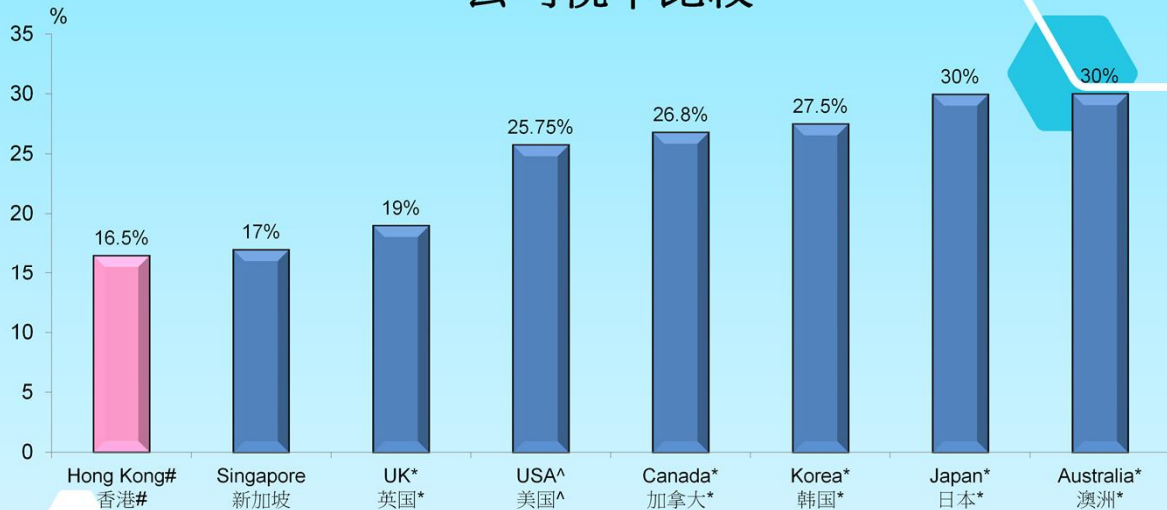
Assessable profits (\$) 应评税利润(元)	No. of corporations^ 公司数目^	% of total profits tax* yield 占利得税收益总额* 的百分比	Average tax payment* (\$) 平均税款
>100M	1 000 (0.9%)	65.0%	84,726,360
>50M to 100M	900 (0.9%)	8.2%	11,606,590
>30M to 50M	1 100 (1.0%)	5.4%	6,388,060
>20M to 30M	1 200 (1.1%)	4.0%	4,043,340
>10M to 20M	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 注册公司总数：1 235 000，其中106 700 (9%) 缴纳利得税
 * After the one-off 75% tax reduction up to \$20,000 实施一次性减免75%税款(上限为20,000元)措施后

- 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.

在二零一六/一七课税年度，纳税最多的5%注册公司(约5,300家)所缴纳的税款占政府利得税收入约85%。无须缴纳利得税的注册公司约有1,128,000家(占注册公司总数约91%)。

COMPARISON OF CORPORATE TAX RATES 公司税率比较



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实施利得税两级制，企业首200万元的利得税税率将降至8.25%，其后的利润则继续按16.5%征税。

* Source: OECD Statistics (2018) 资料来源：经济合作及发展组织统计数字(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，美国的综合公司税率为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.

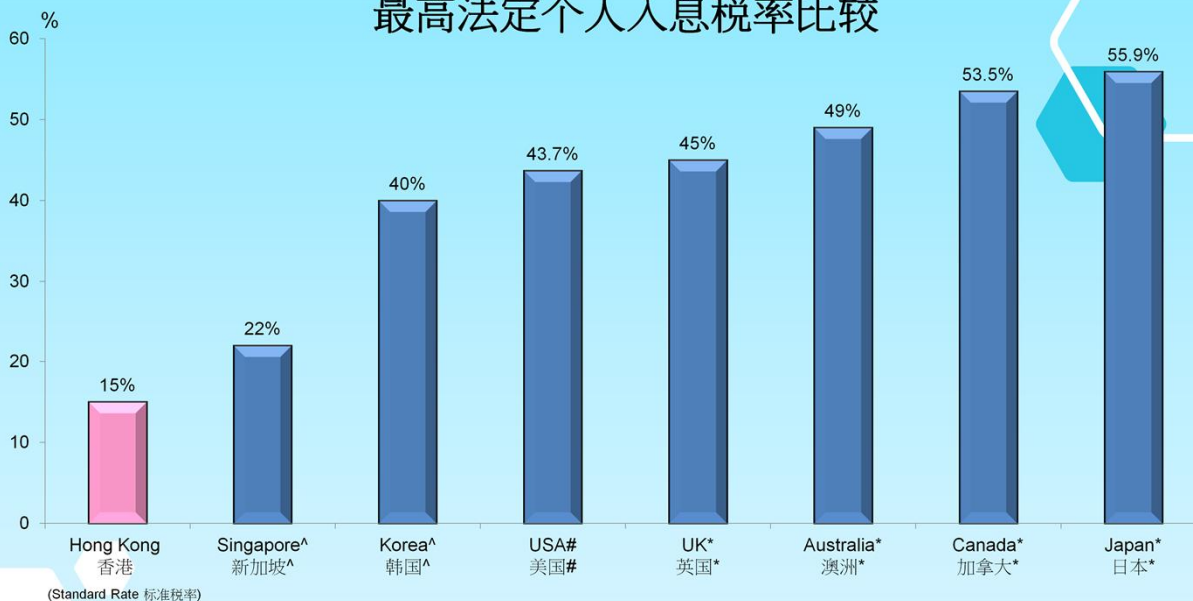
香港奉行简单低税制，公司利得税率划一为16.5%，属全球最低之列（截至二零一七年的数字），利得税两级制亦已于二零一八／一九年度实施，企业首200万元的利得税税率将降至8.25%，其后的利润则继续按16.5%征税。

- 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，美国的公司税率(综合州及地方公司税率的平均数)为38.9%，有关的综合公司税率在税务改革下已降至25.75%。

COMPARISON OF TOP STATUTORY PERSONAL INCOME TAX RATES

最高法定个人入息税率比较



*Source: OECD Statistics (2017) 资料来源：经济合作及发展组织统计数字 (二零一七年)

[^]The top statutory personal income tax rates in Singapore and Korea are 22% and 40% respectively in 2018
新加坡和韩国二零一八年的最高法定个人入息税率分别为22%和40%

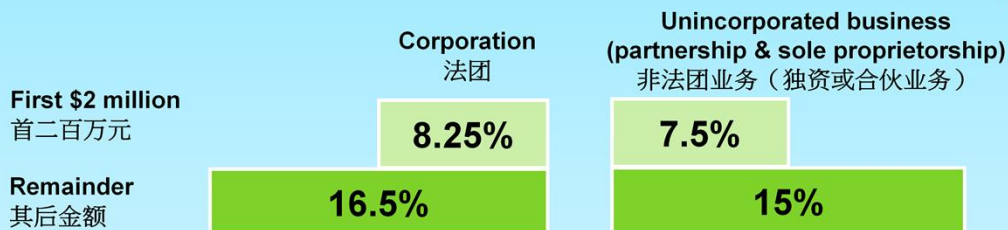
[#] The top combined personal income tax rate in the USA is 43.7% in 2018 美国二零一八年的最高综合个人入息税率为43.7%

- The same applies to our salaries tax rate, which is now capped at a standard rate of 15%.
本港的薪俸税率情况也相同，现时上限为标准税率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%).
由二零一八年开始的课税年度，美国新的最高综合个人入息税率为43.7% (根据经济合作及发展组织的资料，旧的综合税率为46.3%)。

RECENT TAX MEASURES 近期税务措施



Two-tiered profits tax rates regime 利得税两级制



Enhanced tax deduction for R&D expenditure 为研发开支提供额外税务扣减



Two-tiered profits tax rates regime 利得税两级制

- The two-tiered profits tax rates regime has taken effect from 1 April 2018. 利得税两级制已于2018年4月1日起实施。
- The regime will reduce the tax burden on enterprises, especially small and medium enterprises (SMEs), while maintaining a simple and low tax system. 利得税两级制可在维持简单低税制的前提下，减轻企业，特别是中小的税务负担。
- 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. 法团首二百万元的利得税税率将减半至8.25%，其后的利润则继续按16.5%征税。至于以合伙和独资经营为主的非法团业务，首二百万元利润的税率将相应下调至7.5%，余下利润的税率则维持在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. 为确保受惠企业以中小企为主，我们已限制有关连企业只可提名一家企业受惠。

Enhanced tax deduction for R&D expenditure 为研发开支提供额外税务扣减

- 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. 我们已为研发开支提供更高的扣税金额，以推动更多本地研发活动，以及为香港缔造更有活力的创新及科技生态。
- The first \$2 million of qualifying R&D expenditure would enjoy a 300% tax deduction with the remainder at 200%. 首二百万元的合格研发支出可获300%扣税，余额则获200%扣税。
- There is no cap on the amount of deduction. 研发开支扣税金额没有上限。
- The enhanced tax deduction is applicable to qualifying R&D expenditure incurred by enterprises from 1 April 2018 onwards. 额外税务扣减适用于2018年4月1日之后的合格研发开支。

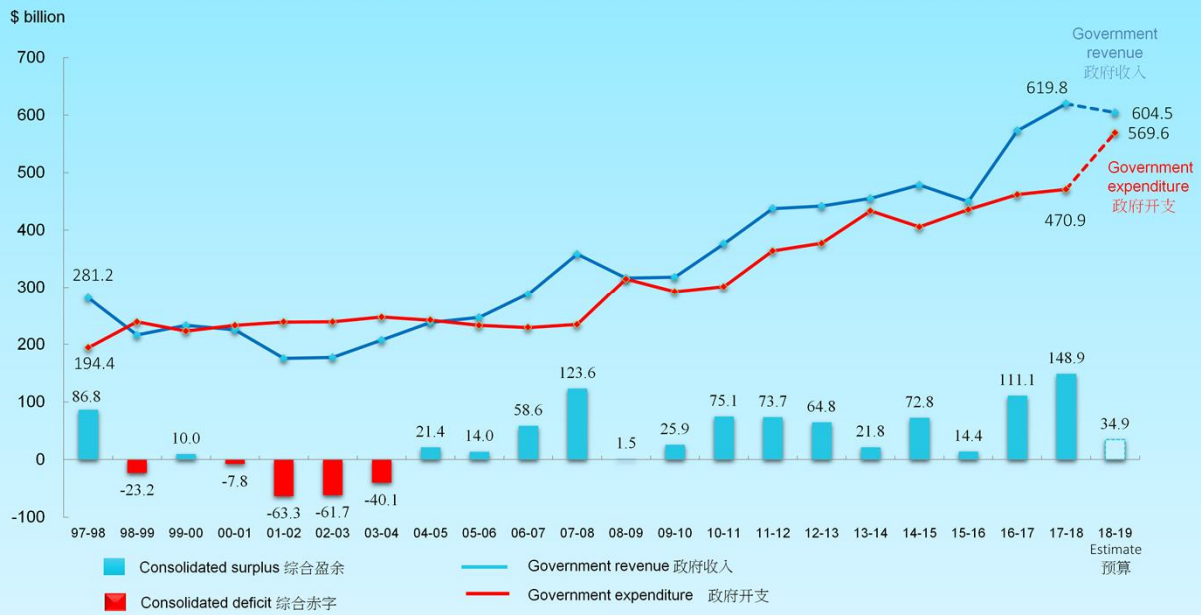


Government Financial Position

政府财政状况



CONSOLIDATED ACCOUNT FROM 1997-98 TO 2018-19 一九九七／九八至二零一八／一九年度的综合账目



- The HKSAR Government strives to achieve a fiscal balance over a period of time.
特区政府力求在一段期间内达至收支平衡。

RESOURCE ALLOCATION PRIORITIES IN 2018-19

二零一八／一九年度资源分配重点范畴



Guiding Principles 指导原则

- 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.
处理年度盈余时，我们应审慎考虑其来源和性质，并会因应外围和本地经济情况，以及社会需要和市民期望，作出平衡的分配。

ALLOCATION OF RESOURCES IN 2018-19 BUDGET

二零一八／一九年度财政预算案的资源分配

	(\$B 十亿元)	(\$B 十亿元)
Earmarked funding 预留拨款		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 配合第二个十年医院发展计划、改善卫生署诊所设施，以及提升和增加医疗教学设施	300.0	
Development of the Hong Kong-Shenzhen Innovation and Technology Park in Lok Ma Chau Loop 发展落马洲河套区港深创新及科技园	20.0	
Improving and developing cultural facilities 改善和增建文化设施	20.0	
Abolition of MPF "offsetting" arrangement 落实取消强积金「对冲」安排	15.0	
Support package for research centres run by non-profit-making institutions in the two research clusters 为非牟利科研机构在两个创新平台营运的科研中心提供财政支援	10.0	
Funding support for Hong Kong Science and Technology Parks Corporation 向香港科技园公司拨款	10.0	
Other earmarked funding 其他预留拨款	13.3	
Caring and Sharing Scheme 关爱共享计划		11.7
Budget measures with long-term effect 具长远效益的预算措施		47.0
Concessionary measures 宽减措施		52.4

31

	(\$B) (十亿元)
Other earmarked funding (\$13.3B) includes 其他预留拨款 (133亿元) 包括：	
Development of district facilities 发展地区设施	8.0
Market Modernisation Programme 街市现代化计划	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 青年发展	1.0
Others 其他	1.3

	(\$B) (十亿元)
Budget measures with long-term effect (\$47.0B) include 具长远效益的预算措施 (470亿元) 包括：	
Injection into the Continuing Education Fund and raise subsidy ceiling 向持续进修基金注资及提高资助上限	8.5
Education related proposals 与教育相关的建议	7.2
Considering the redevelopment of the Air Mail Centre at the Hong Kong International Airport 研究重建香港国际机场的空邮中心	5.0
Injection into the Elite Athletes Development Fund 向精英运动员发展基金注资	5.0
Widening of the tax bands for salaries tax, increase the number of tax bands and adjust the marginal tax rates 扩阔薪俸税的税阶，增加税阶和调整边际税率	4.1
Increasing commitment of Dedicated Fund on Branding, Upgrading and Domestic Sales and SME Export Marketing and Development Funds 增加「发展品牌、升级转型及拓展内销市场的专项基金」以及「中小企业市场推广和发展支援基金」的承担额	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课税年度开始提高薪俸税和个人入息课税以下的免税额/最高扣除额	2.3

	(\$B) (十亿元)
Expediting installation of lifts for public sector schools as needed 加快为有需要的公营学校安装升降机	2.0
Further support to arts and culture initiatives and infrastructure 对文化艺术措施及基建提供额外支援	1.3
Setting up Construction Innovation and Technology Fund 成立「建造业创新及科技基金」	1.0
Injection into Gifted Education Fund 向「资优教育基金」注资	0.8
Injection into the HKSAR Government Scholarship Fund 向「香港特别行政区政府奖学基金」注资	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 额外注入8亿元进一步推动在现有政府建筑物、场地及社区设施设置小规模的可再生能源设施	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 自愿医保计划税务扣减(每名受保人上限为8,000元)(在立法会通过有关法例修订后的课税年度起实施)	0.8
Enhancing healthcare services 改善医疗服务	0.8
School social work services 学校社工服务	0.6
Tourism 旅游	0.6
Promoting and facilitating the development of the financial services sector, including launching a pilot bond grant scheme 推动和促进金融服务业发展(包括推出债券资助先导计划)	0.5
Setting up a Major Sport Events Matching Grant Scheme 成立「体育盛事配对资助计划」	0.5
Implementing welfare initiatives for disadvantaged groups 为弱势社羣推行福利措施	0.5
Charges for import and export declarations capped at \$200 为进出口报关费设上限为200元	0.5
Others 其他	0.9

	(\$B 十亿元)
Concessionary measures (\$52.4B) include 宽减措施 (524亿元)包括：	
One-off relief for salaries tax and personal assessment 宽减薪俸税和个人入息课税	22.6
Waiver of rates for four quarters 宽免四季差饷	17.8
2-month extra payment to eligible Comprehensive Social Security Assistance, Old Age Allowance, Old Age Living Allowance or Disability Allowance recipients 发放额外两个月援助金/津贴予综合社会保障援助、高龄津贴、长者生活津贴或伤残津贴的受助人土	7.0
One-off relief for profits tax 宽减利得税	2.9
One-off increase for Elderly Health Care Vouchers (\$1,000 for each eligible recipient) 一次性增加长者医疗券(每名合格人士1,000元)	0.8
One-off grant of \$2,000 to each needy student 向有经济需要的学生发放一笔过的2,000元津贴，支援学习需要	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)的财务状况

	2018-19 Estimate 预算 (\$B 十亿元)	Actual up to October 2018 截至二零一八年十月的实际财务状况 (\$B 十亿元)
Operating account 经营账目		
Operating revenue 经营收入	456.1	188.9
Less: Operating expenditure 减：经营开支	453.2	247.5
Operating surplus / (deficit) 经营盈余／(赤字)	2.9	(58.6)
Capital account 非经营账目		
Capital revenue 非经营收入	148.4	59.7
Less: Capital expenditure 减：非经营开支	116.4	47.1
Capital surplus 非经营盈余	32.0	12.6
Government revenue 政府收入	604.5	248.6
Government expenditure 政府开支	569.6	294.6
Consolidated surplus / (deficit) 综合盈余／(赤字)	34.9	(46.0)
Fiscal reserves at period-end 期末时的财政储备*	1,137.8	1,056.9

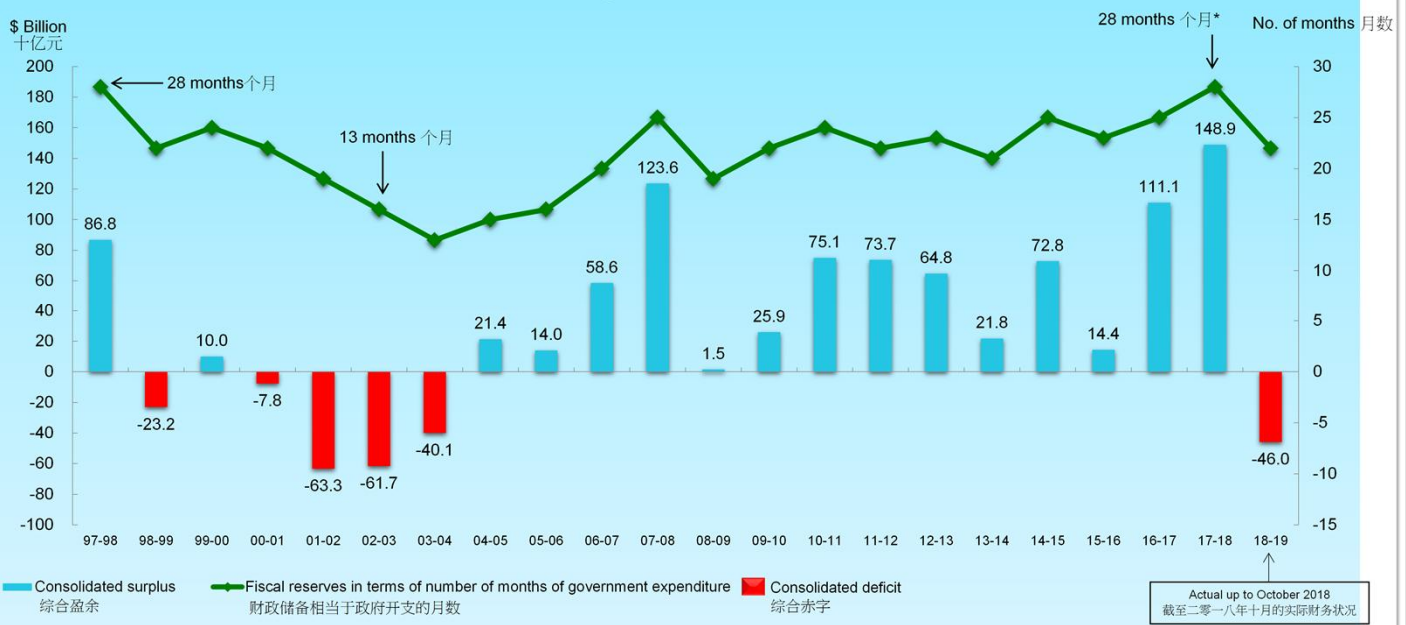
* The fiscal reserves balance has taken into account the financial results in 2017-18 but not included Housing Reserve of \$78.8B.
财政储备结余已计入2017-18年度的实际盈余，但不包括788亿元的房屋储备金。

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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总开支预计为5,696亿元，较二零一七／一八年度实际开支增加987亿元(或21%)，主要是由于经常开支拨款增加。
- 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体开支为2,946亿元，收入为2,486亿元，因此有460亿元的赤字。

FISCAL RESERVES 财政储备

(in terms of number of months of government expenditure 相当于政府开支的月数)



Issuance/(repayment) of government bonds and notes included.
包括发行/(偿还)政府债券及票据的款项。

* Housing Reserve \$78.8B not yet included.
不包括788亿元的房屋储备金。

Actual up to October 2018
截至二零一八年十月的实际财务状况

- 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）的财政储备（不包括房屋储备金），分别相当于28和22个月的政府开支。

Financial Year 财政年度	Fiscal Reserves 财政储备 (\$ billion 十亿元)	Nominal GDP 名义本地生产总值 (\$ billion 十亿元)	Fiscal Reserves in terms of % of GDP 财政储备相当于 本地生产总值的百分比
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）期间，财政储备相当于政府开支的月数如下：

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

Actual up to October 2018 截至二零一八年十月的实际财务状况

- 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间，有十六年录得财政盈余。可是，在一九九八/九九至二零零三/零四年度期间，我们经历了五年的财政赤字，令财政储备大量消耗。



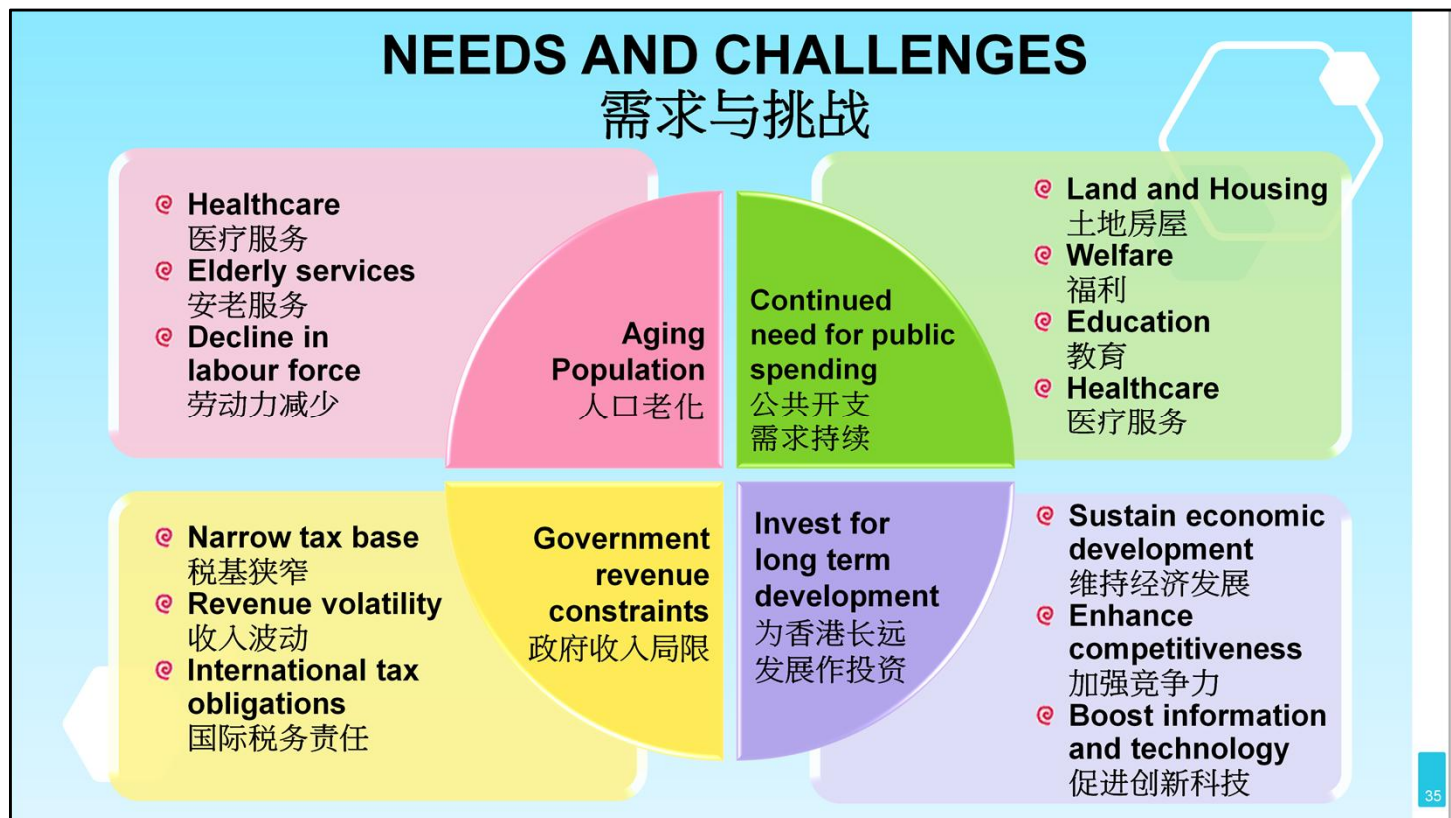
NEEDS AND CHALLENGES

需求与挑战



NEEDS AND CHALLENGES

需求与挑战



Ageing Population 人口老化

- An ageing population will significantly increase the demand for in-patient services and ageing-in-place services.
高龄化社会将大幅增加对住院及居家安老服务的需求。
- 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.
根据政府统计处2017年的劳动人口推算，整体劳动人口预计在2021年到高位后便会持续下降。

Government Revenue Constraints 政府收入的挑战

- Concentrated income sources and narrow tax base.
税基狭窄，而且收入来源集中。
- 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.
税收倚重主要行业，在2016/17课税年度，“分销业”、“地产、投资及财务”和“银行业”的税款占利得税总额超过68%。在2017-18年度，42%的收入来自地价收入和印花税。
- Have to fulfil international tax obligations so that our tax measures are not regarded as “harmful tax practices” by the OECD and the EU.
需要履行国际税务责任，以确保税务措施不被经合组织及欧盟视为“具损害性的税务措施”。

Continued Need for Public Expenditure 公共开支需求持续

- 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、福利服务、教育、医疗等民生事务与市民生活息息相关，应投放更多资源，照顾社会上有需要的人，关爱共享。
- 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.
教育开支是一种投资，培训充足的优秀人才，是香港未来发展的重要元素。

Invest for the long-term development of Hong Kong 为香港长远发展作投资

- We need to consolidate and enhance our traditional advantages while developing new areas of economic growth as a matter of urgency.
香港必须巩固及提升传统产业，也要物色新的经济增长点。
- 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.
环球激烈竞争，必须加强人才和创新的政策力度，确保经济长足发展。
- 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.
发展创科能带来新的产业及创造财富，为青年人提供优质就业，改善市民生活。
- We need to invest to diversify our economy to provide young people with more career choices.
香港必须投资发展多元经济，让青年人有更多的事业选择。

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

We welcome your views
欢迎提供意见

Thank you!
谢谢!