

## **APPENDIX B**

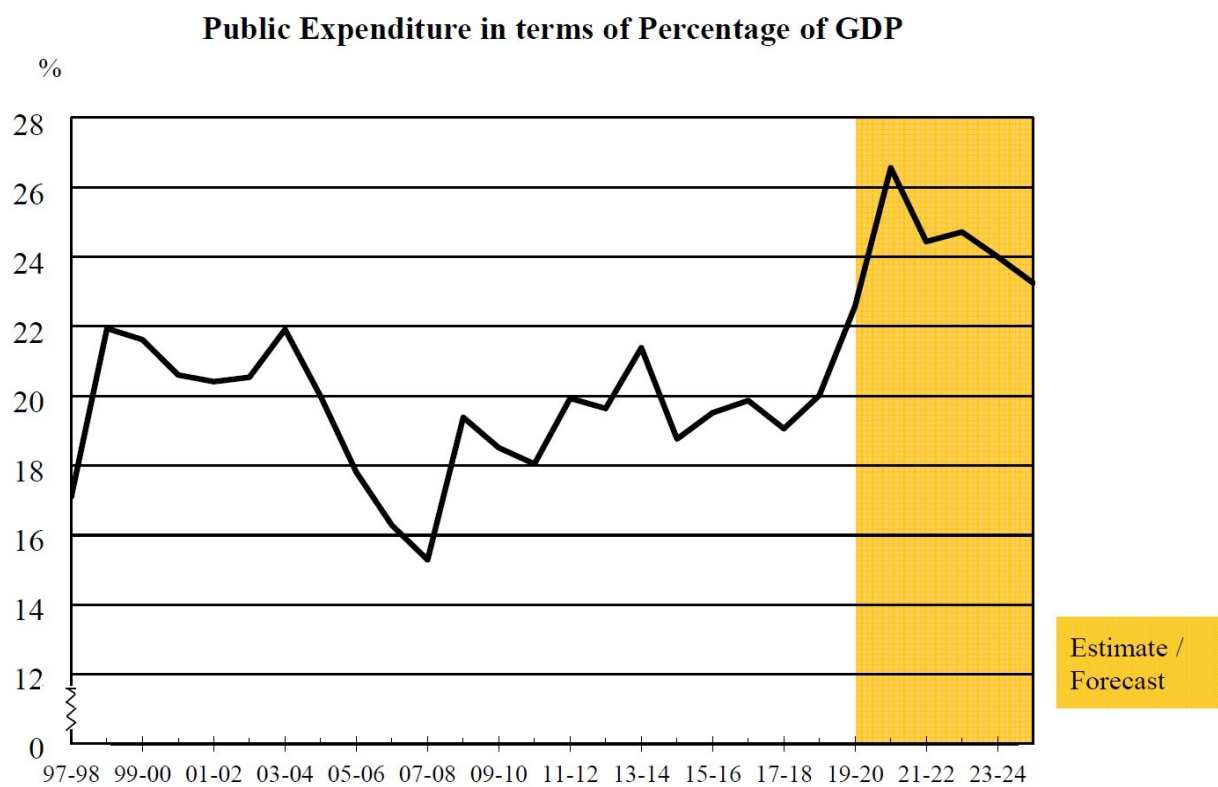
### **ANALYSIS OF EXPENDITURE AND REVENUE**

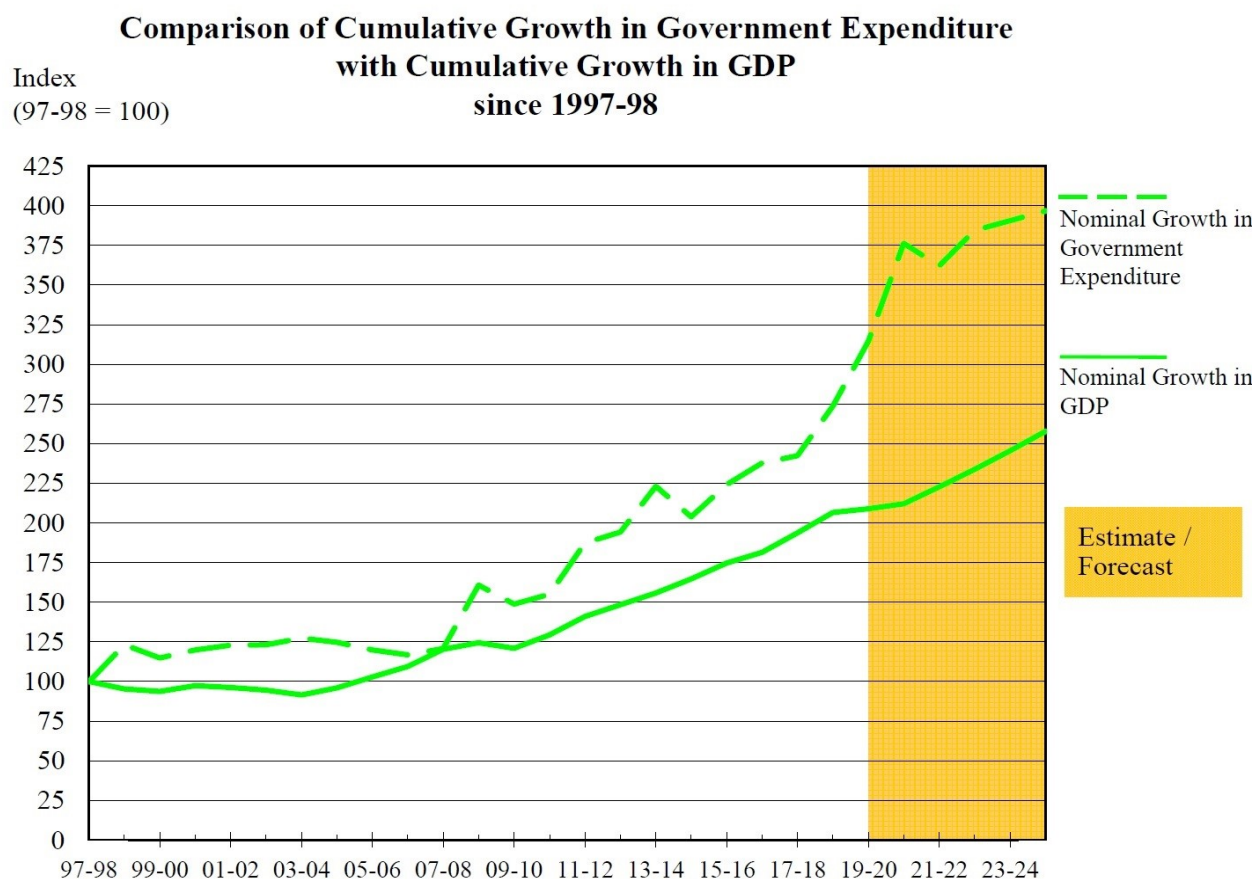
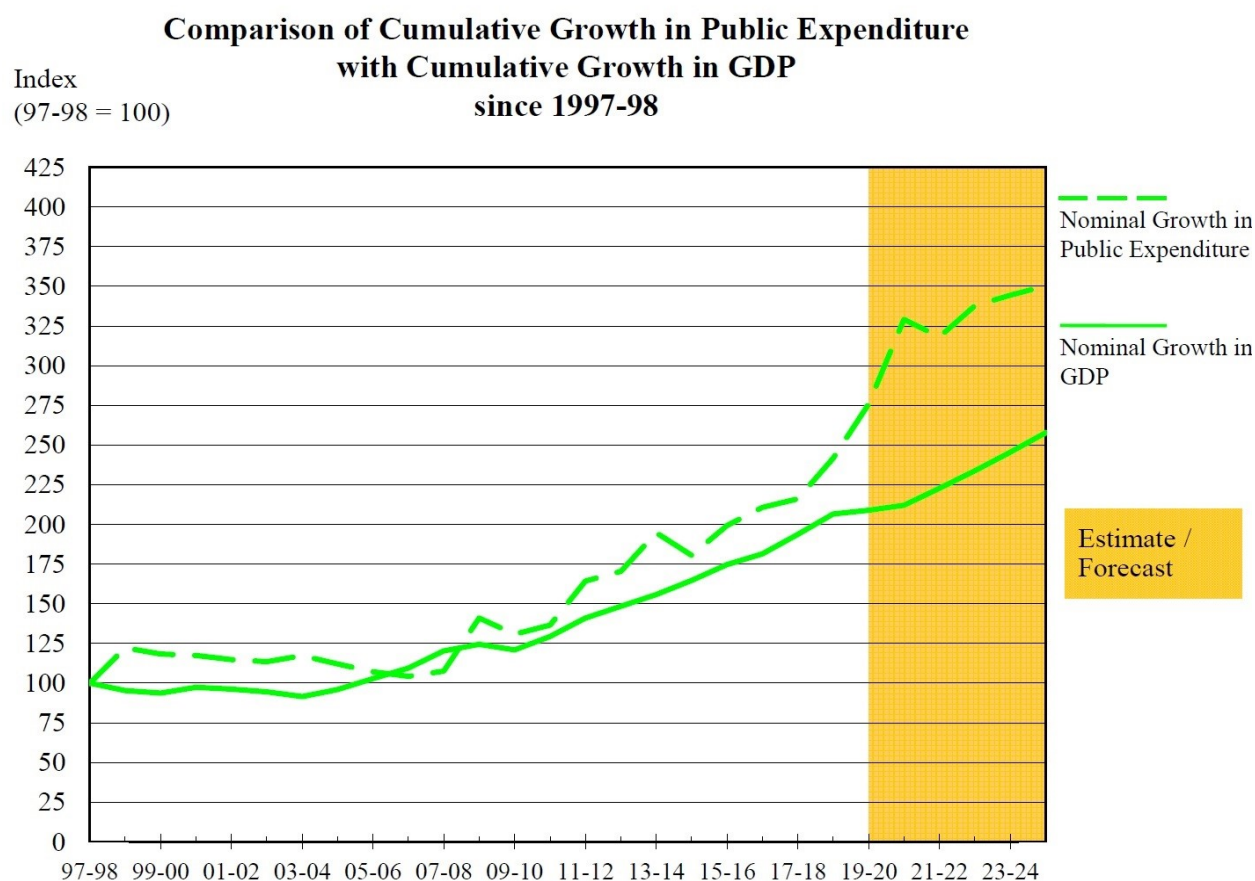


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**SECTION I THE ESTIMATES IN THE CONTEXT OF THE ECONOMY****Relationship between Government Expenditure, Public Expenditure and GDP**

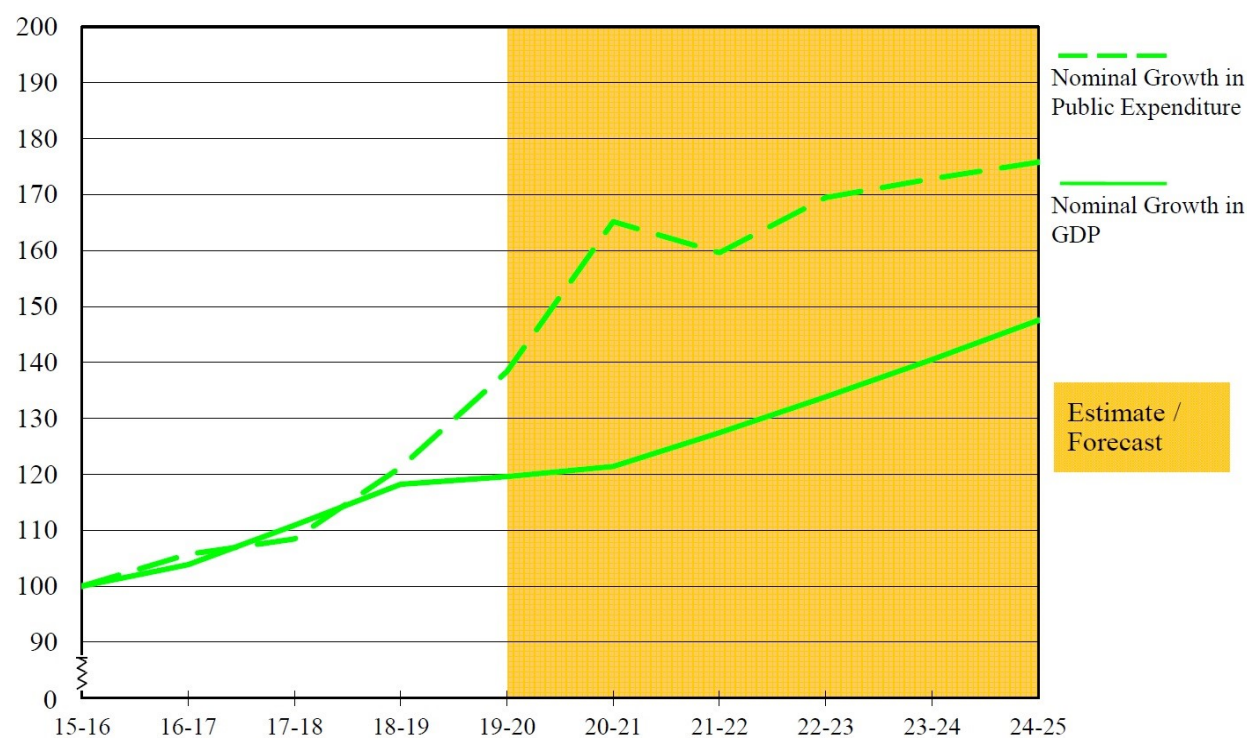
	<b>2020-21 Estimate \$m</b>
General Revenue Account	
Operating	617,700
Capital	7,635
	<hr/> 625,335
Capital Investment Fund	4,115
Capital Works Reserve Fund	87,562
Innovation and Technology Fund	6,568
Loan Fund	2,880
Lotteries Fund	4,635
<b>Government Expenditure</b>	<hr/> <b>731,095</b>
Trading Funds	6,332
Housing Authority	35,662
<b>Public Expenditure</b>	<hr/> <b>773,089</b>
GDP	2,911,200
Public Expenditure in terms of percentage of GDP	26.6%





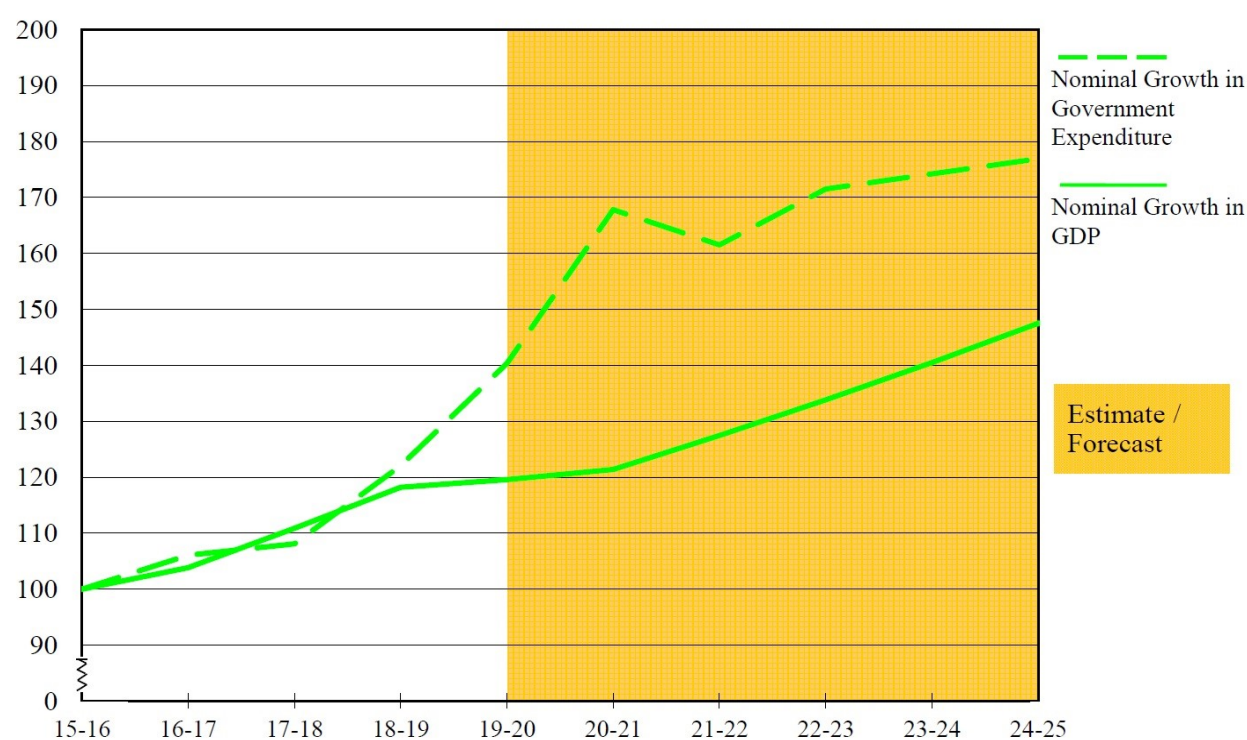
**Comparison of Cumulative Growth in Public Expenditure  
with Cumulative Growth in GDP  
since 2015-16**

Index  
(15-16 = 100)



**Comparison of Cumulative Growth in Government Expenditure  
with Cumulative Growth in GDP  
since 2015-16**

Index  
(15-16 = 100)



**SECTION II      RECURRENT PUBLIC/GOVERNMENT EXPENDITURE  
BY POLICY AREA GROUP**

**Recurrent Public Expenditure : Year-on-Year Change**

	2018-19 Actual \$m	2019-20 Revised Estimate \$m	2020-21 Estimate \$m	Increase/Decrease over 2019-20 Revised Estimate in Nominal Terms %	in Real Terms %
<b>Education</b>	85,528	92,384	<b>99,589</b>	<b>7.8</b>	<b>7.2</b>
<b>Social Welfare</b>	79,486	82,268	<b>93,942</b>	<b>14.2</b>	<b>11.8</b>
<b>Health</b>	72,529	82,682	<b>87,124</b>	<b>5.4</b>	<b>4.8</b>
<b>Security</b>	44,324	50,820	<b>55,209</b>	<b>8.6</b>	<b>8.0</b>
<b>Infrastructure</b>	23,955	27,617	<b>30,940</b>	<b>12.0</b>	<b>10.9</b>
<b>Environment and Food</b>	16,850	18,782	<b>21,855</b>	<b>16.4</b>	<b>14.9</b>
<b>Economic</b>	16,978	18,584	<b>21,250</b>	<b>14.3</b>	<b>12.6</b>
<b>Housing</b>	14,613	16,287	<b>17,429</b>	<b>7.0</b>	<b>4.2</b>
<b>Community and External Affairs</b>	13,173	14,696	<b>15,782</b>	<b>7.4</b>	<b>6.1</b>
<b>Support</b>	54,681	59,502	<b>66,154</b>	<b>11.2</b>	<b>8.8</b>
	<u>422,117</u>	<u>463,622</u>	<u><b>509,274</b></u>	<b>9.8</b>	<b>8.5</b>
<b>GDP growth in 2020</b>				<b>0.5% to 2.5%</b>	<b>-1.5% to 0.5%</b>



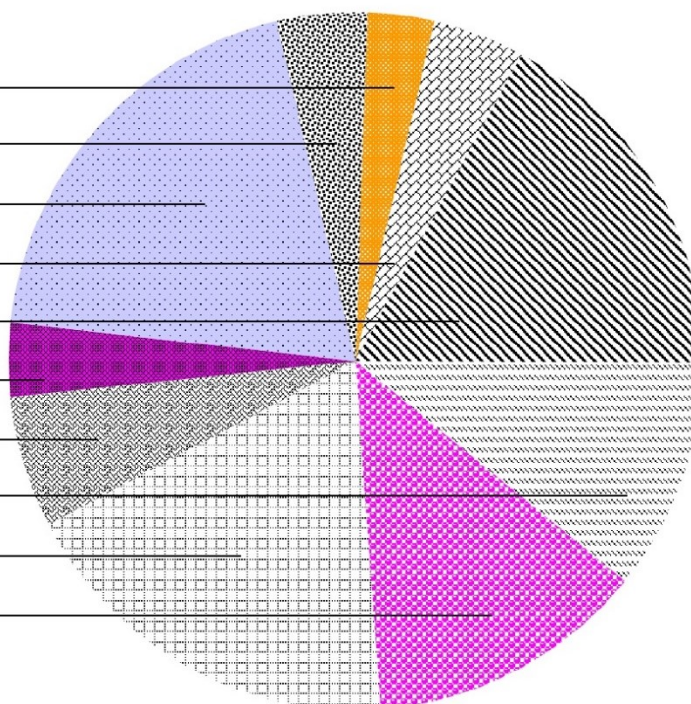
## SECTION II RECURRENT PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

### Recurrent Government Expenditure : Year-on-Year Change

	2018-19 Actual \$m	2019-20 Revised Estimate \$m	2020-21 Estimate \$m	Increase/Decrease over 2019-20 Revised Estimate in Nominal Terms %	in Real Terms %
<b>Education</b>	85,528	92,384	<b>99,589</b>	<b>7.8</b>	<b>7.2</b>
<b>Social Welfare</b>	79,486	82,268	<b>93,942</b>	<b>14.2</b>	<b>11.8</b>
<b>Health</b>	72,529	82,682	<b>87,124</b>	<b>5.4</b>	<b>4.8</b>
<b>Security</b>	44,324	50,820	<b>55,209</b>	<b>8.6</b>	<b>8.0</b>
<b>Infrastructure</b>	23,756	27,383	<b>30,694</b>	<b>12.1</b>	<b>11.0</b>
<b>Environment and Food</b>	16,850	18,782	<b>21,855</b>	<b>16.4</b>	<b>14.9</b>
<b>Economic</b>	12,247	13,433	<b>15,565</b>	<b>15.9</b>	<b>14.8</b>
<b>Housing</b>	416	502	<b>681</b>	<b>35.7</b>	<b>35.3</b>
<b>Community and External Affairs</b>	13,173	14,696	<b>15,782</b>	<b>7.4</b>	<b>6.1</b>
<b>Support</b>	54,681	59,502	<b>66,154</b>	<b>11.2</b>	<b>8.8</b>
	<u>402,990</u>	<u>442,452</u>	<u><b>486,595</b></u>	<b>10.0</b>	<b>8.7</b>
<b>GDP growth in 2020</b>				<b>0.5% to 2.5%</b>	<b>-1.5% to 0.5%</b>

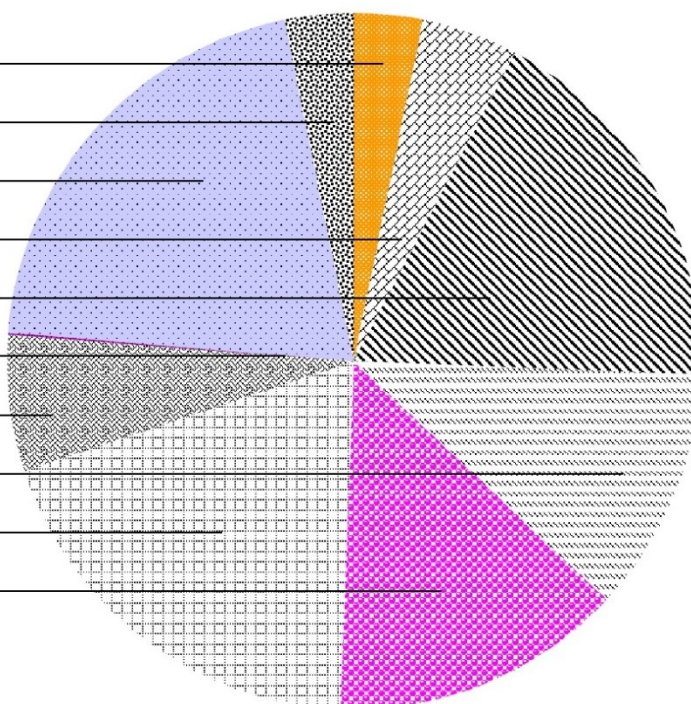
**Percentage Share of Expenditure by Policy Area Group**  
**Recurrent Public Expenditure : 2020-21 Estimate**

Community and External Affairs	3.1%
Economic	4.2%
Education	19.6%
Environment and Food	4.3%
Health	17.1%
Housing	3.4%
Infrastructure	6.1%
Security	10.8%
Social Welfare	18.4%
Support	13.0%
	100.0%



**Percentage Share of Expenditure by Policy Area Group**  
**Recurrent Government Expenditure : 2020-21 Estimate**

Community and External Affairs	3.2%
Economic	3.2%
Education	20.5%
Environment and Food	4.6%
Health	17.9%
Housing	0.1%
Infrastructure	6.3%
Security	11.3%
Social Welfare	19.3%
Support	13.6%
	100.0%



### SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

#### Total Public Expenditure : Year-on-Year Change

	2018-19 Actual \$m	2019-20 Revised Estimate \$m	2020-21 Estimate \$m	Increase/Decrease over 2019-20 Revised Estimate in Nominal Terms %	in Real Terms %
<b>Education</b>	108,035	125,861	112,304	-10.8	-13.2
<b>Social Welfare</b>	90,126	93,148	115,019	23.5	18.2
<b>Health</b>	78,275	87,877	97,694	11.2	8.0
<b>Security</b>	50,455	56,959	65,818	15.6	12.4
<b>Infrastructure</b>	75,211	67,868	78,622	15.8	11.2
<b>Environment and Food</b>	24,291	30,593	39,978	30.7	25.9
<b>Economic</b>	26,034	38,267	126,904	231.6	223.9
<b>Housing</b>	31,159	32,520	38,954	19.8	15.4
<b>Community and External Affairs</b>	24,835	20,946	25,486	21.7	17.1
<b>Support</b>	59,157	93,566	72,310	-22.7	-25.9
	<u>567,578</u>	<u>647,605</u>	<u>773,089</u>	19.4	15.4
<b>GDP growth in 2020</b>				0.5% to 2.5%	-1.5% to 0.5%

### SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

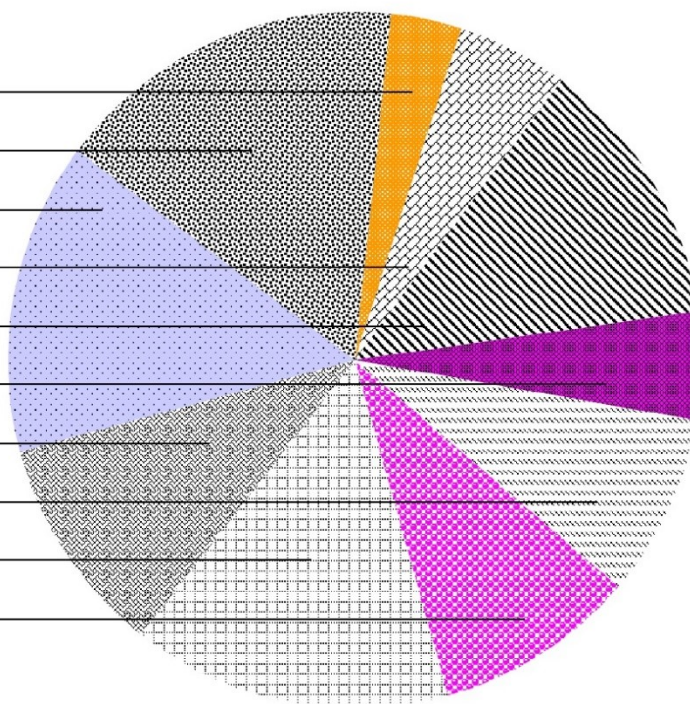
#### Total Government Expenditure : Year-on-Year Change

	2018-19 Actual \$m	2019-20 Revised Estimate \$m	2020-21 Estimate \$m	Increase/Decrease over 2019-20 Revised Estimate in Nominal Terms %	in Real Terms %
<b>Education</b>	108,035	125,861	112,304	-10.8	-13.2
<b>Social Welfare</b>	90,126	93,148	115,019	23.5	18.2
<b>Health</b>	78,275	87,877	97,694	11.2	8.0
<b>Security</b>	50,455	56,959	65,818	15.6	12.4
<b>Infrastructure</b>	74,994	67,585	78,299	15.9	11.2
<b>Environment and Food</b>	24,291	30,593	39,978	30.7	25.9
<b>Economic</b>	21,140	32,859	120,895	267.9	259.4
<b>Housing</b>	517	2,052	3,292	60.4	56.9
<b>Community and External Affairs</b>	24,835	20,946	25,486	21.7	17.1
<b>Support</b>	59,157	93,566	72,310	-22.7	-25.9
	<u>531,825</u>	<u>611,446</u>	<u>731,095</u>	<u>19.6</u>	<u>15.6</u>
<b>GDP growth in 2020</b>				0.5% to 2.5%	-1.5% to 0.5%



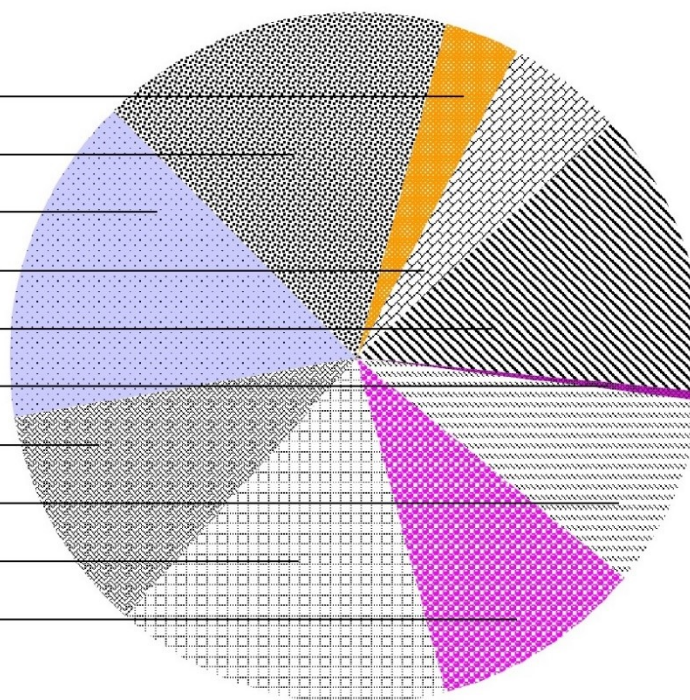
**Percentage Share of Expenditure by Policy Area Group**  
**Total Public Expenditure : 2020-21 Estimate**

Community and External Affairs	3.3%
Economic	16.4%
Education	14.5%
Environment and Food	5.2%
Health	12.6%
Housing	5.0%
Infrastructure	10.2%
Security	8.5%
Social Welfare	14.9%
Support	9.4%
	100.0%



**Percentage Share of Expenditure by Policy Area Group**  
**Total Government Expenditure : 2020-21 Estimate**

Community and External Affairs	3.5%
Economic	16.5%
Education	15.4%
Environment and Food	5.4%
Health	13.4%
Housing	0.5%
Infrastructure	10.7%
Security	9.0%
Social Welfare	15.7%
Support	9.9%
	100.0%



**SECTION IV MAJOR CAPITAL PROJECTS PLANNED FOR COMMENCEMENT IN 2020-21**

Major capital projects estimated to begin in 2020-21 include –

	<b>Project Estimates \$ billion</b>
<b>Infrastructure</b>	<b>40.5</b>
— Lung Tsun Stone Bridge Preservation Corridor at Kai Tak	
— Rehabilitation of underground stormwater drains—stage 2	
— Provision of an Additional District Cooling System at the Kai Tak Development	
— Provision of a District Cooling System for Kwu Tung North New Development Area	
— Studies related to artificial islands in the Central Waters	
— Widening of Castle Peak Road—Castle Peak Bay	
— Flyover from Kwai Tsing Interchange Upramp to Kwai Chung Road	
— Kai Tak development—stage 5B infrastructure works at the former north apron area	
— Development of Lok Ma Chau Loop—main works package 1—construction	
— Reclaimed water supply to Sheung Shui and Fanling	
— Improvement of salt water supply to Tsuen Wan and Kwai Chung	
— Site formation and infrastructure works for public housing development at Wang Chau, Yuen Long	
— Site formation and infrastructure works for public housing developments at Pok Fu Lam South	
— Site formation and infrastructure works for public housing developments at Pik Wan Road, Yau Tong	
— Transport infrastructure works for development at Diamond Hill	
<b>Environment and Food</b>	<b>31.3</b>
— Provision of columbarium, Garden of Remembrance and related works at On Hing Lane, Shek Mun, Sha Tin	
— Provision of columbarium and Garden of Remembrance at Sandy Ridge Cemetery (Phase 1 development)	
— Port Shelter sewerage, stage 2, package 3	
— Port Shelter sewerage, stage 3, package 2	
— Construction of San Shek Wan sewage treatment works, associated submarine outfall and Pui O sewerage works	
— Outlying Islands sewerage, stage 2—upgrading of Cheung Chau sewage treatment and disposal facilities	
— Outlying Islands sewerage stage 2—Lamma village sewerage phase 2, package 2	
— Upgrading of West Kowloon and Tsuen Wan sewerage—phase 2	
— Relocation of Sha Tin sewage treatment works to caverns—main caverns construction and upstream sewerage works	
— Yuen Long Effluent Polishing Plant—stage 1	
<b>Health</b>	<b>23.8</b>
— Reprovisioning of Victoria Public Mortuary	
— Community health centre cum social welfare facilities at Pak Wo Road, North District	
— Hospital Authority Supporting Services Centre	
— Expansion of United Christian Hospital—main works (superstructure and refurbishment works)	
— Redevelopment of Grantham Hospital, phase 1—demolition, site formation and foundation works	

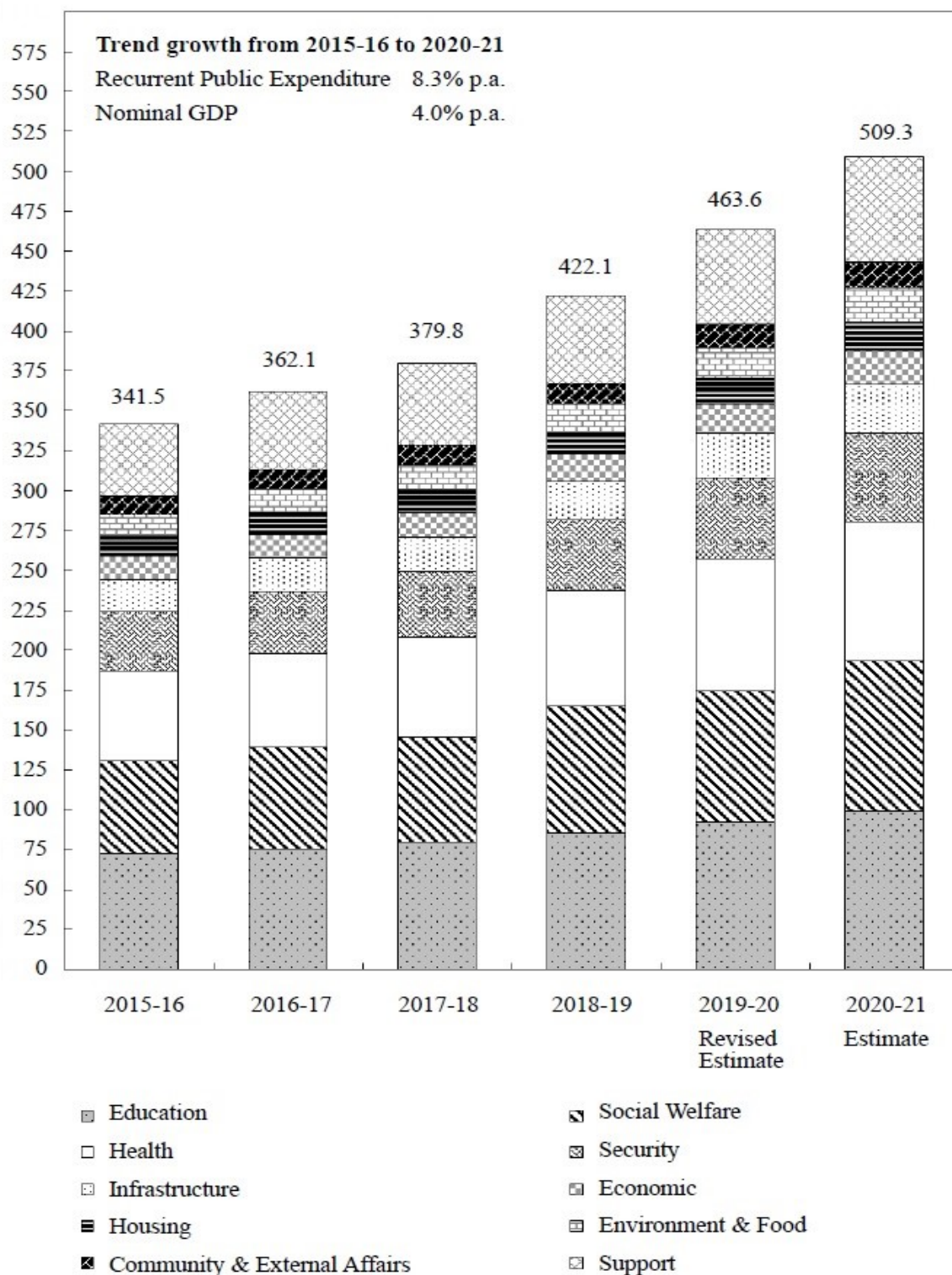
**Project  
Estimates  
\$ billion**

<b>Support</b>	<b>14.5</b>
— Animal Management and Animal Welfare Building Complex in Kai Tak Development	
— Drainage Services Department Office Building at Cheung Sha Wan Sewage Pumping Station	
— Water Supplies Department Headquarters with Hong Kong and Islands Regional Office and Correctional Services Department Headquarters building in Chai Wan	
— Joint-user Government Office Building in Area 67, Tseung Kwan O	
— Community hall, general outpatient clinic and maternal and child health centre at Ching Hong Road, Tsing Yi	
<b>Community and External Affairs</b>	<b>3.2</b>
— District Library and Residential Care Home for the Elderly in the Joint User Complex at Lei King Road	
— Redevelopment of Kowloon Tsai Swimming Pool Complex	
— Youth Hostel Scheme—construction works by The Hong Kong Girl Guides Association for the youth hostel project in Jordan	
— Water feature park and landscaped walk at Diamond Hill	
<b>Economic</b>	<b>3.0</b>
— Provision of facilities and accommodation for various government departments to support the Three-Runway System at Hong Kong International Airport	
<b>Education</b>	<b>1.0</b>
— A 30-classroom primary school at Site KT2c, Development at Anderson Road, Kwun Tong	
— Redevelopment of No. 2 University Drive (Building 1)	
<b>Security</b>	<b>1.0</b>
— Relocation of supporting operational facilities of Tsim Sha Tsui Fire Station Complex, Fire Services Club and other fire services accommodations to To Wah Road, Kowloon	

## SECTION V TRENDS IN PUBLIC EXPENDITURE : 2015-16 TO 2020-21

## Recurrent Public Expenditure by Policy Area Group

(\$billion)

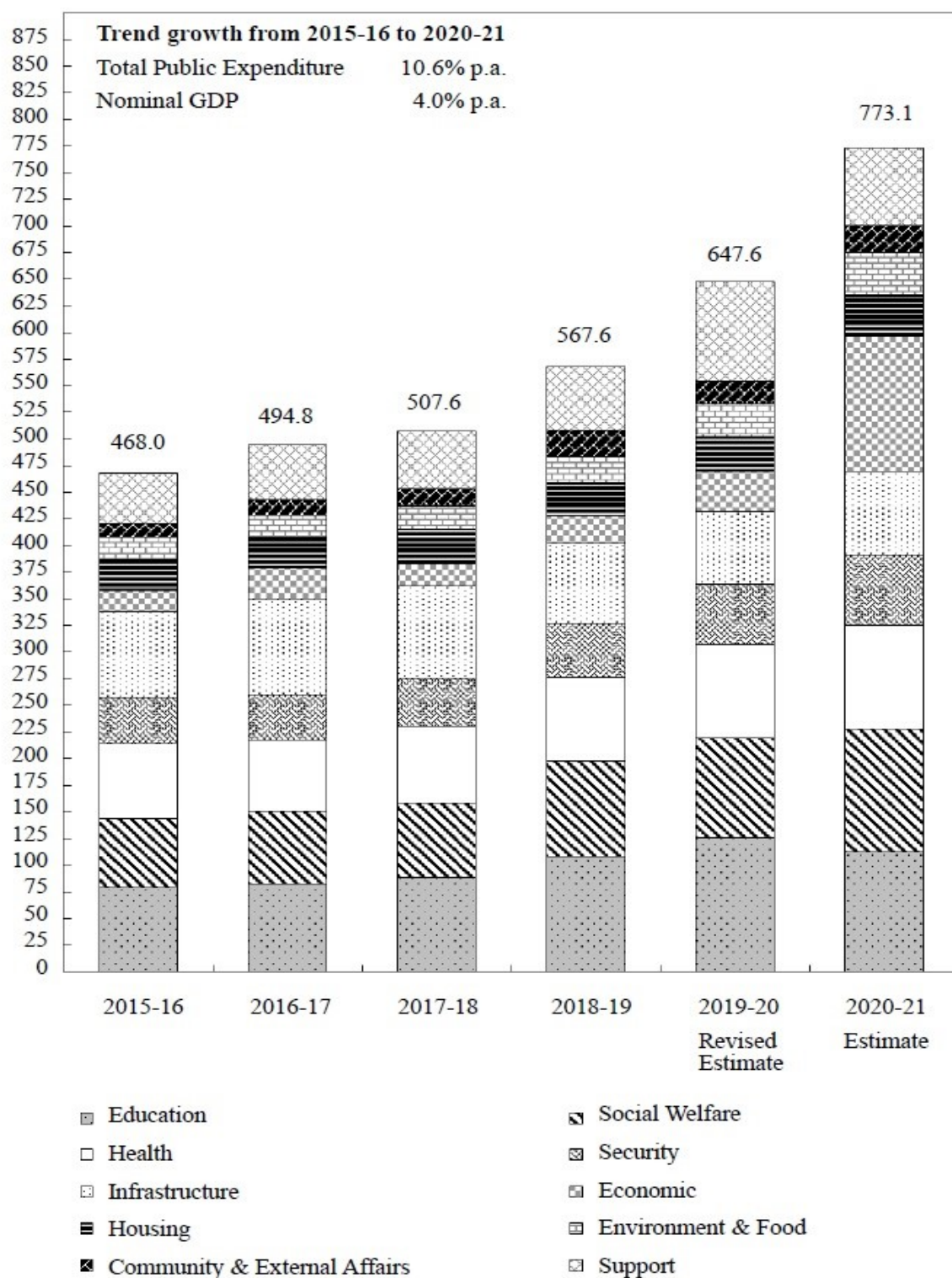




## SECTION V TRENDS IN PUBLIC EXPENDITURE : 2015-16 TO 2020-21

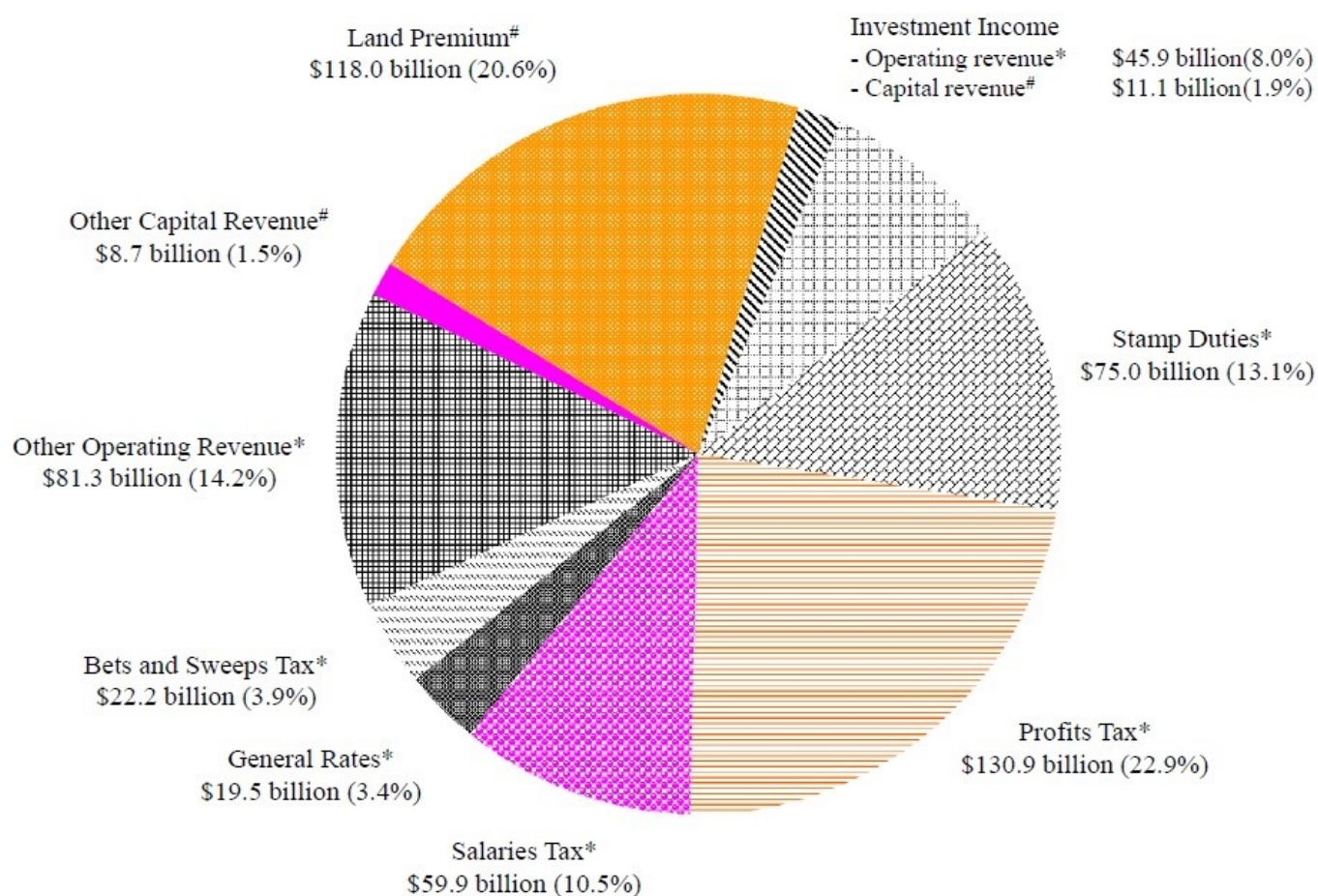
## Total Public Expenditure by Policy Area Group

(\$billion)



## SECTION VI ANALYSIS OF GOVERNMENT REVENUE

## 2020-21 Estimate (\$572.5 billion)



	2020-21 Estimate	% Share of Government Revenue	% of GDP
* Operating Revenue	\$434.7 billion	75.9%	14.9%
# Capital Revenue	\$137.8 billion	24.1%	4.8%
<b>Total</b>	<b>\$572.5 billion</b>	<b>100%</b>	<b>19.7%</b>

## SECTION VII CLASSIFICATION OF POLICY AREA GROUP

Policy Area Group	Policy Area (Note)	
Community and External Affairs	19	District and Community Relations
	18	Recreation, Culture, Amenities and Entertainment Licensing
Economic	3	Air and Sea Communications and Logistics Development
	6	Commerce and Industry
	8	Employment and Labour
	1	Financial Services
	17	Information Technology and Broadcasting
	34	Manpower Development
	4	Posts, Competition Policy and Consumer Protection
	7	Public Safety
	5	Travel and Tourism
Education	16	Education
Environment and Food	2	Agriculture, Fisheries and Food Safety
	32	Environmental Hygiene
	23	Environmental Protection, Conservation, Power and Sustainable Development
Health	15	Health
Housing	31	Housing
Infrastructure	22	Buildings, Lands, Planning, Heritage Conservation, Greening and Landscape
	21	Land and Waterborne Transport
	24	Water Supply, Drainage and Slope Safety
Security	12	Administration of Justice
	13	Anti-corruption
	10	Immigration Control
	9	Internal Security
	11	Legal Administration
	20	Legal Aid
Social Welfare	14	Social Welfare
	33	Women's Interests
Support	26	Central Management of the Civil Service
	30	Complaints Against Maladministration
	28	Constitutional and Mainland Affairs
	27	Intra-Governmental Services
	25	Revenue Collection and Financial Control
	29	Support for Members of the Legislative Council

*Note:* Details of individual heads of expenditure contributing to a particular policy area are provided in an index in Volume I of the 2020-21 Estimates. The index further provides details, by head of expenditure, of individual programmes which contribute to a policy area.

