

# Financial results for the seven months ended October 31, 2018

The Government announced today (November 30) its financial results for the seven months ended October 31, 2018.

There was a surplus of HK\$29.3 billion in the month of October, thereby bringing the cumulative year-to-date deficit down to HK\$46 billion. Expenditure for the seven-month period amounted to HK\$294.6 billion and revenue HK\$248.6 billion.

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

The fiscal reserves stood at HK\$1,056.9 billion as at October 31, 2018.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended October 31, 2018 HK\$ million	Seven months ended October 31, 2018 HK\$ million
Revenue	72,800.8	248,551.3
Expenditure	(43,483.1)	(294,565.6)
Surplus/(Deficit)	29,317.7	(46,014.3)
Financing		
Domestic		
Banking Sector (Note 2)	(29,108.2)	43,763.3
Non-Banking Sector	(209.5)	2,251.0
External	—	—
Total	(29,317.7)	46,014.3

Government Debts as at October 31, 2018 (Note 3)

HK\$1,500 million

Debts Guaranteed by Government as at October 31, 2018 (Note 4)

HK\$23,898.3 million

TABLE 2. FISCAL RESERVES

	Month ended October 31, 2018 HK\$ million	Seven months ended October 31, 2018 HK\$ million
Fiscal Reserves at start of period	1,027,601.7	1,102,933.7
Consolidated Surplus/ (Deficit)	29,317.7	(46,014.3)
Fiscal Reserves at end of period (Note 5)	1,056,919.4	1,056,919.4

Notes:

1. This Account consolidates the General Revenue Account and the following eight Funds: Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund. It excludes the Bond Fund, the balance of which is not part of the fiscal reserves. The Bond Fund balance as at October 31, 2018, was HK\$138,910 million.

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

3. These were the outstanding institutional notes as at October 31, 2018, which were denominated in Hong Kong dollars with maturity in July 2019. They do not include the outstanding bonds with nominal value of HK\$100,395 million and alternative bonds with nominal value of US\$3,000 million (equivalent to HK\$23,535 million as at October 31, 2018) issued under the Government Bond Programme (with proceeds credited to the Bond Fund). Of these bonds under the Government Bond Programme (including Silver Bonds with nominal value of HK\$5,795 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$26,077 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,845 million as at October 31, 2018) will mature within the period from November 2018 to October 2019 and the rest within the period from November 2019 to March 2032.

4. Includes guarantees provided under the SME Loan Guarantee Scheme launched in 2001, the Special Loan Guarantee Scheme launched in 2008, the Special Concessionary Measures under the SME Financing Guarantee Scheme launched in 2012, and a commercial loan of the Hong Kong Science and Technology Parks Corporation.

5. Includes HK\$219,730 million being the balance of the Land Fund held in the name of "Future Fund" as from January 1, 2016, for long-term investments initially up to December 31, 2025. As from July 1, 2016, the Future Fund also

includes HK\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.

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## Exchange Fund Abridged Balance Sheet and Currency Board Account

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) announced today (November 30) that the total assets of the Exchange Fund amounted to HK\$3,955.0 billion as at October 31, 2018, HK\$77.6 billion lower than that at the end of September 2018. Foreign currency assets decreased by HK\$44.5 billion and Hong Kong dollar assets decreased by HK\$33.1 billion.

The decline in foreign currency assets was mainly due to mark-to-market reduction in value of foreign currency portfolios. The decline in Hong Kong dollar assets was mainly due to the fall in market value of Hong Kong equities and a reduction in overnight liquidity provided under the Discount Window.

The Currency Board Account shows that the Monetary Base at the end of October 2018 was HK\$1,615.1 billion, decreased by HK\$4.6 billion, or 0.3 per cent, from the end of September 2018. The decline was mainly due to the decrease in the outstanding amount of Certificates of Indebtedness.

The amount of Backing Assets decreased by HK\$0.8 billion, or 0.05 per cent, to HK\$1,768.7 billion. The decrease was mainly attributable to the redemption of Certificates of Indebtedness, which was partly offset by revaluation gains and interest from investments. The backing ratio increased from 109.25 per cent at the end of September 2018 to 109.51 per cent at the end of October 2018.

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At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS). The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of November 2018, the scheduled dates for issuing the press releases are as follows:

November 7 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
November 14 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
November 30	SDDS Template on International Reserves and Foreign Currency Liquidity
November 30	Exchange Fund Abridged Balance Sheet and Currency Board Account

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## International Reserves and Foreign Currency Liquidity

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) released today (November 30) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of October 2018 (Annex). These data are published monthly in the Template on International Reserves and Foreign Currency Liquidity in accordance with the International Monetary Fund's Special Data Dissemination Standard.

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## Hong Kong Customs combats restaurants supplying short-weight seafood (with photo)

Hong Kong Customs conducted an operation to combat restaurants supplying short-weight seafood from November 19 to today (November 30). During the operation, three restaurants were found to be suspected of supplying short-weight Alaskan crabs.

Customs officers conducted test-buy operations at restaurants in different districts and ordered Alaskan crab. The crabs supplied by three restaurants located in North Point, Kwai Chung and Tseung Kwan O were found short of weight by 8 taels to 12.9 taels. The spring scale of the restaurant in Tseung Kwan O was also found to be inaccurate.

Investigations are ongoing.

Under the Weights and Measures Ordinance (WMO), any person who in the course of trade supplies goods to another person by weight or measure should supply the goods in net weight or net measure. Any shortage of the quantity purported to be supplied is an offence. The maximum penalty upon conviction is a fine of \$10,000. In addition, any person who uses for trade, or has in his possession for use for trade, any weighing or measuring equipment which is false or defective commits an offence. The maximum penalty upon conviction is a fine of \$20,000.

Customs appeals to traders to comply with the requirements of the WMO. Customs also reminds consumers to purchase products from reputable shops and pay attention to the process of weighing by restaurants when ordering food supplied by weight.

Customs will continue to take stringent enforcement action against short-weight activities at restaurants to protect consumers' interests and uphold a fair trading environment.

Members of the public may report any suspected violations of the WMO to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account ([crimereport@customs.gov.hk](mailto:crimereport@customs.gov.hk)).



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## Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Friday, November 30, 2018 is 105.8 (up 0.1 against yesterday's index).