

Financial results for month ended April 30, 2023

The Government announced today (May 31) its financial results for April 2023, the first month of the current financial year.

Expenditure for the first month amounted to HK\$69.6 billion and revenue HK\$34.8 billion, resulting in a deficit of HK\$34.8 billion.

A Government spokesperson said that the deficit in April was mainly due to the fact that some major types of revenue including salaries and profits taxes are mostly received towards the end of a financial year.

The fiscal reserves stood at HK\$800 billion as at April 30, 2023.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended April 30, 2023 HK\$ million
Revenue	34,819.5
Expenditure	(69,561.7)
Deficit	(34,742.2)
Financing	
Domestic	
Banking Sector (Note 2)	25,968.2
Non-Banking Sector	8,774.0
External	–
Total	34,742.2

Government Debts as at April 30, 2023 (Note 3)

HK\$122,621 million

Debts Guaranteed by Government as at April 30, 2023 (Note 4)

HK\$144,918 million

TABLE 2. FISCAL RESERVES

	Month ended April 30, 2023 HK\$ million
Fiscal Reserves at start of period	834,789.8
Consolidated Deficit	(34,742.2)
Fiscal Reserves at end of period (Note 5)	800,047.6

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 April 30, 2023, was HK\$255,839 million.

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

3. These were the Green Bonds (equivalent to HK\$122,621 million as at April 30, 2023) issued under the Government Green Bond Programme. They were denominated in US dollars (US\$7,500 million with maturity from May 2024 to January 2053), euros (3,000 million euros with maturity from January 2025 to November 2041), Renminbi (RMB15,000 million with maturity from November 2024 to January 2028) and Hong Kong dollars (HK\$20,800 million with maturity from February 2024 to May 2025). They do not include the outstanding bonds with nominal value of HK\$211,003 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,850 million as at April 30, 2023) 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\$87,503 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$1,500 million were repaid upon maturity on May 18, 2023; bonds with nominal value of HK\$45,730 million will mature within the period from June 2023 to April 2024 and the rest within the period from May 2024 to May 2042.

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

5. Includes HK\$305,733 million, being the balance of the Land Fund held in the name of "Future Fund", for long-term investments initially up to December 31, 2025. The Future Fund also includes HK\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.

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 (May 31) that the total assets of the Exchange Fund amounted to HK\$4,032.9 billion as at April 30, 2023, HK\$44.2 billion lower than that at the end of March 2023. Foreign currency assets decreased by HK\$39.7 billion and Hong Kong dollar assets decreased by HK\$4.5 billion.

The decline in foreign currency assets was mainly due to the sale of US dollars under the Currency Board arrangements and the withdrawals of Fiscal Reserves placements, which were partly offset by an increase in the interest income and the mark-to-market revaluation on investments. The decline in Hong Kong dollar assets was mainly due to the mark-to-market revaluation on Hong Kong equities.

The Currency Board Account shows that the Monetary Base at the end of April 2023 was HK\$1,879.5 billion, decreased by HK\$24.2 billion, or 1.3 per cent, from the end of March 2023. The decline was mainly due to the purchase of HK dollars under the Currency Board arrangements.

The amount of Backing Assets decreased by HK\$17.4 billion, or 0.8 per cent, to HK\$2,112.2 billion at the end of April 2023. The decrease was mainly attributable to the sale of US dollars under the Currency Board arrangements, which was partly offset by the interest from investments. The backing ratio increased from 111.86 per cent at the end of March 2023 to 112.38 per cent at the end of April 2023.

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 May 2023, the scheduled dates for issuing the press releases are as follows:

May 5 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
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May 12 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
May 31	SDDS Template on International Reserves and Foreign Currency Liquidity
May 31	Exchange Fund Abridged Balance Sheet and Currency Board Account

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 (May 31) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of April 2023 (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 (SDDS).

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 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 May 2023, the scheduled dates for issuing the press releases are as follows:

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May 31	Exchange Fund Abridged Balance Sheet and Currency Board Account

Residential mortgage survey results for April 2023

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

The Hong Kong Monetary Authority announced the results of the residential mortgage survey for April 2023.

The number of mortgage applications in April decreased month-on-month by 27.6 per cent to 8 368.

Mortgage loans approved in April decreased by 21.2 per cent compared with March to HK\$35.4 billion. Among these, mortgage loans financing primary market transactions increased by 0.8 per cent to HK\$9.7 billion and those financing secondary market transactions decreased by 29 per cent to HK\$21.3 billion. Mortgage loans for refinancing decreased by 17.5 per cent to HK\$4.4 billion.

Mortgage loans drawn down during April decreased by 6.5 per cent compared with March to HK\$17.1 billion.

The ratio of new mortgage loans priced with reference to HIBOR increased from 86.6 per cent in March to 93.9 per cent in April. The ratio of new mortgage loans priced with reference to best lending rates decreased from 9.1 per cent in March to 2.9 per cent in April.

The outstanding value of mortgage loans increased month-on-month by 0.2 per cent to HK\$1,822.8 billion at end-April.

The mortgage delinquency ratio remained unchanged at 0.06 per cent and the rescheduled loan ratio remained unchanged at nearly 0 per cent.

Monetary statistics for April 2023

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

According to statistics published today (May 31) by the Hong Kong Monetary Authority, total deposits with authorized institutions remained virtually unchanged in April 2023. Among the total, Hong Kong dollar deposits decreased by 0.4 per cent while foreign currency deposits increased by 0.5 per cent in April. In the year to end-April, total deposits and Hong Kong dollar deposits grew by 0.6 per cent and 2.1 per cent respectively. Renminbi deposits in Hong Kong increased by 4.9 per cent in April to RMB833.0 billion

at the end of April, mainly reflecting fund flows of corporates. The total remittance of renminbi for cross-border trade settlement amounted to RMB725.3 billion in April, compared with RMB949.6 billion in March. It should be noted that changes in deposits are affected by a wide range of factors, such as interest rate movements and fund-raising activities. It is therefore more appropriate to observe the longer-term trends, and not to over-generalise fluctuations in a single month.

Total loans and advances decreased by 0.7 per cent in April, but increased by 0.2 per cent in the year to end-April. Among the total, loans for use in Hong Kong (including trade finance) and loans for use outside Hong Kong decreased by 0.8 per cent and 0.3 per cent respectively in April. The Hong Kong dollar loan-to-deposit ratio increased to 88.7 per cent at the end of April from 88.2 per cent at the end of March, as Hong Kong dollar deposits decreased while Hong Kong dollar loans increased.

Hong Kong dollar M2 and M3 both decreased by 0.4 per cent in April and both rose by 0.9 per cent when compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 decreased by 1.6 per cent in April and decreased by 20.1 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and total M3 both rose by 0.1 per cent in April. Compared to a year earlier, total M2 and total M3 both rose by 1.7 per cent.

As monthly monetary statistics are subject to volatilities due to a wide range of transient factors, such as seasonal and IPO-related funding demand as well as business and investment-related activities, caution is required when interpreting the statistics.