

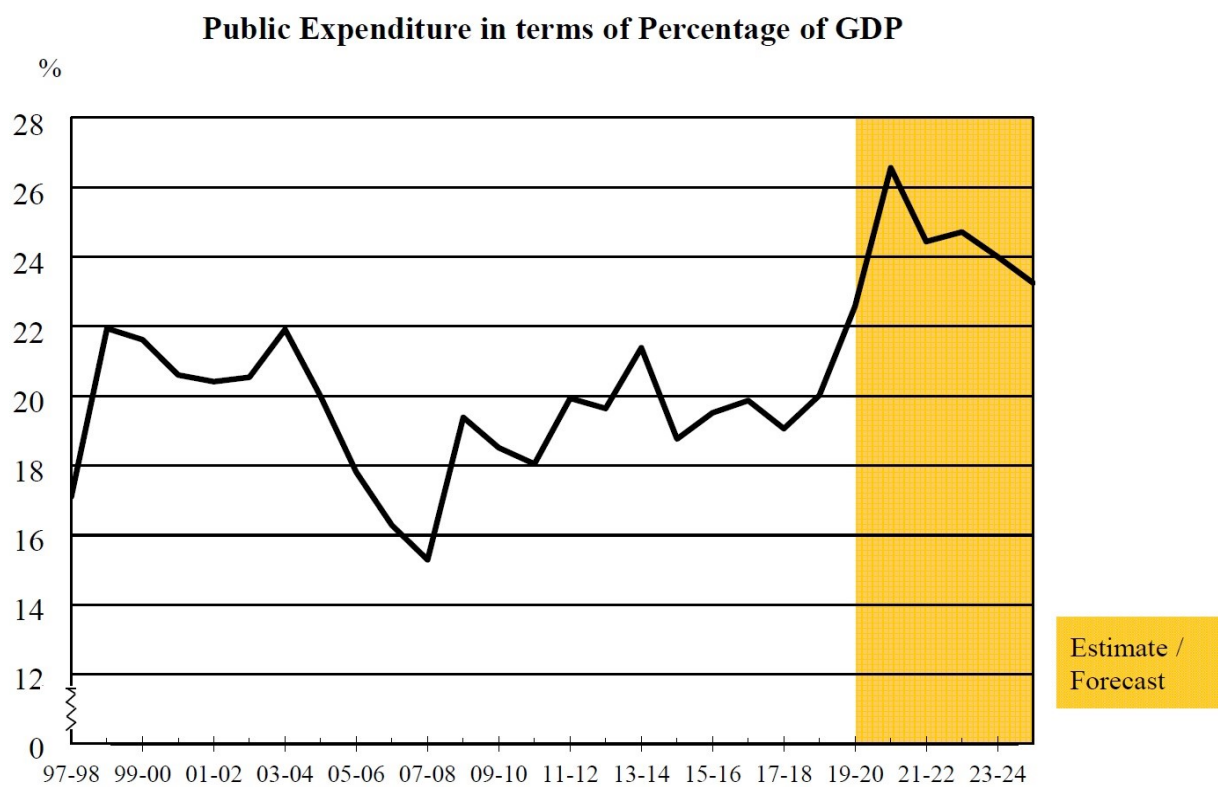
APPENDIX B

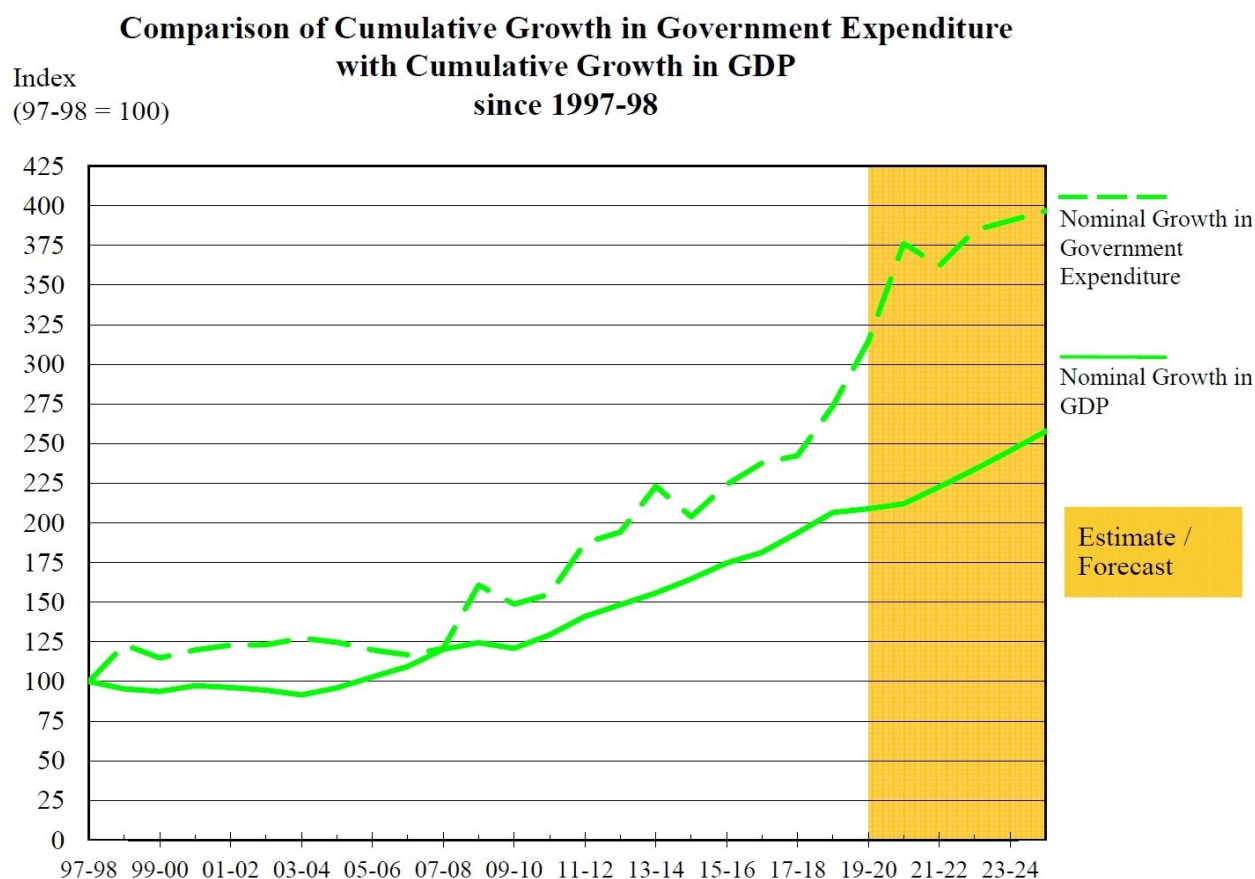
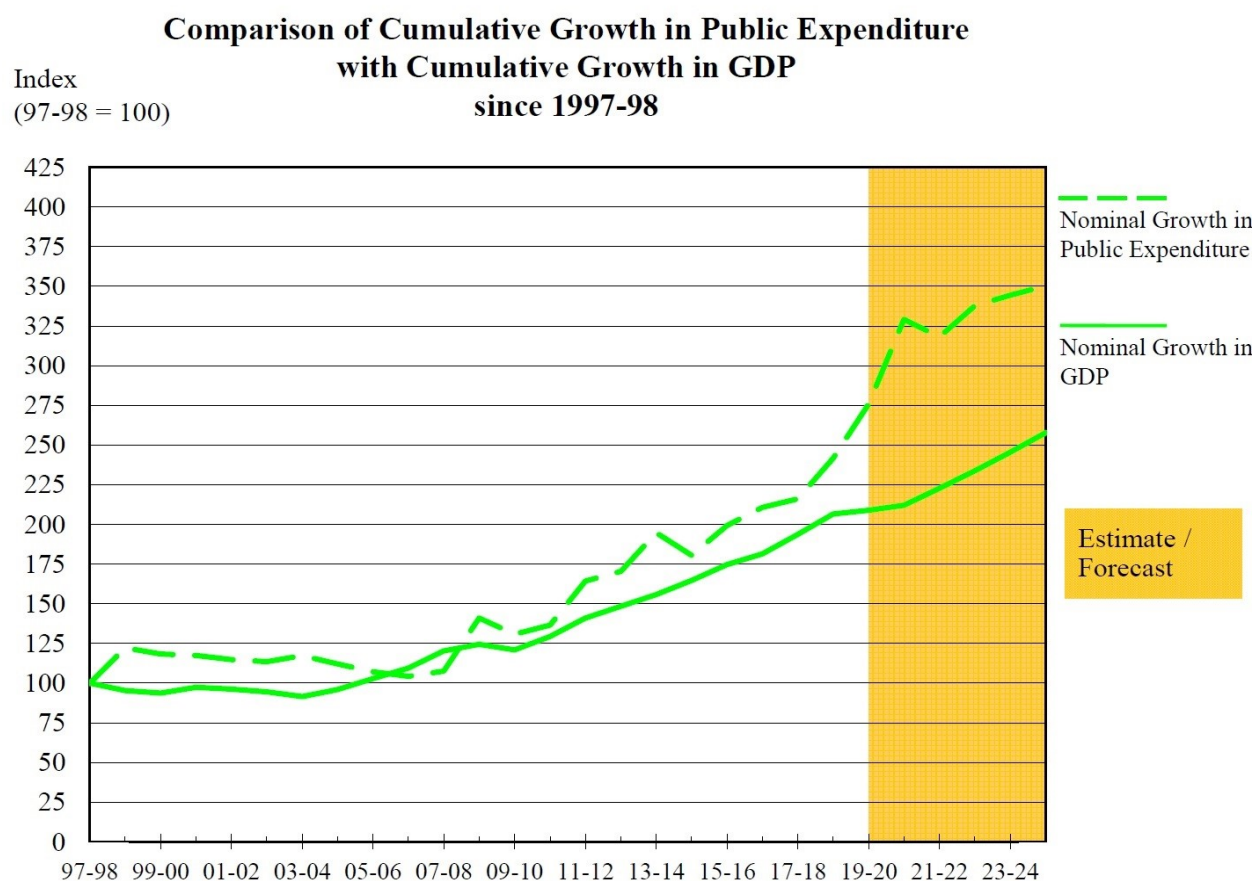
ANALYSIS OF EXPENDITURE AND REVENUE

CONTENTS	Page
SECTION I THE ESTIMATES IN THE CONTEXT OF THE ECONOMY	
Relationship between Government Expenditure, Public Expenditure and GDP	18
SECTION II RECURRENT PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP	
Recurrent Public Expenditure : Year-on-Year Change	22
Recurrent Government Expenditure : Year-on-Year Change	23
Percentage Share of Expenditure by Policy Area Group	24
Recurrent Public Expenditure	
Recurrent Government Expenditure	
SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP	
Total Public Expenditure : Year-on-Year Change	25
Total Government Expenditure : Year-on-Year Change	26
Percentage Share of Expenditure by Policy Area Group	27
Total Public Expenditure	
Total Government Expenditure	
SECTION IV MAJOR CAPITAL PROJECTS PLANNED FOR COMMENCEMENT IN 2020-21	28
SECTION V TRENDS IN PUBLIC EXPENDITURE : 2015-16 TO 2020-21	30
SECTION VI ANALYSIS OF GOVERNMENT REVENUE	32
SECTION VII CLASSIFICATION OF POLICY AREA GROUP	33

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

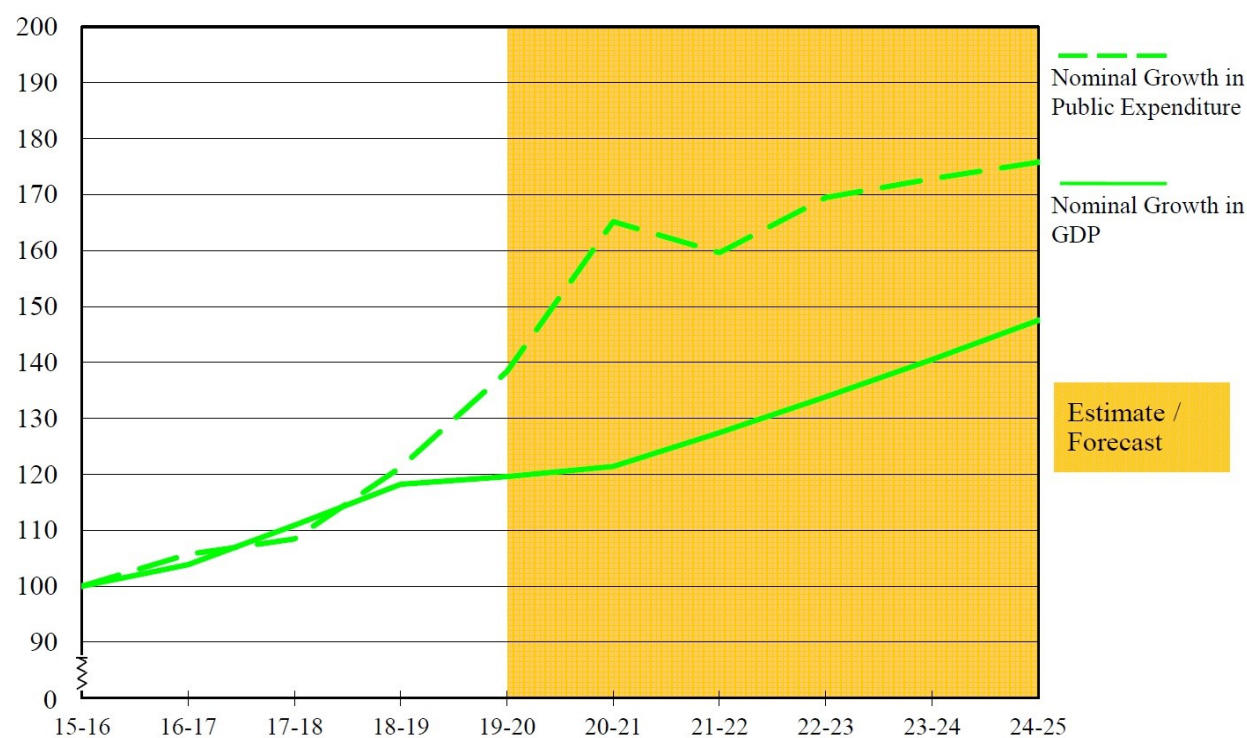
	2020-21 Estimate \$m
General Revenue Account	
Operating	617,700
Capital	7,635
	<hr/> 625,335
Capital Investment Fund	4,115
Capital Works Reserve Fund	87,562
Innovation and Technology Fund	6,568
Loan Fund	2,880
Lotteries Fund	4,635
Government Expenditure	<hr/> 731,095
Trading Funds	6,332
Housing Authority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





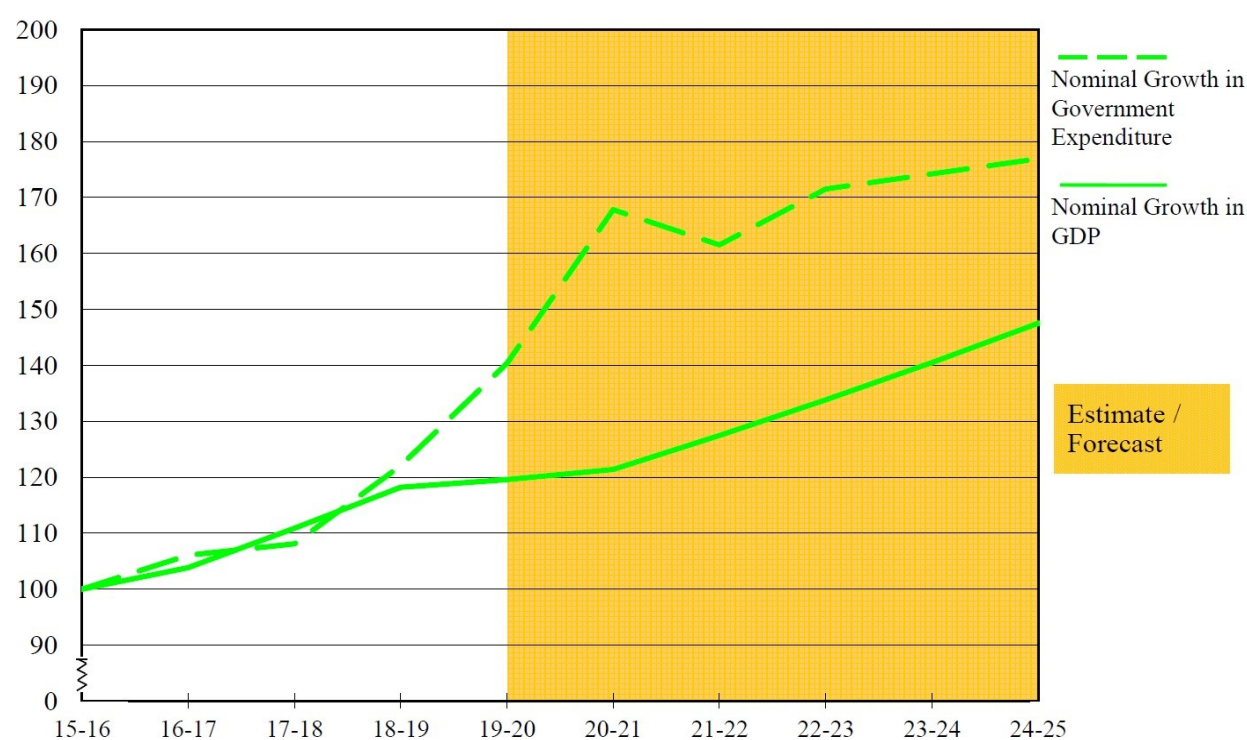
**Comparison of Cumulative Growth in Public Expenditure
with Cumulative Growth in GDP
since 2015-16**

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

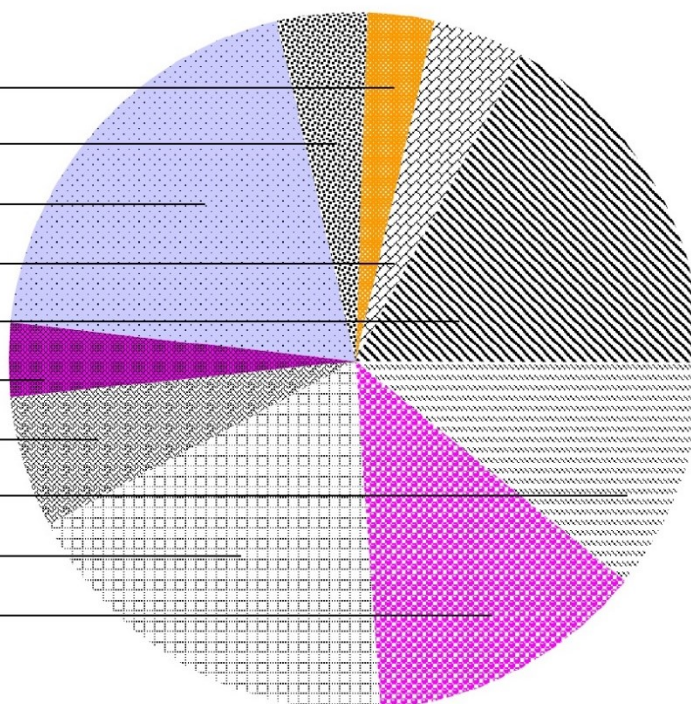
SECTION II RECURRENT PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

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

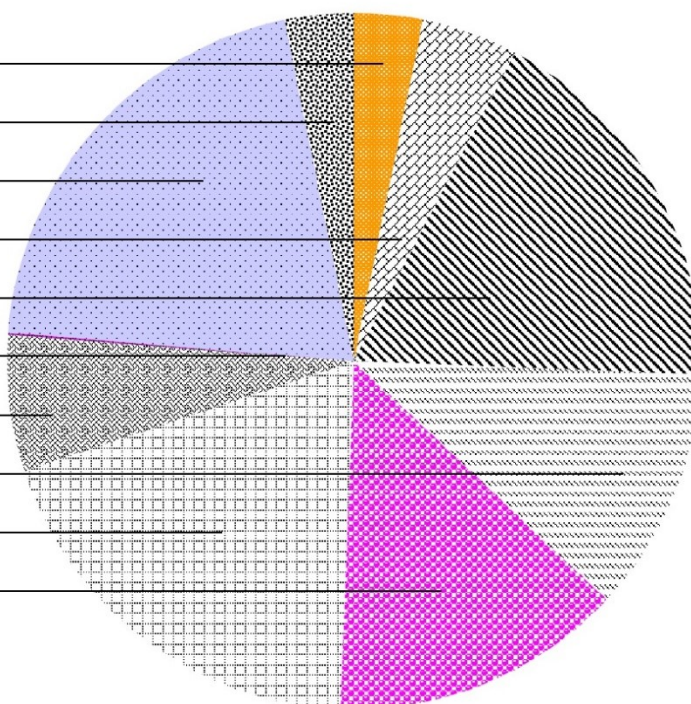
Percentage Share of Expenditure by Policy Area Group
Recurrent Public Expenditure : 2020-21 Estimate

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 %
Education	108,035	125,861	112,304	-10.8	-13.2
Social Welfare	90,126	93,148	115,019	23.5	18.2
Health	78,275	87,877	97,694	11.2	8.0
Security	50,455	56,959	65,818	15.6	12.4
Infrastructure	75,211	67,868	78,622	15.8	11.2
Environment and Food	24,291	30,593	39,978	30.7	25.9
Economic	26,034	38,267	126,904	231.6	223.9
Housing	31,159	32,520	38,954	19.8	15.4
Community and External Affairs	24,835	20,946	25,486	21.7	17.1
Support	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
GDP growth in 2020				0.5% to 2.5%	-1.5% to 0.5%

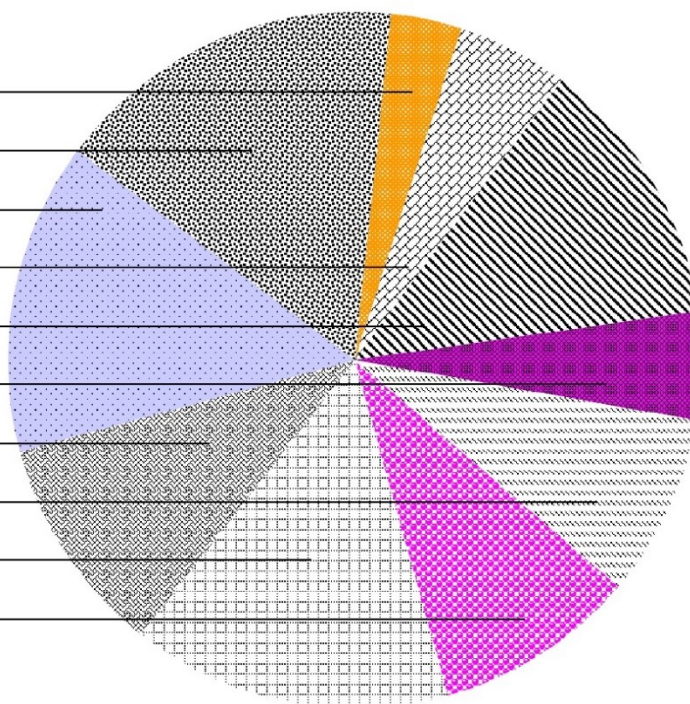
SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

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

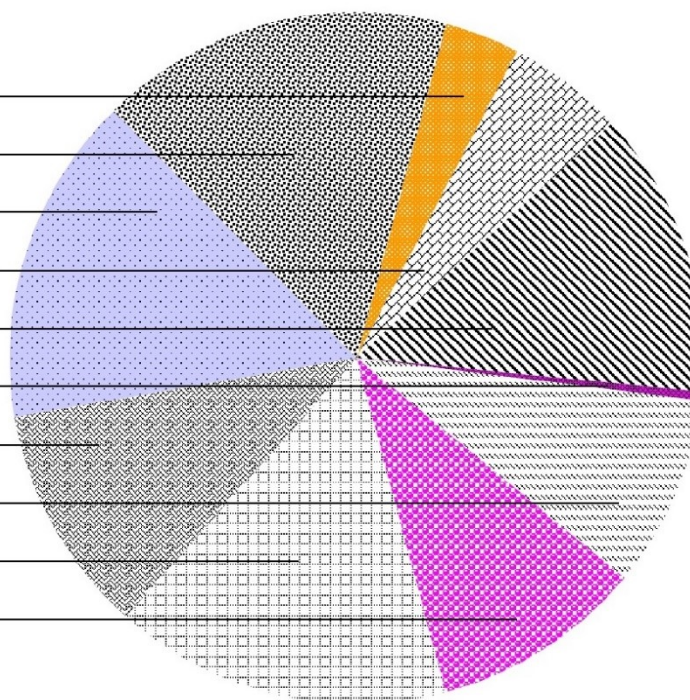
Percentage Share of Expenditure by Policy Area Group
Total Public Expenditure : 2020-21 Estimate

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 –

	Project Estimates \$ billion
Infrastructure	40.5
— 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	
Environment and Food	31.3
— 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	
Health	23.8
— 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	

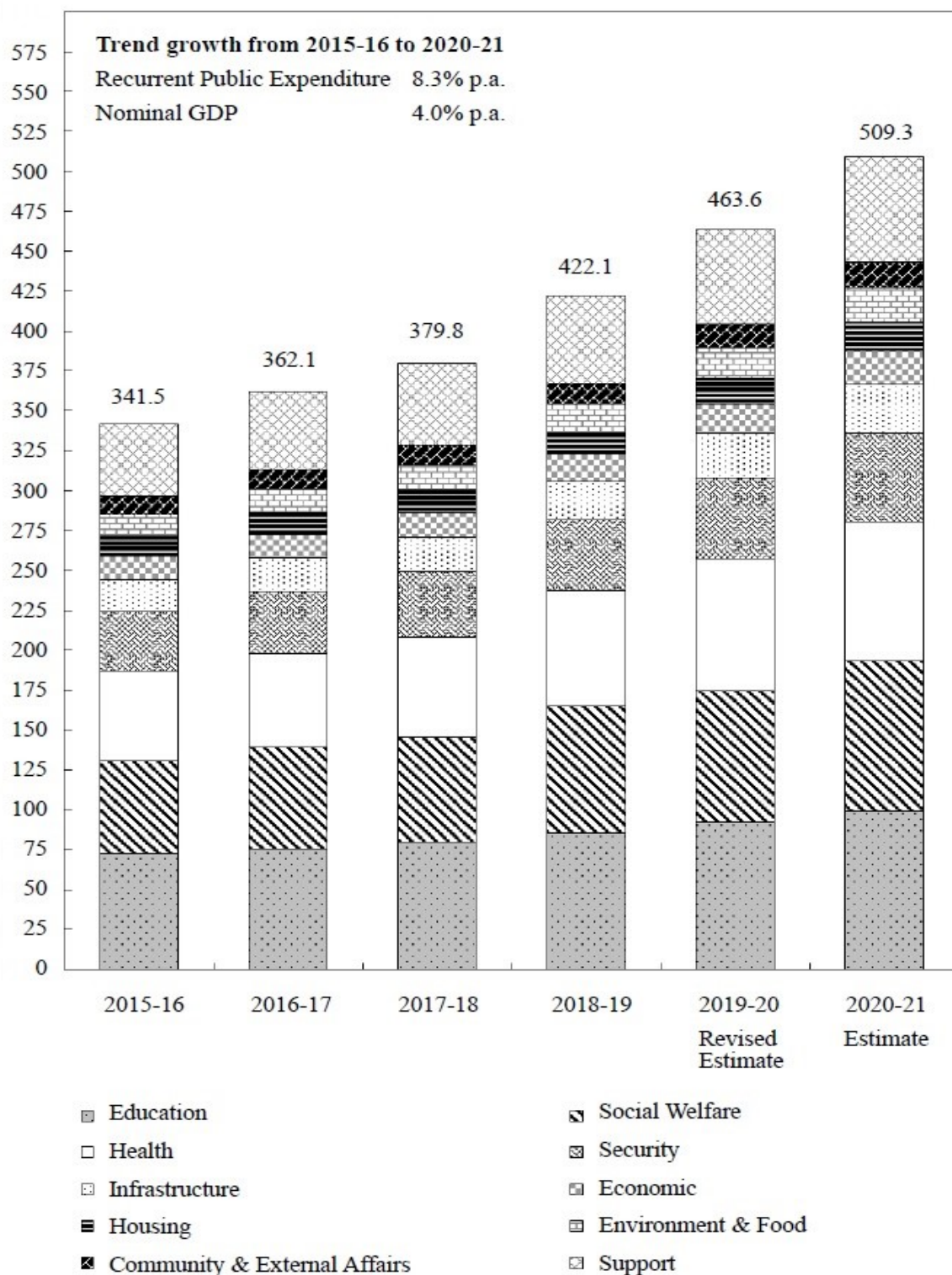
**Project
Estimates
\$ billion**

Support	14.5
— 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	
Community and External Affairs	3.2
— 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	
Economic	3.0
— Provision of facilities and accommodation for various government departments to support the Three-Runway System at Hong Kong International Airport	
Education	1.0
— A 30-classroom primary school at Site KT2c, Development at Anderson Road, Kwun Tong	
— Redevelopment of No. 2 University Drive (Building 1)	
Security	1.0
— 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

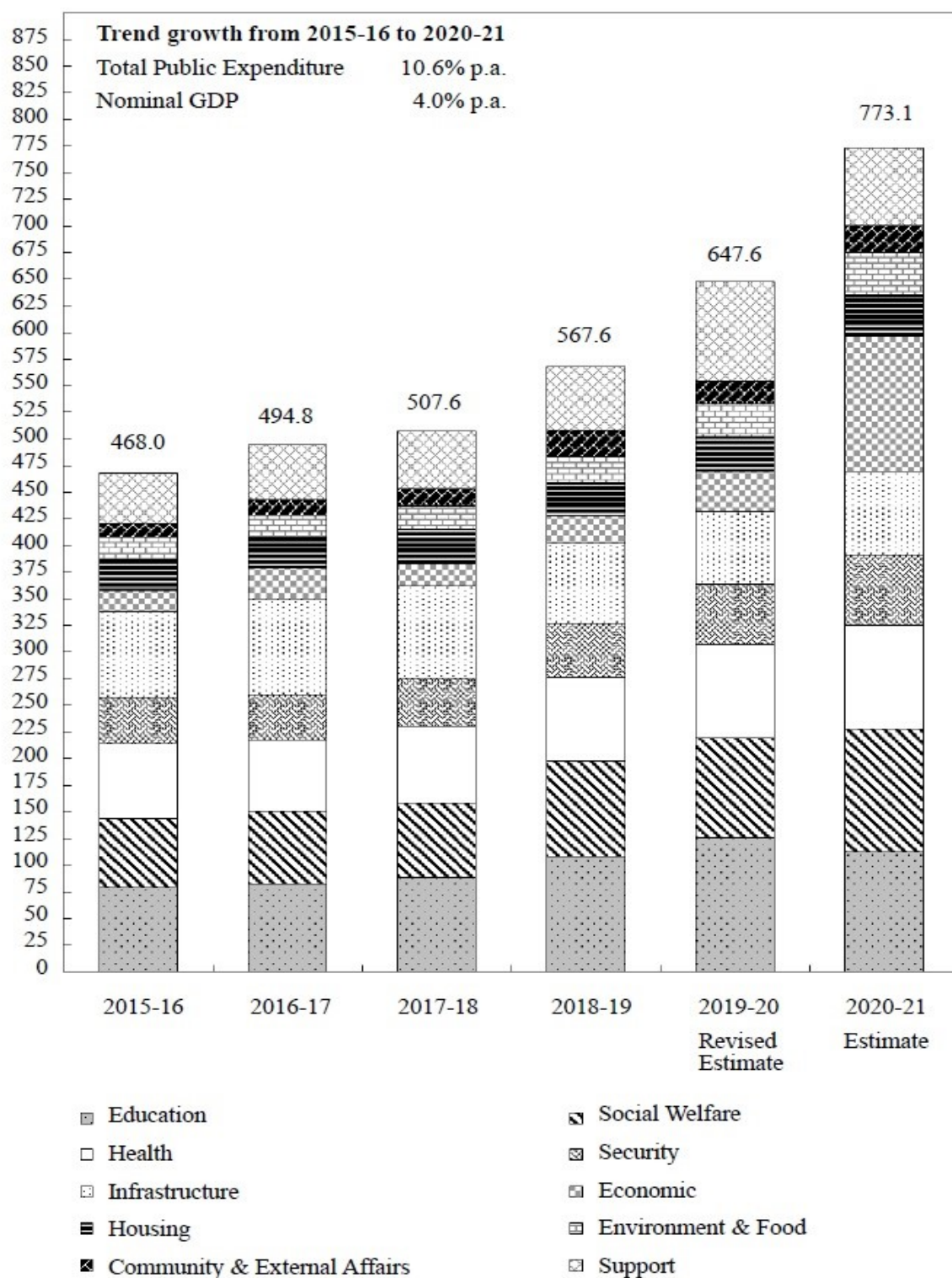
(\$billion)



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

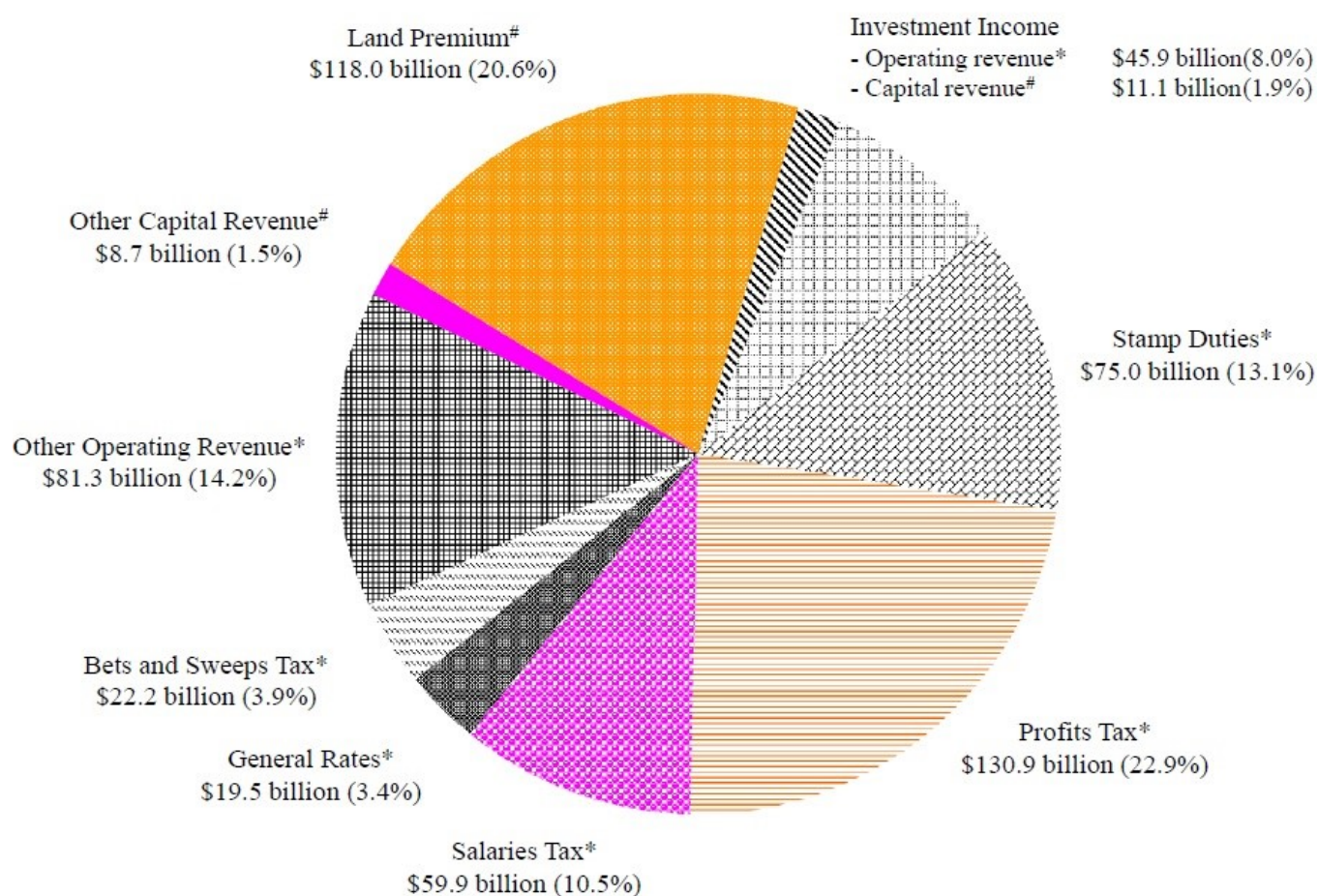
Total Public Expenditure by Policy Area Group

(\$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%
Total	\$572.5 billion	100%	19.7%

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.

