

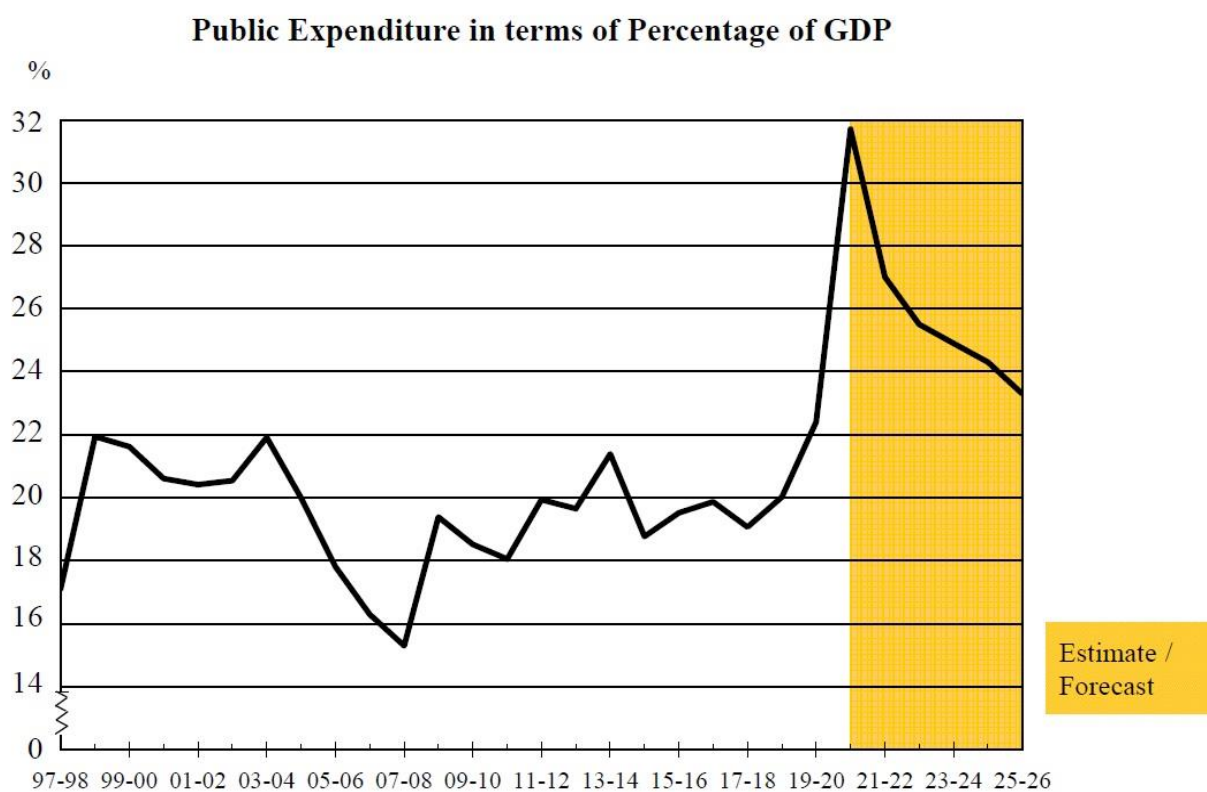
APPENDIX B

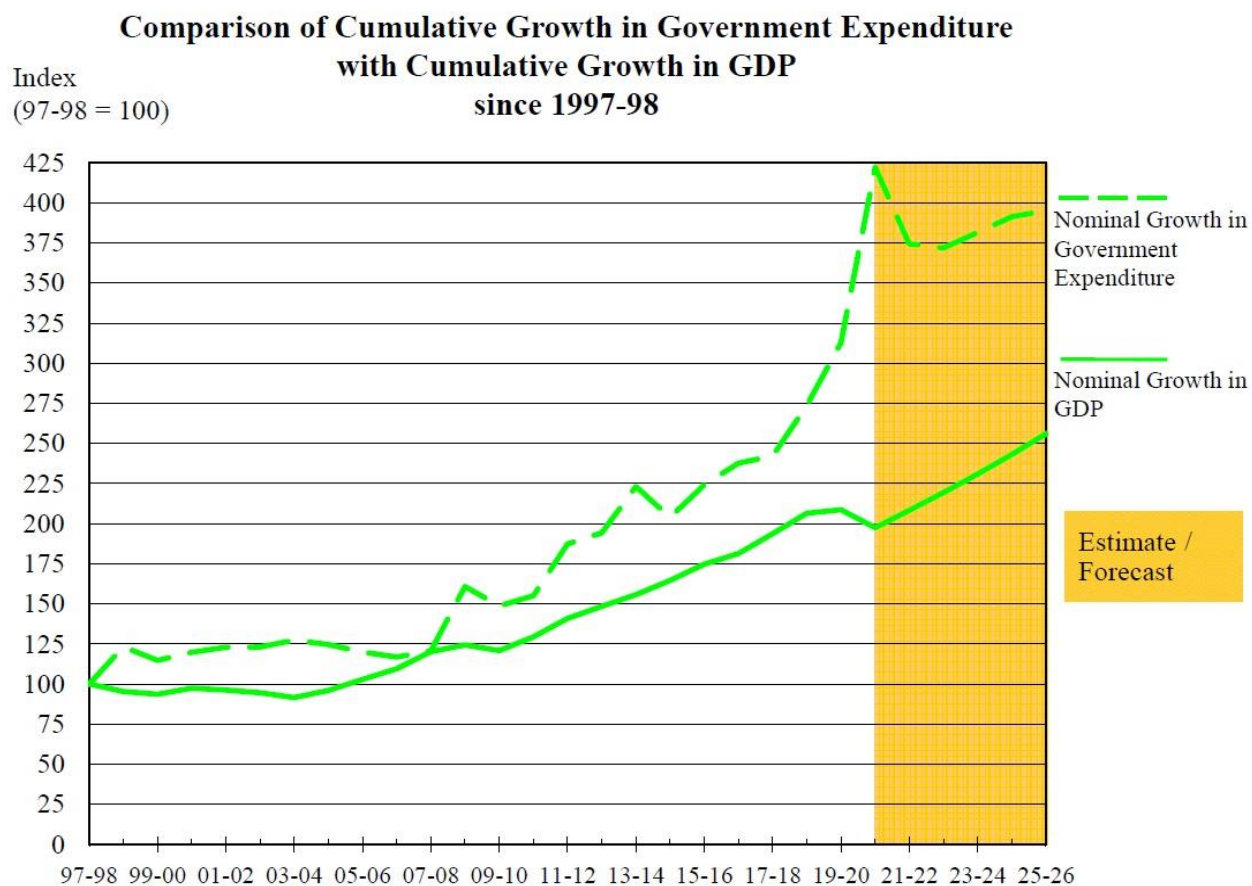
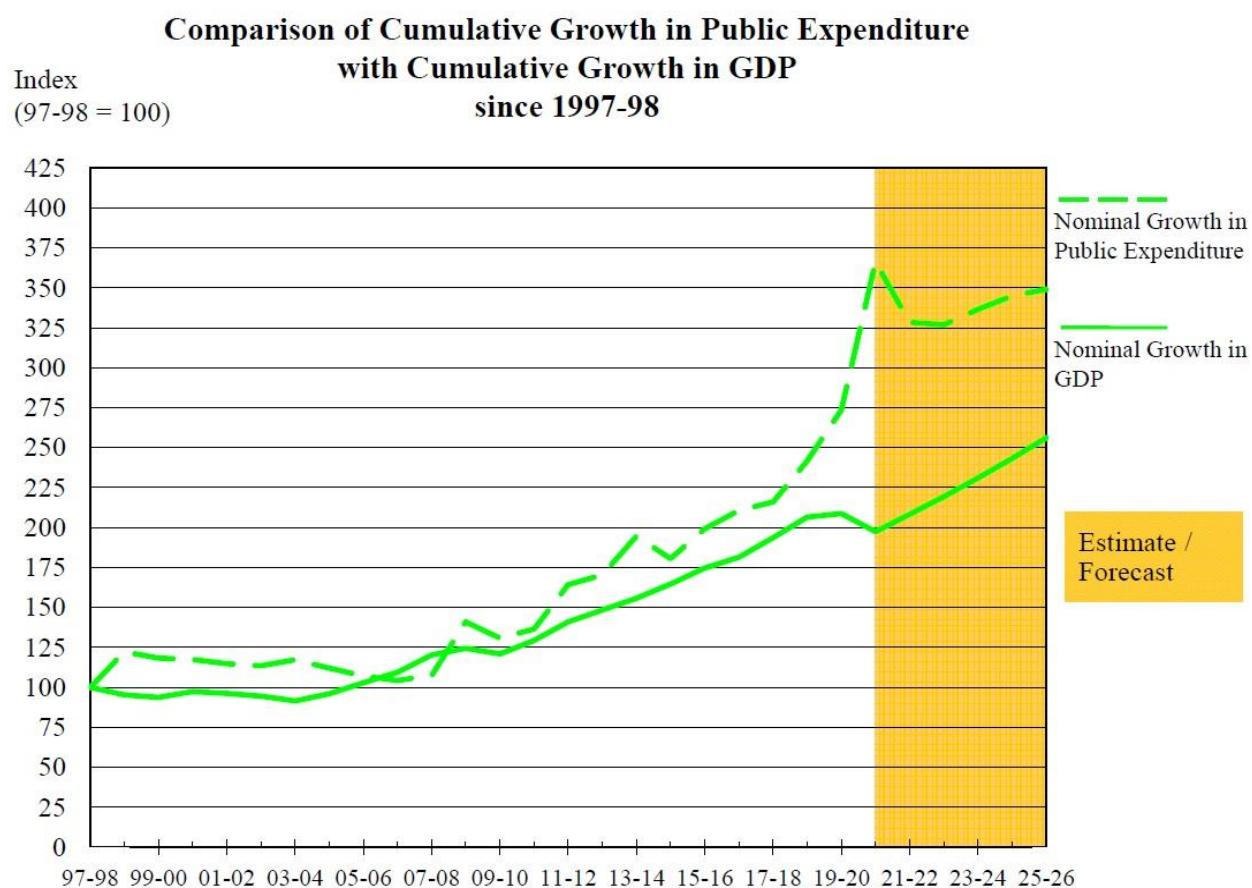
ANALYSIS OF EXPENDITURE AND REVENUE

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 2021-22	28
SECTION V TRENDS IN PUBLIC EXPENDITURE : 2016-17 TO 2021-22	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**

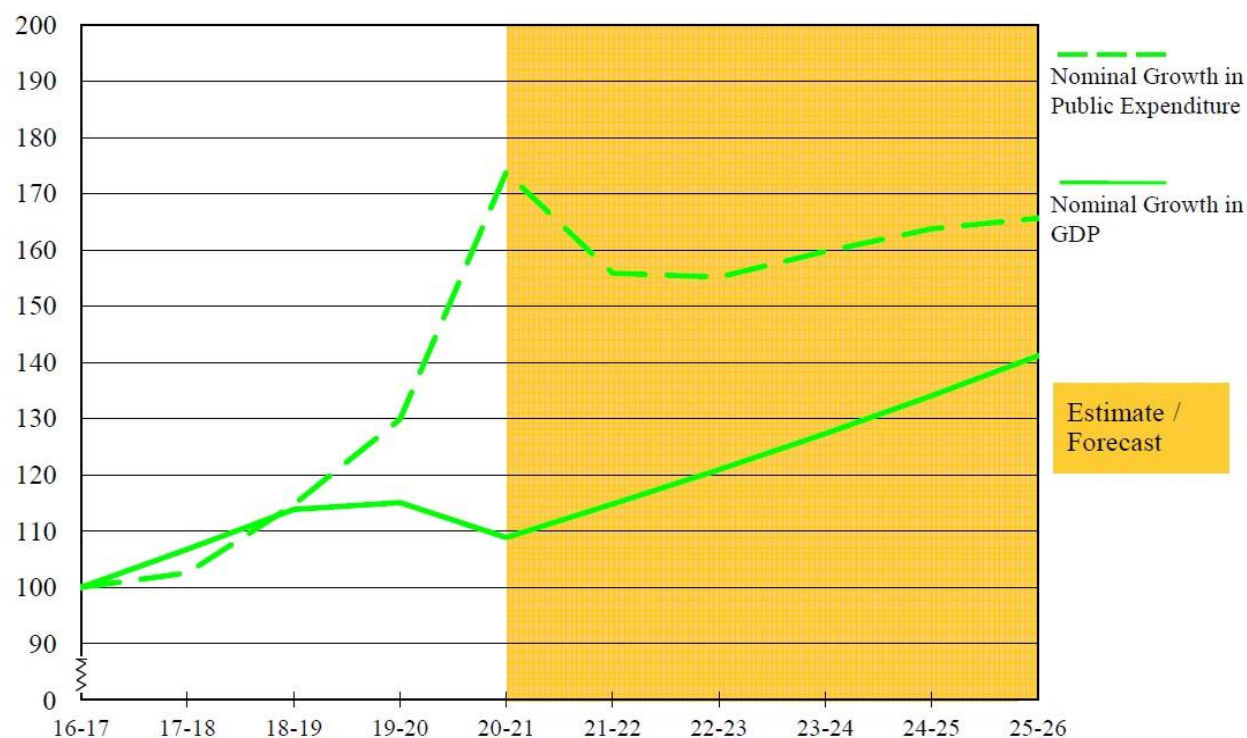
	2021-22 Estimate \$m
General Revenue Account	
Operating	611,898
Capital	8,393
	<hr/> 620,291
Capital Investment Fund	2,654
Capital Works Reserve Fund	92,426
Innovation and Technology Fund	5,062
Land Fund	2
Loan Fund	2,818
Lotteries Fund	4,574
Government Expenditure	<hr/> 727,827
Trading Funds	6,760
Housing Authority	36,804
Public Expenditure	<hr/> 771,391
GDP	2,859,800
Public Expenditure in terms of percentage of GDP	27.0%





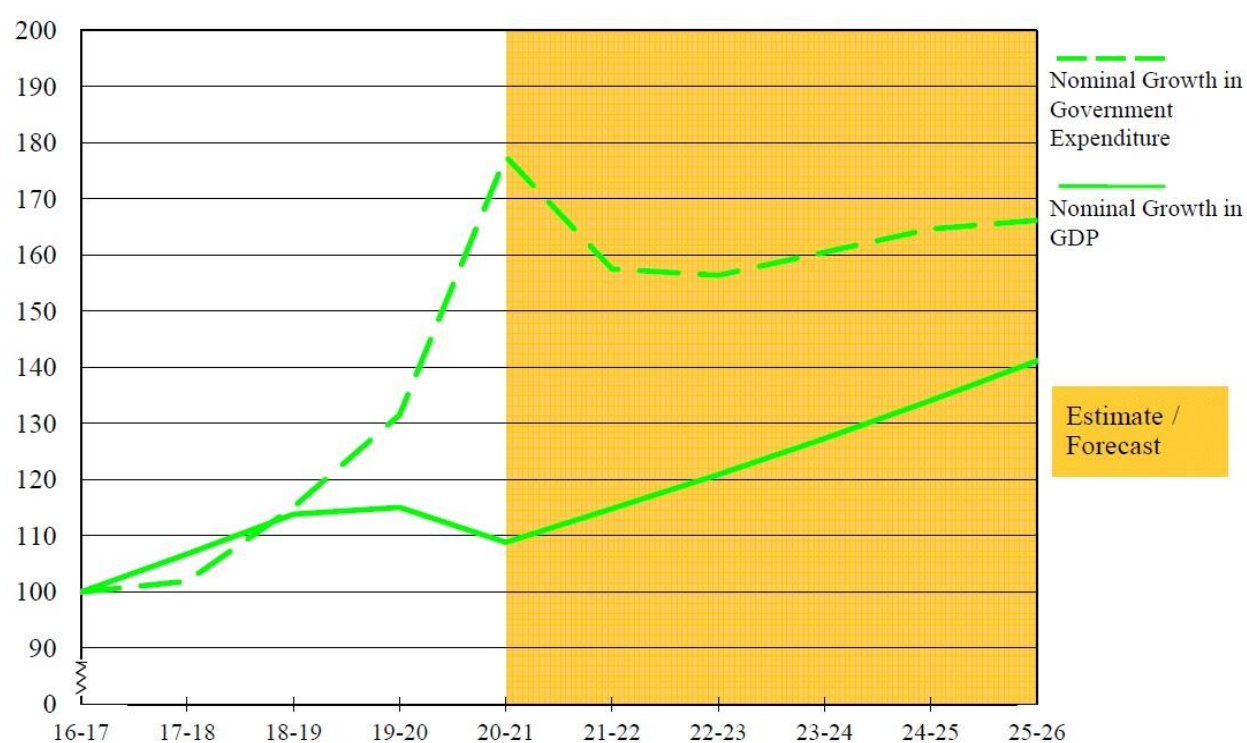
**Comparison of Cumulative Growth in Public Expenditure
with Cumulative Growth in GDP
since 2016-17**

Index
(16-17 = 100)



**Comparison of Cumulative Growth in Government Expenditure
with Cumulative Growth in GDP
since 2016-17**

Index
(16-17 = 100)



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

Recurrent Public Expenditure : Year-on-Year Change

	2019-20 Actual \$m	2020-21 Revised Estimate \$m	2021-22 Estimate \$m	Increase/Decrease over 2020-21 Revised Estimate in Nominal Terms %	in Real Terms %
Education	92,438	97,123	100,710	3.7	3.4
Social Welfare	81,555	90,936	105,689	16.2	14.5
Health	82,142	88,929	95,943	7.9	7.6
Security	50,539	51,229	54,455	6.3	6.0
Infrastructure	27,439	29,361	33,411	13.8	13.2
Environment and Food	18,636	20,541	22,065	7.4	6.7
Economic	18,582	19,959	22,258	11.5	10.7
Housing	16,030	17,207	18,208	5.8	4.4
Community and External Affairs	14,535	15,162	16,164	6.6	6.0
Support	57,937	63,999	72,612	13.5	12.4
	<u>459,833</u>	<u>494,446</u>	<u>541,515</u>	9.5	8.8
GDP growth in 2021				4.5% to 6.5%	3.5% to 5.5%

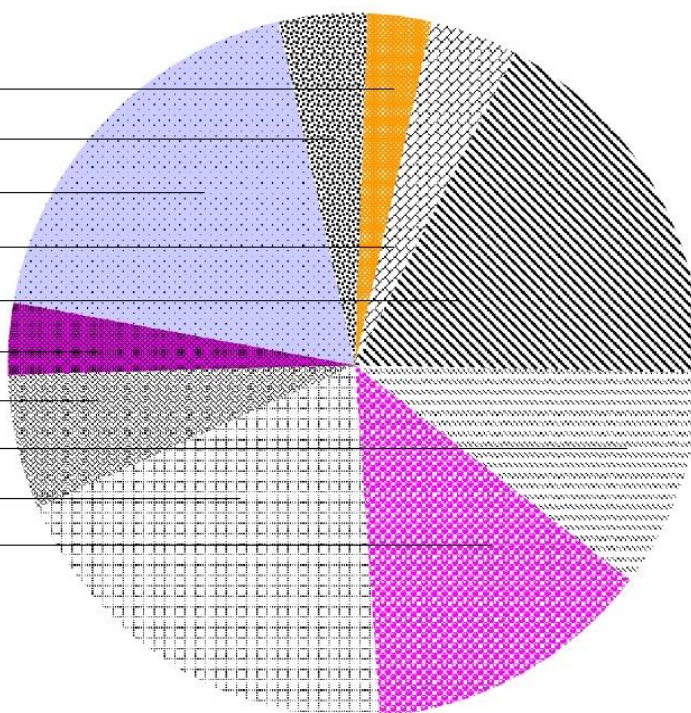
SECTION II RECURRENT PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

Recurrent Government Expenditure : Year-on-Year Change

	2019-20 Actual \$m	2020-21 Revised Estimate \$m	2021-22 Estimate \$m	Increase/Decrease over 2020-21 Revised Estimate in Nominal Terms %	in Real Terms %
Education	92,438	97,123	100,710	3.7	3.4
Social Welfare	81,555	90,936	105,689	16.2	14.5
Health	82,142	88,929	95,943	7.9	7.6
Security	50,539	51,229	54,455	6.3	6.0
Infrastructure	27,206	29,114	33,155	13.9	13.3
Environment and Food	18,636	20,541	22,065	7.4	6.7
Economic	13,287	14,513	16,190	11.6	11.0
Housing	485	600	641	6.8	6.8
Community and External Affairs	14,535	15,162	16,164	6.6	6.0
Support	57,937	63,999	72,612	13.5	12.4
	<u>438,760</u>	<u>472,146</u>	<u>517,624</u>	9.6	8.9
GDP growth in 2021				4.5% to 6.5%	3.5% to 5.5%

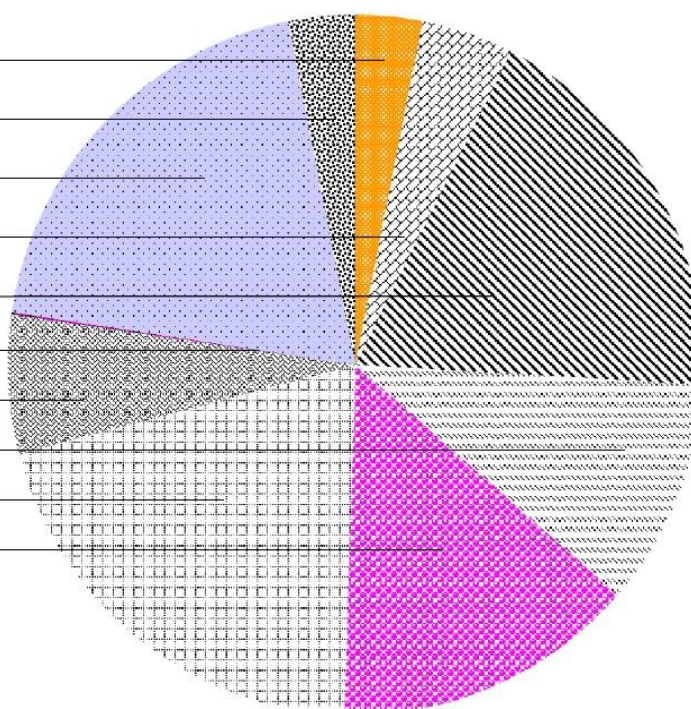
Percentage Share of Expenditure by Policy Area Group
Recurrent Public Expenditure : 2021-22 Estimate

Community and External Affairs	3.0%
Economic	4.1%
Education	18.6%
Environment and Food	4.1%
Health	17.7%
Housing	3.3%
Infrastructure	6.2%
Security	10.1%
Social Welfare	19.5%
Support	13.4%
	100.0%



Percentage Share of Expenditure by Policy Area Group
Recurrent Government Expenditure : 2021-22 Estimate

Community and External Affairs	3.1%
Economic	3.1%
Education	19.5%
Environment and Food	4.3%
Health	18.5%
Housing	0.1%
Infrastructure	6.4%
Security	10.5%
Social Welfare	20.4%
Support	14.1%
	100.0%



SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

Total Public Expenditure : Year-on-Year Change

	2019-20 Actual \$m	2020-21 Revised Estimate \$m	2021-22 Estimate \$m	Increase/Decrease over 2020-21 Revised Estimate in Nominal Terms %	in Real Terms %
Education	125,341	108,011	110,870	2.6	1.8
Social Welfare	92,249	100,066	120,555	20.5	17.9
Health	87,347	98,308	115,827	17.8	16.5
Security	56,732	64,609	62,392	-3.4	-4.3
Infrastructure	66,844	77,575	84,381	8.8	5.5
Environment and Food	30,680	35,129	35,324	0.6	-1.3
Economic	40,035	116,002	88,059	-24.1	-24.9
Housing	31,099	36,005	42,110	17.0	13.6
Community and External Affairs	20,302	22,749	26,046	14.5	11.9
Support	92,053	201,682	85,827	-57.4	-58.1
	<u>642,682</u>	<u>860,136</u>	<u>771,391</u>	-10.3	-11.8
 GDP growth in 2021				4.5% to 6.5%	3.5% to 5.5%

SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

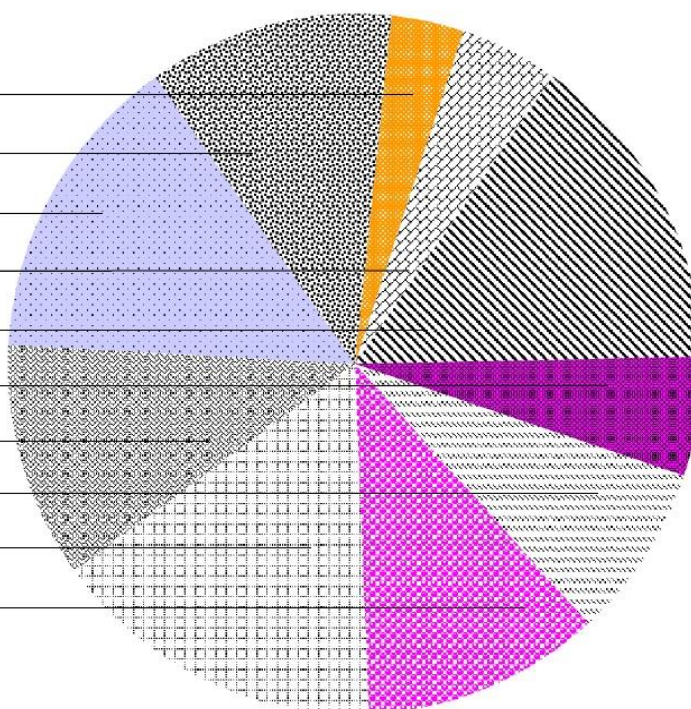
Total Government Expenditure : Year-on-Year Change

	2019-20 Actual \$m	2020-21 Revised Estimate \$m	2021-22 Estimate \$m	Increase/Decrease over 2020-21 Revised Estimate in Nominal Terms %	in Real Terms %
Education	125,341	108,011	110,870	2.6	1.8
Social Welfare	92,249	100,066	120,555	20.5	17.9
Health	87,347	98,308	115,827	17.8	16.5
Security	56,732	64,609	62,392	-3.4	-4.3
Infrastructure	66,566	77,261	84,103	8.9	5.5
Environment and Food	30,680	35,129	35,324	0.6	-1.3
Economic	34,550	110,297	81,578	-26.0	-26.9
Housing	2,010	2,273	5,305	133.4	130.2
Community and External Affairs	20,302	22,749	26,046	14.5	11.9
Support	92,053	201,682	85,827	-57.4	-58.1
	<u>607,830</u>	<u>820,385</u>	<u>727,827</u>	-11.3	-12.7

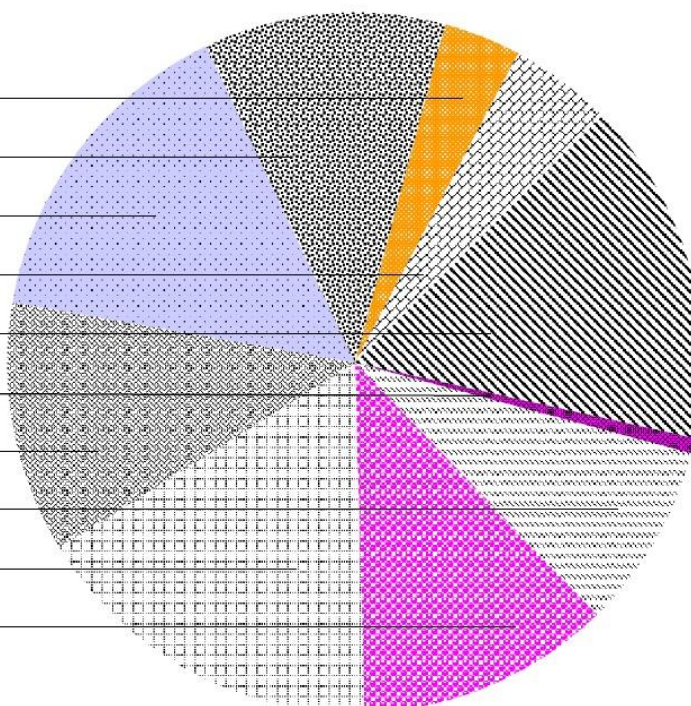
GDP growth in 2021 **4.5% to 6.5%** **3.5% to 5.5%**

Percentage Share of Expenditure by Policy Area Group**Total Public Expenditure : 2021-22 Estimate**

Community and External Affairs	3.4%
Economic	11.4%
Education	14.4%
Environment and Food	4.6%
Health	15.0%
Housing	5.5%
Infrastructure	10.9%
Security	8.1%
Social Welfare	15.6%
Support	11.1%
	100.0%

**Percentage Share of Expenditure by Policy Area Group****Total Government Expenditure : 2021-22 Estimate**

Community and External Affairs	3.6%
Economic	11.2%
Education	15.2%
Environment and Food	4.8%
Health	15.9%
Housing	0.7%
Infrastructure	11.6%
Security	8.6%
Social Welfare	16.6%
Support	11.8%
	100.0%



SECTION IV MAJOR CAPITAL PROJECTS PLANNED FOR COMMENCEMENT IN 2021-22

Major capital projects estimated to begin in 2021-22 include –

	Project Estimates \$ billion
Health	59.1
— Health centre and social welfare facilities building in Siu Sai Wan	
— The development of Chinese Medicine Hospital in Tseung Kwan O	
— Expansion of North District Hospital—site formation and foundation works	
— New Acute Hospital at Kai Tak Development Area—main works	
— The establishment of Government Chinese Medicines Testing Institute in Tseung Kwan O	
Infrastructure	58.8
— Lung Tsun Stone Bridge Preservation Corridor at Kai Tak	
— Rehabilitation of underground stormwater drains—remaining works	
— The District Cooling System for Tung Chung New Town Extension (East)	
— District Cooling System at the Kwu Tung North New Development Area	
— Braemar Hill Pedestrian Link	
— Flyover from Kwai Tsing Interchange Upramp to Kwai Chung Road	
— Infrastructure works for West Kowloon Cultural District, phase 1—construction (package 4)	
— Development of Lok Ma Chau Loop—Main Works Package 1—site formation and infrastructure works	
— Tung Chung New Town Extension—site formation and infrastructure works	
— First Phase Development of the New Territories North—investigation and design for San Tin/Lok Ma Chau Development Node	
— Reprovisioning of Harcourt Road fresh water pumping station	
— Reclaimed water supply to Sheung Shui and Fanling	
— Siu Ho Wan Water Treatment Works extension—main works	
— Site formation and infrastructure works for public housing developments at Kam Tin South, Yuen Long—Phase 1	
— Site formation and infrastructure works for public housing developments at Tseung Kwan O	
— Site formation and infrastructure works for public housing development at Long Bin, Yuen Long	
— Site formation and infrastructure works for public housing developments at Tuen Mun Central—Phase 1	
Environment and Food	16.9
— Outlying Islands sewerage stage 2—Lamma village sewerage phase 2, package 2	
— Relocation of Sha Tin Sewage Treatment Works to caverns—main caverns construction and upstream sewerage works	
— North East New Territories sewerage system upgrade	
— Construction and rehabilitation of trunk sewage rising mains in Yuen Long	
— Construction and rehabilitation of trunk sewage rising mains in Yau Tong	

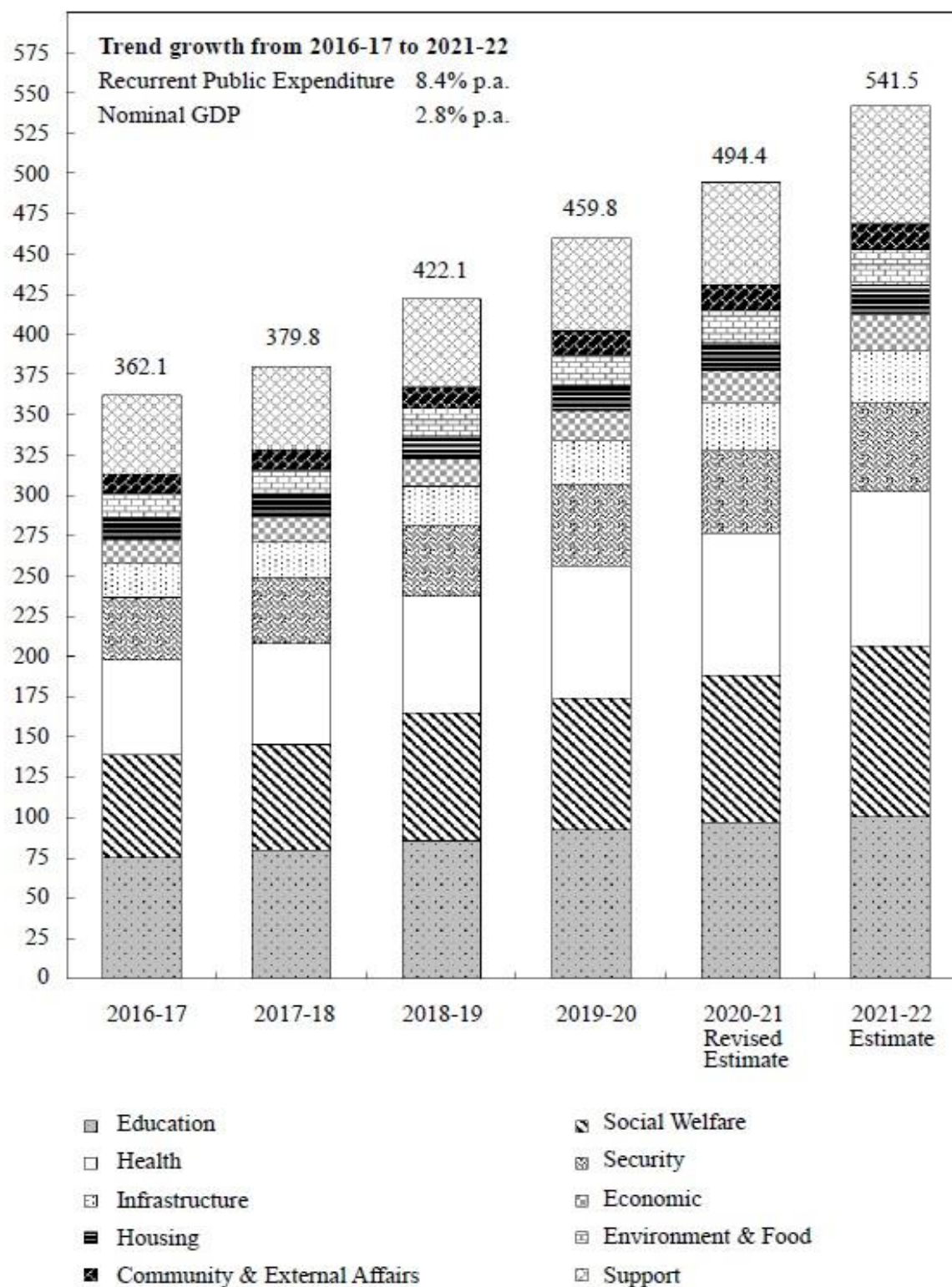
**Project
Estimates
\$ billion**

Security	3.8
— Construction of fire station-cum-ambulance depot with departmental quarters and facilities in Area 72, Tseung Kwan O	
— Fire Station and Ambulance Depot with Departmental Accommodations in Lok Ma Chau Loop	
— Redevelopment of Western Police Married Quarters Site	
Education	2.9
— A 30-classroom primary school at Site KT2c, Development at Anderson Road, Kwun Tong	
— A 30-classroom primary school in Tsuen Wan West Station (TW7) Development, Tsuen Wan	
— A 24-classroom primary school at Au Pui Wan Street, Fo Tan, Sha Tin	
— A 36-classroom primary school at Area 9, Tai Po	
— In-situ redevelopment of Wa Ying College at 8 Sheung Wo Street, Kowloon	
— Development of the Vocational Training Council Aviation and Maritime Education Centre at Tsing Yi	
Support	1.9
— Chai Wan Government Complex and Vehicle Depot	
Community and External Affairs	1.8
— Facility upgrading of Tai Po Civic Centre	
— Town Park in Area 68, Tseung Kwan O	
— Youth Hostel Scheme—construction works by The Hong Kong Girl Guides Association for the youth hostel project in Jordan	

SECTION V TRENDS IN PUBLIC EXPENDITURE : 2016-17 TO 2021-22

Recurrent Public Expenditure by Policy Area Group

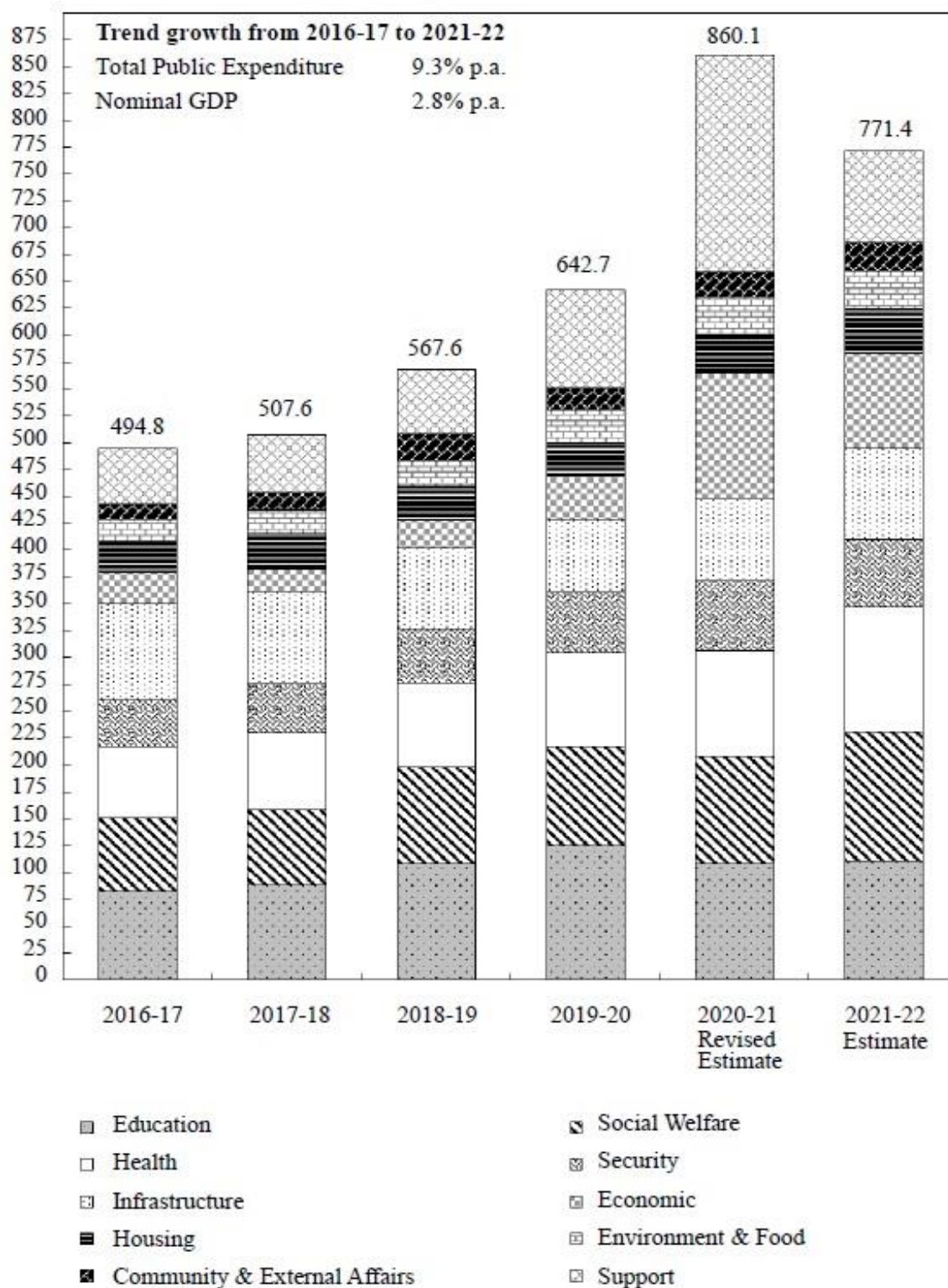
(\$billion)



SECTION V TRENDS IN PUBLIC EXPENDITURE : 2016-17 TO 2021-22

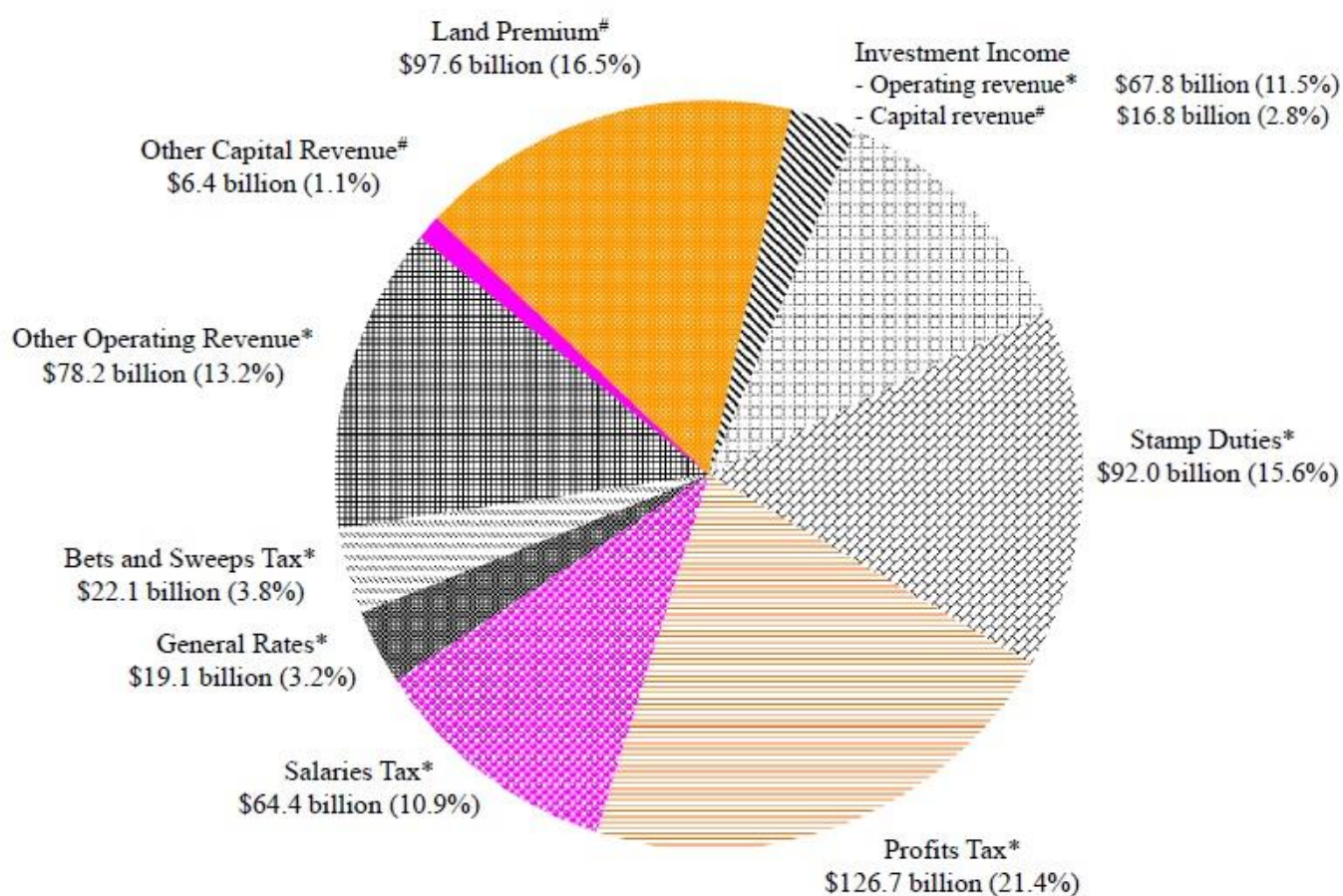
Total Public Expenditure by Policy Area Group

(\$billion)



SECTION VI ANALYSIS OF GOVERNMENT REVENUE

2021-22 Estimate (\$591.1 billion)



	2021-22 Estimate	% Share of Government Revenue	% of GDP
* Operating Revenue	\$470.3 billion	79.6%	16.5%
# Capital Revenue	\$120.8 billion	20.4%	4.2%
Total	\$591.1 billion	100%	20.7%

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 2021-22 Estimates. The index further provides details, by head of expenditure, of individual programmes which contribute to a policy area.

