

APPENDIX B

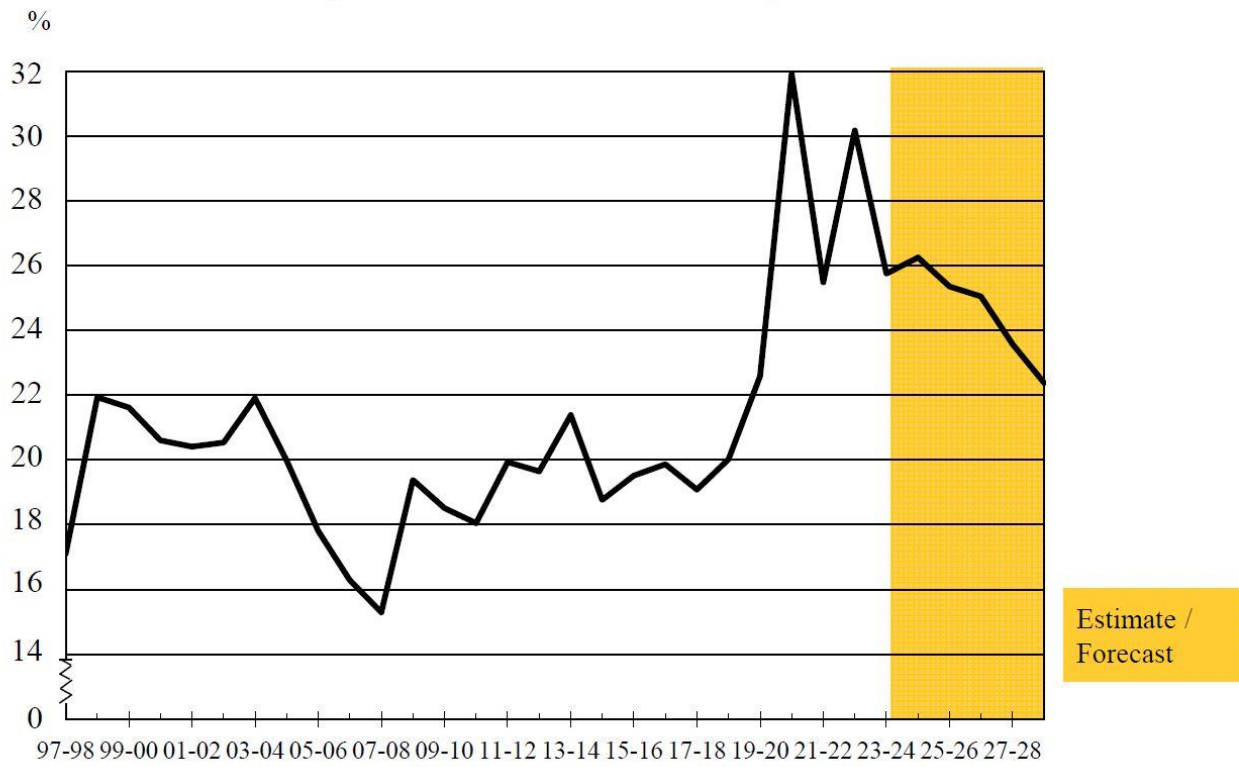
ANALYSIS OF EXPENDITURE AND REVENUE

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 2024-25	28
SECTION V TRENDS IN PUBLIC EXPENDITURE : 2019-20 TO 2024-25	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**

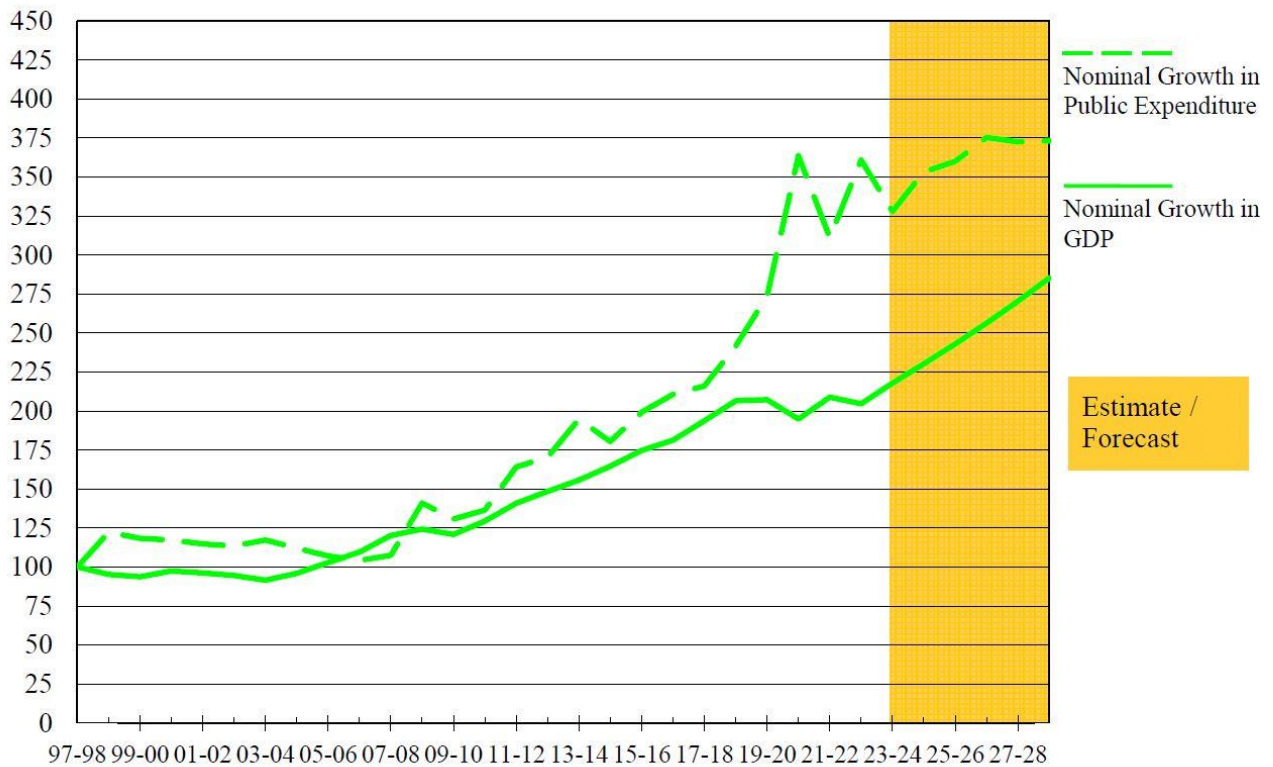
	2024-25 Estimate \$m
General Revenue Account	
Operating	613,784
Capital	9,586
	<hr/> 623,370
Capital Investment Fund	5,451
Capital Works Reserve Fund	130,154
Innovation and Technology Fund	11,081
Land Fund	1
Loan Fund	2,675
Lotteries Fund	4,136
Government Expenditure	<hr/> 776,868
Trading Funds	5,012
Housing Authority	48,114
Public Expenditure	<hr/> 829,994 <hr/>
GDP	3,161,800
Public Expenditure in terms of percentage of GDP	26.3%

Public Expenditure in terms of Percentage of GDP



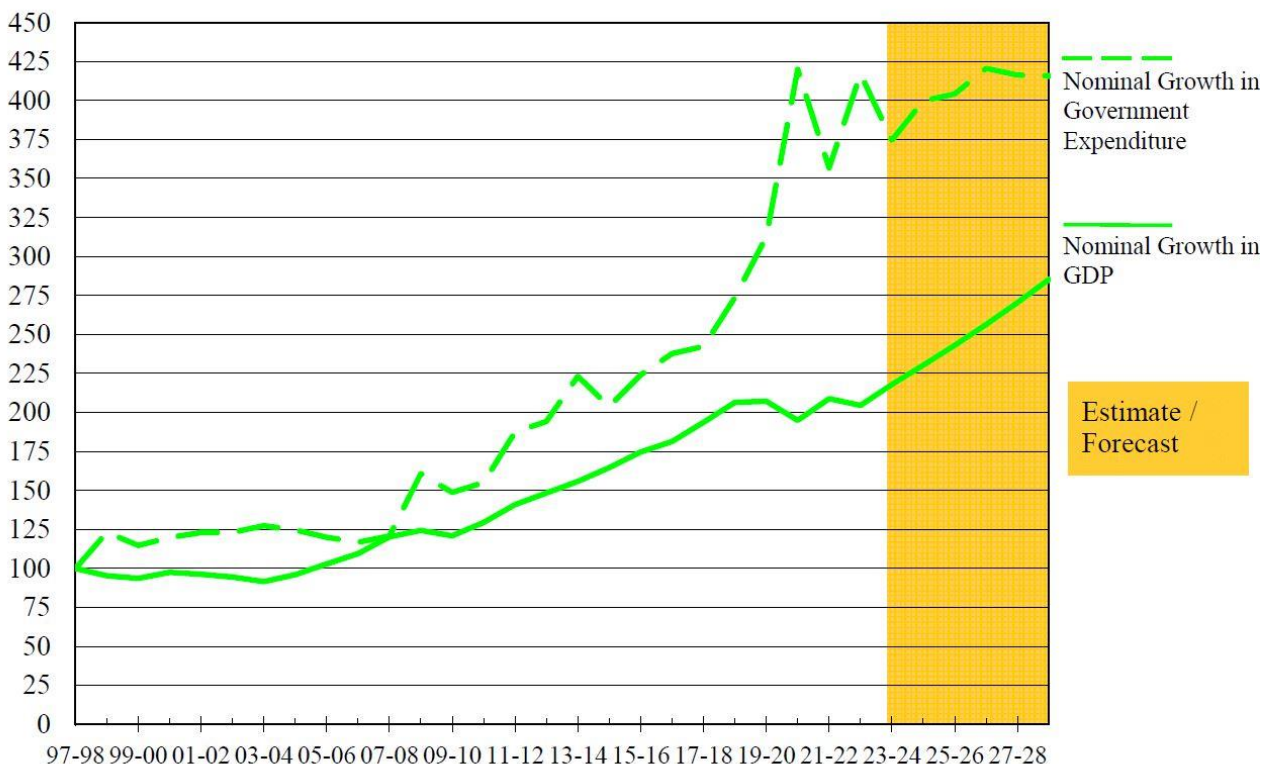
**Comparison of Cumulative Growth in Public Expenditure
with Cumulative Growth in GDP
since 1997-98**

Index
(97-98 = 100)

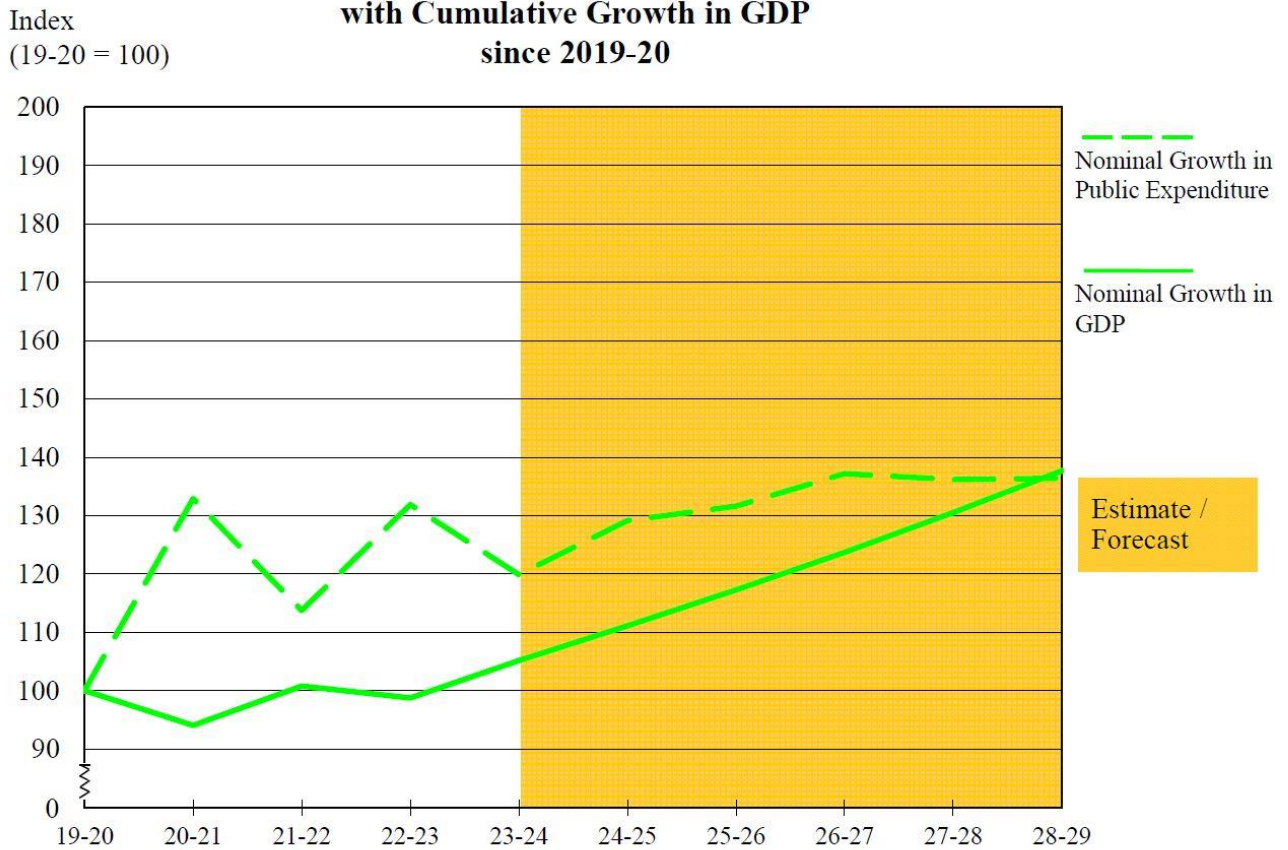


**Comparison of Cumulative Growth in Government Expenditure
with Cumulative Growth in GDP
since 1997-98**

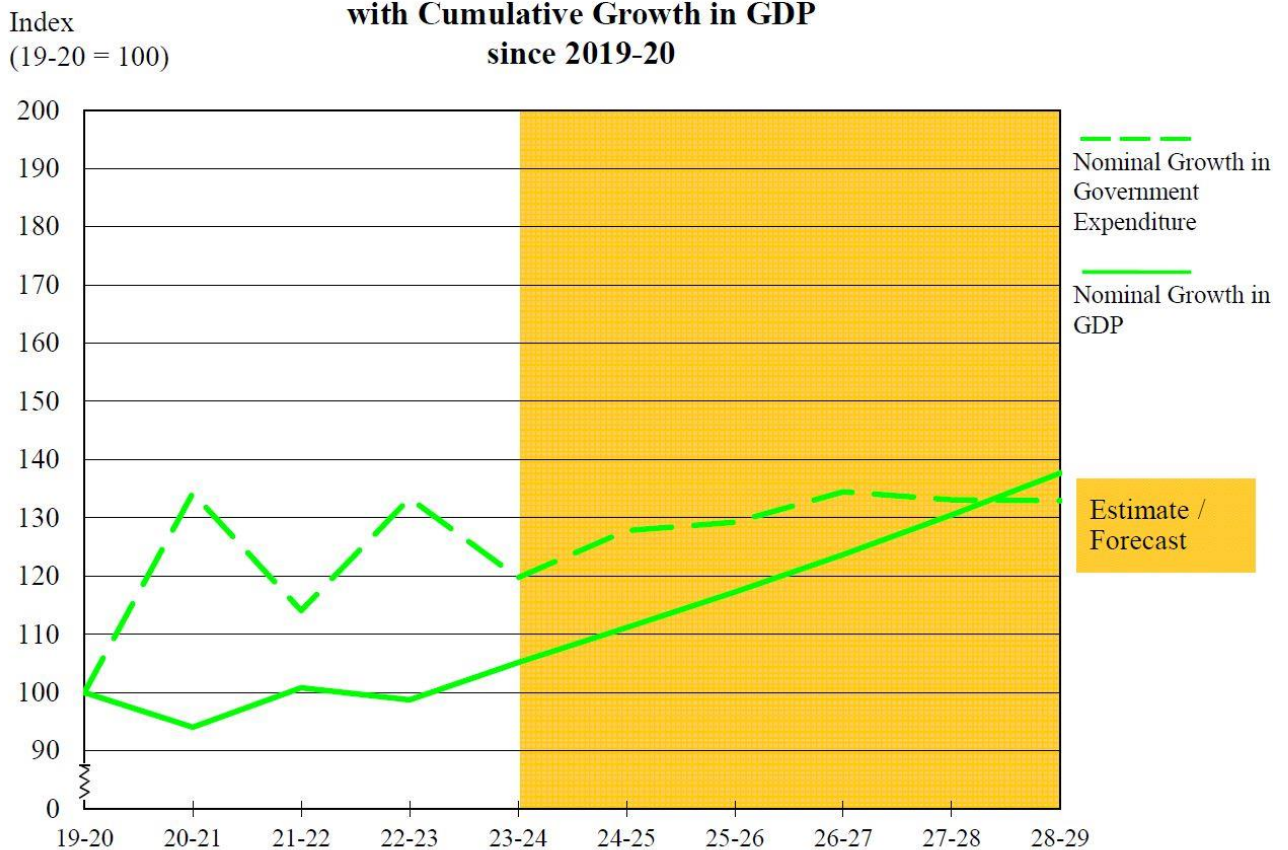
Index
(97-98 = 100)



**Comparison of Cumulative Growth in Public Expenditure
with Cumulative Growth in GDP
since 2019-20**



**Comparison of Cumulative Growth in Government Expenditure
with Cumulative Growth in GDP
since 2019-20**



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

Recurrent Public Expenditure : Year-on-Year Change

	2022-23 Actual \$m	2023-24 Revised Estimate \$m	2024-25 Estimate \$m	Increase/Decrease over 2023-24 Revised Estimate in Nominal Terms %	in Real Terms %
Education	97,920	103,152	106,776	3.5	2.8
Social Welfare	104,797	112,368	127,362	13.3	10.9
Health	127,002	104,711	109,522	4.6	3.6
Security	55,105	57,071	60,885	6.7	5.9
Infrastructure	32,203	33,933	34,919	2.9	1.4
Environment and Food	22,987	24,598	26,485	7.7	5.8
Economic	20,660	20,788	23,115	11.2	9.6
Housing	18,392	19,469	21,004	7.9	5.5
Community and External Affairs	15,890	16,727	18,245	9.1	7.3
Support	67,687	72,415	76,666	5.9	4.3
	<u>562,643</u>	<u>565,232</u>	<u>604,979</u>	7.0	5.6
GDP growth in 2024				5.2% to 6.2%	2.5% to 3.5%

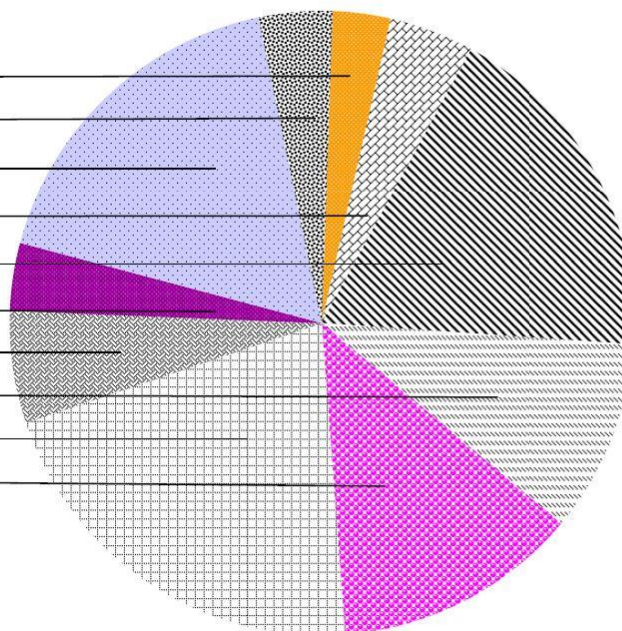
**SECTION II RECURRENT PUBLIC/GOVERNMENT EXPENDITURE
BY POLICY AREA GROUP**

Recurrent Government Expenditure : Year-on-Year Change

	2022-23 Actual \$m	2023-24 Revised Estimate \$m	2024-25 Estimate \$m	Increase/Decrease over 2023-24 Revised Estimate	
				in Nominal Terms %	in Real Terms %
Education	97,920	103,152	106,776	3.5	2.8
Social Welfare	104,797	112,368	127,362	13.3	10.9
Health	127,002	104,711	109,522	4.6	3.6
Security	55,105	57,071	60,885	6.7	5.9
Infrastructure	31,988	33,710	34,659	2.8	1.3
Environment and Food	22,987	24,598	26,485	7.7	5.8
Economic	15,814	16,607	18,784	13.1	11.6
Housing	672	745	830	11.4	11.3
Community and External Affairs	15,890	16,727	18,245	9.1	7.3
Support	67,687	72,415	76,666	5.9	4.3
	<u>539,862</u>	<u>542,104</u>	<u>580,214</u>	7.0	5.6
GDP growth in 2024				5.2% to 6.2%	2.5% to 3.5%

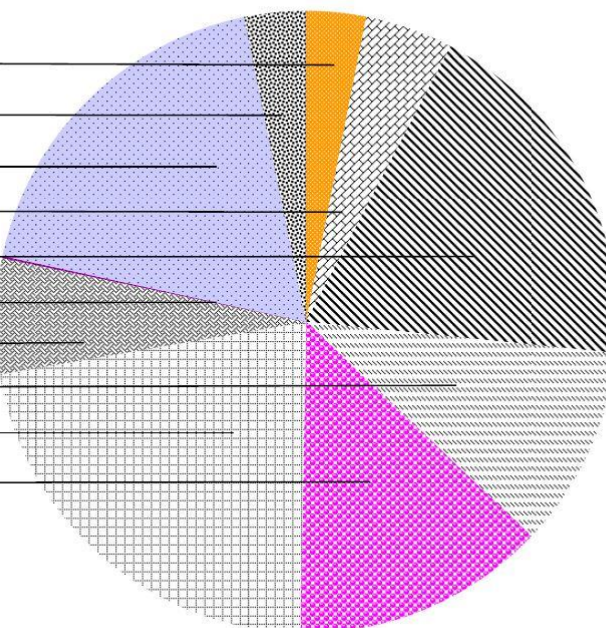
**Percentage Share of Expenditure by Policy Area Group
 Recurrent Public Expenditure : 2024-25 Estimate**

Community and External Affairs	3.0%
Economic	3.8%
Education	17.6%
Environment and Food	4.4%
Health	18.1%
Housing	3.5%
Infrastructure	5.8%
Security	10.1%
Social Welfare	21.0%
Support	12.7%
	100.0%



**Percentage Share of Expenditure by Policy Area Group
 Recurrent Government Expenditure : 2024-25 Estimate**

Community and External Affairs	3.1%
Economic	3.2%
Education	18.4%
Environment and Food	4.6%
Health	18.9%
Housing	0.1%
Infrastructure	6.0%
Security	10.5%
Social Welfare	22.0%
Support	13.2%
	100.0%



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

Total Public Expenditure : Year-on-Year Change

	2022-23 Actual \$m	2023-24 Revised Estimate \$m	2024-25 Estimate \$m	Increase/Decrease over 2023-24 Revised Estimate in Nominal Terms %	in Real Terms %
Education	106,833	113,443	115,741	2.0	1.1
Social Welfare	110,194	117,771	136,211	15.7	13.0
Health	153,659	120,177	127,939	6.5	4.9
Security	65,954	62,757	68,352	8.9	7.8
Infrastructure	89,604	88,619	106,141	19.8	15.9
Environment and Food	38,296	41,664	49,735	19.4	16.9
Economic	103,103	74,555	56,405	-24.3	-26.0
Housing	35,997	44,874	54,063	20.5	16.4
Community and External Affairs	26,935	28,929	31,824	10.0	7.1
Support	116,963	77,637	83,583	7.7	5.8
	<u>847,538</u>	<u>770,426</u>	<u>829,994</u>	7.7	5.6

GDP growth in 2024

5.2% to 6.2% 2.5% to 3.5%

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

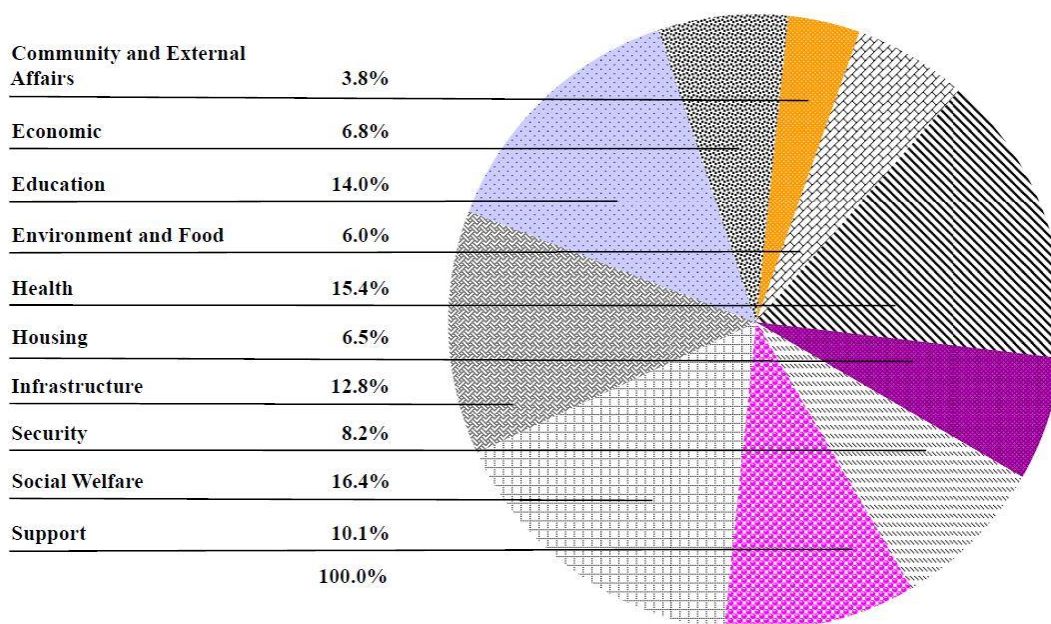
Total Government Expenditure : Year-on-Year Change

	2022-23 Actual \$m	2023-24 Revised Estimate \$m	2024-25 Estimate \$m	Increase/Decrease over 2023-24 Revised Estimate in Nominal Terms %	in Real Terms %
Education	106,833	113,443	115,741	2.0	1.1
Social Welfare	110,194	117,771	136,211	15.7	13.0
Health	153,659	120,177	127,939	6.5	4.9
Security	65,954	62,757	68,352	8.9	7.8
Infrastructure	89,357	88,349	105,821	19.8	15.9
Environment and Food	38,296	41,664	49,735	19.4	16.9
Economic	97,942	69,963	51,713	-26.1	-27.7
Housing	4,344	7,192	5,949	-17.3	-19.6
Community and External Affairs	26,935	28,929	31,824	10.0	7.1
Support	116,963	77,637	83,583	7.7	5.8
	<u>810,477</u>	<u>727,882</u>	<u>776,868</u>	6.7	4.7

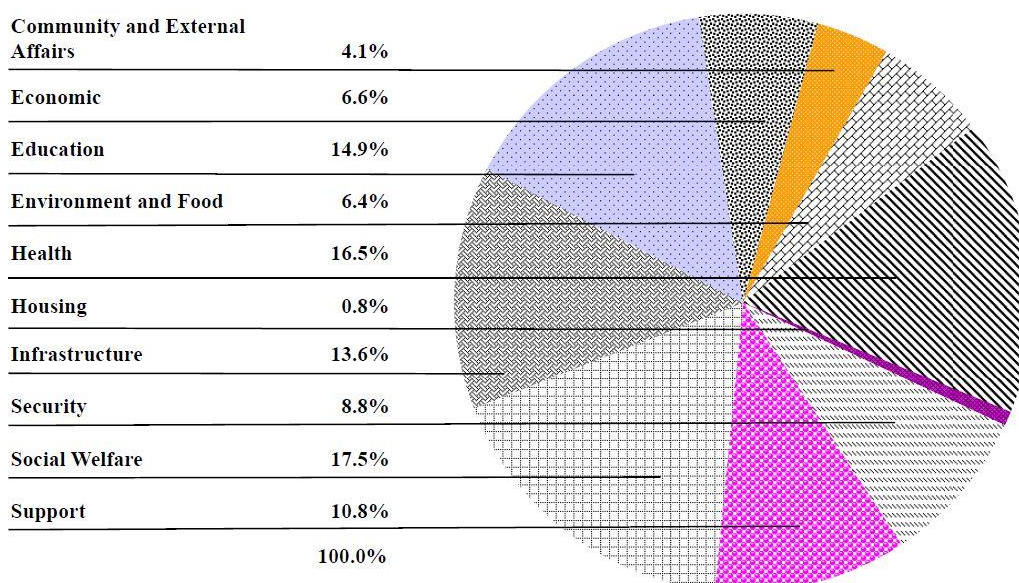
GDP growth in 2024

5.2% to 6.2% 2.5% to 3.5%

**Percentage Share of Expenditure by Policy Area Group
Total Public Expenditure : 2024-25 Estimate**



**Percentage Share of Expenditure by Policy Area Group
Total Government Expenditure : 2024-25 Estimate**



SECTION IV MAJOR CAPITAL PROJECTS PLANNED FOR COMMENCEMENT IN 2024-25

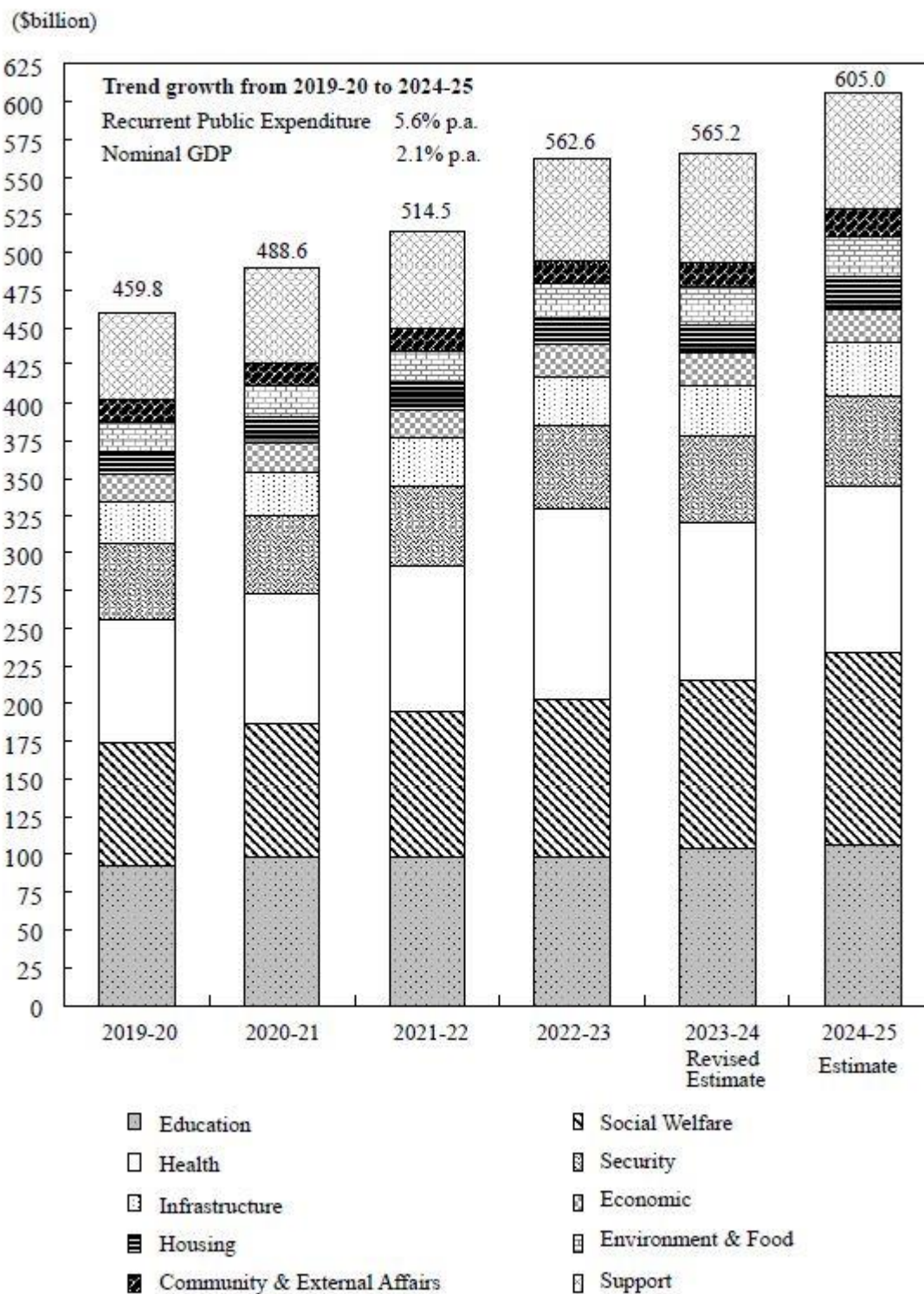
Major capital projects estimated to begin in 2024-25 include –

	Project Estimates \$ billion
Infrastructure	134.6
— Town Park with Public Vehicle Park in Area 66, Tseung Kwan O	
— Drainage improvement works in Wong Tai Sin	
— Drainage improvement works in Mong Kok—phase 1	
— Drainage improvement works in Kwun Tong—phase 2	
— Drainage improvement works in Sha Tin and Sai Kung—phase 1	
— Drainage improvement works in Tai Po—phase 1	
— The District Cooling System (DCS) for Hung Shui Kiu/Ha Tsuen New Development Area, Phase 1 (stage 1 works)	
— Dualling of Hiram’s Highway from Marina Cove to Sai Kung Town	
— Northern Metropolis Highway—investigation	
— Improvement works at Tsuen Tsing Interchange	
— Hung Shui Kiu/Ha Tsuen New Development Area advance works phase 3—site formation and engineering infrastructure	
— Remaining phase of site formation and engineering infrastructure works at Kwu Tung North New Development Area and Fanling North New Development Area—construction	
— Hung Shui Kiu/Ha Tsuen New Development Area stage 2 works—site formation and engineering infrastructure	
— Tung Chung New Town Extension—site formation and infrastructure works (Phase 2)	
— Development of San Tin Technopole phase 1 stage 1 works—site formation and engineering infrastructure	
— Trunk Road T4 in Sha Tin	
— Risk-based improvement of large diameter water mains, stage 1A	
— Site formation and infrastructure works for public housing development at Tin Wah Road, Lau Fau Shan	
— Site formation and infrastructure works for public housing development at To Yuen Tung, Tai Po	
— Site formation and infrastructure works for public housing development at Tsing Yi Road West, Tsing Yi	
— Site formation and infrastructure works for public housing development at A Kung Ngam Village, Eastern	
— Site formation and infrastructure works for public housing development near Chai Wan Swimming Pool, Chai Wan	
Environment and Food	18.6
— Re provisioning of cremators and related works at Kwai Chung Crematorium	
— Construction of a new public market in Kwu Tung North New Development Area	
— Relocation of Sha Tin Sewage Treatment Works to caverns—remaining works	
— Construction and rehabilitation of sewage rising mains in Southern District	
— Implementation of a Large scale Solar Farm at South East New Territories Landfill for Supplying Renewable Energy to the Tseung Kwan O Desalination Plant	
Health	11.5
— Re provisioning of Victoria Public Mortuary	
— Redevelopment of Shek Kip Mei Health Centre	
— Funding provision to the Hospital Authority for Minor Works Projects	

	Project Estimates \$ billion
Housing	9.8
— Implementation of Light Public Housing—the Second Batch of Projects	
Support	6.2
— Hoi Ting Road Joint-user Complex	
— Joint-user Complex with Market in Area 67, Tseung Kwan O	
— Development of a Joint User Complex at Sheung Shui Areas 4 and 30	
Education	5.5
— A 30-classroom Primary School at Area 89 (Northern side), Tung Chung	
— A 30-classroom primary school at Area 17, Fanling North New Development Area	
— A 30-classroom primary school at Area 29, Kwu Tung North New Development Area	
— The Chinese University of Hong Kong—Engineering Building at Central Campus	
— Construction of a new academic building on an extension site east of No. 3 Sassoon Road (Main Works)	
Community and External Affairs	4.7
— Amenity Complex in Area 103, Ma On Shan—main works	
— Public Open Space at East Coast Park Precinct, North Point	
— Cycle Track between Tsuen Wan and Tuen Mun—detailed design, site investigation and construction (Stage 2)	

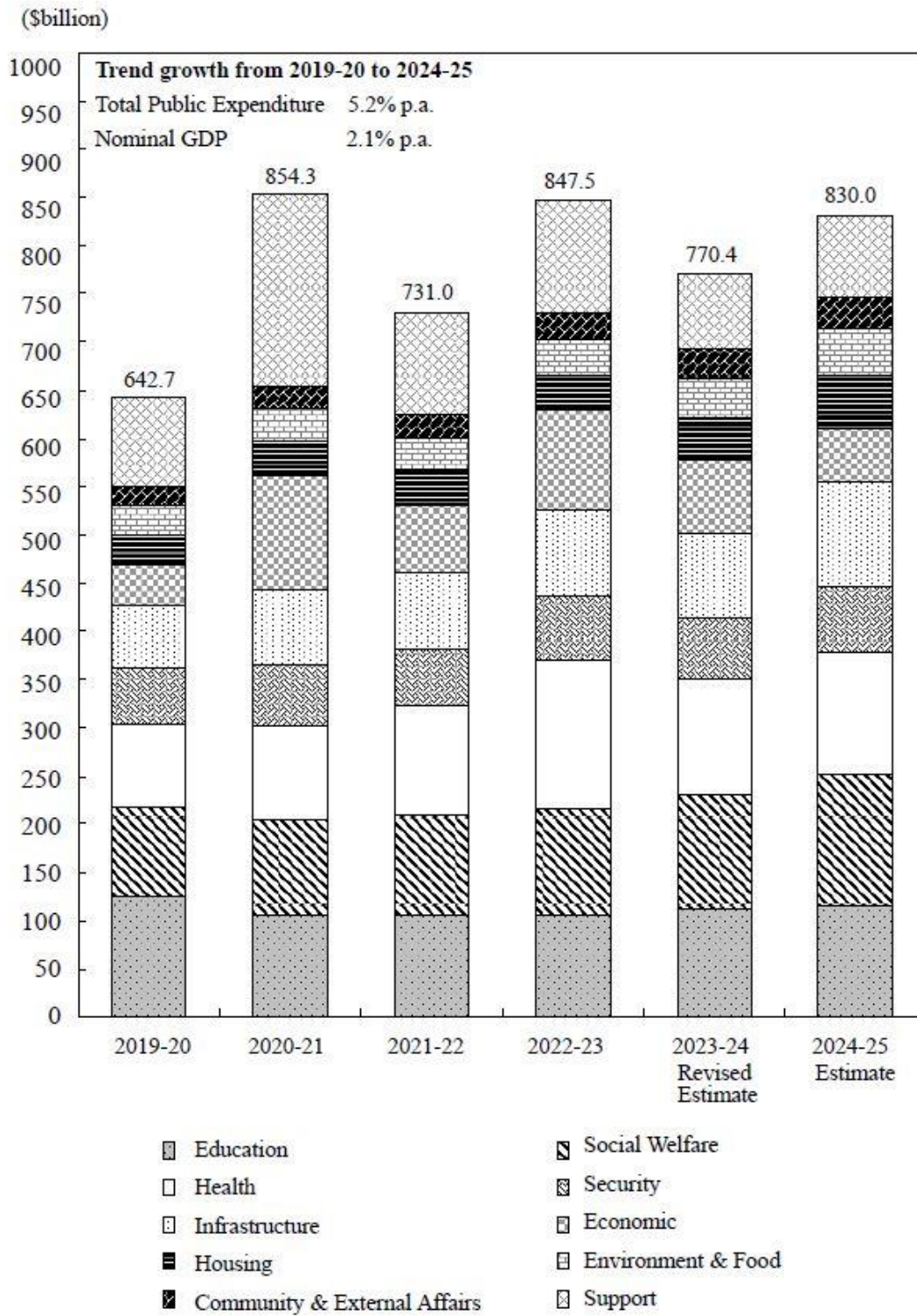
SECTION V TRENDS IN PUBLIC EXPENDITURE : 2019-20 TO 2024-25

Recurrent Public Expenditure by Policy Area Group

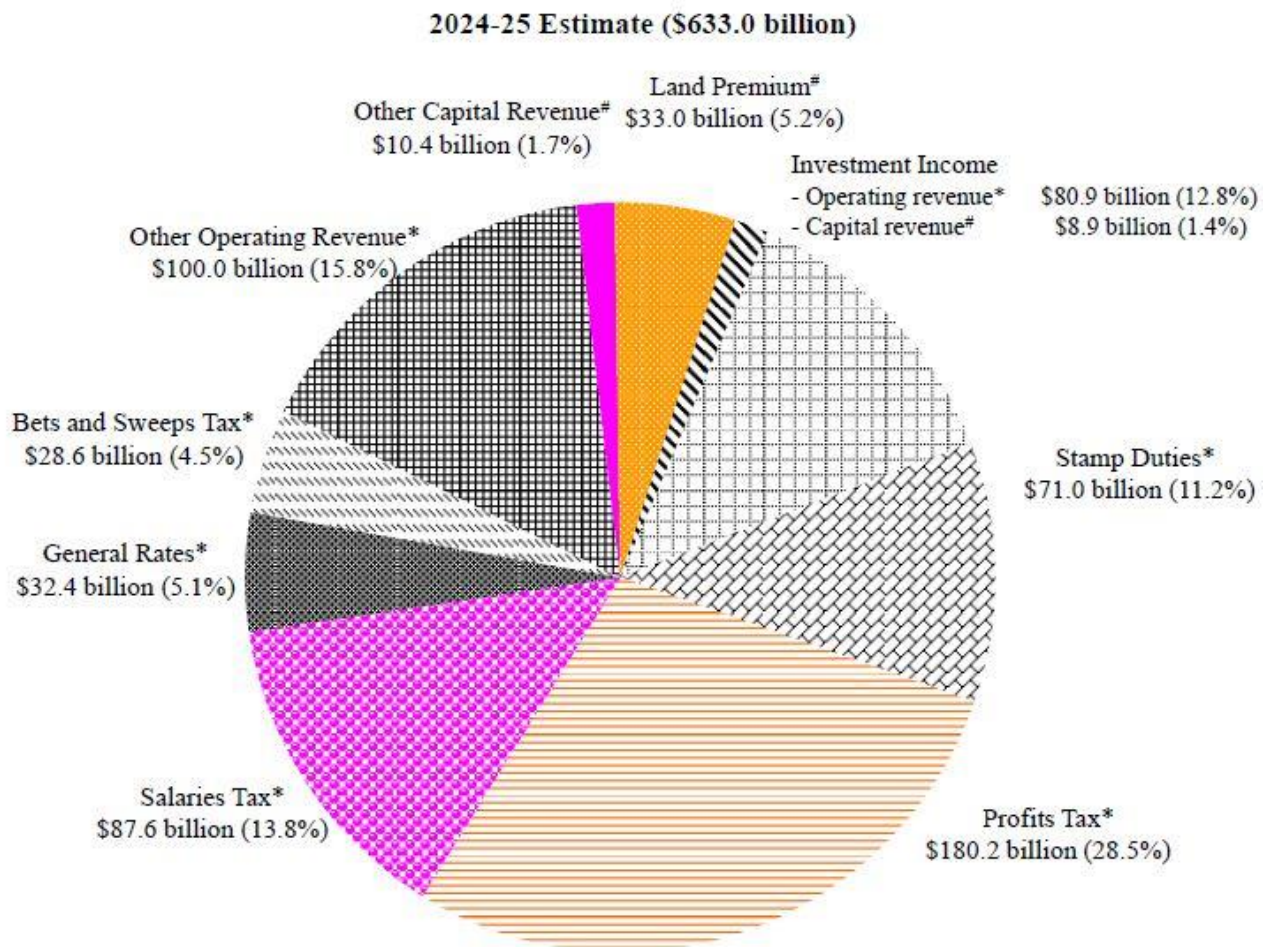


SECTION V TRENDS IN PUBLIC EXPENDITURE : 2019-20 TO 2024-25

Total Public Expenditure by Policy Area Group



SECTION VI ANALYSIS OF GOVERNMENT REVENUE



	2024-25 Estimate	% Share of Government Revenue	% of GDP
* Operating Revenue	\$580.7 billion	91.7%	18.4%
# Capital Revenue	\$52.3 billion	8.3%	1.6%
Total	\$633.0 billion	100%	20.0%

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
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 2024-25 Estimates. The index further provides details, by head of expenditure, of individual programmes which contribute to a policy area.

