

## Public Accounts, Money and Finance

Hong Kong dollar is the legal tender in the Hong Kong Special Administrative Region, as stated in "The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China". Foreign currency refers to any currency other than the Hong Kong currency. Accordingly, Chinese Renminbi is also treated as foreign currency.

Since October 1983, the Hong Kong dollar has been linked to the US dollar at the fixed rate of HK\$7.80 to US\$1.00.

### Government Revenue and Expenditure

	2003–04	2007–08	<i>HK\$ billion</i> 2008–09
Operating revenue (a)	174.6	276.3	281.5
Capital revenue (b)	32.7	82.1	35.1
<b>Government revenue (a)+(b)</b>	<b>207.3</b>	<b>358.4</b>	<b>316.6</b>
	(+16.8)	(+24.5)	(-11.7)
Operating expenditure (c)	203.2	204.7	258.0
Capital expenditure (d)	44.2	30.1	54.4
<b>Government expenditure (c)+(d)</b>	<b>247.4</b>	<b>234.8</b>	<b>312.4</b>
	(+3.5)	(+3.5)	(+33.0)

**Notes:** The financial year runs from 1 April to 31 March.

Expenditure figures in this table have been adjusted to align with the new classification adopted in the 2010–11 Budget.

## Public Expenditure<sup>(1)</sup> by Policy Area Group

Item	HK\$ billion		
	2003–04	2007–08	2008–09
Community and external affairs	8.1	8.2	38.6
Economic	16.1	13.5*	25.0
Education	57.3	53.8	75.0
Environment and food	10.9	12.1	12.4
Health	34.2	33.6	36.7
Housing	24.8	14.4	17.5
Infrastructure	35.8	26.4*	29.2
Security	26.6	28.0	28.0
Social welfare	33.3	34.9	39.2
Support	28.3	27.6*	29.4
<b>Total</b>	<b>275.4</b>	<b>252.5*</b>	<b>331.0</b>
	<b>(+3.3)</b>	<b>(+3.1)*</b>	<b>(+31.1)</b>

**Notes:** The financial year runs from 1 April to 31 March.

- (1) Public expenditure comprises government expenditure and expenditure by the Trading Funds and the Housing Authority. It does not include expenditure by those organisations, including statutory organisations, in which the Government has only an equity position, such as the Airport Authority and the Mass Transit Railway Corporation Limited.

## Fiscal Reserves<sup>(1)</sup>

	HK\$ billion		
	2004	2008	2009
<b>Balance (as at 31 March)</b>	<b>275.3</b>	<b>492.9</b>	<b>494.4</b>

**Note:** (1) The aggregate balance of the General Revenue Account and the Funds as at the end of the financial year. Funds include the Capital Works Reserve Fund, the Capital Investment Fund, the Loan Fund, the Disaster Relief Fund, the Civil Service Pension Reserve Fund, the Land Fund, the Innovation and Technology Fund and the Lotteries Fund (which was included with effect from 1 April 2003).

## Money Supply

	HK\$ billion		
	2004	2008	2009
<b>M1</b>			
Hong Kong dollar	412.6	491.1	671.2
Foreign currency	71.9	154.7	230.6
<b>Total</b>	<b>484.5</b>	<b>645.8</b>	<b>901.8</b>
	<b>(+17.2)</b>	<b>(+4.7)</b>	<b>(+39.6)</b>
<b>M3</b>			
Hong Kong dollar <sup>(1)</sup>	2,219.6	3,261.3	3,604.8
Foreign currency <sup>(2)</sup>	1,970.0	3,041.0	3,022.0
<b>Total</b>	<b>4,189.5</b>	<b>6,302.3</b>	<b>6,626.8</b>
	<b>(+8.6)</b>	<b>(+2.6)</b>	<b>(+5.2)</b>

**Notes:** Figures are revised on a monthly basis to take into account any subsequent amendments submitted by authorized institutions.

(1) Adjusted to include foreign currency swap deposits.

(2) Adjusted to exclude foreign currency swap deposits.

## Deposits, Loans and Advances of Authorized Institutions

	2004	2008	2009
<b>Number of authorized institutions in operation</b>	<b>207</b>	<b>198</b>	<b>197</b>
	(-2.8)	(+0.5)	(-0.5)
■ Licensed banks	133	143	143
■ Restricted licence banks	39	27	26
■ Deposit-taking companies	35	28	28
<b>Deposits from customers<sup>(1)</sup> (HK\$ billion)</b>	<b>3,866.1</b>	<b>6,059.5</b>	<b>6,381.0</b>
	(+8.4)	(+3.2)	(+5.3)
■ Licensed banks	3,846.5	6,028.1	6,357.7
■ Restricted licence banks	14.8	23.8	16.5
■ Deposit-taking companies	4.8	7.6	6.9
<b>Loans and advances for use in Hong Kong<sup>(1)(2)</sup> (HK\$ billion)</b>	<b>1,792.4</b>	<b>2,524.1</b>	<b>2,499.9</b>
	(+4.9)	(+11.0)	(-1.0)
■ Licensed banks	1,710.8	2,470.2	2,454.8
■ Restricted licence banks	64.1	32.1	25.5
■ Deposit-taking companies	17.5	21.8	19.7
<b>Total loans and advances to customers<sup>(1)</sup> (HK\$ billion)</b>	<b>2,155.7</b>	<b>3,285.6</b>	<b>3,288.6</b>
	(+5.9)	(+10.9)	(+0.1)
■ Licensed banks	2,056.7	3,197.2	3,210.6
■ Restricted licence banks	78.5	59.0	52.9
■ Deposit-taking companies	20.5	29.5	25.1

**Notes:** (1) Figures are revised on a monthly basis to take into account any subsequent amendments submitted by authorized institutions.

(2) Excluding loans for trade financing.

## Hong Kong Dollar Interest Rates

	2004	2008	2009
	<i>% per annum</i>		
<b>Hong Kong Interbank Offered Rate<sup>(1)</sup></b>			
Overnight	0.13	0.23	0.13
Three months	0.28	0.89	0.13
<b>Best lending rate<sup>(2)</sup></b>	<b>5.02</b>	<b>5.39</b>	<b>5.00</b>
<b>Savings deposits rate<sup>(3)</sup></b>	<b>0.02</b>	<b>0.14</b>	<b>0.01</b>

**Notes:** (1) Hong Kong Interbank Offered Rate (HIBOR) is the rate of interest offered on Hong Kong dollar loans by banks in the interbank market for a specified period ranging from overnight to one year. Figures are the rates as at the end of the year.

(2) Rate quoted by the Hongkong and Shanghai Banking Corporation Limited. Figures are the average rates in the year.

(3) Figures are the average rates compiled by the Hong Kong Monetary Authority.

## Foreign Currency Reserve Assets<sup>(1)</sup>

	2004	2008	2009
<b>Foreign currency reserve assets (US\$ billion)</b>	<b>123.6</b>	<b>182.5</b>	<b>255.8</b>
Per capita (US\$)	18,178	26,117	36,502#
In terms of months of retained imports of goods (No. of months)	21.1	22.0	33.9#
Ratio to currency in circulation	6.3	7.6	9.5

**Note:** (1) Foreign Currency Reserve Assets are the stock of foreign assets held by the Government as investments, and used, where necessary, in financial transactions to support the exchange rate of the domestic currency. Assets held in the Exchange Fund and the Land Fund are both included.

## Exchange Rates

	2004	2008	2009
<b>HKD per unit of foreign currency</b>			
US dollar	7.788	7.787	7.752
Euro	9.69	11.45	10.82
Japanese Yen	0.0720	0.0756	0.0830

*Note:* Figures are the averages of the daily closing middle-market rates for the respective years.

## Effective Exchange Rate Index

(January 2000=100)

	2004	2008	2009
<b>Effective exchange rate index for the Hong Kong dollar (trade (import and export)-weighted)<sup>(1)</sup></b>	98.3	87.1	88.2

*Note:* (1) The weights used are based on the average trade pattern of 1999–2000.

## Value of Stock Exchange Turnover, Market Capitalisation and Index of Share Prices

	2004	2008	2009
<b>Main Board</b>			
Turnover (HK\$ billion)	3,948.4	17,600.7	15,439.5
Market capitalisation <sup>(1)</sup> (HK\$ billion)	6,629.2	10,253.6	17,769.3
<b>Hang Seng Index (31.7.1964=100)</b>			
High	14 266.4	27 615.9	22 944.0
Low	10 967.7	11 015.8	11 344.6
Closing	14 230.1	14 387.5	21 872.5
<b>Hang Seng Composite Index (3.1.2000=2 000)</b>			
High	1 836.8	3 909.3	3 161.0
Low	1 388.7	1 476.6	1 634.8
Closing	1 832.0	1 982.6	3 052.0
<b>Growth Enterprise Market</b>			
Turnover (HK\$ billion)	25.8	52.1	75.8
Market capitalisation <sup>(1)</sup> (HK\$ billion)	66.7	45.2	105.0
<b>S&amp;P/HKEx GEM Index (28.2.2003=1 000)</b>			
High	1 370.3	1 347.5	731.3
Low	964.8	343.2	349.5
Closing	988.6	385.5	677.0

*Notes:* All high and low indices are compiled based on the daily closing indices of the year.

(1) Figures are as at end of the year.

## General Notes

1. Figures in brackets refer to percentage changes over the same period in preceding year and are calculated based on unrounded figures.
2. There may be a slight discrepancy between the sum of individual items and the total as shown in the tables owing to rounding.

## Symbols

The following symbols are used throughout the booklet :

- # Provisional figures/estimates
- @ Figures are subject to revision later on
- \* Revised figures
- Not applicable
- N.A. Not yet available