

# **APPENDIX B**

## **ANALYSIS OF EXPENDITURE AND REVENUE**

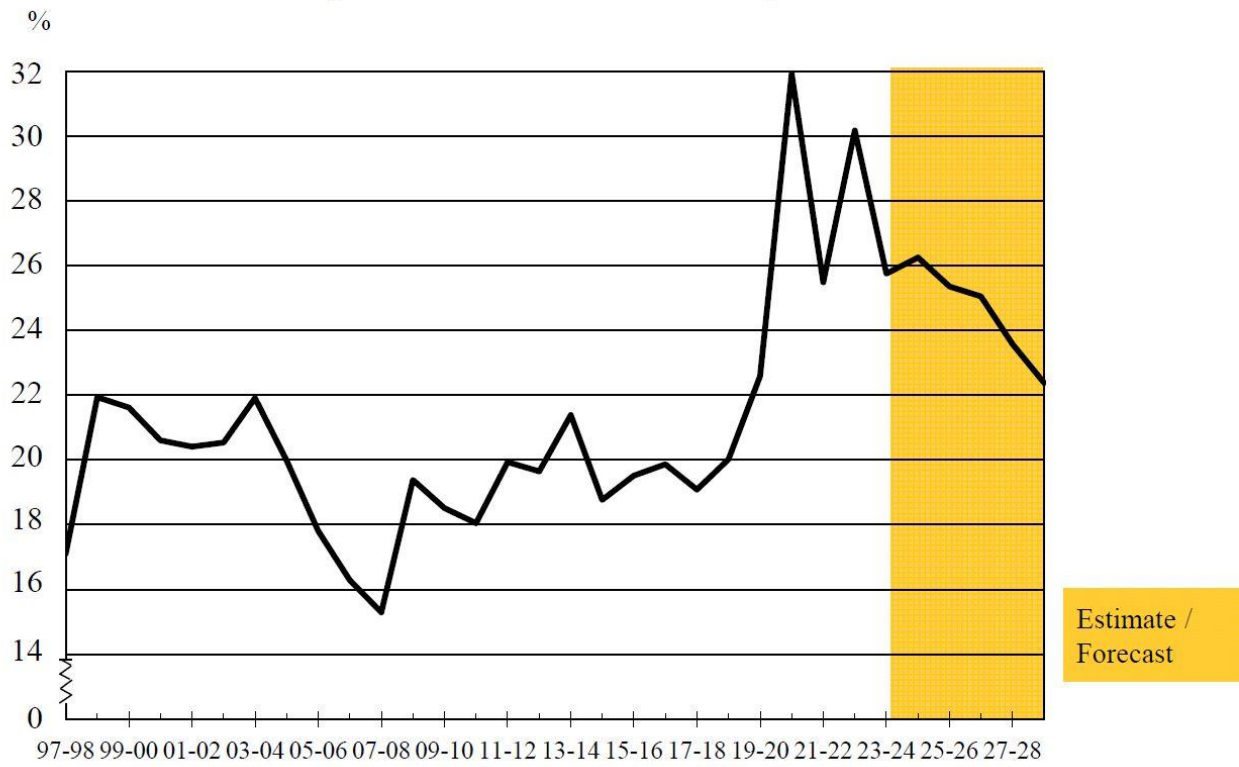


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**SECTION I THE ESTIMATES IN THE CONTEXT OF THE ECONOMY****Relationship between Government Expenditure, Public Expenditure and GDP**

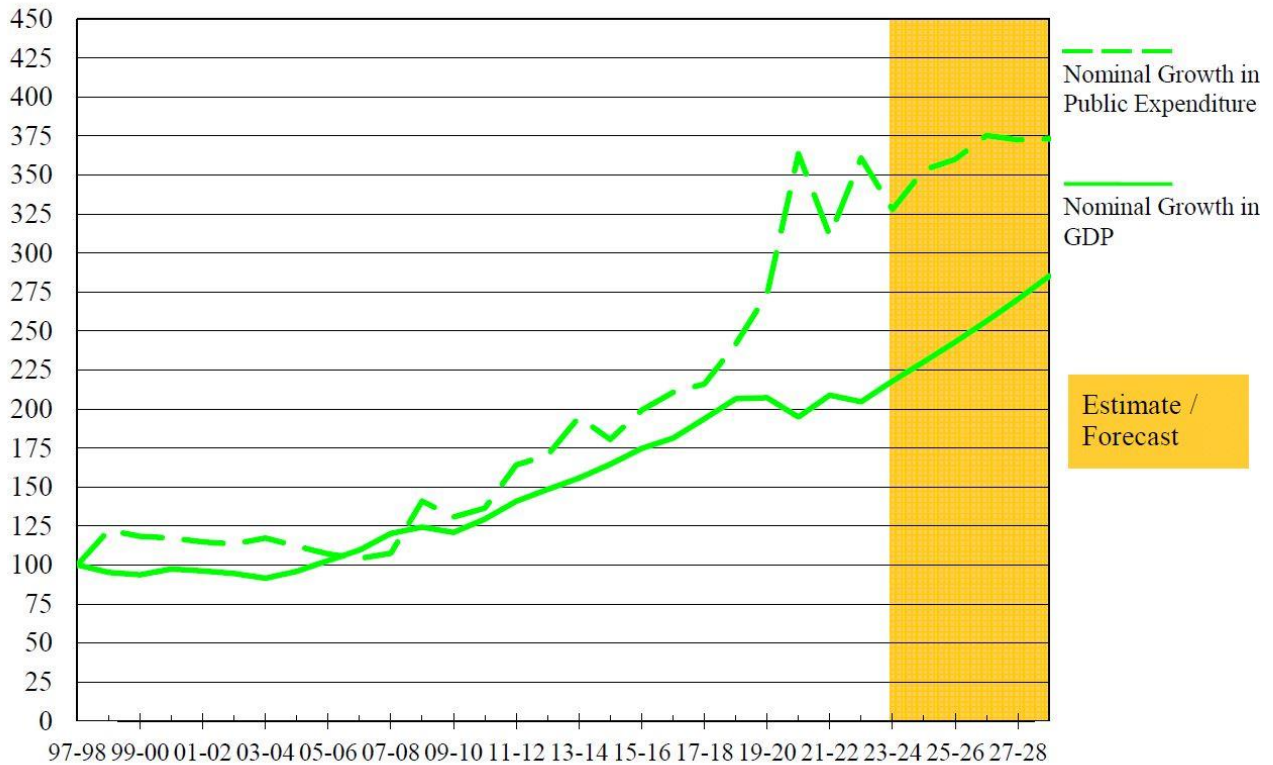
	<b>2024-25 Estimate \$m</b>
General Revenue Account	
Operating	613,784
Capital	9,586
	<hr/> 623,370
Capital Investment Fund	5,451
Capital Works Reserve Fund	130,154
Innovation and Technology Fund	11,081
Land Fund	1
Loan Fund	2,675
Lotteries Fund	4,136
<b>Government Expenditure</b>	<hr/> <b>776,868</b>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

**Public Expenditure in terms of Percentage of GDP**



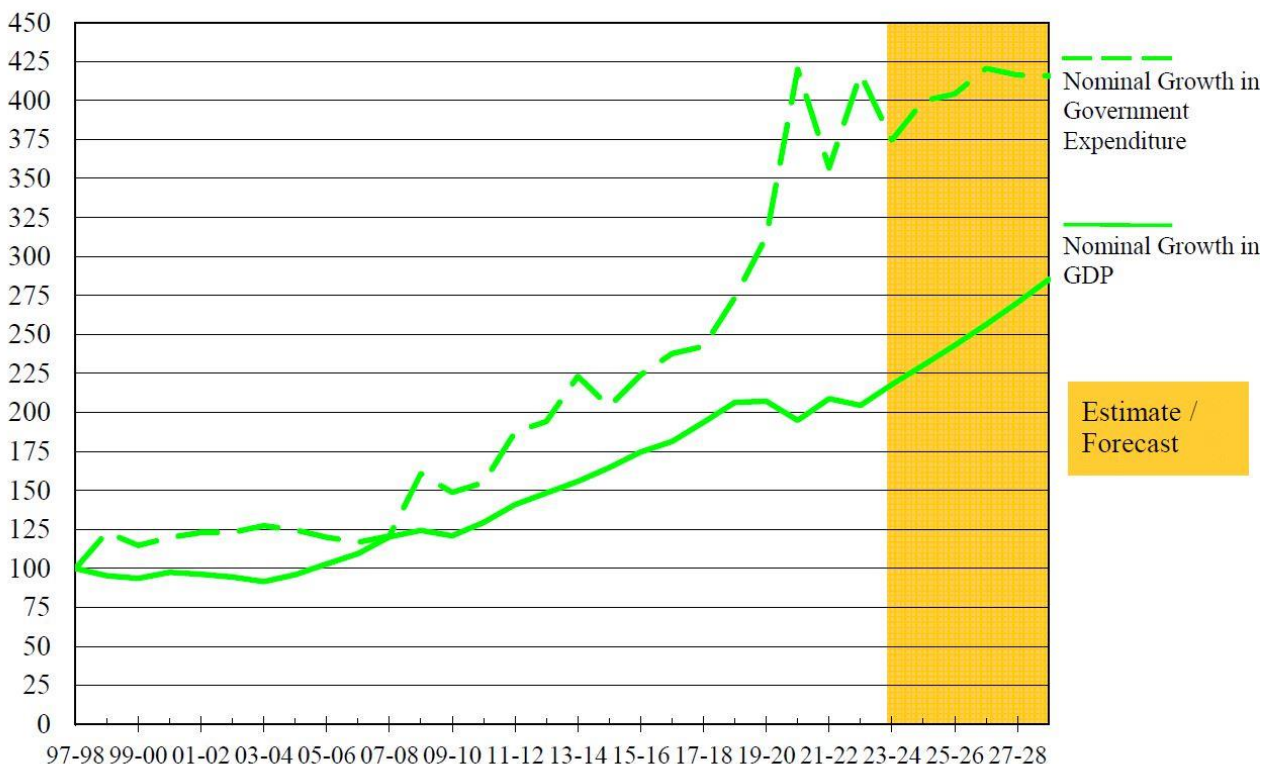
**Comparison of Cumulative Growth in Public Expenditure  
with Cumulative Growth in GDP  
since 1997-98**

Index  
(97-98 = 100)



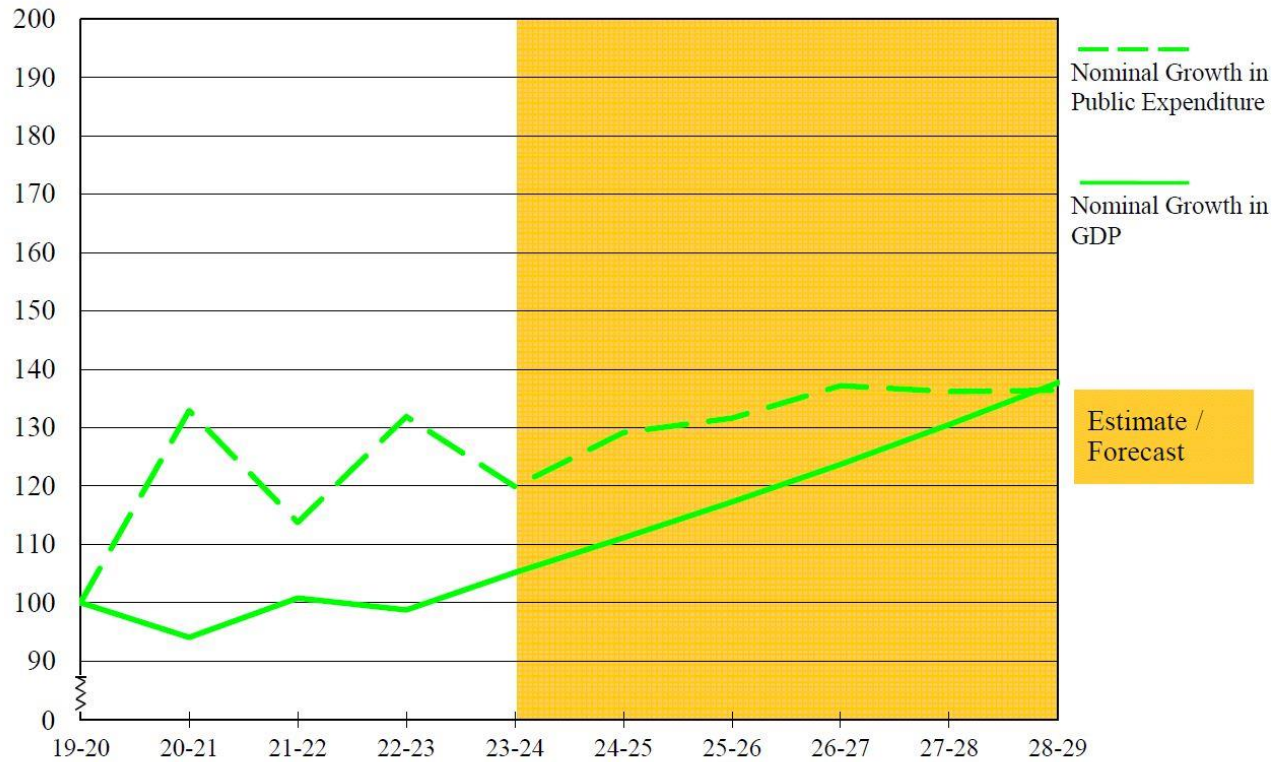
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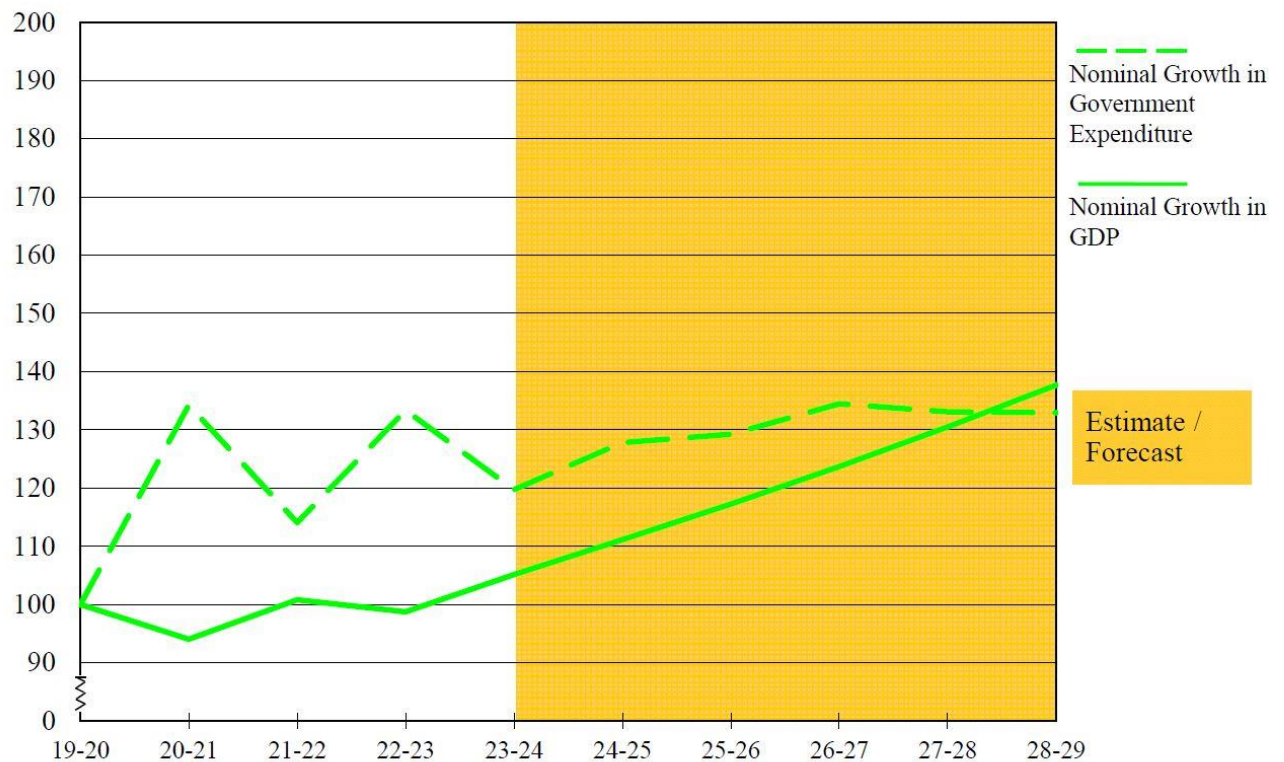
**Comparison of Cumulative Growth in Public Expenditure  
with Cumulative Growth in GDP  
since 2019-20**

Index  
(19-20 = 100)



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

Index  
(19-20 = 100)



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



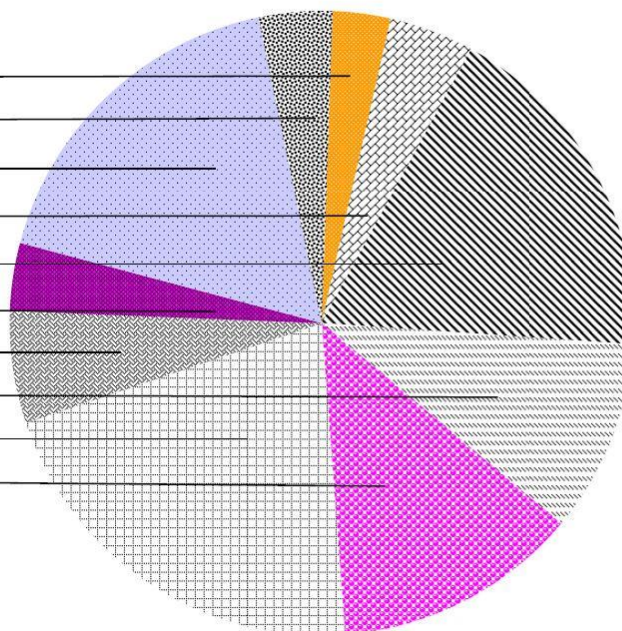
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BY POLICY AREA GROUP**

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

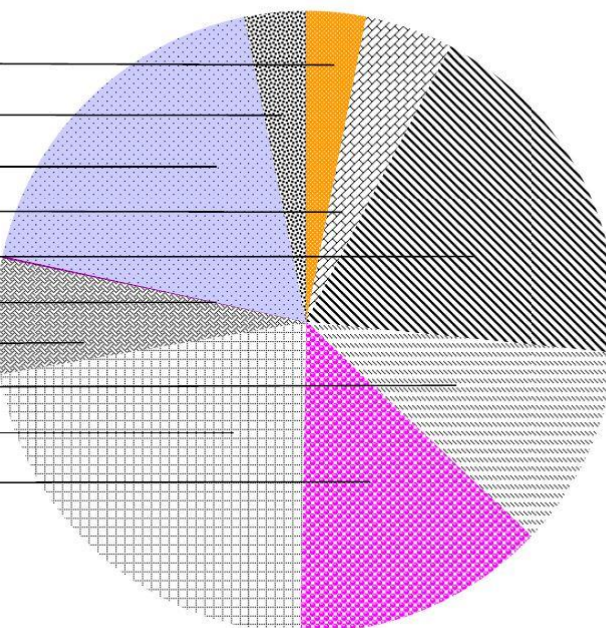
**Percentage Share of Expenditure by Policy Area Group  
 Recurrent Public Expenditure : 2024-25 Estimate**

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 %
<b>Education</b>	106,833	113,443	<b>115,741</b>	<b>2.0</b>	<b>1.1</b>
<b>Social Welfare</b>	110,194	117,771	<b>136,211</b>	<b>15.7</b>	<b>13.0</b>
<b>Health</b>	153,659	120,177	<b>127,939</b>	<b>6.5</b>	<b>4.9</b>
<b>Security</b>	65,954	62,757	<b>68,352</b>	<b>8.9</b>	<b>7.8</b>
<b>Infrastructure</b>	89,604	88,619	<b>106,141</b>	<b>19.8</b>	<b>15.9</b>
<b>Environment and Food</b>	38,296	41,664	<b>49,735</b>	<b>19.4</b>	<b>16.9</b>
<b>Economic</b>	103,103	74,555	<b>56,405</b>	<b>-24.3</b>	<b>-26.0</b>
<b>Housing</b>	35,997	44,874	<b>54,063</b>	<b>20.5</b>	<b>16.4</b>
<b>Community and External Affairs</b>	26,935	28,929	<b>31,824</b>	<b>10.0</b>	<b>7.1</b>
<b>Support</b>	116,963	77,637	<b>83,583</b>	<b>7.7</b>	<b>5.8</b>
	<u>847,538</u>	<u>770,426</u>	<u><b>829,994</b></u>	<b>7.7</b>	<b>5.6</b>
<b>GDP growth in 2024</b>				<b>5.2% to 6.2%</b>	<b>2.5% to 3.5%</b>

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

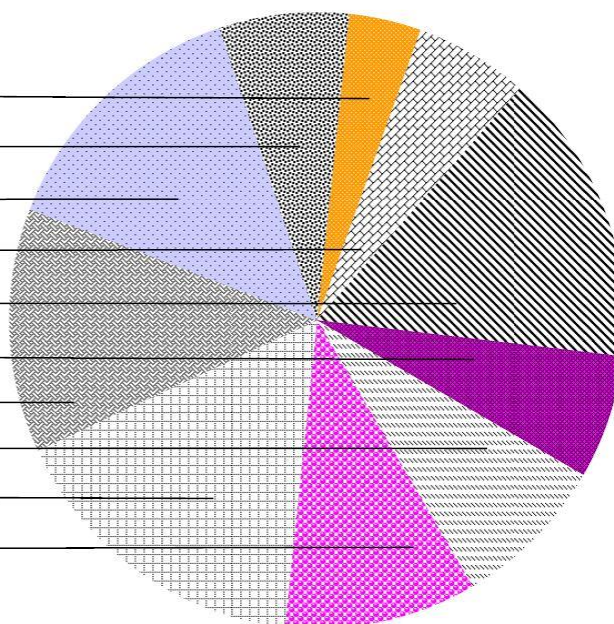
**Total Government Expenditure : Year-on-Year Change**

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

**GDP growth in 2024** 5.2% to 6.2% 2.5% to 3.5%

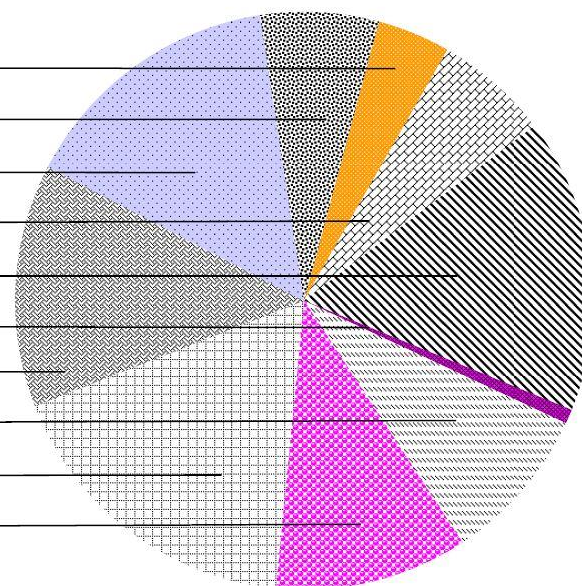
**Percentage Share of Expenditure by Policy Area Group  
Total Public Expenditure : 2024-25 Estimate**

Community and External Affairs	3.8%
Economic	6.8%
Education	14.0%
Environment and Food	6.0%
Health	15.4%
Housing	6.5%
Infrastructure	12.8%
Security	8.2%
Social Welfare	16.4%
Support	10.1%
	100.0%



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

Community and External Affairs	4.1%
Economic	6.6%
Education	14.9%
Environment and Food	6.4%
Health	16.5%
Housing	0.8%
Infrastructure	13.6%
Security	8.8%
Social Welfare	17.5%
Support	10.8%
	100.0%



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

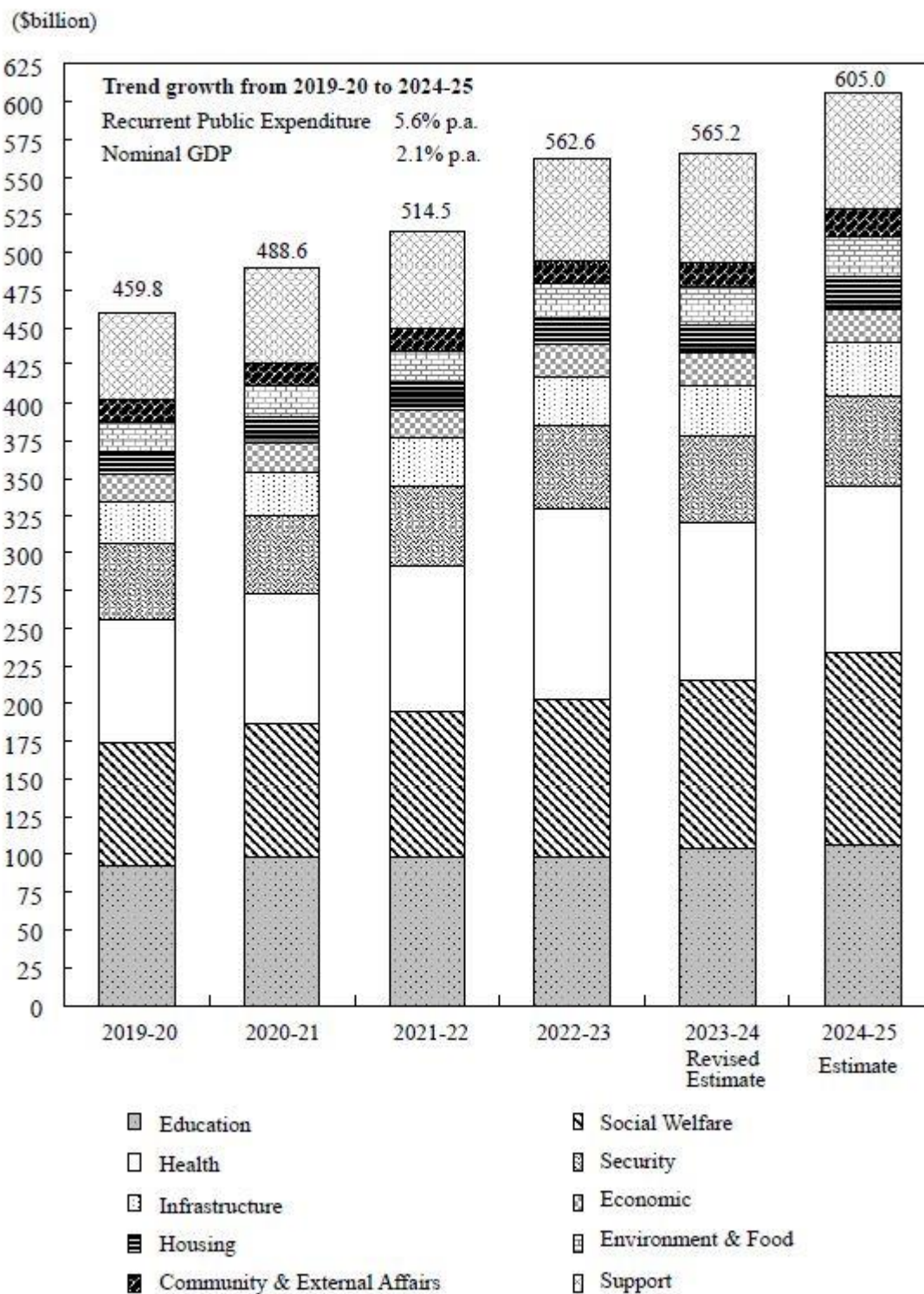
Major capital projects estimated to begin in 2024-25 include –

	<b>Project Estimates \$ billion</b>
<b>Infrastructure</b>	<b>134.6</b>
— 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	
<b>Environment and Food</b>	<b>18.6</b>
— 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	
<b>Health</b>	<b>11.5</b>
— Re provisioning of Victoria Public Mortuary	
— Redevelopment of Shek Kip Mei Health Centre	
— Funding provision to the Hospital Authority for Minor Works Projects	

	<b>Project Estimates \$ billion</b>
<b>Housing</b>	<b>9.8</b>
— Implementation of Light Public Housing—the Second Batch of Projects	
<b>Support</b>	<b>6.2</b>
— 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	
<b>Education</b>	<b>5.5</b>
— 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)	
<b>Community and External Affairs</b>	<b>4.7</b>
— 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**

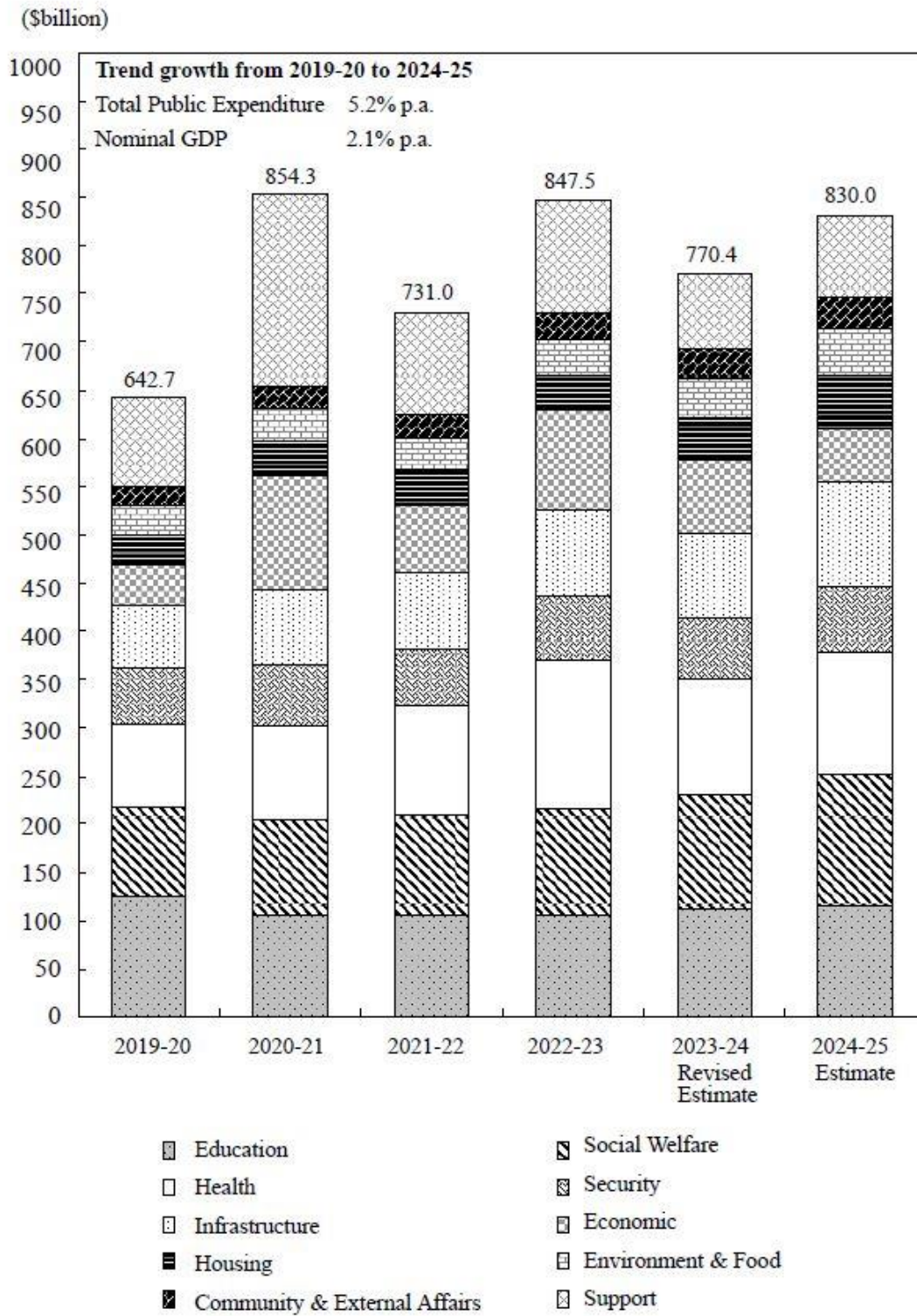
**Recurrent Public Expenditure by Policy Area Group**



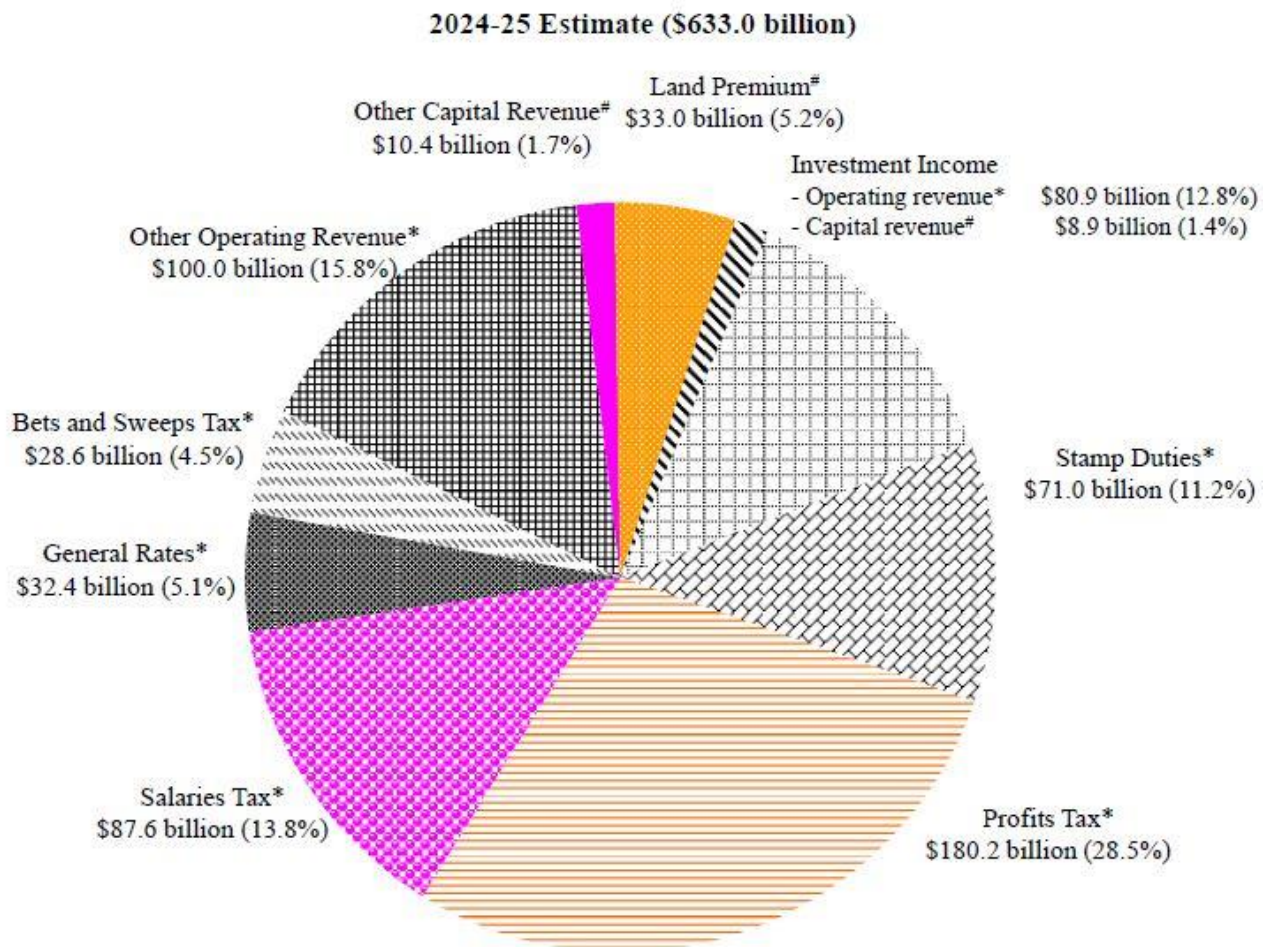


**SECTION V TRENDS IN PUBLIC EXPENDITURE : 2019-20 TO 2024-25**

**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%
<b>Total</b>	<b>\$633.0 billion</b>	<b>100%</b>	<b>20.0%</b>

## SECTION VII CLASSIFICATION OF POLICY AREA GROUP

<b>Policy Area Group</b>	<b>Policy Area (Note)</b>	
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.

