

Ming Pao Education Publications Limited 'Life and Society'

Corrigenda (7 / 2020)

Module	Page no. (2015 edition)	Chapter	Section	Amendment	
				Old	New
12	5	1	Warm-up Activity	7 January 2014	7 January 2014, 4 May 2020
				As political commentator Lee Sin Chi pointed out, 'Since the new government came to power, it has carried out numerous works focusing on the grassroots.	As political commentator Lee Sin Chi pointed out in 2014, 'The government has carried out numerous works focusing on the grassroots.
				It is well-known that the Financial Secretary, John Tsang Chun Wah, would like to search for ways to relieve the financial stress of the middle-income group while drafting the <i>Budget</i> .	It is well-known that the former Financial Secretary, John Tsang Chun Wah, would like to search for ways to relieve the financial stress of the middle-income group while drafting the <i>Budget</i> .
				Recently, Financial Secretary Tsang has been working to manage expectations ahead	Former Financial Secretary Tsang had been working to manage expectations ahead

				<p>of the budget through the animated commercials on his blog. In these commercials, he emphasises that the government has to “keep expenditure within the limits of revenue” as well as preparing for problems such as the ageing population. Yet, political parties and the public might still ask why the government doesn’t provide a handout when its fiscal reserves excluding the Exchange Fund total HK\$700 billion.</p>	<p>of the budget through the animated commercials on his blog. In these commercials, he emphasised that the government had to “keep expenditure within the limits of revenue” as well as preparing for problems such as the ageing population. Yet, political parties and the public might still asked why the government didn’t provide a handout when its fiscal reserves excluding the Exchange Fund total HK\$700 billion.</p>
				<p>Sources pointed out that although the current reserve level was enough to cover government expenditure for 20 months, it had been enough for 28 months in 1997-1998, before</p>	<p>Sources pointed out that although the reserve level in 2014 was enough to cover government expenditure for 20 months, it had been enough for 28 months in 1997-1998, before</p>

				<p>the financial crisis, which brought economic depression, consecutive deficits and consumption equalling 15 months of expenditure reserves within several years.</p>	<p>the financial crisis, which brought economic depression, consecutive deficits and consumption equalling 15 months of expenditure reserves within several years.</p>
				<p>Meanwhile, the working group on long-term fiscal planning led by Tsang has submitted a report evaluating the economic and financial impacts brought about by an ageing population.</p>	<p>Meanwhile, the working group on long-term fiscal planning led by Tsang had submitted a report evaluating the economic and financial impacts brought about by an ageing population.</p>
				<p>For instance, Tsang had earlier suggested setting up a “Future Fund” using the land fund, which has accumulated to HK\$220 billion, plus part of the annual financial surplus.</p>	<p>For instance, Tsang had earlier suggested setting up a “Future Fund” using the land fund, which accumulated to HK\$220 billion at that time, plus part of the annual financial surplus.</p>

			Photo caption	Financial Secretary delivers the <i>Budget</i> speech to the Legislative Council every year before 1 April, when the fiscal year begins.	The picture shows John Tsang Chun Wah, the former Financial secretary (the current Financial Secretary is Paul Chan Mo Po).
					<u>Additional</u> The Future Fund was finally set up on 1 January 2016.
	9	1	More Information	In 2011-2012, these taxes made up over 50% of the revenue of the HKSAR Government.	In 2016-2017, these taxes made up over 50% of the revenue of the HKSAR Government.
	10	1	Learning Activity 1	4. Further to the above question, calculate the percentage of tax revenue and non-tax revenue in the total revenue of the HKSAR Government in 2011-2012.	4. Further to the above question, calculate the percentage of tax revenue and non-tax revenue in the total revenue of the HKSAR Government in 2016-2017.
	13	1	Learning Activity 2 Source 2	Items 6, 7 and 10 are currently at the planning and reviewing stages.	As of 2019, Project 6 has been shelved; for Project 7, advanced works have started in June 2018, and the first batch of land is expected to be

					provided in or before 2021; and for Project 10, land resumption and clearance works of Kwu Tung North and Fanling North New Development Areas have also started.
				2. According to Source 1, indicate the first 3 major expenditure items of the HKSAR Government in 2011-2012 and its amount.	2. According to Source 1, indicate the first 3 major expenditure items of the HKSAR Government in 2016-2017 and its amount.
	14	1	Learning Activity 2	3. Further to the above question, complete the table below by comparing the data for 2007-2008 and 2011-2012.	3. Further to the above question, complete the table below by comparing the data for 2007-2008 and 2016-2017.
	15	1	Focus of Learning A.(1)	Profits tax is the greatest source of revenue for the HKSAR Government, comprising 27% of the total annual revenue in 2011-2012.	Profits tax is the greatest source of revenue for the HKSAR Government, comprising 24% of the total annual revenue in 2016-2017.

	17	1	Focus of Learning B.(1)	It is expected to be HK\$69 billion in 2013-2014, comprising 15.9% of the total annual revenue.	It is expected to be HK\$128 billion in 2016-2017 , comprising 22.3% of the total annual revenue.
			Fig.1.3	Norman Chan Tak Lam, the Chief Executive of the Hong Kong Monetary Authority (HKMA)...	Eddie Yue Wai Man , the Chief Executive of the Hong Kong Monetary Authority (HKMA)...
	18	1	Focus of Learning A.	In 2011-2012, almost 60% of the total HKSAR Government revenue came from the profits tax, land premium and the salaries tax, personal assessment and property tax.	In 2016-2017 , almost 60% of the total HKSAR Government revenue came from the profits tax, land premium and the salaries tax, personal assessment and property tax.
			B.	In 2011-2012, tax revenue comprised 50% of the HKSAR Government's revenue sources.	In 2016-2017 , the above tax revenue comprised 47% of the HKSAR Government's revenue sources.
			According to the Inland Revenue Department, the total number of Hong Kong taxpayers in 2009-2010 was approximately	According to the Inland Revenue Department, the total number of Hong Kong salaries taxpayers in 2016-2017 was approximately	

				1.426 million, which was less than 40% of the total working population in Hong Kong.	1.765 million , which was about 47% of the total working population in Hong Kong.
				Meanwhile, the taxes paid by the 84,000 taxpayers who paid the most taxes comprised 62% of the total salaries tax.	Meanwhile, the taxes paid by the 160,000 taxpayers who paid the most taxes comprised 73% of the total salaries tax.
	19	1	Focus of Learning 1.4	Of these, education has the greatest proportion of overall public expenditure, and is expected to reach HK\$76.9 billion in 2013-2014.	Of these, education has the greatest proportion of overall public expenditure, and is expected to reach HK\$89.4 billion in 2016-2017 .
				Providing 12 years of free education, financially assisted tertiary education and various vocational training programmes.	Providing 15 years of free education, financially assisted tertiary education and various vocational training programmes.
	21	1	Focus of Learning B.	... to implement various poverty alleviation programmes.	... to implement various poverty alleviation programmes. For example, launching the ‘Special Care Subsidy for the Severely

					Disabled’ in 2011 and ‘Provision of Subsidy to Needy Primary and Secondary Students for Purchasing Mobile Computer Devices to Facilitate the Practice of e-Learning’ in 2019.
	22	1	Reference	Go to the following websites, find out more about the <i>2013-2014 Budget</i> and the <i>Budget</i> between 1997 and 2012.	Go to the following websites, find out more about the <i>2019-2020 Budget</i> and the <i>Budget</i> between 1997 and 2019.
				http://www.budget.gov.hk/2013/eng/speech.html	http://www.budget.gov.hk/2019/eng/speech.html
				http://www.budget.gov.hk/2013/eng/previous.html	http://www.budget.gov.hk/2020/eng/previous.html
	24	1	Glossary	...by 2013 the Community Care Fund had introduced a total of 18 assistance programmes, benefitting over 100,000 residents.	...by the end of September in 2019 the Community Care Fund had introduced a total of 54 assistance programmes, benefitting over 1.72 million cases.
	26	2	Learning Activity 1 Source 1	Lam Cheng Yuet Ngor, the chairperson	Lam Cheng Yuet Ngor, the chairperson

			of the Commission on Poverty and the Chief Secretary for Administration, promised yesterday that the government ‘would definitely discuss’ the poverty alleviation measure of a low-income family allowance.	of the Commission on Poverty and the Chief Secretary for Administration at that time, promised that the government ‘would definitely discuss’ the poverty alleviation measure of a low-income family allowance.
			Learning Activity 1 Source 2	<u>Additional</u> Due to construction problems of the Sha Tin to Central Link, the total expense of the project is HK\$97.163 billion after adjusting the preliminary budget and the later additional expense. The MTR expects that full operation of the link will be postponed to 2021.

	27	2	Learning Activity 1 Source 3	<p>At present, the HKSAR Government provides financial assistance for influenza vaccinations in private clinics to children between 6 months and 6 years old and elderly people of 65 years old or above. The amount of assistance is HK\$130 per dose.</p>	<p>At present, the HKSAR Government provides financial assistance for influenza vaccinations in private clinics to children between 6 months and 12 years old and elderly people of 50 years old or above. The amount of assistance is HK\$210 per dose.</p>
				<p>In addition, the Department of Health has announced that people suffering from chronic diseases or on the Comprehensive Social Security Assistance (CSSA) Scheme can go to public hospitals to have the influenza vaccination.</p>	<p>In addition, the Department of Health has announced that elderly people of 65 years old or above, people of 50 to 64 years old suffering from chronic diseases or on the Comprehensive Social Security Assistance (CSSA) Scheme can also go to the appointed public clinics and health centres to have free influenza vaccination.</p>

				Summary of local news on 5 October 2012	Summary of local news on 30 September 2019
	32	2	Challenge	The situation was similar in 2011, when the coefficient fell from ____ before tax to ____ after tax and social welfare.	The situation was similar in 2016, when the coefficient fell from ____ before tax to ____ after tax and social welfare.
	37	3	Focus of Learning 3.1 A.(2)	According to a survey by the World Economic Forum, the total tax rate of Hong Kong was 22.9% in 2013. This was the 18th-lowest tax rate in the world, much lower than the global average.	According to a survey by the World Economic Forum, the total tax rate of Hong Kong was 22.9% in 2017. This was the 20th-lowest tax rate in the world, much lower than the global average.
	39	3	Focus of Learning 3.2	In the northern European countries like Denmark and Sweden, the corporate tax rate is 25% and 22% respectively...	In the northern European countries like Denmark and Sweden, the corporate tax rate is 22% and 21.4% respectively...
	43		Word Easy	E <i>Exchange Fund Ordinance</i> 《外匯基金條例》	E Eddie Yue Wai Man 余偉文 <i>Exchange Fund Ordinance</i> 《外匯基金條例》

				N Norman Chan Tak Lam 陳德霖	N Norman Chan Tak Lam 陳德霖
				P <i>Policy Address</i> 《施政報告》 public finance 公 共財政	P Paul Chan Mo Po 陳茂波 <i>Policy Address</i> 《施政報告》 public finance 公共財政

P.6 (Fig 1.1)

Think About It

Do you know who the person in Fig. 1.1 is? He carries out consultations about the *Budget* every year. What are your opinions about the *Budget*? Think of 2 suggestions for government expenditure.

What items of revenue and expenditure does the HKSAR Government have? What was the highest expenditure item last year?

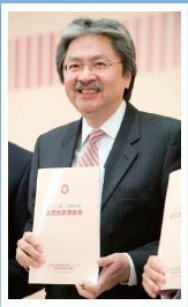


Fig. 1.1

New:

Think About It

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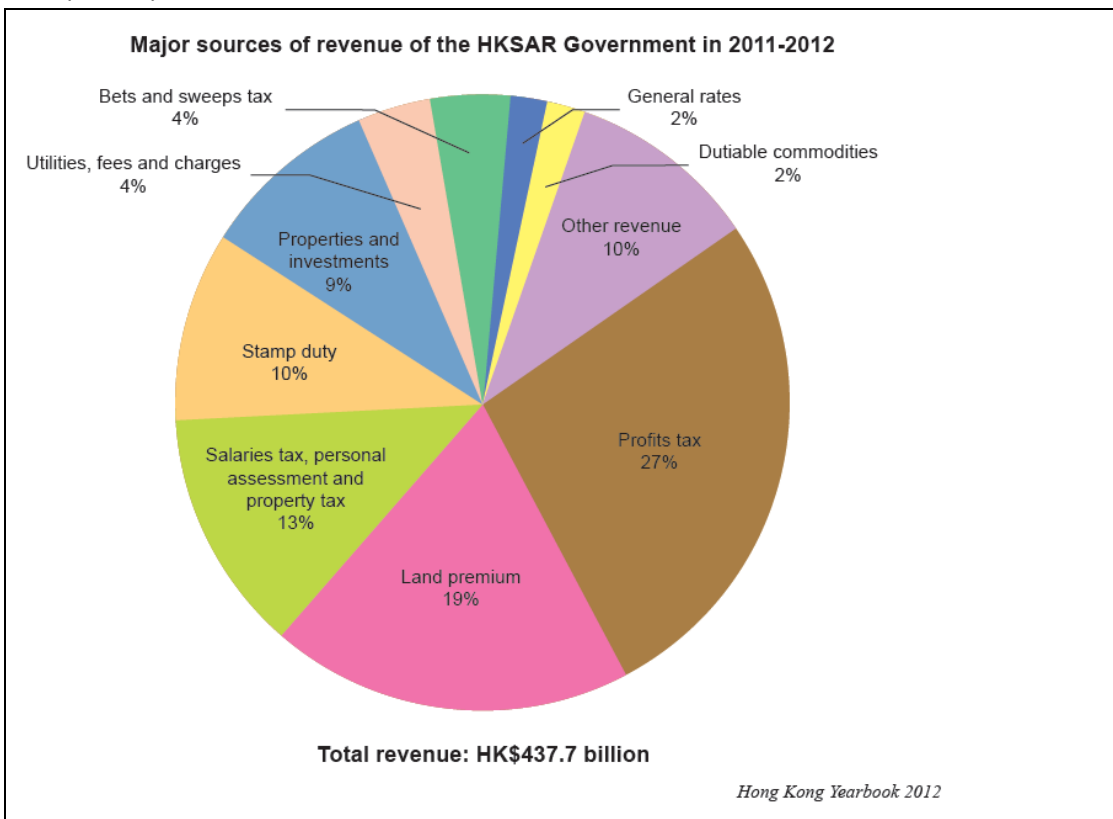
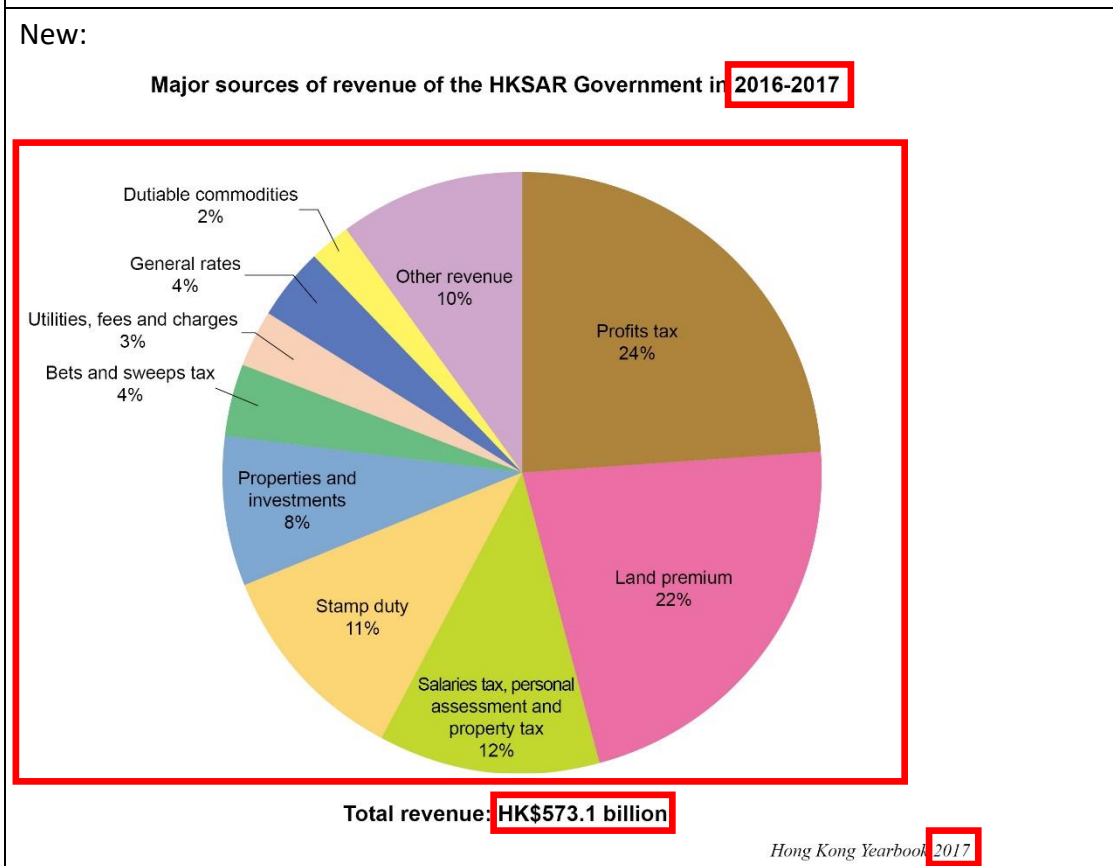


Fig. 1.1

P.9 (Part 2)



New:



P.12 (Source 1)

Source 1

Expenditure items of the HKSAR Government		
Items	Expenditure (HK\$ million)	
	2007-2008	2011-2012
Community and external affairs	8,532	26,033
Economic assistance	13,464	47,302
Education	53,825	67,891
Environment and food	11,890	17,733
Health	33,623	45,297
Housing	14,336	18,918
Infrastructure	26,590	52,545
Security	27,985	31,522
Social welfare	34,868	43,346
Support	27,382	35,054
Total:	252,495	385,641



Timely Update
las.mpep.com.hk/12/info2/en

Hong Kong Yearbook 2012

New:

Source 1

Expenditure items of the HKSAR Government		
Items	Expenditure (HK\$ million)	
	2007-2008	2016-2017
Community and external affairs	8,532	14,851
Economic assistance	13,464	29,365
Education	53,825	82,436
Environment and food	11,890	20,834
Health	33,623	66,474
Housing	14,336	28,875
Infrastructure	26,590	89,402
Security	27,985	43,162
Social welfare	34,868	68,151
Support	27,382	51,266
Total:	252,495	494,816

Hong Kong Yearbook 2012, Hong Kong Yearbook 2017



Timely Update
las.mpep.com.hk/12/info2/en

P.17 Fig. 1.3



Fig. 1.3 Norman Chan Tak Lam, the Chief Executive of the Hong Kong Monetary Authority (HKMA), which manages Hong Kong's Exchange Fund.

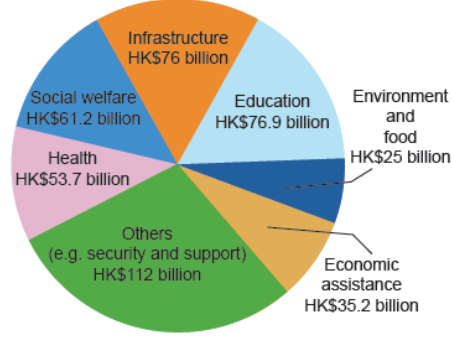
New:



Fig. 1.3 Eddie Yue Wai Man, the Chief Executive of the Hong Kong Monetary Authority (HKMA), which manages Hong Kong's Exchange Fund.



The expenditure estimates of the HKSAR Government for 2013-2014



Expenditure category	Total amount (HK\$ billion)	Percentage (%)
Infrastructure	76	17.3
Education	76.9	17.5
Environment and food	25	5.7
Economic assistance	35.2	8.0
Others (e.g. security and support)	112	25.5
Health	53.7	12.2
Social welfare	61.2	13.9

Total expenditure: HK\$440 billion

Table 1.2

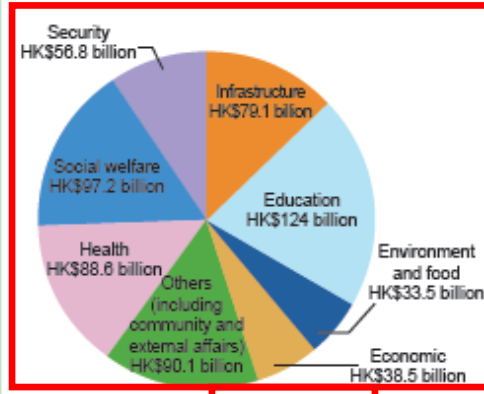
2013-2014 Budget

Timely Update
las.mpep.com.hk/12/info3/en

New:



The expenditure estimates of the HKSAR Government for 2019-2020



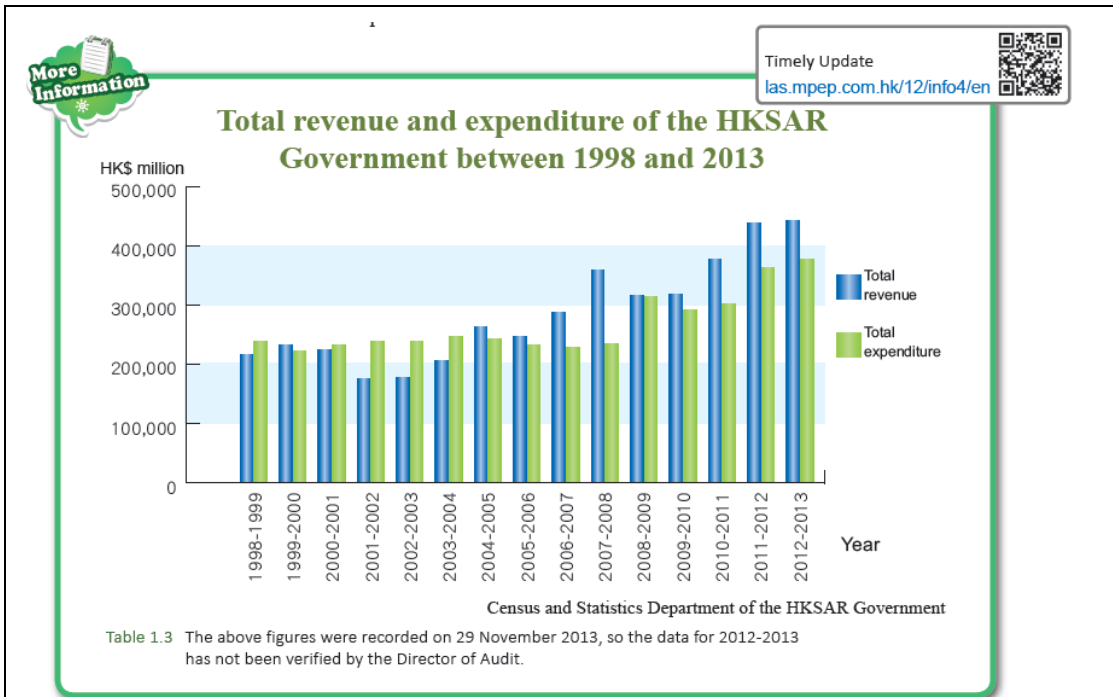
Expenditure category	Total amount (HK\$ billion)	Percentage (%)
Infrastructure	79.1	13.0
Education	124	20.4
Environment and food	33.5	5.5
Economic	38.5	6.3
Others (including community and external affairs)	90.1	14.8
Health	88.6	14.6
Social welfare	97.2	16.0
Security	56.8	9.3

Total expenditure: HK\$607.8 billion

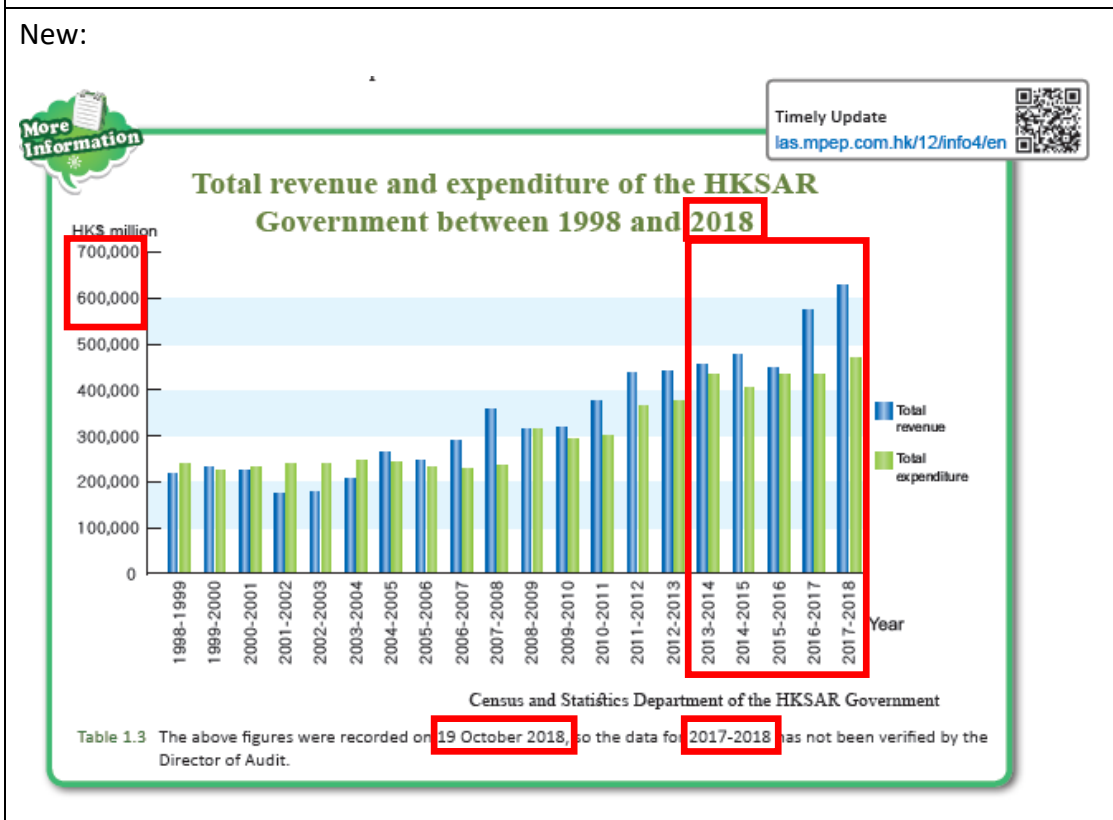
Table 1.2

2019-2020 Budget

Timely Update
las.mpep.com.hk/12/info3/en




New:



P.32 (Table 2.1)

Challenge

Timely Update
las.mpep.com.hk/12/info5/en



The Gini coefficient for Hong Kong in 2006 and 2011


Gini coefficient	2006	2011
Before tax	0.533	0.537
After tax and social welfare	0.475	0.475

Table 2.1
Census and Statistics Department of the HKSAR Government

New:

Challenge

Timely Update
las.mpep.com.hk/12/info5/en



The Gini coefficient for Hong Kong in 2006 and 2016

Gini coefficient	2006	2016
Before tax	0.533	0.539
After tax and social welfare	0.475	0.473

Table 2.1
Census and Statistics Department of the HKSAR Government

p.35 (Source 1)

Source 1


Tax rate comparison of countries / regions in 2013			
Country / Region	Corporate tax (%)	Income tax (%)	Value added tax (%)
Hong Kong, China	16.5	15	not charged
China	25	45	17
Singapore	17	20	7
Japan	38.01	50.84	5
United Kingdom	23	45	20
Germany	29.55	45	19
Denmark	25	55.56	25
Sweden	22	56.6	25
United States	40	39.6	charged by states
Australia	30	45	10

New:

Source 1

Tax rate comparison of countries / regions in 2019			
Country / Region	Corporate tax (%)	Income tax (%)	Value added tax (%)
Hong Kong, China	16.5	15	not charged
China	25	45	16
Singapore	17	22	7
Japan	30.62	55.95	8
United Kingdom	19	45	20
Germany	30	45	19
Denmark	22	55.89	25
Sweden	21.4	57.19	25
United States	27	37	charged by states
Australia	30	45	10

P.38 (Table 3.1)




Timely Update
las.mpep.com.hk/12/info7/en

Total tax rates of the top 10 competitive countries / regions in the world in 2014		
Competitiveness ranking	Country / Region	Total tax rate (%) (in 2013)
1	Switzerland	29.1
2	Singapore	27.1
3	United States	46.3
4	Finland	39.8
5	Germany	49.4
6	Japan	49.7
7	Hong Kong, China	22.9
8	Netherlands	39.3
9	United Kingdom	34.0
10	Sweden	52.0

Table 3.1 The World Economic Forum

New:



Timely Update
las.mpep.com.hk/12/info7/en

Total tax rates of the top 10 competitive countries / regions in the world in 2017		
Competitiveness ranking	Country / Region	Total tax rate (%)
1	Switzerland	28.8
2	United States	44.0
3	Singapore	19.1
4	Netherlands	40.4
5	Germany	48.9
6	Hong Kong, China	22.9
7	Sweden	49.1
8	United Kingdom	30.9
9	Japan	48.9
10	Finland	38.1

Table 3.1 The World Economic Forum

Note: The total tax rate of Hong Kong was 22.9% in 2017, the 20th-lowest tax rate in the world