

Head 31 — CUSTOMS AND EXCISE DEPARTMENT

Controlling officer: the Commissioner of Customs and Excise will account for expenditure under this Head.

Estimate 2001- 02	\$1,887.5m
Establishment ceiling 2001- 02 (notional annual mid-point salary value) representing an estimated 5 394 non-directorate posts at 31 March 2001 reducing by 132 posts to 5 262 posts at 31 March 2002	\$1,506.1m
In addition there will be an estimated ten directorate posts at 31 March 2001 and at 31 March 2002.	
Capital Account commitment balance	\$37.0m

Controlling Officer's Report

Programmes

Programme (1) Control and Enforcement	This programme contributes to Policy Area 6: Commerce and Industry (Secretary for Commerce and Industry), Policy Area 9: Internal Security (Secretary for Security) and Policy Area 25: Revenue Collection and Financial Control (Secretary for the Treasury).
Programme (2) Anti-narcotics Investigation	This programme contributes to Policy Area 9: Internal Security (Secretary for Security).
Programme (3) Intellectual Property Rights and Consumer Protection	This programme contributes to Policy Area 5: Travel, Tourism and Consumer Protection (Secretary for Economic Services) and Policy Area 6: Commerce and Industry (Secretary for Commerce and Industry).
Programme (4) Revenue Protection and Collection	This programme contributes to Policy Area 25: Revenue Collection and Financial Control (Secretary for the Treasury).
Programme (5) Trade Controls	This programme contributes to Policy Area 6: Commerce and Industry (Secretary for Commerce and Industry).

Detail

Programme (1): Control and Enforcement

	1999-2000 (Actual)	2000-01 (Approved)	2000-01 (Revised)	2001- 02 (Estimate)
Financial provision (\$m)	1,028.4	1,188.9 (+15.6%)	1,177.9 (-0.9%)	1,085.2 (-7.9%)

Aim

2 The aim is to prevent and detect the smuggling of contraband, including narcotics, firearms, strategic goods, dutiable commodities, articles which infringe copyright or trade descriptions, and any other articles the importation or exportation of which is prohibited by law, through action at control points and through regular land and maritime patrols within the territory of Hong Kong.

Brief Description

3 The department is the primary agency responsible for the suppression of smuggling activities and is an integral member of the Joint Police/Customs Anti-smuggling Task Force which was formed to combat smuggling activities at sea. The department also acts as the front-line agency to prevent importation and exportation of any articles which are prohibited by law concerning security, public health and environmental protection or in fulfilling international obligations. The enforcement work includes:

- monitoring both the import and export of goods and the licensing of the movement of prohibited and prescribed articles;
- conducting primary checks on passengers, crew, cargoes, postal parcels, aircraft and vehicles, and secondary examination of those considered high risk, in order to detect contraband, controlled items and other violations of the law;
- conducting regular maritime and land patrols within Hong Kong's territorial boundaries to detect and suppress violations of customs law and other illegal activities; and
- inspecting and verifying licences and manifests in order to control the import and export of prohibited articles and the carriage of prescribed articles.

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4 The performance targets for 2000 were generally achieved.

5 In addition to the deterrent effect of preventive action, the results of which cannot be quantified, the other key performance measures are:

Targets

	Target	1999 (Actual)	2000 (Actual)	2001 (Plan)
% of licences for prescribed articles to be issued within 14 working hours upon receipt of applications.....	100	100	100#	100
% of detained sea cargo to be cleared within 5 working days from date of request.....	100	100	100	100
% of detained air cargo to be cleared within 80 minutes from time of request.	100	100	100	100
% of passengers to be cleared within 15 minutes upon queuing up for Customs clearance (except those selected for further examination).....	100	100	100	100
% of vehicles crossing the land boundary to be cleared within 60 seconds (except those selected for secondary examination).....	100	99.9	99.9	99.9

Figures for 2000 are based on 11 months' actual performance projected to full-year and are subject to adjustment.

Indicators

	1999 (Actual)	2000 (Actual)#	2001 (Estimate)
carriage and import and export licences issued.....	13 607†	15 974	16 300
seizures (no. of cases).....	20 568†	24 899	24 900
value of seizures (\$m)			
dutiable commodities	107.2†	49.9	50.0
vehicles	12.0†	10.9	11.0
speedboats/small craft	12.6†	14.6	15.0
prescribed articles	17.9†	21.3	21.0
prohibited articles	109.1†	169.5	170.0
others (dangerous goods, agricultural pesticides, reserved commodities, endangered species, etc.)	38.4†	33.8	34.0

Figures for 2000 are based on 11 months' actual performance projected to full-year and are subject to adjustment.

† Figures have been updated after the preparation of the 2000–01 Estimates.

Matters Requiring Special Attention in 2001–02

6 During 2001–02, the department will:

- maintain vigorous action against smuggling through the airport, land boundary and by sea; and
- continue enforcement action against the illegal distribution, storage and sale of dutiable commodities within Hong Kong.

Programme (2): Anti-narcotics Investigation

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	145.1	148.0 (+2.0%)	139.6 (–5.7%)	140.2 (+0.4%)

Aim

7 The aim is to suppress illicit trafficking in and abuse of dangerous drugs, to combat money laundering and to prevent diversion of controlled chemicals for the illicit manufacture of dangerous drugs.

Brief Description

8 The department is responsible for investigating and detecting the illegal import, export, manufacture and distribution, as well as the abuse of dangerous drugs. It conducts financial investigations to trace the assets of drug

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traffickers and initiates confiscation proceedings in respect of drug-related assets. It also exercises licensing control on the import, export and transhipment of controlled chemicals and conducts investigations to prevent and detect their illicit diversion.

9 The department co-operates with customs administrations and other law enforcement agencies outside Hong Kong to combat international drug trafficking and money laundering, and to prevent diversion of controlled chemicals. This work includes:

- surveillance and investigations, and operations to combat organised drug syndicates and individual drug offenders;
- identification and confiscation of drug-related assets derived from offences committed in or outside Hong Kong;
- liaison and co-operation with drug enforcement agencies and other competent authorities in or outside Hong Kong in the suppression of international drug trafficking and illicit diversion of controlled chemicals; and
- collection, collation and exchange of intelligence with law enforcement agencies in or outside Hong Kong.

10 2000 was another successful year for the department in anti-narcotics work.

11 The key performance measures are:

Targets

	Target	1999 (Actual)	2000 (Actual)	2001 (Plan)
% of authorisation for import/export of chemicals (as listed in Schedule 1 or 2 of the Control of Chemicals Ordinance) to be issued within 14 days upon receipt of applications	100	100	100	100
% of authorisation for export of any chemical listed in Schedule 3 of the Control of Chemicals Ordinance to any country specified in the same Schedule to be issued within 14 days upon receipt of applications	100	100	100	100
% of approval for storing/keeping any chemical listed in Schedule 1 or 2 of the Control of Chemicals Ordinance to be issued within 7 days upon receipt of applications.....	100	100§	100§	100

§ The service standard will be improved from within 10 days to within 7 days in 2001. Figures for 1999 and 2000 are based on the previous service standard.

Indicators

	1999 (Actual)	2000 (Actual)	2001 (Estimate)
no. of drug abusers reported to Central Registry of Drug Abuse.....	16 307†	14 850‡	N.A.@
average purity of heroin (%) (indicative of availability).....	46.4†	49.7#	49.7
average retail price (\$ per g) of heroin.....	388.0†	380.4#	380.4
Narcotics			
seizures (no. of cases)Ω	726†	784#	780
opiate (kg).....	66.6†	45.8#	46.0
cocaine (kg).....	11.9†	5.5#	6.0
cannabis (kg).....	19.3†	61.4#	61.0
synthetic drugs (kg).....	99.6†	—#	—
synthetic drugs (tablet).....	33 858†	134 921#	134 920
narcotic drugs seized outside Hong Kong (kg) (as a result of Hong Kong Customs co-operation with overseas agencies)	616.0	5	N.A.@
persons arrested outside Hong Kong (as a result of Hong Kong Customs co-operation with overseas agencies).....	15	5	N.A.@
assets of drug traffickers (\$m)			
restrained.....	0.1†	0.85	0.3
confiscated.....	0.6†	0.55	1.0
Poisons/anti-biotics			
seizures (no. of cases)Ω	24†	39#	39
seizures (kg).....	3.3†	103.0#	103.0
seizures (ml).....	118†	1 200#	1 200

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	1999 (Actual)	2000 (Actual)	2001 (Estimate)
seizures (tablet).....	199 302†	2 356 649#	2 357 000
seizures (tube).....	50 846	—#	—

† Figures have been updated after the preparation of the 2000–01 Estimates.

‡ Refers to latest figures up to September 2000 available from the website of Central Registry of Drug Abuse.

@ Not applicable.

Figures for 2000 are based on 11 months' actual performance projected to full-year and are subject to adjustment.

Ω Figures include performance in Programme 1.

Matters Requiring Special Attention in 2001–02

12 During 2001–02, the department will:

- continue to take proactive activities against drug trafficking at all levels through intelligence-based operations and international cooperation;
- continue to enhance surveillance capability with the support of high-tech equipment and communication systems; and
- continue to detect and deter the illicit diversions of controlled chemicals through investigations and an effective licensing system.

Programme (3): Intellectual Property Rights and Consumer Protection

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	246.9	244.2 (–1.1%)	277.5 (+13.6%)	265.6 (–4.3%)

Aim

13 The aim is to prevent and detect copyright and trade mark infringement and dealings in goods bearing false trade descriptions; to collaborate with local and overseas copyright owners and relevant organisations as well as law enforcement agencies in order to combat trade mark counterfeiting and copyright piracy; and to enforce consumer protection legislation relating to weights and measures, toys and children's products safety, consumer goods safety and precious metals marking orders.

Brief Description

14 The department is responsible for suppressing offences and investigating complaints related to copyright infringement, the forgery of trade marks, false trade descriptions and misrepresentation of goods. It initiates investigations in these areas and collaborates as necessary with local and overseas organisations and law enforcement agencies, and with trade mark and copyright owners. It investigates complaints about short weights and measures and conducts spot checks at retail outlets to ensure the accuracy of weighing and measuring equipment. The department also investigates complaints and conducts spot checks to ensure compliance with the Toys and Children's Products Safety Ordinance, the Weights and Measures Ordinance, the Consumer Goods Safety Ordinance and the Precious Metals Marking Orders. The enforcement work involves:

Intellectual Property Rights

- conducting preliminary enquiries and background checks on complaints and on information received;
- conducting investigation and taking enforcement actions against persons and syndicates suspected of infringing intellectual property rights (IPR);
- executing court orders to detain goods at importation for the purpose of enforcing boundary measures under the Agreement on Trade-Related Aspects of Intellectual Property Rights;
- arranging and supervising the examination and identification of seizures with the participation of trade mark and copyright owners or their representatives;
- conducting inspections on optical disc (OD) factories to guard against manufacture of pirated ODs;
- controlling the import and export of OD mastering and replication equipment;
- prosecuting offenders; and
- applying to court for the confiscation of financial proceeds obtained from IPR infringement activities.

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Consumer Protection

- conducting spot checks on the accuracy of weighing and measuring equipment, the safety of toys and children's products and consumer goods, and the display of Precious Metals Marking Notices;
- investigating complaints about short weights and measures, unsafe toys and children's products and consumer goods, and misrepresentation of the fineness of gold and platinum articles; and
- prosecuting offenders.

15 The overall performance in this programme in 2000 was good and the aims were generally met.

16 The key performance measures are:

Targets

	Target	1999 (Actual)	2000 (Actual)	2001 (Plan)
% of licences for import and export of optical disc mastering and replication equipment to be issued within 2 working days upon receipt of applications.....	100	100	100	100
% of licences for manufacturing of optical discs to be issued within 14 working days upon receipt of applications	100	100	100	100

Indicators

	1999 (Actual)	2000 (Actual)	2001 (Estimate)
<i>Intellectual Property Rights</i>			
no. of IPR investigations.....	5 638†	7 207φ	7 210^f
seizures (no. of cases).....	4 359†	6 759	6 770
value of seizures (\$m)(including textiles, leather-ware, watches, computer related and music related goods).....	448.2†	241.3	245.0
spot checks on optical disc factories.....	303†	348	300
no. of verifications on import/export of optical disc mastering and replication equipment.....	182†	175	180
<i>Weights and Measures</i>			
spot checks	648†	581	580
seizures (no. of cases).....	101†	55	61
value of seizures (\$' 000)	70.0†	68.5	75.0
<i>Toys and Children's Products Safety</i>			
spot checks	1 558†	1 440	1 450
no. of investigation.....	445†	428	400
seizures (no. of cases).....	28†	31	28
value of seizures (\$' 000).....	76.0†	178.6	19.0
<i>Consumer Goods Safety</i>			
spot checks	1 442†	1 490	1 350
no. of investigation.....	302	310	300
seizures (no. of cases).....	90†	58	60
value of seizures (\$' 000).....	1,251.0†	291.0	345.0
<i>Precious Metals Marking Orders</i>			
spot checks	77†	71	70
seizures (no. of cases).....	5	3	2
value of seizures (\$' 000).....	237.0†	46.0	32.0

† Figures have been updated after the preparation of the 2000–01 Estimates.

φ Figures are based on expanded scope of definition for investigation as a result of the establishment of the Special Task Force and the change in operation pattern.

Matters Requiring Special Attention in 2001–02

17 During 2001–02, the department will:

- continue to safeguard the interests and safety of consumers and the rights of intellectual property owners;
- strengthen enforcement against copyright piracy by implementing new operational strategies and control measures;

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- continue to monitor optical disc factories by conducting spot checks and inspections at irregular intervals to guard against manufacture of pirated optical discs;
- exercise new statutory authority to investigate into IPR offences that are classified as organised and serious crimes, and apply to court for the forfeiture of financial proceeds obtained from such illicit activities;
- take enforcement action against corporate piracy offenders and enforce the new provisions on prohibition of unauthorised possession of video recording equipment in places of public entertainment such as cinema, theatre or concert hall;
- set up a computer forensic laboratory to provide support to frontline enforcement officers in tackling internet piracy and other computer crime problems;
- work with Economic Services Bureau and other departments to introduce multiple safety standards for the remaining prescribed children's product, i.e., baby nests; and
- launch programmes to promote traders' awareness of consumer protection legislation.

Programme (4): Revenue Protection and Collection

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	158.6	177.1 (+11.7%)	171.3 (–3.3%)	168.3 (–1.8%)

Aim

18 The aim is to collect and protect revenue from dutiable commodities stipulated in the Dutiable Commodities Ordinance and to assess the provisional taxable values of motor vehicles under the Motor Vehicles (First Registration Tax) Ordinance.

Brief Description

19 The department is responsible for the collection and protection of duties derived from dutiable commodities stipulated in the Dutiable Commodities Ordinance. It administers a licensing and permit system to control the manufacture, import, export, storage and movement of dutiable commodities.

20 The department assesses the provisional taxable values of motor vehicles for the purpose of calculating the first registration tax and maintains a registration scheme for motor vehicle importers and distributors.

21 The department has a 84-man Anti-Illicit-Cigarette Task Force responsible for combating all forms of illicit cigarettes activities and a 24-man Diesel Oil Enforcement Division dedicated to conduct in-depth investigations and surveillance of syndicates involved in the smuggling and supply of illicit fuel.

22 Customs officers engaged in marine and land enforcement duties also conduct regular land and sea patrols to eradicate the selling and distribution of illicit cigarettes and fuel. Large-scale operations mobilising customs officers of other units are also mounted from time to time to suppress these illicit activities.

23 The performance targets for 2000 were generally met.

24 The key performance measures are:

Targets

	Target	1999 (Actual)	2000 (Actual)	2001 (Plan)
<i>Dutiable Commodities</i>				
% of Import and Export Licences to be issued within 14 days of receipt of applications.....	96	97.7†	97.0	96.0
% of Permits to be issued within 2 days of receipt of applications	100	97.9	97.8	100
% of Customs' attendance provided within 2 days of receipt of applications	100	99.9†	100	100
<i>First Registration Tax</i>				
% of assessment of provisional taxable values of imported vehicles to be completed within 5 days of receipt of applications	100§	99.2†	97.6	100

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	Target	1999 (Actual)	2000 (Actual)	2001 (Plan)
% of registration of importers/ distributors of motor vehicles to be completed within 7 days of receipt of applications	100	94.9†	96.3	100

† Figures have been updated after the preparation of the 2000–01 Estimates.

§ The target will be improved from 90% to 100% in 2001.

Indicators

	1999 (Actual)	2000 (Actual)	2001 (Estimate)
<i>Dutiable Commodities</i>			
licences issued	246†	236	240
permits issued	145 915†	138 231	136 500
duty received (\$m)			
collected	7,423.4†	7,348.6	7,789.8
recovered	15.0†	3.7#	4.0
licence fees, Customs' attendance fees and other related payments collected (\$m)	67.7†	65.4	66.1
revenue collected per \$1 provision (\$).....	71.4	73.7#	78.1
no. of cases detected	78†	73#	73
<i>Anti-Illicit-Cigarette Task Force (excluding performance under the Dutiable Commodities columns in Programme 1 and this Programme)</i>			
no. of cases detected	45	750	750
no. of cigarettes seized.....	173 047 500	153 520 251	153 520 000
no. of vehicles seized	31	27	27
no. of vessels seized	—	—	—
<i>Diesel Oil Enforcement Division (excluding performance under the Dutiable Commodities columns in Programme 1 and this Programme)</i>			
no. of cases detected	462	500#	450
quantities of diesel oil seized (litres).....	1 366 654	726 683#	654 000
<i>First Registration Tax</i>			
inspection and verification of imported vehicles for payment of First Registration Tax.....	379†	378	390
no. of assessment of provisional taxable value on imported vehicles completed.....	42 772†	56 776	57 220
no. of re-assessment of provisional taxable value on imported vehicles	9 071†	9 708	9 310

† Figures have been updated after the preparation of the 2000–01 Estimates.

Figures for 2000 are based on 11 months' actual performance projected to full-year and are subject to adjustment.

Matters Requiring Special Attention in 2001–02

25 During 2001–02, the department will:

- continue to take vigorous enforcement action against syndicated distribution of contraband cigarettes;
- intensify raiding action against sellers and buyers of duty-not-paid cigarettes at street-level;
- step up enforcement action against supply and use of illicit fuel;
- step up investigation into cases of suspected fraud and non-compliance with the Dutiable Commodities Ordinance detected through the checking of documents submitted by duty payers;
- launch the EDI-Dutiable Commodities Permits system; and
- continue to implement a pilot scheme of an open bond system on selected representative warehouses .

Programme (5): Trade Controls

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	229.0	235.2 (+2.7%)	230.5 (–2.0%)	228.2 (–1.0%)

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Aim

26 The aim is to secure and maintain the integrity and credibility of the various trade controls and import and export control systems operated in Hong Kong in fulfilment of international obligations and for public health and safety reasons; and to collect import and export declarations and declaration charges under the Import and Export (Registration) Regulations, and clothing levies under the Industrial Training (Clothing Industry) Ordinance.

Brief Description

27 The department provides enforcement support to the Trade and Industry Department in the administration of the Certification of Origin System, the Textiles Export Control System, the Strategic Trade Control System and other control systems which cover reserved commodities and other prohibited goods, and prevents or detects abuse of these systems. The department is also responsible for collecting import and export declarations, declaration charges and clothing levies, and for enforcing the statutory control on these systems. The enforcement work involves:

- factory and consignment inspections and factory audit checks to enforce the Certification of Origin System and the Textiles Export Control System;
- blitz checks on textile imports/exports at land entry and exit points and public cargo working areas;
- consignment inspections to enforce the Strategic Trade Control System and other import and export licensing control systems covering a number of licensable items;
- inspections to enforce reserved commodities control;
- collection of import and export declaration charges and clothing levies under the Import and Export Declaration System;
- verification and assessment of the values of import and export consignments in order to recover under-paid import and export declaration charges and clothing levies; and
- investigation and prosecution of control systems contraventions.

28 The overall performance in this programme in 2000 was good. The aims and targets were generally met.

29 The key performance measures are:

Targets

	Target	1999 (Actual)	2000 (Actual)	2001 (Plan)
% of pre-issue consignment inspections relating to textile licences to be conducted within 2 working days upon referral of applications from Trade and Industry Department.....	100	100	100	100
% of pre-issue consignment inspections relating to non-textile licences to be conducted within 4 working days upon referral of applications from Trade and Industry Department.....	100	100	100	100
% of factory registration and re-registration inspections under the Certification of Origin System to be conducted within 4 working days upon referral of applications from Trade and Industry Department.....	100	100	98	100
% of registration inspections under the Reserved Commodities Systems to be conducted within 4 working days upon referral of applications from Trade and Industry Department.....	100	100	100	100

Indicators

	1999 (Actual)	2000 (Actual)	2001 (Estimate)
<i>Inspection</i>			
factory and consignment inspections	76 894†	59 833	60 000
factory audit checks	130†	213	230
reserved commodities inspections.....	2 703†	3 076	2 700

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	1999 (Actual)	2000 (Actual)	2001 (Estimate)
<i>Blitz Checks at Control Points and Public Cargo Working Areas</i>			
textile consignments checked.....	1 136	10 623	32 400
<i>Import and Export Declarations</i>			
import and export declarations processed	15 572 676†	16 316 778	17 734 000
revenue collected (\$m).....	894.3†	882.5	932.4
revenue recovered (\$m)	5.4†	1.9	2.2
administrative penalties imposed (\$m)	7.8†	6.7	7.5

† Figures have been updated after the preparation of the 2000–01 Estimates.

Matters Requiring Special Attention in 2001-02

30 During 2001–02, the department will:

- maintain its efforts to combat textile origin fraud and illegal transshipment in order to protect the free access of legitimate Hong Kong products to overseas markets; and
- assume its enforcement responsibility for a new piece of legislation to be introduced to implement the Chemical Weapons Convention to make the current Strategic Trade Control System more comprehensive.

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ANALYSIS OF FINANCIAL PROVISION

Programme	1999-2000 (Actual) (\$m)	2000-01 (Approved) (\$m)	2000-01 (Revised) (\$m)	2001-02 (Estimate) (\$m)
(1) Control and Enforcement	1,028.4	1,188.9	1,177.9	1,085.2
(2) Anti-narcotics Investigation	145.1	148.0	139.6	140.2
(3) Intellectual Property Rights and Consumer Protection.....	246.9	244.2	277.5	265.6
(4) Revenue Protection and Collection	158.6	177.1	171.3	168.3
(5) Trade Controls	229.0	235.2	230.5	228.2
	1,808.0	1,993.4 (+10.3%)	1,996.8 (+0.2%)	1,887.5 (- 5.5%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2001-02 is \$92.7 million (7.9%) lower than the revised estimate for 2000-01. This is mainly due to decreased requirement for new and replacement equipment, a net deletion of 15 posts upon the implementation of computer projects and lapse of temporary post for administrative support, and a net deletion of 38 posts under the Enhanced Productivity Programme, partly offset by the creation of 26 posts for customs facilities at Container Terminal No. 9.

Programme (2)

Provision for 2001-02 is \$0.6 million (0.4%) higher than the revised estimate for 2000-01. This is mainly due to higher capital expenditure, partly offset by deletion of one post under the Enhanced Productivity Programme.

Programme (3)

Provision for 2001-02 is \$11.9 million (4.3%) lower than the revised estimate for 2000-01. This is mainly due to the lapse of 35 temporary posts upon completion of a project on IPR protection and the deletion of ten posts under the Enhanced Productivity Programme.

Programme (4)

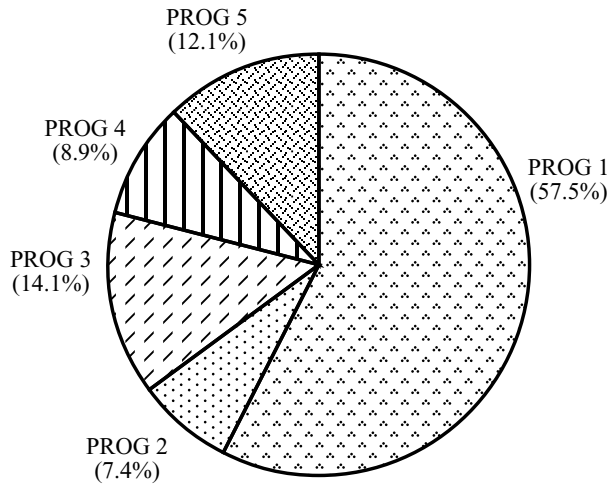
Provision for 2001-02 is \$3.0 million (1.8%) lower than the revised estimate for 2000-01. This is mainly due to the deletion of 30 posts upon implementation of Electronic Data Interchange System for Dutiable Commodities Permit and 14 posts under the Enhanced Productivity Programme.

Programme (5)

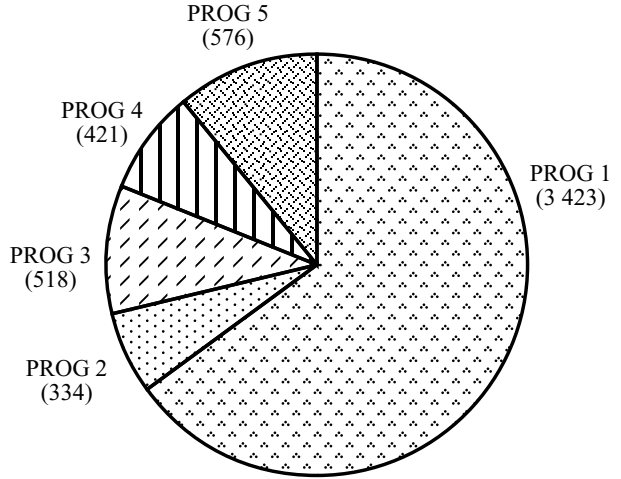
Provision for 2001-02 is \$2.3 million (1.0%) lower than the revised estimate for 2000-01. This is mainly due to the lapse of two temporary posts for administrative support and the deletion of 13 posts under the Enhanced Productivity Programme.

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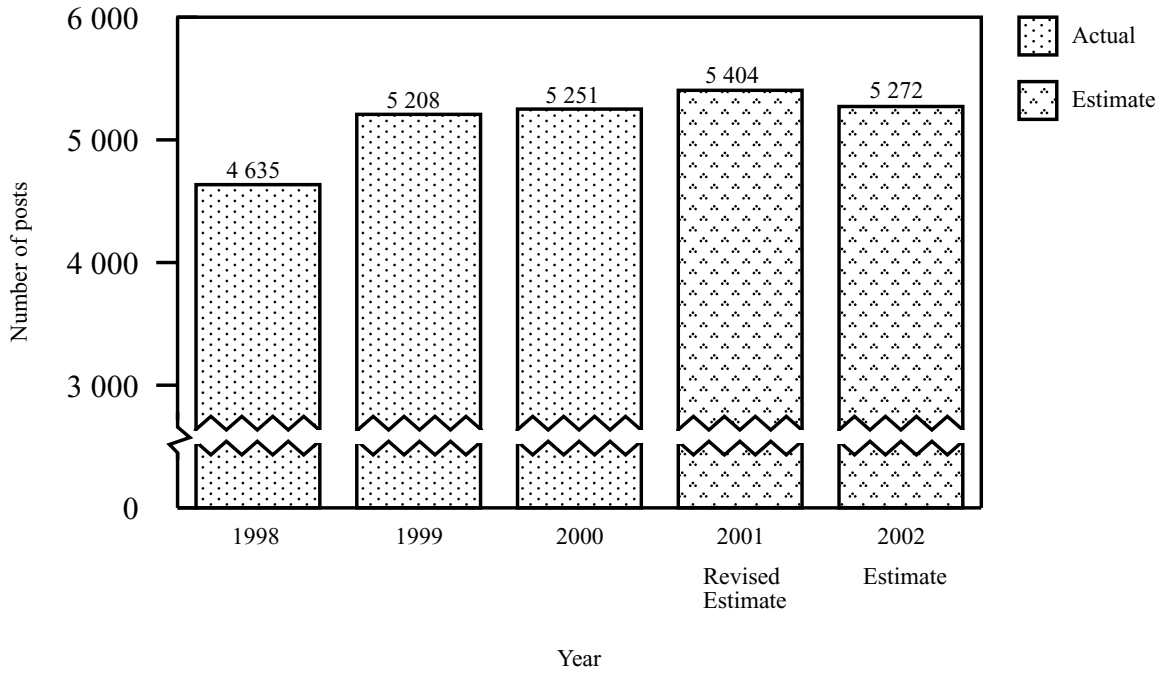
Allocation of provision to programmes (2001-02)



Staff by programme (as at 31 March 2002)



Changes in the size of the establishment (as at 31 March)



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Sub-head (Code)	Actual expenditure 1999–2000	Approved estimate 2000–01	Revised estimate 2000–01	Estimate 2001–02	
	\$ 000	\$ 000	\$ 000	\$'000	
Recurrent Account					
I — Personal Emoluments					
001	Salaries.....	1,508,432	1,564,840	1,548,740	1,553,968
002	Allowances.....	57,877	59,582	59,582	57,554
007	Job-related allowances.....	544	570	562	770
	Total, Personal Emoluments	<u>1,566,853</u>	<u>1,624,992</u>	<u>1,608,884</u>	<u>1,612,292</u>
III — Departmental Expenses					
103	Rewards and special services.....	7,263	8,000	9,000	8,000*
149	General departmental expenses.....	136,429	154,480	154,480	167,661
	Total, Departmental Expenses	<u>143,692</u>	<u>162,480</u>	<u>163,480</u>	<u>175,661</u>
IV — Other Charges					
248	Grant to the Customs and Excise Service Welfare Fund.....	230	250	250	250
292	Seizure management.....	56,365	58,800	54,893	54,072*
	Total, Other Charges	<u>56,595</u>	<u>59,050</u>	<u>55,143</u>	<u>54,322</u>
	Total, Recurrent Account	<u>1,767,140</u>	<u>1,846,522</u>	<u>1,827,507</u>	<u>1,842,275</u>
Capital Account					
I — Plant, Equipment and Works					
603	Plant, vehicles and equipment	29,036	130,237	152,603	32,028
661	Minor plant, vehicles and equipment (block vote).....	11,139	13,385	13,553	12,283
	Total, Plant, Equipment and Works	<u>40,175</u>	<u>143,622</u>	<u>166,156</u>	<u>44,311</u>
II — Other Non-Recurrent					
700	General other non-recurrent.....	727	3,208	3,116	914
	Total, Other Non-Recurrent.....	<u>727</u>	<u>3,208</u>	<u>3,116</u>	<u>914</u>
	Total, Capital Account.....	<u>40,902</u>	<u>146,830</u>	<u>169,272</u>	<u>45,225</u>
	Total Expenditure	<u><u>1,808,042</u></u>	<u><u>1,993,352</u></u>	<u><u>1,996,779</u></u>	<u><u>1,887,500</u></u>

Head 31 — CUSTOMS AND EXCISE DEPARTMENT

Details of Expenditure by Subhead

The estimate of the amount required in 2001–02 for the salaries and expenses of the Customs and Excise Department is \$1,887,500,000. This represents a decrease of \$109,279,000 against the revised estimate for 2000–01 and an increase of \$79,458,000 over actual expenditure in 1999–2000.

Recurrent Account

Personal Emoluments

2 Provision of \$1,612,292,000 for personal emoluments represents an increase of \$3,408,000 over the revised estimate for 2000–01.

3 The establishment at 31 March 2001 will be 5 403 permanent posts and one supernumerary post. Taking account of the net deletion of 82 posts mainly due to savings from computer projects and the lapse of temporary posts upon completion of a project on IPR protection and a net deletion of 76 posts under the Enhanced Productivity Programme, partly offset by the creation of 26 posts for customs facilities at Container Terminal No. 9, it is expected that a net 132 posts will be deleted in 2001–02.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2001–02, but the notional annual mid-point salary value of all such posts must not exceed \$1,506,086,000 which will be reduced to \$1,502,247,600 upon the net deletion of 15 posts on completion of computer projects in the course of the year.

5 Provision of \$57,554,000 under *Subhead 002 Allowances* is for standard allowances and the following non-standard allowance —

	Rate
detective allowance	\$360 per month for Inspector and above. \$180 per month for rank and file.

The decrease of \$2,028,000 (3.4%) against the revised estimate for 2000–01 is mainly due to reduced requirement for acting and allowance payments under the Enhanced Productivity Programme, partly offset by additional allowance payment arising from deployment of new launches in 2000.

6 Provision of \$770,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances. The increase of \$208,000 (37.0%) over the revised estimate for 2000–01 is mainly due to additional requirement for shift duty allowance arising from civilianisation of Customs Officer posts for driving duties and changed mode of operation to intercept illegal transhipment of textiles.

Departmental Expenses

7 Provision of \$8,000,000 under *Subhead 103 Rewards and special services* is for expenditure on rewards and services of a confidential nature. The decrease of \$1,000,000 (11.1%) against the revised estimate for 2000–01 is mainly due to reduced requirement for rewards and special services.

8 Provision of \$167,661,000 under *Subhead 149 General departmental expenses* represents an increase of \$13,181,000 (8.5%) over the revised estimate for 2000–01. This is mainly due to additional provision for departmental expenses arising from EDI projects, maintenance expenses for two mobile X-ray vehicle scanners and four pursuit crafts to be delivered in 2001–02, and maintenance expenses for the new Customs Building at Kwai Chung, partly offset by reduced operating expenses under the Enhanced Productivity Programme.

Other Charges

9 Provision of \$250,000 under *Subhead 248 Grant to the Customs and Excise Service Welfare Fund* is to provide for the payment of a contribution towards the Customs and Excise Service Welfare Fund calculated at the rate of \$60 per person annually on the actual strength of the Service as at 1 April 2001.

10 Provision of \$54,072,000 under *Subhead 292 Seizure management* is to meet expenses related to the transportation and storage of goods seized in anti-smuggling and other enforcement activities.

Capital Account

Plant, Equipment and Works

11 Provision of \$12,283,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$1,270,000 (9.4%) against the revised estimate for 2000–01. This is mainly due to reduced requirement for new and replacement equipment.

Head 31 — CUSTOMS AND EXCISE DEPARTMENT

Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2000	Revised estimated expenditure for 2000-01	Balance
			\$ 000	\$ 000	\$ 000	\$ 000
603		<i>Plant, vehicles and equipment</i>				
	313	Procurement of two sets of mobile X-ray vehicle scanning system for Man Kam To and Sha Tau Kok Control Points	67,930	4,612	59,666	3,652
	314	Procurement of high speed pursuit craft CE15.....	8,000	—	800	7,200
	315	Procurement of high speed pursuit craft CE16.....	8,000	—	800	7,200
	316	Procurement of high speed pursuit craft CE17.....	8,000	—	800	7,200
	317	Procurement of high speed pursuit craft CE18.....	8,000	—	800	7,200
	318	Installation of a CCTV system for Lo Wu Control Point	2,860	—	—	2,860
			<u>102,790</u>	<u>4,612</u>	<u>62,866</u>	<u>35,312</u>
700		<i>General other non-recurrent</i>				
	510	Hire of Centrex Line Services	1,608	282	270	1,056
	511	Removal of offices and stores to Customs Building in Kwai Chung.....	2,500	—	2,350	150
	512	Publicity campaign to promote the Customs hotline	500	—	—	500
			<u>4,608</u>	<u>282</u>	<u>2,620</u>	<u>1,706</u>
		Total	<u><u>107,398</u></u>	<u><u>4,894</u></u>	<u><u>65,486</u></u>	<u><u>37,018</u></u>