

Head 31 — CUSTOMS AND EXCISE DEPARTMENT

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

Estimate 2000–01	\$1,993.4m
Establishment ceiling 2000–01 (notional annual mid-point salary value) representing an estimated 5 396 non-directorate posts at 31 March 2000 rising by 34 posts to 5 430 posts at 31 March 2001	\$1,560.6m
In addition there will be an estimated nine directorate posts at 31 March 2000 and at 31 March 2001.	
Capital Account commitment balance	\$138.1m

Controlling Officer's Report

Programmes

Programme (1) Control and Enforcement	This programme contributes to Policy Area 6: Trade and Industry (Secretary for Trade 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 6: Trade and Industry (Secretary for Trade 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: Trade and Industry (Secretary for Trade and Industry).

Detail

Programme (1): Control and Enforcement

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	964.6	1,235.4 (+28.1%)	1,064.8 (–13.8%)	1,188.9 (+11.7%)

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.

4 The performance targets for 1999 were generally achieved.

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

Targets

	Target	1998 (Actual)	1999 (Actual)#	2000 (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 air 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 1999 are based on 11 months' actual performance projected to full-year and are subject to adjustment.

† The service standard was improved from within two working days (i.e. 16 working hours) to within 14 working hours in 1999. Figures for 1998 are based on previous service standard.

§ The service standard was improved from within 90 minutes to within 80 minutes in 1999. Figures for 1998 are based on previous service standard.

Indicators

	1998 (Actual)	1999 (Actual)#	2000 (Estimate)
carriage and import and export licences issued.....	24 483†	13 547	13 600
seizures (no. of cases)	23 724†	19 735	19 750
value of seizures (\$m)			
dutiable commodities	63.0†	108.5	110.0
vehicles	42.7†	12.2	12.0
speedboats/small craft.....	11.3†	12.3	13.0
prescribed articles	2.8†	19.3	19.0
prohibited articles	130.5†	114.8	110.0
others (dangerous goods, agricultural pesticides, reserved commodities, endangered species, etc.)	71.8†	35.7	36.0

Figures for 1999 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 1999–2000 Estimates.

Matters Requiring Special Attention in 2000–01

6 During 2000–01, the department will:

- maintain vigorous action against smuggling through the airport, land boundary and by sea;
- procure two mobile x-ray vehicle scanners to enhance the detection of smuggling activities; and
- continue enforcement action against the illegal distribution, storage and sale of dutiable commodities within Hong Kong.

Programme (2): Anti-narcotics Investigation

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	142.3	145.5 (+2.2%)	144.9 (–0.4%)	148.0 (+2.1%)

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.

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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 traffickers and initiates confiscation proceedings in respect of drug-related assets. It also exercises licensing control on the import, export and transshipment 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, to combat 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 The year 1999 was another successful year for the department in anti-narcotics work.

11 The key performance measures in respect of anti-narcotics investigation are:

Targets

	Target	1998 (Actual)	1999 (Actual)#	2000 (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 10 days upon receipt of applications.....	100	100	100	100

Figures for 1999 are based on 11 months' actual performance projected to full-year and are subject to adjustment.

Indicators

	1998 (Actual)	1999 (Actual)#	2000 (Estimate)
no. of drug abusers reported to Central Registry of Drug Abuse.....	16 912†	13 704‡	N.A.@
average purity of heroin (%) (indicative of availability).....	55.1†	46.8	46.8
average retail price (\$ per g) of heroin.....	427.0†	383.0	383.0
Narcotics			
seizures (no. of cases)§.....	795†	730	730
opiate (kg).....	47.7†	70.0	70.0
cocaine (kg).....	151.8†	12.1	12.0
cannabis (kg).....	91.6†	20.0	20.0
synthetic drugs (kg).....	0.02†	101.11	0.06
synthetic drugs (tablet).....	69 594†	64 788	55 000
narcotic drugs seized outside Hong Kong (kg) (as a result of Hong Kong Customs co-operation with overseas agencies).....	4.5†	616	N.A.@
persons arrested outside Hong Kong (as a result of Hong Kong Customs co-operation with overseas agencies).....	1†	15	N.A.@
assets of drug traffickers (\$m)			
restrained.....	0.1†	0.3	0.3
confiscated.....	0.1†	1.0	1.0

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	1998 (Actual)	1999 (Actual)#	2000 (Estimate)
Poisons/anti-biotics			
seizures (no. of cases)§	42†	15	15
seizures (kg).....	23.5†	2.5	2.5
seizures (ml).....	5 098†	—	—
seizures (tablet).....	147 591†	208 440	209 000
seizures (tube).....	100†	50 846	100

Figures for 1999 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 1999–2000 Estimates.

‡ Refers to actual number from January to September 1999 only.

@ Not applicable.

§ Figures include performance in Programme 1.

Matters Requiring Special Attention in 2000–01

12 During 2000–01, the department will:

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

Programme (3): Intellectual Property Rights and Consumer Protection

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	162.8	182.7 (+12.2%)	232.8 (+27.4%)	244.2 (+4.9%)

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 organisations 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. The department 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. The department 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 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 of and, where appropriate, 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 1999 was good and the aims were generally met.

16 The key performance measures in respect of IPR and consumer protection are:

Targets

	Target	1998 (Actual)	1999 (Actual)#	2000 (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

Figures for 1999 are based on 11 months' actual performance projected to full-year and are subject to adjustment.

Indicators

	1998 (Actual)	1999 (Actual)#	2000 (Estimate)
<i>Intellectual Property Rights</i>			
no. of IPR investigations	4 234†	5 685	5 700
seizures (no. of cases).....	2 283†	4 414	4 400
value of seizures (\$m)(including textiles, leather-ware, watches, computer related and music related goods)	1,543.0†	460.4	460.0
spot checks on optical disc factories.....	166†	300	300
no. of verifications on import/export of optical disc mastering and replication equipment.	100†	190	120
<i>Weights and Measures</i>			
spot checks	577†	597	580
seizures (no. of cases).....	67†	89	78
value of seizures (\$'000)	117.4†	67.0	67.0
<i>Toys and Children's Products Safety</i>			
spot checks	1 234†	1 546	1 450
no. of investigation	514†	429	400
seizures (no. of cases).....	28†	31	30
value of seizures (\$'000)	37.2†	82.5	83.0
<i>Consumer Goods Safety</i>			
spot checks	1 473†	1 381	1 450
no. of investigation	246†	302	300
seizures (no. of cases).....	80†	67	60
value of seizures (\$'000)	449.6†	989.4	989.0
<i>Precious Metals Marking Orders</i>			
spot checks	82†	62	70
seizures (no. of cases).....	5†	5	5
value of seizures (\$'000)	32.1†	258.0	258.0

Figures for 1999 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 1999–2000 Estimates.

Matters Requiring Special Attention in 2000–01

17 During 2000–01, 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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- 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 to apply to court for the forfeiture of financial proceeds obtained from such illicit activities;
- work with Trade & Industry Bureau and other departments to introduce multiple safety standards for the remaining two prescribed children's products, i.e., baby nests and bottle teats.

Programme (4): Revenue Protection and Collection

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	153.7	164.7 (+7.2%)	161.9 (–1.7%)	177.1 (+9.4%)

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. For this purpose, 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 40-man anti-cigarette smuggling task force and a 24-man Diesel Oil Enforcement Division dedicated to conducting in-depth investigation and surveillance on syndicates involved in the smuggling and supply of contraband cigarettes and illicit fuel respectively.

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 1999 were generally met.

24 The key performance measures in respect of Revenue Protection and Collection are:

Targets

	Target	1998 (Actual)	1999 (Actual)#	2000 (Plan)
<i>Dutiable Commodities</i>				
% of Import and Export Licences to be issued within 14 days of receipt of applications	96	95.1†	93.9	96.0
% of Permits to be issued within 2 days of receipt of applications	100	99.1†	97.9	100
% of Customs' attendance provided within 2 days of receipt of applications.....	100	100†	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	90	99.3†	99.4	90.0
% of registration of importers/distributors of motor vehicles to be completed within 7 days of receipt of applications	100	99.2†	94.3	100

Figures for 1999 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 1999–2000 Estimates.

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Indicators

	1998 (Actual)	1999 (Actual)#	2000 (Estimate)
<i>Dutiable Commodities</i>			
licences issued	448†	241	250
permits issued	176 334†	145 738	145 800
duty received (\$m)			
collected	7,905.0†	7,296.2	7,445.7
recovered	5.1†	15.2	15.2
licence fees, Customs' attendance fees and other related payments collected (\$m)	64.6†	68.3	65.8
revenue collected per \$1 provision (\$)	73.9†	71.4	68.2
no. of cases detected	105†	70	70
<i>Anti-Cigarette-Smuggling Task Force (excluding performance under the Dutiable Commodities columns in Programme 1 and this Programme)</i>			
no. of cases detected	47†	45	750
no. of cigarettes seized	73 741 960†	173 047 500	88 420 000
no. of vehicles seized	24†	31	31
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	236†	462	470
quantities of diesel oil seized (litres)	900 355†	1 366 654	1 366 700
<i>First Registration Tax</i>			
inspection and verification of imported vehicles for payment of First Registration Tax	383†	389	390
no. of assessment of provisional taxable value on imported vehicles completed	47 033†	43 646	43 700
no. of re-assessment of provisional taxable value on imported vehicles	23 564†	8 643	8 700

Figures for 1999 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 1999–2000 Estimates.

Matters Requiring Special Attention in 2000–01

25 During 2000–01, 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 syndicated distribution, sellers and buyers 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;
- tighten the control on suspicious export shipments to prevent the illicit diversion or re-landing of dutiable commodities;
- strengthen the work on intelligence collection;
- plan the implementation of the EDI-Dutiable Commodities Permits system; and
- formulate proposals on the implementation of the open bond system for warehouses.

Programme (5): Trade Controls

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	234.8	258.0 (+9.9%)	235.5 (–8.7%)	235.2 (–0.1%)

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.

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Brief Description

27 The department provides enforcement support to the Trade 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;
- 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 1999 was good. The aims and targets were generally met.

29 The key performance measures in respect of the trade controls are:

Targets

	Target	1998 (Actual)	1999 (Actual)#	2000 (Plan)
% of pre-issue consignment inspections relating to textile licences to be conducted within 2 working days upon referral of applications from Trade 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 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 Department	100	100	100	100
% of registration inspections under the Reserved Commodities Systems to be conducted within 4 working days upon referral of applications from Trade Department	100	100	100	100

Figures for 1999 are based on 11 months' actual performance projected to full-year and are subject to adjustment.

Indicators

	1998 (Actual)	1999 (Actual)#	2000 (Estimate)
<i>Inspection</i>			
factory and consignment inspections	79 161†	73 664	74 000
factory audit checks	42†	128	120
reserved commodities inspections	3 054†	2 631	2 700
<i>Import and Export Declarations</i>			
import and export declarations processed	14 960 466†	15 636 000	15 990 000
revenue collected (\$m).....	1,291.5†	898.4	813.6
revenue recovered (\$m)	3.7†	4.9	5.0
administrative penalties imposed (\$m)	8.1†	7.5	8.0

Figures for 1999 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 1999–2000 Estimates.

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Matters Requiring Special Attention in 2000–01

30 During 2000–01, 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
- sustain the effectiveness of enforcement action in upholding the integrity of the strategic trade control system so as to ensure free and full access to high-tech products to help maintain Hong Kong as an international business and financial centre.

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ANALYSIS OF FINANCIAL PROVISION

Programme	1998-99 (Actual) (\$m)	1999-2000 (Approved) (\$m)	1999-2000 (Revised) (\$m)	2000-01 (Estimate) (\$m)
(1) Control and Enforcement	964.6	1,235.4	1,064.8	1,188.9
(2) Anti-narcotics Investigation	142.3	145.5	144.9	148.0
(3) Intellectual Property Rights and Consumer Protection	162.8	182.7	232.8	244.2
(4) Revenue Protection and Collection	153.7	164.7	161.9	177.1
(5) Trade Controls	234.8	258.0	235.5	235.2
	1,658.2	1,986.3 (+19.8%)	1,839.9 (-7.4%)	1,993.4 (+8.3%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2000-01 is \$124.1 million (11.7%) higher than the revised estimate for 1999-2000. This is mainly due to increase in cashflow requirement for the procurement of two sets of mobile x-ray vehicle scanning system and patrol and harbour launches, full-year provision for posts created in 1999-2000 and creation of four posts in 2000-01 for driving duties, partly offset by deletion of 54 posts in 2000-01 under the Enhanced Productivity Programme.

Programme (2)

Provision for 2000-01 is \$3.1 million (2.1%) higher than the revised estimate for 1999-2000. This is mainly due to salary increments for existing staff, procurement of X-ray checkers at the In-Town Check-In stations, partly offset by deletion of one post under the Enhanced Productivity Programme.

Programme (3)

Provision for 2000-01 is \$11.4 million (4.9%) higher than the revised estimate for 1999-2000. This is mainly due to full-year provision for posts created in 1999-2000 and the deployment of additional staff mainly from control and enforcement activities for stepped-up enforcement actions against intellectual property rights infringement, as well as the creation of 60 posts in 2000-01 for handling seizures.

Programme (4)

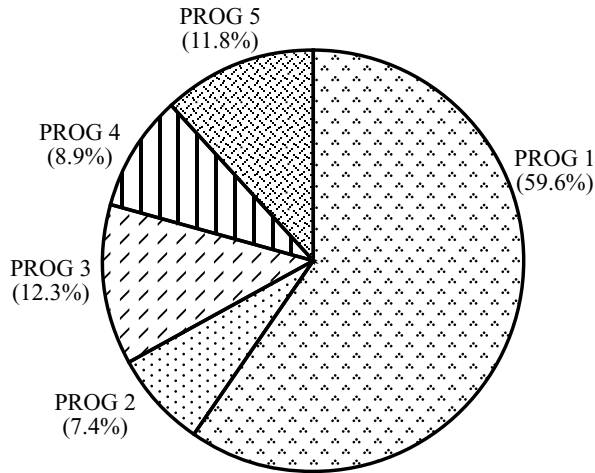
Provision for 2000-01 is \$15.2 million (9.4%) higher than the revised estimate for 1999-2000. This is mainly due to a net creation of 43 posts for strengthening enforcement capabilities.

Programme (5)

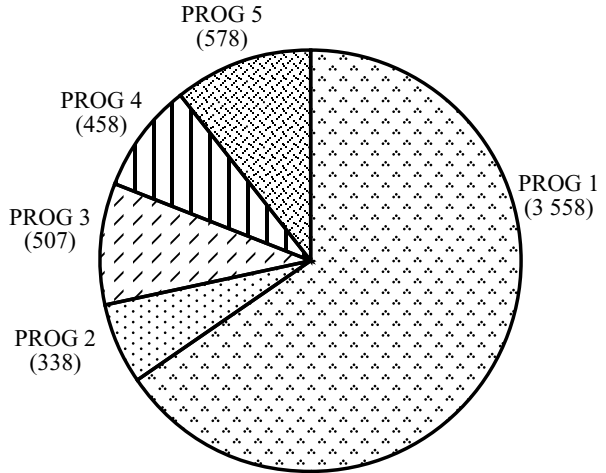
Provision for 2000-01 is \$0.3 million (0.1%) lower than the revised estimate for 1999-2000. This is mainly due to savings arising from deletion of 19 posts upon implementation of Electronic Data Interchange for trade declaration lodgement and three posts under the Enhanced Productivity Programme, partly offset by creation of four posts in 2000-01 for driving duties and administrative support.

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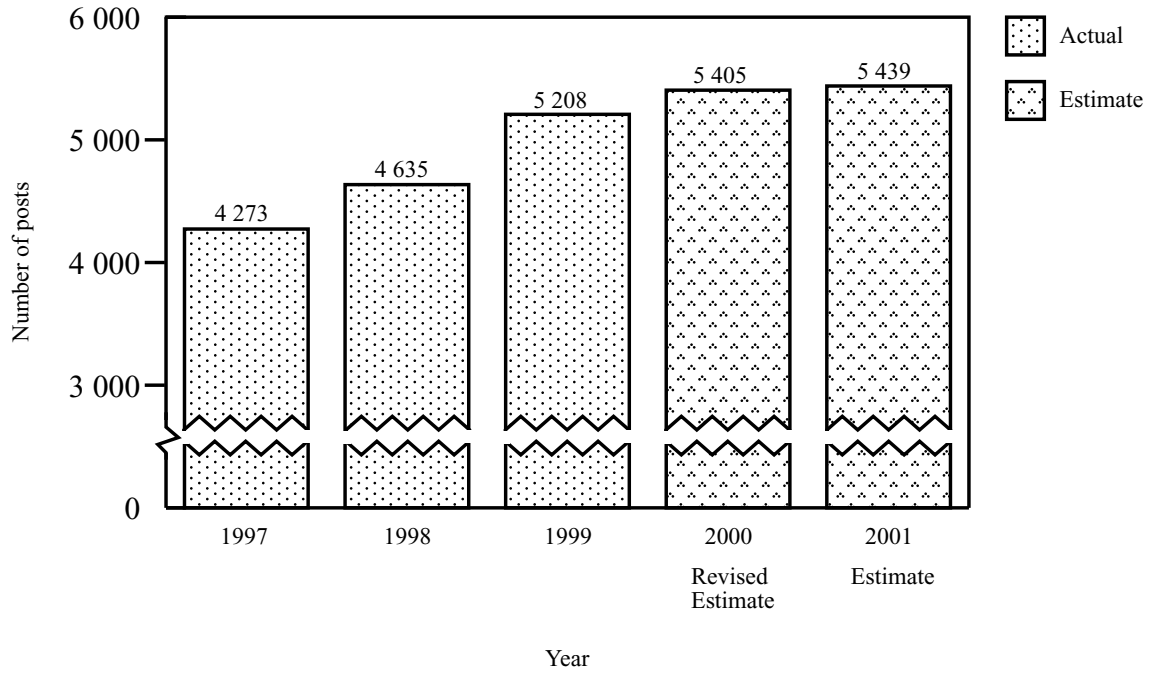
Allocation of provision to programmes (2000-01)



Staff by programme (as at 31 March 2001)



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



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Sub-head (Code)	Actual expenditure 1998-99	Approved estimate 1999-2000	Revised estimate 1999-2000	Estimate 2000-01	
	\$'000	\$'000	\$'000	\$'000	
Recurrent Account					
I — Personal Emoluments					
001	Salaries	1,429,347	1,587,730	1,512,875	1,564,840
002	Allowances	55,946	58,673	59,208	59,582
007	Job-related allowances	636	823	683	570
	Total, Personal Emoluments	<u>1,485,929</u>	<u>1,647,226</u>	<u>1,572,766</u>	<u>1,624,992</u>
III — Departmental Expenses					
103	Rewards and special services	6,644	7,000	7,000	8,000*
149	General departmental expenses	95,597	153,223	131,745	154,480
	Total, Departmental Expenses	<u>102,241</u>	<u>160,223</u>	<u>138,745</u>	<u>162,480</u>
IV — Other Charges					
248	Grant to the Customs and Excise Service Welfare Fund	210	230	230	250
292	Seizure management	47,891	63,243	58,120	58,800*
	Total, Other Charges	<u>48,101</u>	<u>63,473</u>	<u>58,350</u>	<u>59,050</u>
	Total, Recurrent Account	<u>1,636,271</u>	<u>1,870,922</u>	<u>1,769,861</u>	<u>1,846,522</u>
Capital Account					
I — Plant, Equipment and Works					
603	Plant, vehicles and equipment	6,391	96,517	52,991	130,237
661	Minor plant, vehicles and equipment (block vote)	14,112	17,871	16,010	13,385
	Total, Plant, Equipment and Works	<u>20,503</u>	<u>114,388</u>	<u>69,001</u>	<u>143,622</u>
II — Other Non-Recurrent					
700	General other non-recurrent	1,391	1,031	1,031	3,208
	Total, Other Non-Recurrent	<u>1,391</u>	<u>1,031</u>	<u>1,031</u>	<u>3,208</u>
	Total, Capital Account	<u>21,894</u>	<u>115,419</u>	<u>70,032</u>	<u>146,830</u>
	Total Expenditure	<u><u>1,658,165</u></u>	<u><u>1,986,341</u></u>	<u><u>1,839,893</u></u>	<u><u>1,993,352</u></u>

Head 31 — CUSTOMS AND EXCISE DEPARTMENT

Details of Expenditure by Subhead

The estimate of the amount required in 2000–01 for the salaries and expenses of the Customs and Excise Department is \$1,993,352,000. This represents an increase of \$153,459,000 over the revised estimate for 1999–2000 and of \$335,187,000 on actual expenditure in 1998–99.

Recurrent Account

Personal Emoluments

2 Provision of \$1,624,992,000 for personal emoluments represents an increase of \$52,226,000 over the revised estimate for 1999–2000 and takes into account salary increments for existing staff and the full-year provision for posts created and vacancies filled in 1999–2000.

3 The establishment at 31 March 2000 will be 5 405 permanent posts. Taking account of the creation of a net 93 posts mainly for reinforcing enforcement, offset by a net deletion of 59 posts under the Enhanced Productivity Programme, it is expected that a net 34 posts will be created in 2000–01.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2000–01, but the notional annual mid-point salary value of all such posts must not exceed \$1,560,574,000 which will be reduced to \$1,559,386,950 upon the lapse of three posts for the implementation of Electronic Data Interchange Systems for Dutiable Commodities Permit project and four posts for administrative support in the course of the year.

5 Provision of \$59,582,000 under *Subhead 002 Allowances* is for standard allowances and the following non-standard allowance—

	<i>Rate</i>
detective allowance	\$380 per month for Inspector and above. \$190 per month for rank and file.

6 Provision of \$570,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances. The decrease of \$113,000 (16.5%) against the revised estimate for 1999–2000 is mainly due to savings from payment of Extraneous Duties Allowance arising from the closure of counters for paper lodgement upon implementation of Electronic Data Interchange for trade declaration lodgement.

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 increase of \$1,000,000 (14.3%) over the revised estimate for 1999–2000 is mainly due to increased expenditure for special services arising from stepped-up enforcement actions against intellectual property rights infringement, as well as sale of illicit fuel and contraband cigarettes.

8 Provision of \$154,480,000 under *Subhead 149 General departmental expenses* represents an increase of \$22,735,000 (17.3%) over the revised estimate for 1999–2000. This is mainly due to additional provision for fuel cost of the new sector patrol launches, the full-year provision for departmental expenses arising from the implementation of Air Cargo Clearance System at the Chek Lap Kok airport and an office automation project, the expansion of kiosks and other facilities at Lok Ma Chau Boundary Crossing and the provision of permanent office facilities on Stonecutters Island, 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 this year. The increase of \$20,000 (8.7%) over the revised estimate for 1999–2000 is due to increase in strength of the Service.

10 Provision of \$58,800,000 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 \$13,385,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$2,625,000 (16.4%) against the revised estimate for 1999–2000. This is mainly due to reduced requirement for replacement and new equipment.

Head 31 — CUSTOMS AND EXCISE DEPARTMENT

Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumu- lated expenditure to 31.3.99	Revised estimated expenditure for 1999–2000	Balance
			\$'000	\$'000	\$'000	\$'000
603		<i>Plant, vehicles and equipment</i>				
	307	Procurement of two sector patrol launches.....	81,706	67	32,682	48,957
	308	Procurement of a mobile X-ray van for Containerised Cargo Division for enhancing strategic commodities inspection	3,479	—	278	3,201
	309	Replacement of two mobile X-ray vans for Containerised Cargo Division.....	6,958	—	3,600	3,358
	310	Replacement of the customs harbour launch CE3	8,613	—	5,168	3,445
	311	Replacement of the customs harbour launch CE1	8,613	—	5,168	3,445
	312	Replacement of the customs harbour launch CE4	9,500	—	950	8,550
	313	Procurement of two sets of mobile X-ray vehicle scanning system for Man Kam To and Sha Tau Kok Control Points.....	67,930	—	4,798	63,132
			<u>186,799</u>	<u>67</u>	<u>52,644</u>	<u>134,088</u>
700		<i>General other non-recurrent</i>				
	509	Procurement of Drug Detector Dogs.....	941	—	503	438
	510	Hire of Centrex Line Services.....	1,608	—	528	1,080
	511	Removal of offices and stores to Customs Building in Kwai Chung.....	2,500	—	—	2,500
			<u>5,049</u>	<u>—</u>	<u>1,031</u>	<u>4,018</u>
		Total.....	<u><u>191,848</u></u>	<u><u>67</u></u>	<u><u>53,675</u></u>	<u><u>138,106</u></u>