

## Head 181 — TRADE DEPARTMENT

**Controlling officer:** the Director-General of Trade will account for expenditure under this Head.

**Estimate 2000–01** ..... **\$288.8m**

**Establishment ceiling 2000–01** (notional annual mid-point salary value) representing an estimated 763 non-directorate posts at 31 March 2000 reducing by 21 posts to 742 posts at 31 March 2001 ..... **\$211.7m**

In addition there will be an estimated nine directorate posts at 31 March 2000 and at 31 March 2001.

**Capital Account commitment balance** ..... **\$12.6m**

### Controlling Officer's Report

#### Programmes

**Programme (1) Commercial Relations**  
**Programme (2) Trade Support and Facilitation**

These programmes contribute to Policy Area 6: Trade and Industry (Secretary for Trade and Industry).

#### Detail

##### Programme (1): Commercial Relations

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	<b>2000–01 (Estimate)</b>
Financial provision (\$m)	64.3	72.6 (+12.9%)	73.0 (+0.6%)	<b>74.3 (+1.8%)</b>

#### Aim

2 The aim is to secure and preserve maximum access and fair treatment for exports from Hong Kong to international markets.

#### Brief Description

3 The department, through its Multilateral Division, Regional Cooperation Division and Commercial Relations Branches of respective geographical Divisions, is responsible for the commercial relations of the Hong Kong Special Administrative Region (referred to as Hong Kong hereinafter). It seeks to protect Hong Kong's rights and trade interests by monitoring and responding to trade policies and measures of trading partners through multilateral and bilateral negotiations and other channels. It also promotes Hong Kong's status as a separate customs territory and a model for international free trade by actively participating in multilateral and regional trade fora. To this end, Hong Kong relies on the multilateral trading system under the auspices of the World Trade Organisation (WTO) as the cornerstone of its commercial policy.

4 The department has helped achieve significant results on the commercial relations side. Hong Kong is a founding member of the WTO. This separate membership continues after 1 July 1997 under the name "Hong Kong, China". It has been ranked the 9th largest trading economy and the third most competitive economy in the world by the WTO and the World Economic Forum respectively. It came first in the 1999 edition of Index of Economic Freedom published by the Heritage Foundation of the United States (US). Within the region, the department continues to expand its links and participates actively in the Asia-Pacific Economic Cooperation (APEC) forum whose member economies now account for some 80% of Hong Kong's total external trade. Looking forward, the department is committed to safeguarding Hong Kong's trade interests and rights and making progressive achievements.

5 The key performance measures in respect of commercial relations are:

#### Indicators

- to provide early warning on import restrictions and regulations by importing countries;
- to promptly disseminate information to traders where necessary and appropriate;
- to make timely representations as appropriate to safeguard Hong Kong's trade interests;
- to participate in and contribute to international economic and trade fora;
- to secure and preserve market access for both goods and services; and
- to uphold the integrity of the multilateral trading system.

6 Specifically, the department's key activities included the following:

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- active participation in WTO bodies to monitor and evaluate the implementation of the Uruguay Round agreements, as well as the work programmes adopted at the first WTO Ministerial Conference held in Singapore in December 1996. This included the work programme on harmonising rules of origin and review of the implementation of the agreement on textiles and clothing; as well as the WTO working groups on trade and investment, trade and competition policy, and transparency in government procurement;
- close monitoring of the implementation of the WTO Agreement on Basic Telecommunications and Agreement on Financial Services;
- active participation in the preparation for the next round of WTO negotiations on services and market access for non-agricultural products, the former is scheduled to commence in January 2000;
- active participation in the comprehensive work programme on Global Electronic Commerce;
- active participation in the third WTO Ministerial Conference held in Seattle on 30 November to 3 December 1999. The Ministerial Conference was widely expected to launch a new round of multilateral trade negotiations. Indeed, significant progress had been made in the Ministerial Conference on a number of important areas such as agriculture and market access negotiations. However, due to the complexity of the issues involved, Ministers were unable to resolve all the issues within the time available. They had therefore agreed to suspend the Ministerial Conference and instructed that further intensive work should take place in Geneva with a view to resolving the remaining differences as soon as possible. Hong Kong will continue to play an active and constructive role in the process;
- active participation in the extended review of the WTO Dispute Settlement Understanding with a view to achieving greater transparency and efficiency of the WTO dispute settlement mechanism. In 1999, Hong Kong participated in a number of dispute settlement proceedings to guard against possible breaches of WTO rules by other Members – we participated as a third party in the panel on US Sections 301-310 of the Trade Act of 1974, the panel on Australia's measures affecting the importation of salmon, the Appellate Body's review of Turkish quantitative restrictions on the import of textiles and clothing products, and the proceedings to adjudicate the US/European Union (EU) origin dispute on textiles products;
- active participation in the various APEC fora, including participation in Economic Leaders Meeting, Ministerial Meetings and Senior Officials Meetings, and serving as Vice-Chair of the Committee on Trade and Investment and Chair of the Government Procurement Experts Group. The department was involved intensively in the discussion on APEC's support for the launch of a new round of multilateral trade negotiations in the WTO. The department also played an important role in formulating initiatives for achieving APEC's goal of free and open trade and investment, and in drawing up a set of non-binding APEC principles to enhance competition and regulatory reform. In addition, the department participated constructively in APEC's work concerning further improvement to Individual Action Plans (IAPs), trade facilitation, and economic and technical cooperation (Ecotech);
- active participation in various activities of the Pacific Economic Cooperation Council;
- continuation of tariff preferences for Hong Kong's exports to Canada, Norway and Japan under their respective Generalised Systems of Preferences Scheme;
- advising local companies on importing countries' anti-dumping legislation and procedures, and making representations against any unfair and unjustifiable allegations and practices in anti-dumping cases. Examples include termination of the European Community's anti-circumvention proceedings against disposable lighters, and South Africa's anti-dumping proceedings against clear float and sheet glass as well as bolts and nuts of steel originating in and/or imported from Hong Kong;
- exclusion of Hong Kong from the European Commission's emergency measures to control the introduction of Asian Longhorn Beetles into the European Community;
- cooperation with relevant trading partners in a manner consistent with the law to enhance the effectiveness in combating against illegal textiles transshipment;
- objecting to the interim discriminatory measures imposed by the US and Canada on solid wood packing materials from Hong Kong, and pending a long term solution, agreeing with the US and Canada an interim arrangement to prevent disruption of normal trade on a without prejudice basis;
- active participation in the Government's overall effort to lobby for the US's unconditional renewal of Normal Trade Relations (NTR) trading status for the Mainland of China; and
- enhanced liaison with relevant Mainland authorities. Visits were conducted to reflect the views of Hong Kong traders to the relevant Mainland authorities regarding the trading environment in the Mainland.

### *Matters Requiring Special Attention in 2000-01*

7 The department will continue to monitor the implications of the various WTO agreements for Hong Kong as well as the implementation of these agreements by trading partners, particularly the Agreement on Rules of Origin and Agreement on Textiles and Clothing.

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8 The department will participate actively in the new round of multilateral trade negotiations and build alliance with like-minded delegations with a view to advancing Hong Kong's interest. To raise the interest and awareness of the local community in the WTO, the department will organise a conference in March 2000 on various facets of WTO's work.

9 The department will participate actively in the next round of WTO negotiations on services and market access for non-agricultural products, and consult the trade in formulating Hong Kong's negotiating objectives.

10 The department will continue to contribute to multilateral and regional efforts in trade liberalisation and rule-making such as reforms of anti-competitive governmental restraints (e.g. anti-dumping), regional trade agreements, trade facilitation, rules of origin and government procurement.

11 The department will continue to monitor closely and participate actively in discussions on issues such as electronic commerce, trade and environment, trade and labour standards, trade and competition policy, and trade and investment to safeguard Hong Kong's trade and economic interests and to uphold the integrity of the multilateral trading system.

12 The department will continue its active participation in APEC. In this connection, the department will participate actively in the review mechanism of the IAPs and take the lead in furthering APEC's work on trade facilitation. In addition, the department will work closely with other APEC members in areas such as APEC's contribution to the WTO and Ecotech.

13 The department will continue to contribute to Hong Kong's participation, as an observer of the Trade Committee of the Organisation for Economic Cooperation and Development (OECD), in the meetings of the Trade Committee, its Working Party and its joint groups/sessions, given that OECD is an important forum for the formulation of trade policy initiatives for developed countries.

14 The department will continue its efforts in:

- defending Hong Kong's trade interest against any potential discriminatory import measures imposed by the US on Hong Kong's textiles and clothing exports;
- lobbying for the unconditional renewal of the US's NTR trading status and the granting of permanent NTR trading status for the Mainland of China;
- monitoring the US's plans to globalise controls on imports of solid wood packing materials;
- strengthening Hong Kong's ties with trade authorities of the Mainland of China at the central government and provincial levels;
- supporting activities to be conducted by the Mainland/Hong Kong Joint Commission on Commerce and Trade;
- defending Hong Kong's interests against anti-dumping actions through bilateral and multilateral means and giving advice to local industries involved;
- monitoring any changes in major trading partners' origin rules and reviewing domestic origin rules in consultation with local industries;
- monitoring any changes in major trading partners' trade laws and regulations;
- monitoring the plan for graduation of beneficiaries from the Generalised Systems of Preferences Scheme run by Japan;
- monitoring the accession negotiations between the EU and certain European countries (including Cyprus, Hungary, Poland, Estonia, the Czech Republic and Slovenia) and related institutional reform to ensure Hong Kong's trade interests and market access to the enlarged EU will not be adversely affected; and
- monitoring the developments of regional economic integration and assessing their impact on Hong Kong.

### Programme (2): Trade Support and Facilitation

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	207.5	227.2 (+9.5%)	211.5 (–6.9%)	214.5 (+1.4%)

#### Aim

15 The aim is to:

- fulfil Hong Kong's international obligations under multilateral and bilateral trade agreements and optimise the benefits to Hong Kong flowing from such agreements;
- provide certification and licensing services in order to facilitate trade and supplement controls imposed for reasons other than trade; and
- enhance Hong Kong's role as a regional trading and distribution centre.

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### *Brief Description*

**16** The Textiles Control Branches of respective geographical Divisions, the Certification Branch and relevant branches of Systems Division provide various licensing facilities and certification services, including by electronic means, for different commodities such as textiles and clothing, strategic commodities and reserved commodities so as to fulfil Hong Kong's international and bilateral obligations as well as to meet other requirements on public health, safety and security.

**17** Following the successful launch of a phased migration programme in 1998, the department implemented full Electronic Data Interchange (EDI) service for submission of Restrained Textiles Export Licence (RTEL) applications as from 1 January 1999. In addition, EDI services for submission of Production Notification (PN) and Certificate of Origin (CO) were launched in July and August 1999 respectively. In 1999, the department also introduced the service of electronic transmission of licence visa for customs clearance in the US market.

**18** The department has been able to meet its performance targets in 1999. The department is fully committed to maintaining high-quality and efficient services while adapting to changes in the trading environment.

**19** The key performance measures are:

### *Targets*

	Target Wkg Days	1998 (Actual)	1999 (Actual)	2000 (Plan)
textiles import licence .....	2	2	2	2
textiles re-export licence .....	2	2	2	2
textiles export licence to all markets (except those for samples and personal effects) ( <i>Note 1</i> ).....	2	2	2	2
textiles export licence for samples and personal effects to all markets ( <i>Note 2</i> ).....	25 min	25 min	25 min	25 min
special export licence (textiles) Form 8a under the Special Export and Import Licensing (Textiles) Scheme .....	1	1	1	1
special import/export licence (textiles) Forms 8b, 8c, 8d and 8e under the Special Export and Import Licensing (Textiles) Scheme ( <i>Note 3</i> ).....	30 min	30 min	30 min	30 min
amendment and cancellation of textiles licence for import, re-export and export to non-restrained markets				
• amendment .....	1	1	1	1
• cancellation#.....	1	1	1	20 min
amendment and cancellation of other textiles licence ( <i>Note 1</i> ).....	2	2	2	2
expeditious issue of textiles licence .....	24 hrs	24 hrs	24 hrs	24 hrs
transfer of quota ( <i>Note 4</i> )#.....	7	7	7	6
certificate of registration for Textiles Trader Registration.....	3	3	3	3
amendment of textiles notification under the Textiles Trader Registration Scheme .....	1	1	1	1
textiles controls registration .....	25 min	25 min	25 min	25 min
registration of local appointed agent ( <i>Note 5</i> )#.....	3	3	3	3
replacement licence for import customs clearance.....	1	1	1	1
enquiry on quota balance# .....	5	5	5	4
enquiry on classification of textiles products				
• restrained markets( <i>Note 6</i> )# .....	5	5	5	5
• non-restrained markets# .....	5	5	5	30 min
certified true copy .....	1	1	1	1
certificate of origin (Form A).....	2	2	2	2
outward processing arrangement registration.....	3	4	3	3
local sub-contracting arrangement registration.....	1	1	1	1
certificate of origin and certificate of origin – processing ( <i>Note 7</i> )@.....	2	2	2	2

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	Target Wkg Days	1998 (Actual)	1999 (Actual)	2000 (Plan)
expeditious issue of certificate of origin/ Form A.....	24 hrs	24 hrs	24 hrs	<b>24 hrs</b>
production notification for cut & sewn garments ( <i>Note 7</i> )@ .....	2	2	2	<b>2</b>
import and export licence for reserved commodities.....	1	1	1	<b>1</b>
import and export licence for ozone depleting substances.....	2	2	2	<b>2</b>
import and export licence for strategic commodities ( <i>Note 8</i> ).....	3	3	3	<b>3</b>
import licence for radioactive substances and irradiating apparatus.....	1	1	1	<b>1</b>
factory registration .....	14	14	14	<b>14</b>
registration for Transshipment Cargo Exemption Scheme .....	1 month	1 month	1 month	<b>1 month</b>
other written enquiries.....	10	10	10	<b>10</b>

*Note 1:* EDI licence for restrained market will be made available, on a best endeavour basis, at 3:30 p.m. of the day preceding the pledged issuing day.

*Note 2:* 90% of the applications can be handled within 20 minutes.

*Note 3:* 90% of the applications can be handled within 25 minutes.

*Note 4:* 80% of the applications can be handled in 5 days starting from 2000.

*Note 5:* 90% of the registrations can be handled within 2 days in 2000 (80% in 1999).

*Note 6:* 30% of the enquiries can be handled in 4 days starting 2000.

*Note 7:* 1.5 days for EDI mode of submission.

*Note 8:* A longer period may be required for imports and exports of certain products.

# Pledges with processing time shortened in 2000.

@ New EDI pledges introduced in 2000.

### Indicators

	1998 (Actual)	1999 (Actual)	2000 (Estimate)
<i>Licence issued</i>			
textiles export licence (restrained).....	511 853	539 496	<b>559 943</b>
textiles export licence (non-restrained) .....	394 868	408 105	<b>408 105</b>
textiles import licence .....	39 927	40 843	<b>40 843</b>
exports notification I .....	594 500	662 680	<b>662 680</b>
exports notification II .....	2 433 980	2 742 180	<b>2 742 180</b>
exports notification III.....	169 640	171 040	<b>171 040</b>
exports notification IV.....	129 760	141 220	<b>141 220</b>
import notification.....	2 361 740	3 048 020	<b>3 048 020</b>
transshipment notification.....	280 780	304 840	<b>304 840</b>
textiles trader registration.....	22 122	21 698	<b>21 282</b>
certificate of origin and certificate of origin- processing .....	6 258	3 540	<b>4 305</b>
certificate of origin (Form A) ( <i>Note 9</i> ).....	2 457	689	<b>252</b>
expeditious issue of certificate of origin/Form A.....	1	—	—
factory registration .....	4 337	4 202	<b>4 000</b>
outward processing arrangement registration.....	1 132	1 288	<b>1 450</b>
local sub-contracting arrangement registration .....	1 125	987	<b>870</b>
production notification for cut and sewn garments .....	417 262	401 207	<b>401 207</b>
statutory declarations of antique.....	125	69	<b>97</b>
reserved commodities licence.....	124 042	143 970	<b>158 446</b>
delivery verification certificate.....	57	45	<b>45</b>
international import certificate .....	30	38	<b>38</b>
registration of reserved commodity stockholder .....	693	661	<b>661</b>
ozone depleting substances licence .....	1 004	896	<b>734</b>
strategic commodities licence.....	66 982	113 264	<b>90 612</b>
other non-textiles licence.....	59 768	60 443	<b>57 910</b>
<i>Textiles export quota utilisation (%)§</i>			
US.....	81.6	81.0	<b>81.0</b>
Canada.....	48.7	48.6	<b>48.0</b>
EU .....	53.0	56.6	<b>57.0</b>
Norway ( <i>Note 10</i> ).....	60.5	N.A.†	<b>N.A.†</b>

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*Note 9:* Hong Kong may graduate from Japan's Generalised Systems of Preferences Scheme in the second quarter of 2000.

*Note 10:* Norway ceased to apply quota restrictions on import of textiles and clothing products from Hong Kong as from 1 January 1999.

§ Quota utilisation for a particular year may be subject to minor adjustments in the first three months of the following year. The 1998 figures have been revised to reflect the changes, while the 1999 figures are best estimates based on the information on hand.

† Not applicable

**20** The number of licences issued has stabilised after declining for several years.

**21** The department continued to take vigilance in maintaining the integrity of the Textiles Export Control System (TECS). Revised quota allocation rules and enhanced administrative actions were introduced to increase deterrence to illicit traders from engaging in origin malpractice. The department also worked closely with the Customs and Excise Department in combating textiles frauds and malpractice.

**22** Rice is a product subject to import quota to ensure that an adequate reserve stock is in place. Registered rice stockholders, being entitled to import rice for local consumption, are required to maintain at all times a minimum total reserve stock of 40 000 tonnes. To introduce more competition among rice stockholders, as from the fourth quarter of 1997, an optional quota system has been implemented under which rice stockholders are allowed to opt to vary their original import entitlements.

### *Matters Requiring Special Attention in 2000–01*

**23** The department will continue its efforts to safeguard the integrity and credibility of Hong Kong's TECS by maintaining close cooperation with the Customs and Excise Department to implement an integrated and targeted approach of inspections and investigations, reviewing constantly the TECS especially its effectiveness in deterring textiles frauds and malpractice, and applying promptly legal and administrative sanctions against companies involved in textiles frauds and malpractice.

**24** The department will closely monitor the implementation of the WTO Agreement on Textiles and Clothing and make necessary adjustments to the TECS with a view to minimising disruption to the trade.

**25** The department is committed to the implementation of full EDI services for PN and CO within 2000 and the promotion of EDI services to other trade documents. Receipt counters for paper submission of PN and CO will be closed upon full implementation of EDI PN and CO service.

**26** The department will continue to review textiles licensing and certification procedures and requirements with a view to removing unnecessary formalities and introducing electronic delivery services.

**27** To improve Hong Kong's competitiveness and to facilitate its development into a high technology centre, the department is committed to ensuring Hong Kong's access to high technology goods by maintaining a credible strategic commodity control system and continuing to improve the efficiency of our licensing services.

**28** The department will continue to review the rice control scheme and the optional quota system with a view to introducing further liberalisation to the rice trade.

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### ANALYSIS OF FINANCIAL PROVISION

<b>Programme</b>	1998–99 (Actual) (\$m)	1999–2000 (Approved) (\$m)	1999–2000 (Revised) (\$m)	<b>2000–01 (Estimate) (\$m)</b>
(1) Commercial Relations .....	64.3	72.6	73.0	<b>74.3</b>
(2) Trade Support and Facilitation .....	207.5	227.2	211.5	<b>214.5</b>
	<hr/> 271.8	<hr/> 299.8 (+10.3%)	<hr/> 284.5 (–5.1%)	<hr/> <b>288.8</b> <b>(+1.5%)</b>

#### Analysis of Financial and Staffing Provision

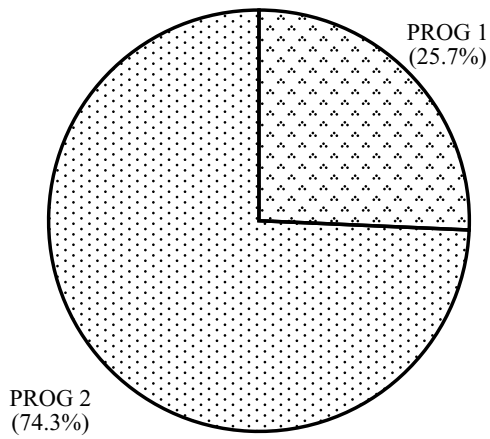
##### Programme (1)

Provision for 2000–01 is \$1.3 million (1.8%) higher than the revised estimate for 1999–2000. This is mainly due to salary increments for existing staff and increased expenses to intensify commercial relations activities in 2000–01.

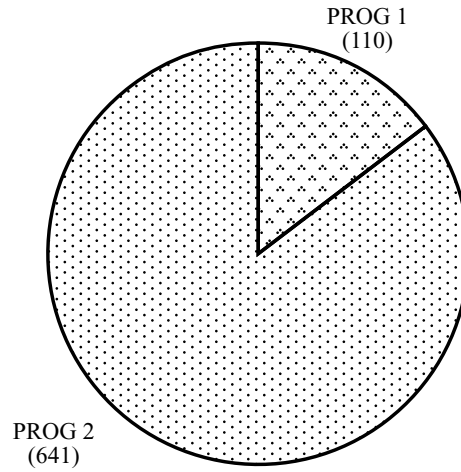
##### Programme (2)

Provision for 2000–01 is \$3.0 million (1.4%) higher than the revised estimate for 1999–2000. This is mainly due to a one-off capital commitment for replacing the departmental private automatic branch exchange system, partly offset by full-year savings for posts deleted in 1999–2000, a net deletion of ten posts in 2000–01 under the Enhanced Productivity Programme, and a net deletion of 11 posts mainly arising from the implementation of Electronic Data Interchange Systems for Certificate of Origin.

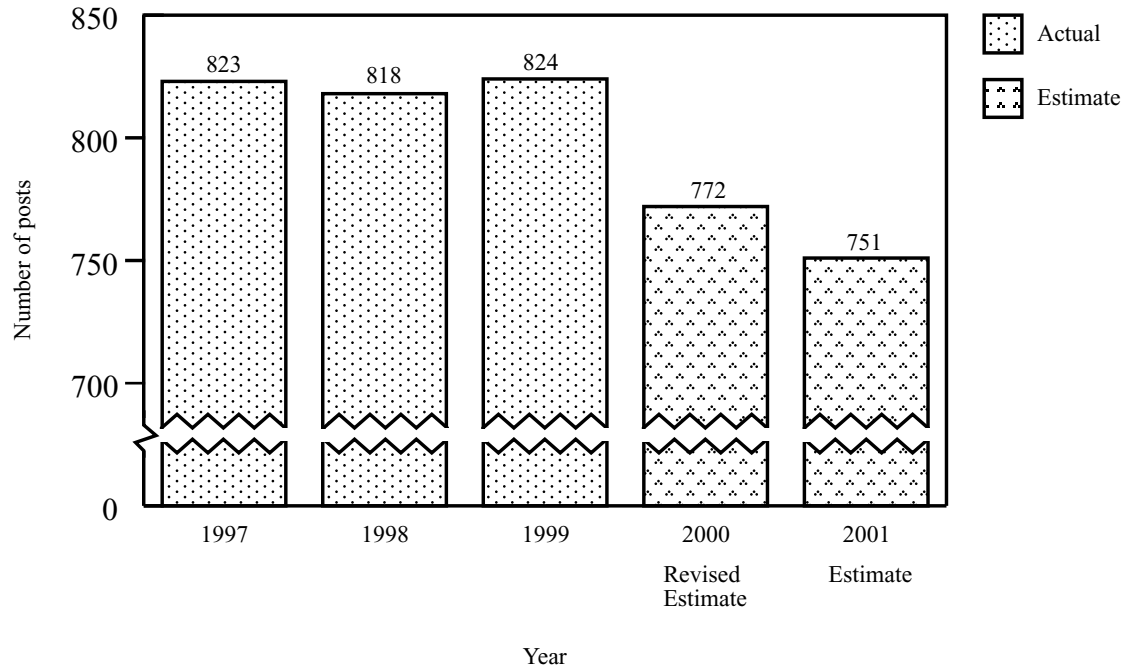
*Allocation of provision  
to programmes  
(2000-01)*



*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	<b>Estimate 2000-01</b>
		\$'000	\$'000	\$'000	<b>\$'000</b>
<b>Recurrent Account</b>					
I — Personal Emoluments					
001	Salaries .....	228,807	244,076	233,024	<b>229,485</b>
002	Allowances .....	13,728	12,900	12,586	<b>12,443</b>
007	Job-related allowances .....	44	53	53	<b>57</b>
	Total, Personal Emoluments .....	<u>242,579</u>	<u>257,029</u>	<u>245,663</u>	<b><u>241,985</u></b>
III — Departmental Expenses					
149	General departmental expenses .....	24,540	34,338	32,438	<b>34,259</b>
	Total, Departmental Expenses .....	<u>24,540</u>	<u>34,338</u>	<u>32,438</u>	<b><u>34,259</u></b>
IV — Other Charges					
186	Trade negotiations and associated activities.....	1,673	3,300	2,777	<b>3,300</b>
	Total, Other Charges .....	<u>1,673</u>	<u>3,300</u>	<u>2,777</u>	<b><u>3,300</u></b>
	Total, Recurrent Account .....	<u>268,792</u>	<u>294,667</u>	<u>280,878</u>	<b><u>279,544</u></b>
<b>Capital Account</b>					
I — Plant, Equipment and Works					
603	Plant, vehicles and equipment .....	—	—	—	<b>6,090</b>
661	Minor plant, vehicles and equipment (block vote) .....	—	200	100	<b>100</b>
	Total, Plant, Equipment and Works .....	<u>—</u>	<u>200</u>	<u>100</u>	<b><u>6,190</u></b>
II — Other Non-Recurrent					
700	General other non-recurrent .....	2,963	4,913	3,509	<b>3,026</b>
	Total, Other Non-Recurrent .....	<u>2,963</u>	<u>4,913</u>	<u>3,509</u>	<b><u>3,026</u></b>
	Total, Capital Account .....	<u>2,963</u>	<u>5,113</u>	<u>3,609</u>	<b><u>9,216</u></b>
	Total Expenditure .....	<u><u>271,755</u></u>	<u><u>299,780</u></u>	<u><u>284,487</u></u>	<b><u><u>288,760</u></u></b>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2000–01 for the salaries and expenses of the Trade Department is \$288,760,000. This represents an increase of \$4,273,000 over the revised estimate for 1999–2000 and of \$17,005,000 on actual expenditure in 1998–99.

#### *Recurrent Account*

##### Personal Emoluments

**2** Provision of \$241,985,000 for personal emoluments represents a decrease of \$3,678,000 against the revised estimate for 1999–2000 and takes into account salary increments for existing staff, full-year savings of posts deleted in 1999–2000 and posts likely to be deleted in 2000–01.

**3** The establishment as at 31 March 2000 will be 772 permanent posts. Taking account of the creation of one post for administrative support, the savings of 12 posts arising from the implementation of Electronic Data Interchange Systems for Certificate of Origin and a net deletion of ten posts under the Enhanced Productivity Programme, it is expected that a net 21 posts will be deleted in 2000–01.

**4** Subject to certain condition, 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 \$211,655,000, which will be reduced to \$205,807,000 upon the net deletion of 21 posts in the course of the year.

**5** Provision of \$12,443,000 under *Subhead 002 Allowances* is for standard allowances.

**6** Provision of \$57,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances. This represents an increase of \$4,000 (7.5%) over the revised estimate for 1999–2000 and is mainly due to the anticipated increase in requirements for extraneous duties allowance for clerical grade officers performing cash handling duties as a result of the extension of operating hours.

##### Departmental Expenses

**7** Provision of \$34,259,000 under *Subhead 149 General departmental expenses* represents an increase of \$1,821,000 (5.6%) over the revised estimate for 1999–2000. This is mainly due to increased requirements for staff training, continual enhancements of homepage and EDI-related services, and supporting the IT development in the department.

##### Other Charges

**8** Provision of \$3,300,000 under *Subhead 186 Trade negotiations and associated activities* is for expenses relating to trade negotiations and associated activities in Hong Kong and overseas. This represents an increase of \$523,000 (18.8%) over the revised estimate for 1999–2000 and is mainly due to an anticipated increase in trade negotiation activities.

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### Capital Account

#### Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.99	Revised estimated expenditure for 1999–2000	Balance
			\$'000	\$'000	\$'000	\$'000
603	213	<i>Plant, vehicles and equipment</i> Replacement of Private Automatic Branch Exchange System .....	6,090	—	—	6,090
700	512	<i>General other non-recurrent</i> Hong Kong to perform as the Shepherd of the Government Procurement Experts Group of the Asia-Pacific Economic Cooperation .....	3,378	836	100	2,442
	514	Engagement of a Commercial Relations Consultant in Europe .....	3,000	1,697	767	536
	515	Consultancy to provide advisory services on trade in goods and services .....	5,970	2,073	1,917	1,980
	517	Consultancy to provide advisory services on further broad-based multilateral negotiation .....	2,320	—	725	1,595
			<u>14,668</u>	<u>4,606</u>	<u>3,509</u>	<u>6,553</u>
		Total .....	<u>20,758</u>	<u>4,606</u>	<u>3,509</u>	<u>12,643</u>