

Head 1 — DUTIES

Details of Revenue

Sub-head (Code)	Actual revenue 2005–06	Original estimate 2006–07	Revised estimate 2006–07	Estimate 2007–08
	\$'000	\$'000	\$'000	\$'000
010 Hydrocarbon oils	3,362,012	3,432,631	3,289,817	3,304,238
020 Alcoholic beverages	879,763	951,197	954,024	657,139†
030 Other alcohol products	5,974	5,247	4,838	4,838
050 Tobacco	2,176,617	2,213,028	2,535,115	2,322,581†
Total	<u>6,424,366</u>	<u>6,602,103</u>	<u>6,783,794</u>	<u>6,288,796</u>

† After Budget revenue measures but subject to the passing of the relevant legislation by the Legislative Council.

Description of Revenue Sources

To this revenue head are credited duties paid on hydrocarbon oils, alcoholic beverages, other alcohol products and tobacco under the Dutiable Commodities Ordinance (Cap. 109).

Revenue from duties generated 3.0% of total revenue in 2006–07.

Underlying Changes in Revenue Yield

The **2006–07** revised estimate of \$6,783,794,000 is a net increase of \$181,691,000 (2.8%) over the original estimate.

Under *Subhead 050 Tobacco*, the increase of \$322,087,000 (14.6%) is mainly due to the higher than expected demand for such products.

The **2007–08** estimate of \$6,288,796,000 is a net decrease of \$494,998,000 (7.3%) against the revised estimate for 2006–07.

Under *Subhead 020 Alcoholic beverages*, the decrease of \$296,885,000 (31.1%) mainly reflects the effect of the proposed reduction in the duty rates for alcoholic beverages and the proposed relaxation of duty free limit in the 2007–08 Budget.