

## Head 1 — DUTIES

### Details of Revenue

| Sub-head<br>(Code)              | Actual<br>revenue<br>2006–07 | Original<br>estimate<br>2007–08 | Revised<br>estimate<br>2007–08 | Estimate<br>2008–09     |
|---------------------------------|------------------------------|---------------------------------|--------------------------------|-------------------------|
|                                 | \$'000                       | \$'000                          | \$'000                         | \$'000                  |
| 010 Hydrocarbon oils .....      | 3,319,793                    | 3,304,238                       | 3,372,169                      | <b>3,131,250</b>        |
| 020 Alcoholic beverages .....   | 926,815                      | 657,139                         | 703,140                        | <b>190,160†</b>         |
| 030 Other alcohol products..... | 6,004                        | 4,838                           | 6,000                          | <b>6,000</b>            |
| 050 Tobacco .....               | 2,770,357                    | 2,322,581                       | 2,810,804                      | <b>2,871,286</b>        |
| Total .....                     | <u>7,022,969</u>             | <u>6,288,796</u>                | <u>6,892,113</u>               | <u><b>6,198,696</b></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 2.6% of total revenue in 2007–08.

### Underlying Changes in Revenue Yield

The **2007–08** revised estimate of \$6,892,113,000 is an increase of \$603,317,000 (9.6%) over the original estimate.

Under *Subhead 030 Other alcohol products*, the increase of \$1,162,000 (24.0%) is mainly due to the higher than expected demand for such products.

Under *Subhead 050 Tobacco*, the increase of \$488,223,000 (21.0%) is mainly due to the lower than expected decrease in tobacco consumption.

The **2008–09** estimate of \$6,198,696,000 is a net decrease of \$693,417,000 (10.1%) against the revised estimate for 2007–08.

Under *Subhead 020 Alcoholic beverages*, the decrease of \$512,980,000 (73.0%) mainly reflects the effect of the proposed reduction in the duty rates for alcoholic beverages in the 2008–09 Budget.