

## Head 1 — DUTIES

### Details of Revenue

| Sub-head<br>(Code)              | Actual<br>revenue<br>2007–08 | Original<br>estimate<br>2008–09 | Revised<br>estimate<br>2008–09 | Estimate<br>2009–10 |
|---------------------------------|------------------------------|---------------------------------|--------------------------------|---------------------|
|                                 | \$'000                       | \$'000                          | \$'000                         | \$'000              |
| 010 Hydrocarbon oils .....      | 3,359,729                    | 3,131,250                       | 2,767,049                      | 2,549,239           |
| 020 Alcoholic beverages .....   | 687,198                      | 190,160                         | 202,334                        | 203,514             |
| 030 Other alcohol products..... | 7,471                        | 6,000                           | 7,500                          | 7,500               |
| 050 Tobacco .....               | 3,005,127                    | 2,871,286                       | 3,024,325                      | 3,821,558†          |
| Total .....                     | <u>7,059,525</u>             | <u>6,198,696</u>                | <u>6,001,208</u>               | <u>6,581,811</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 2.2% of total revenue in 2008–09.

### Underlying Changes in Revenue Yield

The **2008–09** revised estimate of \$6,001,208,000 is a net decrease of \$197,488,000 (3.2%) against the original estimate.

Under *Subhead 010 Hydrocarbon oils*, the decrease of \$364,201,000 (11.6%) is mainly due to the reduction of the duty rate for Euro V diesel to zero since 14 July 2008.

Under *Subhead 030 Other alcohol products*, the increase of \$1,500,000 (25%) is mainly due to the higher than expected demand for such products.

The **2009–10** estimate of \$6,581,811,000 is a net increase of \$580,603,000 (9.7%) against the revised estimate for 2008–09.

Under *Subhead 050 Tobacco*, the increase of \$797,233,000 (26.4%) mainly reflects the effect of the proposed increase in the duty rates for tobacco in the 2009–10 Budget.