

Head 181 — TRADE AND INDUSTRY DEPARTMENT

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

Estimate 2019–20 **\$929.8m**

Establishment ceiling 2019–20 (notional annual mid-point salary value) representing an estimated 505 non-directorate posts as at 31 March 2019 rising by six posts to 511 posts as at 31 March 2020.... **\$282.4m**

In addition, there will be an estimated 11 directorate posts as at 31 March 2019 and as at 31 March 2020.

Commitment balance..... **\$133,002.2m**

Controlling Officer's Report

Programmes

<p>Programme (1) Commercial Relations</p> <p>Programme (2) Trade Support and Facilitation</p> <p>Programme (3) Support for Small and Medium Enterprises and Industries</p>	<p>These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).</p>
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Detail

Programme (1): Commercial Relations

	2017–18 (Actual)	2018–19 (Original)	2018–19 (Revised)	2019–20 (Estimate)
Financial provision (\$m)	136.2	150.2	151.5 (+0.9%)	153.3 (+1.2%)
				(or +2.1% on 2018–19 Original)

Aim

2 The aim is to secure and preserve maximum access and fair treatment for Hong Kong's goods, services and investments in external markets.

Brief Description

3 The Department is responsible for Hong Kong's commercial relations with its trading partners, and for promoting and protecting Hong Kong's trade interests and rights. The rules-based multilateral trading system under the auspices of the World Trade Organization (WTO) is the cornerstone of Hong Kong's external trade policy. Being a founding Member of the WTO, Hong Kong has continued its separate membership in the WTO, under the name "Hong Kong, China", since its return to China.

4 The Department continues to participate actively in the Asia-Pacific Economic Cooperation (APEC) forum whose goal is to achieve free and open trade and investment among its member economies which account for some 80 per cent of Hong Kong's total external trade.

5 Since the Mainland and Hong Kong concluded the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) in 2003, both sides have continued to explore further liberalisation measures for trade and investment and to facilitate smooth and effective implementation of announced liberalisation measures. In this regard, the Department co-ordinates with relevant bureaux and departments in discussions with the Mainland authorities.

6 According to the latest statistics compiled by the WTO, in 2017 Hong Kong was the world's seventh largest economy in terms of merchandise trade and the 17th largest in terms of commercial services trade.

7 In 2018, the Department's key activities included the following:

- active participation in the WTO, including—
 - safeguarding Hong Kong's rights through monitoring and responding to trade restrictive measures which impacted on Hong Kong's trade interests and brought systemic risks to the multilateral trading system;
 - contributing to the ongoing negotiations and discussions at the WTO, particularly on domestic regulation under services; rules; investment facilitation; electronic commerce; micro, small and medium enterprises; and non-agricultural market access;

- participating in the WTO trade policy review of Hong Kong, China; and
- monitoring the local implementation of WTO agreements;
- active participation in various APEC activities, including—
 - taking part in the Economic Leaders’ Meeting, Ministerial Meetings and Senior Officials’ Meetings;
 - contributing to work on trade and investment liberalisation and facilitation, including the monitoring of progress towards achieving the Bogor Goals, regional economic integration, connectivity, and setting of the APEC Post-2020 Vision; and
 - providing secretariat support for Hong Kong, China’s representatives to the APEC Business Advisory Council;
- active participation in regional bodies, including the Pacific Economic Cooperation Council (PECC);
- in consultation with relevant bureaux and departments and the trade, discussing with Mainland authorities enhancements to CEPA through further liberalisation and facilitation of trade. The Agreement on Trade in Goods was signed in December, expanding the CEPA rules of origin to provide for the full implementation of zero tariff on goods of Hong Kong origin imported into the Mainland as well as introducing trade facilitation measures especially for supporting the Guangdong-Hong Kong-Macao Greater Bay Area development;
- discussing with trading partners, including emerging economies, enhancements to economic co-operation through, for example, establishing co-operation arrangements, free trade agreements (FTAs) and investment promotion and protection agreements (IPPAs). Hong Kong signed an FTA with Georgia in June, and concluded FTA and IPPA negotiations with the Maldives and Australia. The Department also concluded IPPA negotiation with the United Arab Emirates, continued the negotiation with Russia and commenced the negotiation with Turkey;
- advising local companies on importing economies’ anti-dumping legislation and procedures;
- closely monitoring and giving prompt advice to local traders and manufacturers on changes in the import regulations and policies of our major trading partners, including the unilateral tariff measures taken by the US; and
- liaising with the trade and Mainland authorities on trade related issues and policies which may impact on Hong Kong business operations in the Mainland.

Matters Requiring Special Attention in 2019–20

- 8 During 2019–20, the Department will:
- participate actively in the WTO to monitor implementation of agreements, engage in work relating to the decisions adopted at WTO Ministerial Conferences and discussions on proposals to reform the WTO;
 - participate in ongoing negotiations of the WTO in seeking to advance Hong Kong’s interest and contribute to multilateral efforts in trade liberalisation and greater predictability and transparency in global trade rules;
 - participate actively in APEC, PECC and other regional bodies, and contribute particularly to APEC’s work on regional economic integration, supply chain connectivity, and enhancing ease of doing business;
 - enhance economic co-operation with trading partners including emerging economies, continue to negotiate IPPAs with Russia and Turkey, explore forging a FTA with the four members of the Pacific Alliance, seek accession to the Regional Comprehensive Economic Partnership after the negotiation is concluded, sign IPPAs with Bahrain and Mexico respectively upon the completion of all the necessary procedures;
 - oversee and monitor the implementation of FTAs signed between Hong Kong and foreign economies;
 - discuss, in consultation with relevant bureaux and departments and the trade, with Mainland authorities measures to enrich the content of CEPA and seek future market liberalisation;
 - facilitate understanding by the trade of the Mainland’s trade and economic policies with significant impact on business operations and changes in the global economic environment; and
 - safeguard Hong Kong’s trade interests through monitoring and responding where necessary, to anti-dumping and other trade protection measures and changes in major trading partners’ laws, and provide prompt advice to local traders and manufacturers.

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Programme (2): Trade Support and Facilitation

	2017–18 (Actual)	2018–19 (Original)	2018–19 (Revised)	2019–20 (Estimate)
Financial provision (\$m)	124.1	126.8	140.5 (+10.8%)	143.4 (+2.1%)
				(or +13.1% on 2018–19 Original)

Aim

9 The aim is to optimise the benefits to Hong Kong flowing from international and bilateral trade agreements, including CEPA, to fulfil Hong Kong's obligations under such agreements by way of providing certifications and licensing services, and to enhance Hong Kong's role as a regional trading and distribution centre.

Brief Description

10 The Department provides various licensing, certification and registration services for commodities (such as textiles and clothing, strategic commodities, powdered formula, rough diamonds, rice, Mainland cereals and grain flour) in fulfilment of Hong Kong's international and bilateral obligations, to meet public safety and security requirements and to complement the trade arrangements of our major trading partners.

11 The Department continues to operate a voluntary Textiles Trader Registration Scheme to enable it to disseminate textiles-related regulatory and other information to the trade in a speedy manner.

12 The Department maintains a robust control system on strategic commodities and participates actively in international co-operation in strategic trade control. The list of strategic commodities controlled in Hong Kong is reviewed regularly to align the list of controlled items with the latest control lists of the international regimes.

13 The Department continues to implement a powdered formula export licensing arrangement, which helps to ensure sufficient and stable supply of powdered formula for infants and young children under 36 months of age in Hong Kong.

14 The Department implements the Kimberley Process Certification Scheme, which aims at stopping trade in "conflict diamonds" that fuels armed conflicts, terrorist activities and illicit proliferation of armament.

15 The Department operates the Rice Control Scheme to ensure a stable supply of rice in Hong Kong and to maintain a reserve stock to cater for short-term shortage of supply and other emergencies.

16 Apart from providing a one-stop certification service for Hong Kong Service Suppliers (HKSS) and Hong Kong Investors (HKI) to support the implementation of CEPA and handling enquiries on CEPA matters, the Department actively organises and participates in various promotional and publicity activities, and handles requests for assistance from Hong Kong businesses which encounter difficulties in making use of CEPA benefits.

17 The key performance measures are:

Targets

	Target#	2017 (Actual)	2018 (Actual)	2019 (Plan)
registration of textiles traders (completed processing within three working days) (%)	100	100	100	100
Certificate of Hong Kong Origin, Certificate of Origin - Processing, Certificate of Hong Kong Origin - CEPA (CO(CEPA)), Certificate of Hong Kong Origin - New Zealand (CO(NZ)) and Certificate of Origin (Form A) (issued within 1.5 working days) (%)	100	100	100	100
expeditious issue of Certificate of Hong Kong Origin/Form A/CO(CEPA)/ CO(NZ) (issued within 24 hours excluding intervening non-working days) (%).....	100	N.A.¶	N.A.¶	100

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	Target#	2017 (Actual)	2018 (Actual)	2019 (Plan)
enquiry on CO(CEPA) and CO(NZ) and preferential rules of origin‡				
simple enquiry (replied within three working days) (%)	100	100	100	100
complicated enquiry (replied within ten working days) (%)	100	100	100	100
application for factory registration (completed processing within 14 working days) (%)	100	100	100	100
amendment of factory registration particulars				
if factory inspection is necessary (completed processing within 14 working days) (%)	100	100	100	100
if factory inspection is not necessary and the request is lodged in paper form (completed processing within three working days) (%)	100	100	100	100
if factory inspection is not necessary and the request is lodged through online system (completed processing within one working day) (%)	100	N.A.¶	N.A.¶	100
local subcontracting arrangement (LSA) registration (completed processing within one working day) (%)	100	100	100	100
outward processing arrangement (OPA) registration (completed processing within one working day) (%)	100	N.A.¶	100	100
combined annual renewal of factory registration and OPA registration (completed processing within one working day) (%)	100	100	100	100
enquiry on OPA: manufacturing processes allowed to be subcontracted outside Hong Kong				
simple enquiry (completed processing within one working day) (%)	100	N.A.¶	100	100
complicated enquiry (completed processing within four working days) (%)	100	N.A.¶	N.A.¶	100
import and export licence for reserved commodities (issued within one working day) (%)	100	100	100	100
import and export licence for ozone depleting substances (issued within two working days) (%)	100	100	100	100
import and export licence for strategic commodities				
licence application with prior approval-in-principle (issued within the same day) (%)	100	100	100	100
other licence applications (issued within 2.5 working days) (%)Ψ	100	100	100	100
pre-classification service on strategic commodities (completed within two working days) (%)Ψ	100	100	100	100
powdered formula export licence (issued within two working days) (%)	100	100	100	100
amendment to and cancellation of powdered formula export licence (completed within one working day) (%)	100	100	100	100
Kimberley Process Certificate (Import) for rough diamonds (issued within 20 minutes) (%)	100	100	100	100

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	Target#	2017 (Actual)	2018 (Actual)	2019 (Plan)
Kimberley Process Certificate (Export) for rough diamonds (issued within the following working day) (%)	100	100	100	100
registration for rough diamond traders (completed within one working day) (%)	100	100	100	100
certified true copy (issued within one working day) (%)	100	100	100	100
registration for Transshipment Cargo Exemption Scheme (completed within 14 working days) (%)	100	100	100	100
registration for importers of cereals and grain flour from the Mainland (completed within four working days) (%)	100	100	100	100
HKSS and HKI certificatesΔ				
fresh application (completed within 14 working days) (%)	100	100	100	100
amendment and renewal (issued within five working days) (%)	100	100	100	100
replacement and cancellation (issued within three working days) (%)	100	100	100	100
other written enquiries (replied within ten calendar days) (%)	100	100	100	100

Target is applied upon receipt of all necessary documents and information.

¶ No application/enquiry was received.

‡ Preferential rules of origin refer to the rules of origin applicable under respective arrangements/agreements of trade liberalisation between Hong Kong and its trading partners, including CEPA, the Closer Economic Partnership Agreement with New Zealand, as well as the respective FTAs with European Free Trade Association States, Chile, the Association of Southeast Asian Nations (ASEAN) and Georgia.

Ψ The processing time may take longer for complicated cases.

Δ Target for new HKI certificate included as from 2018.

Indicators

	2017 (Actual)	2018 (Actual)	2019 (Plan)
<i>Licence issued</i>			
textiles trader registration	6 603	5 788	5 790
Certificate of Hong Kong Origin, Certificate of Origin - Processing, Certificate of Origin (Form A), CO(CEPA) and CO(NZ)	1 555	1 898	1 900
factory registration	706	727	730
OPA registration	46	41	41
LSA registration	1	2	2
statutory declarations of antique	0	0	0
reserved commodities licence	10 389	10 360	10 400
registration of reserved commodity stockholder	218	222	230
ozone depleting substances licence	97	78	78
strategic commodities licence	366 171	389 270	390 000
powdered formula export licence	19 411	21 846	21 900
delivery verification certificate	7	8	8
international import certificate	67	64	64
pesticide (methyl bromide) licence	3	3	3
Kimberley Process Certificate	8 080	6 186	6 190
registration of rough diamond traders	293	284	300
HKSS and HKI certificatesΔ	500	493	500
permit under the Chemical Weapons (Convention) Ordinance (Cap. 578)Ω	0	0	0
registration for importers of cereals and grain flour from the Mainland	88	87	87

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	2017 (Actual)	2018 (Actual)	2019 (Plan)
<i>CEPA</i>			
enquiries.....	11 409	10 447	10 500
visitors to the Department's CEPA website.....	90 874	84 730	84 800

Λ The figures on HKSS and HKI certificates include fresh applications as well as certificates for amendment, replacement, cancellation and renewal, and certified true copy.

Ω Under the Chemical Weapons (Convention) Ordinance, the Department is empowered to administer a permit system to control and monitor the production and related activities pertinent to scheduled chemicals. There may be potential demand to operate chemical facilities which require permit from the Department. Given the chemical industry in Hong Kong is small in size, such potential demand would not be large.

Matters Requiring Special Attention in 2019–20

18 During 2019–20, the Department will:

- promote understanding of CEPA among the trade through timely dissemination of information to the trade, and organisation of or participation in various promotional and publicity activities including the provision of a user-friendly enquiry hotline and when new measures are introduced, organisation of a business forum to introduce further enhancements to CEPA and the related implementation arrangements;
- liaise closely with the Mainland authorities and local traders on Mainland issues of significant impact on business operations, and help reflect the trade's concerns to the relevant Mainland authorities;
- keep the strategic trade control system under review with a view to streamlining procedures and requirements without compromising the integrity and effectiveness of control; and
- keep in view the powdered formula export licensing arrangement and make adjustment as appropriate having regard to the outcome of review completed by the Food and Health Bureau on the export control of powdered formula in Hong Kong.

Programme (3): Support for Small and Medium Enterprises and Industries

	2017–18 (Actual)	2018–19 (Original)	2018–19 (Revised)	2019–20 (Estimate)
Financial provision (\$m)	476.7	498.3	503.0 (+0.9%)	633.1 (+25.9%)
				(or +27.1% on 2018–19 Original)

Aim

19 The aim is to support and facilitate the development of Hong Kong's small and medium enterprises (SMEs) and industries.

Brief Description

20 The Department implements programmes to enhance the competitiveness of SMEs and their long-term development. It provides information and consultation services for SMEs through its Support and Consultation Centre for SMEs (SUCCESS). SUCCESS also organises seminars and workshops to help broaden SMEs' business knowledge and enhance their entrepreneurial skills.

21 The Department administers several funding schemes, including the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF), the SME Development Fund (SDF) and the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund). In June 2018, the Finance Committee of Legislative Council approved the injection of \$2.5 billion for the implementation of enhancement measures to the various funding schemes to further strengthen the support to enterprises. Among others, the ASEAN Programme under the BUD Fund was launched in August 2018 to provide funding support to individual non-listed Hong Kong enterprises in carrying out projects that aim to enhance their competitiveness and further business development in the ASEAN markets. The cumulative funding ceiling per enterprise of the Mainland Programme under the BUD Fund and the EMF has also been doubled. In addition, the SDF was merged with the Organisation Support Programme under the BUD Fund to form the Trade and Industrial Organisation Support Fund (TSF) in October 2018. The Department also continues to follow up on the residual work relating to the Special Loan Guarantee Scheme which had ceased receiving applications after December 2010.

22 The Department maintains regular liaison with local industries and trade and industrial organisations. It provides secretariat support for the Small and Medium Enterprises Committee, which advises the Government on issues affecting the development of SMEs in Hong Kong. It also provides support to the organisation of the Hong Kong Awards for Industries.

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23 The key performance measures are:

Targets

	Target#	2017 (Actual)	2018 (Actual)	2019 (Plan)
SUCCESS				
processing applications for Business Advisory Service within ten working days (%) ^λ	100	100	100	100
replying to simple enquiries on licensing requirements within one working day (%)	100	100	100	100
replying to complicated enquiries on licensing requirements within three working days (%)	100	100	100	100
replying to simple enquiries on SME support services and facilities within one working day (%).....	100	100	100	100
replying to complicated enquiries on SME support services and facilities within three working days (%)	100	100	100	100
SGS				
processing applications for guarantee within three working days (after receipt of complete applications from participating lending institutions) (%).....	100	100	100	100
SDF [◇]				
processing applications for grant within 60 working days (%)	100	100	100	N.A.
TSF ^δ				
processing applications for grant within 60 working days (%)	100	N.A.	100	100
EMF				
processing applications for grant within 30 working days (%)	100	100	100	100
BUD Fund (Organisation Support Programme) [◇]				
processing applications for grant within 60 working days (%)	100	100	100	N.A.
BUD Fund (Enterprise Support Programme)				
processing applications for grant within 60 working days (%).....	100	100	100	100

Target is applied upon receipt of all necessary documents and information.

λ Revised description of the previous target “confirming consultation meeting with applicants of Business Advisory Service within ten working days” as from 2019.

◇ Target to be removed as from 2019 as SDF and BUD Fund (Organisation Support Programme) were merged to form TSF in October 2018.

δ New target as from 2019.

Indicators

	2017 (Actual)	2018 (Actual)	2019 (Plan)
SUCCESS			
enquiries	3 786	4 094 ^φ	4 100
visitors to SUCCESS [^]	3 519	4 225 ^φ	4 230
visits to SUCCESS website.....	548 984	966 152 ^φ	967 000
seminars and other activities	106	110	110
publications relating to local industries and SMEs	2	2	2
e-newsletters sent to SUCCESS members	26	26	26

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	2017 (Actual)	2018 (Actual)	2019 (Plan)
SGS			
applications received and processed	770	784	780
no. of SME beneficiaries.....	709	693	690
amount of government guarantees issued (\$m)	1,034.7	909.0	909.0
SDF§			
applications received and processed	36	22@	N.A.
amount of government grants approved (\$m).....	23.4	34.2μ	N.A.
TSF□			
applications received and processed	N.A.	17@	53
amount of government grants approved (\$m).....	N.A.	0	73.5
EMF			
applications received and processed	10 895	11 757β	13 500β
no. of first time SME beneficiaries	1 418	1 352	1 360
total no. of SME beneficiaries.....	5 444	5 570	5 570
amount of government grants approved (\$m).....	135.4	167.1β	228.9β
BUD Fund (Organisation Support Programme)§			
applications received and processed	21	14@	N.A.
amount of government grants approved (\$m).....	34.1	39.3μ	N.A.
BUD Fund (Enterprise Support Programme)			
applications received and processed	441	625α	1 070α
amount of government grants approved (\$m).....	125.0	225.4α	480.0α

φ The number of enquiries, visitors to SUCCESS and visits to SUCCESS website increased in 2018 due to the relocation of the SUCCESS centre to the Trade and Industry Tower in February 2018 to build synergy of the SUCCESS services with the other services of the Department. The Department has also enhanced promotion on the services of SUCCESS and organised more activities at the centre.

^ The number of visitors to SUCCESS excludes visitors to the EMF service counter located in SUCCESS.

§ Indicators to be removed as from 2019 as SDF and BUD Fund (Organisation Support Programme) were merged to form TSF in October 2018.

@ The number of SDF and BUD Fund (Organisation Support Programme) applications should be read together with the number of TSF applications as SDF and BUD Fund (Organisation Support Programme) were merged to form TSF in October 2018.

μ The increase in the amount of government grants approved was due to the increase in the average amount of funding approved per project.

□ New indicators as from 2019.

β The number of EMF applications received and processed and the amount of government grants approved increased in 2018 as a result of the enhancement measures implemented in August 2018. The number of applications received and processed and the amount of government grants approved are projected to further increase in 2019 as a result of the enhancements.

α The increase in applications and the grants approved in 2018 and the planned figures for 2019 is attributable to the implementation of enhancement measures to the BUD Fund (Enterprise Support Programme) in August 2018, including the launch of the ASEAN Programme and the increase in the maximum grant per project from \$0.5 million to \$1 million.

Matters Requiring Special Attention in 2019–20

24 During 2019–20, the Department will:

- closely monitor the global and domestic economic environment and the impact of any changes in the environment on Hong Kong enterprises, in particular SMEs;
- liaise closely with the trade and help them meet the challenges they face;
- administer various funding schemes and closely monitor and strengthen their effectiveness; and
- consider implementing measures to enhance the various government funding schemes supporting Hong Kong enterprises as appropriate.

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ANALYSIS OF FINANCIAL PROVISION

	2017-18 (Actual) (\$m)	2018-19 (Original) (\$m)	2018-19 (Revised) (\$m)	2019-20 (Estimate) (\$m)
Programme				
(1) Commercial Relations	136.2	150.2	151.5	153.3
(2) Trade Support and Facilitation	124.1	126.8	140.5	143.4
(3) Support for Small and Medium Enterprises and Industries	476.7	498.3	503.0	633.1
	737.0	775.3	795.0 (+2.5%)	929.8 (+17.0%)
				(or +19.9% on 2018-19 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2019-20 is \$1.8 million (1.2%) higher than the revised estimate for 2018-19. This is mainly due to the full-year effect of filling vacancies in 2018-19, increased provision for salary increments and personnel related expenses. There will be an increase of five posts in 2019-20 to strengthen the support for implementation of FTAs and participation in the China International Import Expo.

Programme (2)

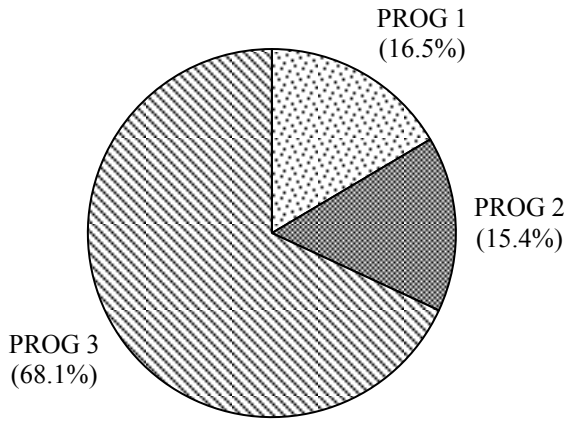
Provision for 2019-20 is \$2.9 million (2.1%) higher than the revised estimate for 2018-19. This is mainly due to the full-year effect of filling vacancies in 2018-19, increased provision for salary increments and personnel related expenses.

Programme (3)

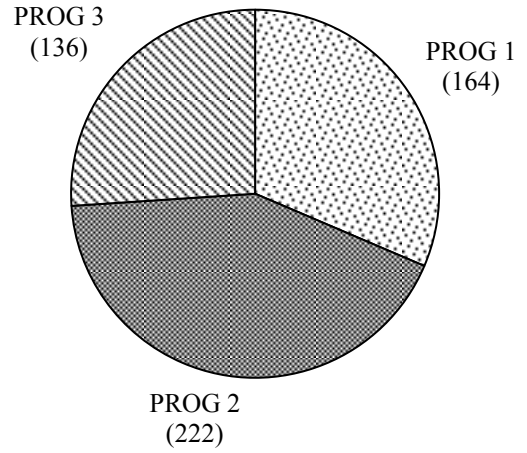
Provision for 2019-20 is \$130.1 million (25.9%) higher than the revised estimate for 2018-19. This is mainly due to the increased cash flow requirements for funding schemes. There will be an increase of one post in 2019-20 to strengthen the support for funding schemes.

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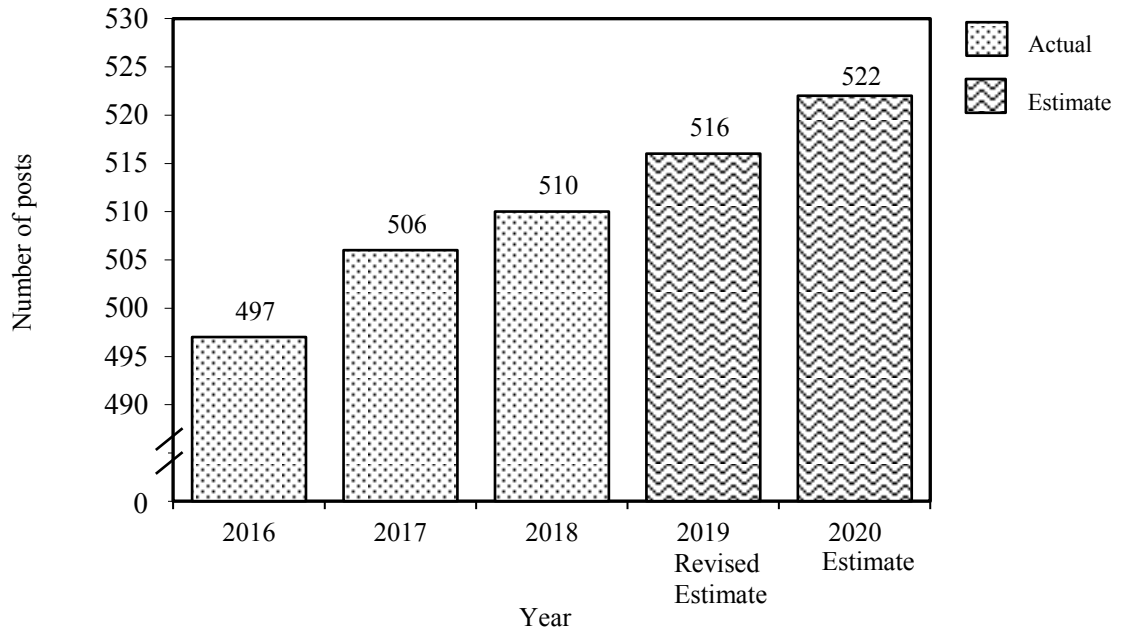
Allocation of provision to programmes (2019-20)



Staff by programme (as at 31 March 2020)



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



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Sub-head (Code)	Actual expenditure 2017-18	Approved estimate 2018-19	Revised estimate 2018-19	Estimate 2019-20	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	361,425	375,251	387,660	398,794
	Total, Recurrent.....	361,425	375,251	387,660	398,794
Non-Recurrent					
700	General non-recurrent	375,561	400,000	407,300	531,000
	Total, Non-Recurrent.....	375,561	400,000	407,300	531,000
	Total, Operating Account	736,986	775,251	794,960	929,794
	Total Expenditure	736,986	775,251	794,960	929,794

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Details of Expenditure by Subhead

The estimate of the amount required in 2019–20 for the salaries and expenses of the Trade and Industry Department is \$929,794,000. This represents an increase of \$134,834,000 over the revised estimate for 2018–19 and \$192,808,000 over the actual expenditure in 2017–18.

Operating Account

Recurrent

2 Provision of \$398,794,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Trade and Industry Department.

3 The establishment as at 31 March 2019 will be 516 posts. It is expected that there will be an increase of six posts in 2019–20. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2019–20, but the notional annual mid-point salary value of all such posts must not exceed \$282,398,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2017–18 (Actual) (\$'000)	2018–19 (Original) (\$'000)	2018–19 (Revised) (\$'000)	2019–20 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	260,299	270,115	277,207	286,324
- Allowances.....	6,896	7,069	9,446	9,446
- Job-related allowances.....	1	2	2	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	920	740	1,013	1,047
- Civil Service Provident Fund contribution.....	8,880	10,985	10,086	11,796
Departmental Expenses				
- General departmental expenses	75,828	71,932	79,704	77,991
Other Charges				
- Contribution to and participation in the Asia-Pacific Economic Cooperation	1,308	1,280	1,274	1,260
- Trade negotiations and associated activities.....	5,165	11,000	6,800	7,000
- Contribution to the organisation of the Hong Kong Awards for Industries.....	2,000	2,000	2,000	3,800
- Subscription to the Pacific Economic Cooperation Council.....	128	128	128	128
	<hr/> 361,425	<hr/> 375,251	<hr/> 387,660	<hr/> 398,794

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2018	Revised estimated expenditure for 2018–19	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
	520	SME Loan Guarantee Scheme#	30,000,000	301,668	21,000	29,677,332
	524	Export Marketing and Trade and Industrial Organisation Support Fund^	6,250,000	3,876,775	194,000	2,179,225
	802	Special Loan Guarantee Scheme@	100,000,000	718,741	64,000	99,217,259
	836	Dedicated Fund on Branding, Upgrading and Domestic Sales	2,500,000	444,603	127,000	1,928,397
		Total	<u>138,750,000</u>	<u>5,341,787</u>	<u>406,000</u>	<u>133,002,213</u>

The approved commitment of \$30 billion refers to the total loan guarantee commitment approved by the Finance Committee (based on an assumed default rate of five per cent, the expected maximum expenditure for settlement of default claim is \$1.5 billion). The expenditure represents payments made to lending institutions for their default claims.

^ Renaming of this non-recurrent item was approved by the Finance Committee on 1 June 2018.

@ The approved commitment of \$100 billion refers to the total loan guarantee commitment approved by the Finance Committee (based on the assumed default rates of ten per cent and 12 per cent for loans approved under 70 per cent and 80 per cent Government guarantee respectively, the expected maximum expenditure for settlement of default claim is \$11.8 billion). The expenditure represents payments made to lending institutions for their default claims.