

## Head 181 — TRADE AND INDUSTRY DEPARTMENT

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

**Estimate 2022–23** ..... **\$1,496.5m**

**Establishment ceiling 2022–23** (notional annual mid-point salary value) representing an estimated 515 non-directorate posts as at 31 March 2022 and as at 31 March 2023..... **\$302.4m**

In addition, there will be an estimated 11 directorate posts as at 31 March 2022 and as at 31 March 2023.

**Commitment balance**..... **\$133,607.9m**

### Controlling Officer's Report

#### Programmes

<p><b>Programme (1) Commercial Relations</b></p> <p><b>Programme (2) Trade Support and Facilitation</b></p> <p><b>Programme (3) Support for Small and Medium Enterprises and Industries</b></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

	2020–21 (Actual)	2021–22 (Original)	2021–22 (Revised)	2022–23 (Estimate)
Financial provision (\$m)	150.9	160.2	167.4 (+4.5%)	163.1 (–2.6%)
				(or +1.8% on 2021–22 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, Hong Kong was the world's sixth largest economy in terms of merchandise trade and the 22nd largest in terms of commercial services trade in 2020.

7 In 2021, the Department's key activities included the following:

- active participation in the WTO, including:
  - carrying out preparatory work for the Twelfth WTO Ministerial Conference;
  - 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;

- safeguarding Hong Kong's rights and interests by taking actions in accordance with the WTO Dispute Settlement Mechanism against the revised origin marking requirement implemented by the United States (US) Government on imported products originating from Hong Kong; and
- contributing to the ongoing negotiations and discussions at the WTO, particularly on domestic regulation for services; rules; investment facilitation; electronic commerce; micro, small and medium enterprises; and proposals to reform the WTO;
- 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 regional economic integration, connectivity, and implementation of the APEC Putrajaya Vision 2040; and
  - providing secretariat support for Hong Kong, China's representatives to the APEC Business Advisory Council;
- overseeing the implementation of CEPA and its subsidiary agreements, including the Agreement on Trade in Goods which provides for the full implementation of zero tariff on goods of Hong Kong origin imported into the Mainland; and the updated Agreement on Trade in Services which further liberalises the Mainland market for Hong Kong service suppliers in most service sectors;
- enhancing economic co-operation with trading partners as well as assisting enterprises in diversifying markets and securing better market access through establishing co-operation arrangements, forging free trade agreements (FTAs) and investment promotion and protection agreements (IPPAs). The Department has intensified engagement with participating economies of Regional Comprehensive Economic Partnership (RCEP) on Hong Kong's early accession to RCEP, negotiated with the Association of Southeast Asian Nations (ASEAN) as per the work programme of ASEAN – Hong Kong Investment Agreement, and continued the IPPA negotiations with Turkey and Russia respectively. Hong Kong and Chile also conducted negotiations to update their commitments on trade in services under the Hong Kong, China – Chile FTA. The update was completed in January 2022 and shall come into effect upon completion of all the necessary procedures; and
- closely monitoring policies and actions of our major trading partners which might affect bilateral trade, responding to such policies and actions where necessary, and giving advice to local traders and manufacturers.

### ***Matters Requiring Special Attention in 2022–23***

**8** During 2022–23, the Department will:

- participate actively in the WTO to monitor implementation of agreements and to safeguard Hong Kong's rights and interests, and engage in work relating to the decisions adopted at WTO Ministerial Conferences and the discussions on proposals to reform the WTO;
- continue to take actions in accordance with the WTO Dispute Settlement Mechanism against the revised origin marking requirement implemented by the US Government on imported products originating from Hong Kong;
- participate in ongoing negotiations and discussions at 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, including participation at the Twelfth WTO Ministerial Conference;
- participate actively in APEC and other regional bodies, and contribute particularly to APEC's work on regional economic integration, supply chain connectivity, and in the implementation of the APEC Putrajaya Vision 2040;
- continue to seek early accession to RCEP after its entry into force, to negotiate IPPAs with Russia and Turkey respectively, to negotiate with ASEAN as per the work programme of ASEAN – Hong Kong Investment Agreement, and to sign IPPAs with Bahrain and Myanmar respectively upon completion of all the necessary procedures;
- oversee 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, especially in strategic locations such as the Greater Bay Area (including Qianhai) and Hainan; and
- continue to safeguard Hong Kong's trade interests through monitoring and responding where necessary to trade restrictive measures and changes in major trading partners' laws, regulations, and policies, and provide updated information to local traders and manufacturers.

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

	2020–21 (Actual)	2021–22 (Original)	2021–22 (Revised)	2022–23 (Estimate)
Financial provision (\$m)	140.7	153.0	148.2 (–3.1%)	<b>145.2</b> (–2.0%)
				(or –5.1% on 2021–22 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 licensing, certification, and registration services, and to enhance Hong Kong's role as a regional trading and distribution centre.

#### *Brief Description*

10 The Department provides licensing, certification and registration services for various goods and commodities. The Department:

- operates the voluntary Textiles Trader Registration Scheme to enable it to disseminate textiles-related regulatory and other information to the trade in a speedy manner;
- maintains a robust control system on strategic commodities and participates actively in international co-operation in strategic trade control; reviews the list of strategic commodities controlled in Hong Kong regularly to align the list of controlled items with the latest control lists of the international regimes;
- 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;
- implements the Kimberley Process Certification Scheme to stop trade in “conflict diamonds” that fuels armed conflicts, terrorist activities and illicit proliferation of armament; and
- operates a powdered formula export licensing arrangement under the policy area of the Food and Health Bureau to help to ensure sufficient and stable supply of powdered formula for infants and young children under 36 months of age in Hong Kong.

11 The Department operates an origin certification system to facilitate export of Hong Kong products to external markets by issuance of Certificates of Origin. It also maintains a Factory Registration service in support of the origin certification system.

12 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.

13 The key performance measures are:

#### *Targets*

	Target#	2020 (Actual)	2021 (Actual)	2022 (Plan)
registration of textiles traders (completed processing within three working days) (%).....	100	100	100	<b>100</b>
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)), Certificate of Hong Kong Origin - Georgia (CO(Georgia)), Certificate of Hong Kong Origin - Form AHK (CO(Form AHK)) and Certificate of Origin (Form A)Θ (issued within 1.5 working days) (%).....	100	100	100	<b>100</b>

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	Target#	2020 (Actual)	2021 (Actual)	2022 (Plan)
expeditious issue of Certificate of Hong Kong Origin/Form A/ CO(CEPA)/CO(NZ)/CO(Georgia)/ CO(Form AHK) (issued within 24 hours excluding intervening non-working days) (%)η.....	100	N.A.¶	N.A.	N.A.
enquiry on CO(CEPA), CO(NZ), CO(Georgia), CO(Form AHK) 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	100	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	100	N.A.¶	100
complicated enquiry (completed processing within four working days) (%).....	100	N.A.¶	N.A.¶	100
import and export licence for reserved commodities (rice) (issued within one working day) (%).....	100	100	100	100
approval as a reserved commodity (rice) storage place inform Customs and Excise Department (C&ED) to conduct inspection of the premises (completed within five working days) (%).....	100	100	100	100
inform the applicant of the application result upon receipt of C&ED's inspection report (completed within five working days) (%).....	100	100	100	100
import and export licence for ozone depleting substances (issued within two working days) (%).....	100	100	100	100

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	Target#	2020 (Actual)	2021 (Actual)	2022 (Plan)
import and export licence for strategic commodities				
licence application with prior approval-in-principle (issued within the same day) (%).....	100	100	100	<b>100</b>
other licence applications (issued within 2.5 working days) (%)Ψ .....	100	99.8γ	100	<b>100</b>
pre-classification service on strategic commodities (completed within two working days) (%)Ψ .....	100	98.5γ	100	<b>100</b>
powdered formula export licence (issued within two working days) (%).....	100	96.3γ	100	<b>100</b>
amendment to and cancellation of powdered formula export licence (completed within one working day) (%) .....	100	100	100	<b>100</b>
Kimberley Process Certificate (Import) for rough diamonds (issued within 20 minutes) (%) .....	100	100	100	<b>100</b>
Kimberley Process Certificate (Export) for rough diamonds (issued within the following working day) (%) .....	100	100	100	<b>100</b>
registration for rough diamond traders (completed within one working day) (%) .....	100	100	100	<b>100</b>
certified true copy (issued within one working day) (%) .....	100	100	100	<b>100</b>
registration for Transshipment Cargo Exemption Scheme (completed within 14 working days) (%) .....	100	100	100	<b>100</b>
registration for importers of cereals and grain flour from the Mainland (completed within four working days) (%).....	100	100	100	<b>100</b>
HKSS and HKI certificates				
fresh application (completed within 14 working days) (%) .....	100	100	100	<b>100</b>
amendment and renewal (issued within five working days) (%).....	100	100	100	<b>100</b>
replacement and cancellation (issued within three working days) (%).....	100	100	100	<b>100</b>
other written enquiries (replied within ten calendar days) (%) .....	100	100	100	<b>100</b>

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

η Target removed as from 2021. With the improved performance pledge for normal issuance of certificates of origin and streamlined workflow resulting from the implementation of electronic service for various types of certificates of origin over the past years, the expeditious service has become obsolete.

¶ 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, Georgia and Australia.

Ψ The processing time may take longer for complicated cases.

γ The unexpected special work arrangements due to the COVID-19 pandemic affected the actual performance in 2020.

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### Indicators

	2020 (Actual)	2021 (Actual)	2022 (Plan)
<i>Licence issued</i>			
textiles trader registration.....	4 568	3 917	3 920
Certificate of Hong Kong Origin, Certificate of Origin - Processing, Form AΘ, CO(CEPA), CO(NZ), CO(Georgia) and CO(Form AHK).....	2 822	2 315	2 320
factory registration .....	779	722	730
OPA registration .....	42	27	27
LSA registration.....	10	2	2
statutory declarations of antique .....	0	0	0
reserved commodities (rice) licence .....	9 994	9 945	9 950
registration of reserved commodity (rice) stockholder .....	259	291	300
approval as a reserved commodity (rice) storage place.....	136	146	150
ozone depleting substances licence.....	41	48	48
strategic commodities licence .....	312 340	283 782	284 000
powdered formula export licence.....	17 927	13 307	13 400
delivery verification certificate .....	2	6	6
international import certificate.....	35	22	22
pesticide (methyl bromide) licence.....	1	1	1
Kimberley Process Certificate .....	1 328	2 216	2 220
registration of rough diamond traders.....	172	227	180
HKSS and HKI certificatesΛ .....	325	353	330
permit under the Chemical Weapons (Convention) Ordinance (Cap. 578)Ω .....	0	0	0
registration for importers of cereals and grain flour from the Mainland .....	83	83	83
<i>CEPA</i>			
enquiries.....	7 902	7 321	7 330
visitors to the Department's CEPA website.....	52 705	45 508	45 600

- Θ The service to issue Form A was discontinued from 7 October 2021 in view of the expiry of beneficiary status of Hong Kong under Russian Federation's Generalized System of Preferences.
- 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 administers a permit system to control and monitor the production and related activities pertinent to scheduled chemicals. The potential demand for a permit in Hong Kong is low given the small size of the chemical industry and that the scheduled chemicals are uncommon.

### Matters Requiring Special Attention in 2022–23

14 During 2022–23, 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, and collaborate with the Mainland authorities to support Hong Kong enterprises to promote their products and services to the Mainland market; and
- keep the strategic trade control system under review with a view to streamlining procedures and requirements without compromising the integrity and effectiveness of control.

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

	2020–21 (Actual)	2021–22 (Original)	2021–22 (Revised)	2022–23 (Estimate)
Financial provision (\$m)	1,036.5	1,199.1	1,043.7 (–13.0%)	1,188.2 (+13.8%)
				(or –0.9% on 2021–22 Original)

#### *Aim*

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

#### *Brief Description*

16 The Department implements programmes to support enterprises, particularly SMEs, with a view to enhancing their competitiveness. It provides information and advisory services to SMEs through its Support and Consultation Centre for SMEs (SUCCESS) and co-ordinates the integrated services of SUCCESS and the other three SME service centres under the Hong Kong Trade Development Council (HKTDC), the Hong Kong Productivity Council and the Hong Kong Science and Technology Parks Corporation, including the provision of advisory services on government funding schemes.

17 The Department administers several funding schemes, including the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), the SME Export Marketing Fund (EMF), and the Trade and Industrial Organisation Support Fund (TSF) to assist Hong Kong enterprises in exploring markets and enhancing their competitiveness. In 2021, a series of enhancement measures were implemented to the BUD Fund and the EMF. Among others, the geographical coverage of the BUD Fund has been extended to include Japan and Korea, covering a total of 22 economies, and the cumulative funding ceiling per enterprise under the BUD Fund has been increased from \$4 million to \$6 million. To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong's leading position as the hub for large-scale merchandise exhibitions amid the COVID-19 pandemic, for a period of two years from 30 April 2021, the scope of the EMF has been expanded to cover large-scale exhibitions organised by organisers with good track record targeting the local market, as well as virtual exhibitions organised by the HKTDC and reputable exhibition organisers with good track record, and the eligibility for the EMF has been relaxed to cover non-SMEs.

18 The Department maintains close liaison with local industries and trade and industrial organisations. It provides secretariat support for the Trade and Industry Advisory Board and the Small and Medium Enterprises Committee, which respectively advise the Government on matters affecting Hong Kong's trade and industry, and specifically on issues affecting the development of SMEs.

19 The key performance measures are:

#### *Targets*

	Target#	2020 (Actual)	2021 (Actual)	2022 (Plan)
SUCCESS				
processing applications for Business Advisory Service within seven working days (%) .....	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

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	Target#	2020 (Actual)	2021 (Actual)	2022 (Plan)
SME Loan Guarantee Scheme (SGS)☐				
processing applications for guarantee within three working days (after receipt of complete applications from participating lending institutions) (%).....	100	100	100	N.A.
TSF				
processing applications for grant within 60 working days (%).....	100	100	100	100
EMF				
processing applications for grant within 30 working days (%).....	100	95γ	100	100
BUD Fund				
processing applications for grant within 60 working days (%).....	100	100	100	100

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

☐ Target to be removed as from 2022 as the SGS ceased to receive applications from 1 April 2021.

γ The unexpected special work arrangements due to the COVID-19 pandemic affected the actual performance in 2020.

### Indicators

	2020 (Actual)	2021 (Actual)	2022 (Plan)
SUCCESS			
enquiriesφ.....	45 375	14 681	6 000
visitors to SUCCESSφ.....	331^	457^	460^
visits to SUCCESS websiteφ.....	1 183 615	2 190 183	2 000 000
seminars and other activitiesφ.....	93	127	130
e-newsletters sent to SUCCESS members.....	26	26	26
SGS§			
applications received and processed.....	111	280	N.A.
no. of SME beneficiaries.....	102	250	N.A.
amount of government guarantees issued (\$m).....	172.8	62.20	N.A.
TSF			
applications received and processed.....	69	55	55
amount of government grants approved (\$m).....	54.7	20.00	20.0
EMF			
applications received and processed.....	11 215	19 754β	19 800
no. of first time SME beneficiaries.....	1 110	1 979	1 980
total no. of SME beneficiaries.....	5 750	6 209	6 210
amount of government grants approved (\$m).....	239.7	232.4β	232.4
BUD Fund			
applications received and processed.....	3 521	2 580λ	2 670Δ
amount of government grants approved (\$m).....	609.4	641.7	665.0Δ

φ Most enquiries handled by SUCCESS in 2020 and 2021 were related to quarantine exemption scheme. The number of such enquiries had dropped in 2021 and is expected to further decline in 2022. The number of visitors to SUCCESS increased in 2021 as the COVID-19 pandemic situation has stabilised. The number of visitors to SUCCESS website and the number of seminars and other activities increased in 2021 as a result of the launch of various online activities.

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

§ Indicators to be removed as from 2022 as the SGS ceased to receive applications from 1 April 2021.

θ The SGS ceased to receive applications from 1 April 2021.

◇ The decrease in the amount of government grants approved in 2021 is attributable to the reduced number of large-scale promotional activities conducted by the industries due to the COVID-19 pandemic.

β The increase in the number of applications received and processed for the EMF in 2021 is attributable to the expansion of the scope of the EMF to cover large-scale exhibitions targeting the local market as well as virtual exhibitions, and the relaxation of the eligibility to cover non-SMEs. The decrease in the amount of government grants approved is due to the lower amounts required for participation in local exhibitions and virtual exhibitions.

λ The decrease in the number of applications received in 2021 is attributable to the market uncertainties due to the lingering COVID-19 pandemic situation.

Δ The expected increase in 2022 is attributable to the further extension of the geographical coverage of the BUD Fund to include 15 additional economies with which Hong Kong has signed IPPA, starting from the first quarter of 2022 in phases.



### *Matters Requiring Special Attention in 2022–23*

**20** During 2022–23, 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 implement enhanced support services to help them meet the challenges they face;
- administer various funding schemes and closely monitor their implementation with a view to enhancing their effectiveness and utilisation; and
- enhance promotion and outreach to SMEs to provide support services on funding applications.

## Head 181 — TRADE AND INDUSTRY DEPARTMENT

### ANALYSIS OF FINANCIAL PROVISION

	2020–21 (Actual) (\$m)	2021–22 (Original) (\$m)	2021–22 (Revised) (\$m)	2022–23 (Estimate) (\$m)
<b>Programme</b>				
(1) Commercial Relations .....	150.9	160.2	167.4	163.1
(2) Trade Support and Facilitation .....	140.7	153.0	148.2	145.2
(3) Support for Small and Medium Enterprises and Industries.....	1,036.5	1,199.1	1,043.7	1,188.2
	1,328.1	1,512.3	1,359.3 (–10.1%)	1,496.5 (+10.1%)
				(or –1.0% on 2021–22 Original)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2022–23 is \$4.3 million (2.6%) lower than the revised estimate for 2021–22. This is mainly due to the decreased provision for general departmental expenses.

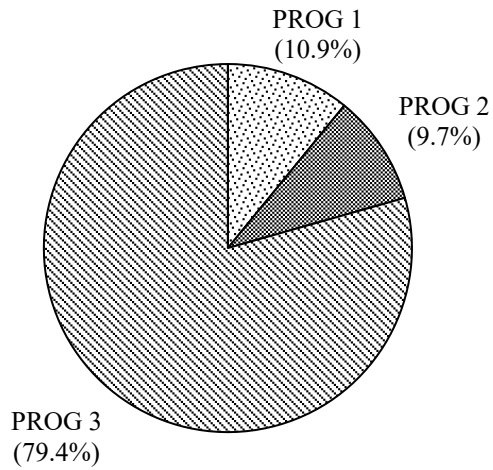
##### Programme (2)

Provision for 2022–23 is \$3.0 million (2.0%) lower than the revised estimate for 2021–22. This is mainly due to the decreased provision for general departmental expenses.

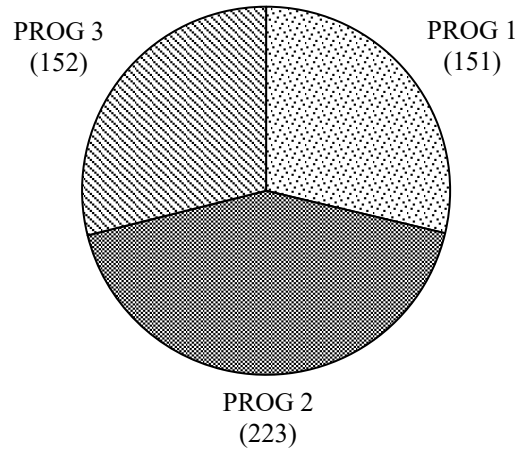
##### Programme (3)

Provision for 2022–23 is \$144.5 million (13.8%) higher than the revised estimate for 2021–22. This is mainly due to the increased cash flow requirements for funding schemes.

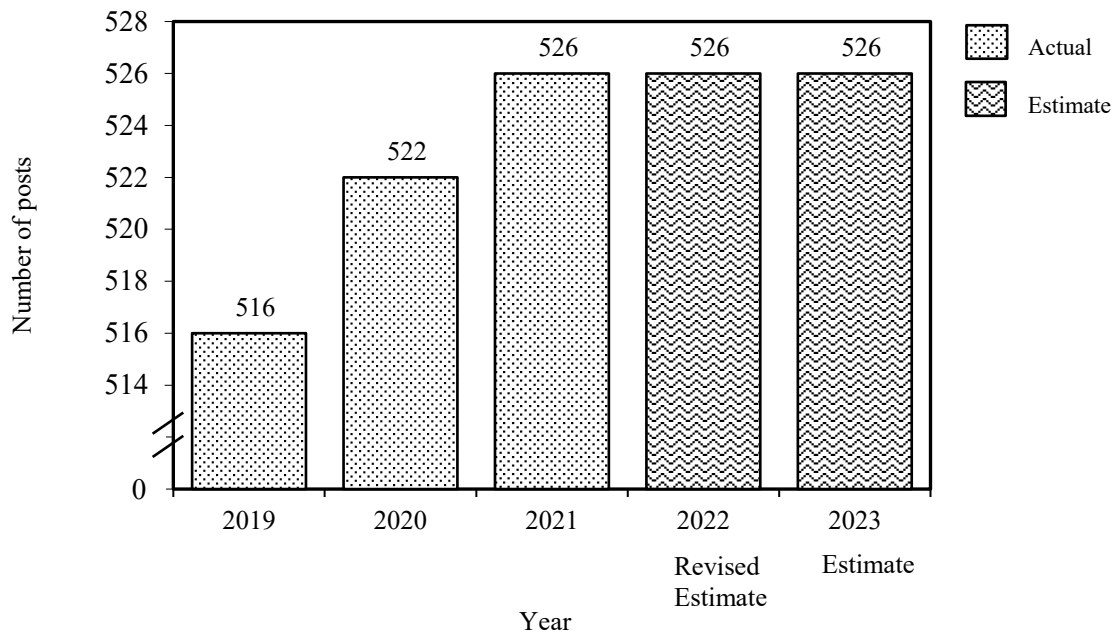
*Allocation of provision  
to programmes  
(2022-23)*



*Staff by programme  
(as at 31 March 2023)*



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



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Sub-head (Code)		Actual expenditure 2020–21	Approved estimate 2021–22	Revised estimate 2021–22	Estimate 2022–23
		\$'000	\$'000	\$'000	\$'000
<b>Operating Account</b>					
	Recurrent				
000	Operational expenses .....	414,981	441,345	441,345	<b>429,511</b>
	Total, Recurrent.....	414,981	441,345	441,345	<b>429,511</b>
	Non-Recurrent				
700	General non-recurrent .....	913,148	1,071,000	918,000	<b>1,067,000</b>
	Total, Non-Recurrent.....	913,148	1,071,000	918,000	<b>1,067,000</b>
	Total, Operating Account .....	1,328,129	1,512,345	1,359,345	<b>1,496,511</b>
<hr/>					
	Total Expenditure .....	1,328,129	1,512,345	1,359,345	<b>1,496,511</b>
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2022–23 for the salaries and expenses of the Trade and Industry Department is \$1,496,511,000. This represents an increase of \$137,166,000 over the revised estimate for 2021–22 and \$168,382,000 over the actual expenditure in 2020–21.

#### *Operating Account*

#### Recurrent

2 Provision of \$429,511,000 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 2022 will be 526 posts. No change in establishment is expected in 2022–23. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2022–23, but the notional annual mid-point salary value of all such posts must not exceed \$302,428,000.

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

	2020–21 (Actual) (\$'000)	2021–22 (Original) (\$'000)	2021–22 (Revised) (\$'000)	2022–23 (Estimate) (\$'000)
Personal Emoluments				
- Salaries .....	297,474	310,268	301,299	304,209
- Allowances .....	8,234	7,850	9,252	9,252
- Job-related allowances.....	—	2	34	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	1,191	1,213	1,139	1,162
- Civil Service Provident Fund contribution .....	14,751	16,215	16,812	17,604
Departmental Expenses				
- General departmental expenses .....	82,985	96,415	103,399	87,855
Other Charges				
- Contribution to and participation in the Asia-Pacific Economic Cooperation .....	3,218	1,254	1,265	1,266
- Trade negotiations and associated activities .....	5,000	6,000	6,000	6,000
- Contribution to the organisation of the Hong Kong Awards for Industries .....	2,000	2,000	2,000	2,000
- Subscription to the Pacific Economic Cooperation Council .....	128	128	145	161
	414,981	441,345	441,345	429,511

## Head 181 — TRADE AND INDUSTRY DEPARTMENT

### Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2021	Revised estimated expenditure for 2021–22	Balance
			\$'000	\$'000	\$'000	\$'000
<b>Operating Account</b>						
700		<i>General non-recurrent</i>				
	520	SME Loan Guarantee Scheme# .....	30,000,000#	397,050	18,000	29,584,950
	524	Export Marketing and Trade and Industrial Organisation Support Fund .....	7,250,000	4,708,361	246,000	2,295,639
	802	Special Loan Guarantee Scheme@ .....	100,000,000@	817,250	10,000	99,172,750
	836	Dedicated Fund on Branding, Upgrading and Domestic Sales.....	4,500,000	1,301,448	644,000	2,554,552
		Total .....	<u>141,750,000</u>	<u>7,224,109</u>	<u>918,000</u>	<u>133,607,891</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.

@ 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.