

Head 181 — TRADE AND INDUSTRY DEPARTMENT

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

Estimate 2024–25 **\$2,375.4m**

Establishment ceiling 2024–25 (notional annual mid-point salary value) representing an estimated 507 non-directorate posts as at 31 March 2024 reducing by four posts to 503 posts as at 31 March 2025 **\$316.0m**

In addition, there will be an estimated 11 directorate posts as at 31 March 2024 and as at 31 March 2025.

Commitment balance..... **\$133,233.0m**

Controlling Officer’s Report

Programmes

<p>Programme (1) Commercial Relations Programme (2) Trade Support and Facilitation 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

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	153.1	167.2	174.0 (+4.1%)	184.4 (+6.0%)
				(or +10.3% on 2023–24 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 in support of Hong Kong’s role as an international trade centre under the National 14th Five-Year Plan.

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 the motherland.

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 tenth largest economy in terms of merchandise trade and the 23rd largest in terms of commercial services trade in 2022.

7 In 2023–24, the Department’s key activities included the following:

- active participation in the WTO, including:
 - carrying out preparatory work for attendance at the Thirteenth WTO Ministerial Conference in Abu Dhabi, United Arab Emirates in February 2024;
 - preparing for Hong Kong’s acceptance of the Agreement on Fisheries Subsidies in August 2023;

- safeguarding Hong Kong’s rights through monitoring and responding to trade restrictive measures which impacted on Hong Kong’s trade interests and posed 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 United States (US)’ revised origin marking requirement on imported products originating from Hong Kong;
- contributing to the ongoing negotiations and discussions at the WTO, particularly on rules; investment facilitation; electronic commerce; domestic regulation for services; micro, small and medium enterprises (SMEs); and proposals to reform the WTO; and
- participating in the WTO trade policy review of Hong Kong, China;
- 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, sustainability and implementation of the APEC Putrajaya Vision 2040, including through the Aotearoa Plan of Action; 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). Hong Kong signed an IPPA with Türkiye in October 2023 and concluded the IPPA negotiations with Bahrain in December 2023. The Department has intensified engagement with members of Regional Comprehensive Economic Partnership (RCEP) for Hong Kong’s early accession to RCEP, commenced FTA negotiations with Peru, continued the negotiations with the Association of Southeast Asian Nations (ASEAN) as per the work programme of ASEAN – Hong Kong Investment Agreement, and continued IPPA negotiations with, among others, Saudi Arabia and Bangladesh. The Department has also continued its exploratory talks with other potential FTA or IPPA partners in the Middle East and other regions along the Belt and Road; 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 2024–25

8 During 2024–25, 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/declarations adopted at the Thirteenth WTO Ministerial Conference, including discussions on reforming the WTO;
- continue to monitor the developments with respect to actions taken in accordance with the WTO Dispute Settlement Mechanism against the US’ revised origin marking requirement 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;
- participate actively in APEC and other regional bodies, and contribute particularly to APEC’s work on regional economic integration, supply chain connectivity, sustainability and in the implementation of the APEC Putrajaya Vision 2040, including through the Aotearoa Plan of Action;
- continue to seek early accession to RCEP, continue the FTA negotiations with Peru, continue to negotiate/sign IPPAs with, among others, Bahrain, Bangladesh and Saudi Arabia, continue to negotiate with ASEAN as per the work programme of ASEAN – Hong Kong Investment Agreement;
- continue exploratory talks with other potential FTA or IPPA partners in the Middle East and other regions along the Belt and Road;
- oversee the implementation of FTAs signed between Hong Kong and foreign economies;

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- discuss, in consultation with relevant bureaux and departments and the trade, with Mainland authorities measures to enrich the content of CEPA and seek further liberalisation, aiming especially at those sectors that Hong Kong enjoys competitive advantages, for the Guangdong-Hong Kong-Macao Greater Bay Area as well as the entire Mainland, with a view to facilitating Hong Kong enterprises to tap into the nation-wide domestic consumption market; 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.

Programme (2): Trade Support and Facilitation

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	140.6	148.5	152.3 (+2.6%)	155.2 (+1.9%)
				(or +4.5% on 2023–24 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 Environment and Ecology 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 enjoying CEPA benefits.

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13 The key performance measures are:

Targets

	Target#	2022 (Actual)	2023 (Actual)	2024 (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)), Certificate of Hong Kong Origin - Georgia (CO(Georgia)) and Certificate of Hong Kong Origin - Form AHK (CO(Form AHK)) (issued within 1.5 working days) (%)δ....	100	100	100	100
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.¶	100	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	N.A.¶	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

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	Target#	2022 (Actual)	2023 (Actual)	2024 (Plan)
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
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
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 certificates				
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.

δ Revised description of the previous target “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)” as from 2024.

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- ‡ 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 ASEAN, Georgia and Australia.
- ¶ No application/enquiry was received.
- Ψ The processing time may take longer for complicated cases.

Indicators

	2022 (Actual)	2023 (Actual)	2024 (Plan)
<i>Licence issued</i>			
textiles trader registration.....	3 357	2 997	3 000
Certificate of Hong Kong Origin, Certificate of Origin - Processing, CO(CEPA), CO(NZ), CO(Georgia) and CO(Form AHK) ^φ	1 958	1 725	1 730
factory registration.....	694	676	680
OPA registration.....	24	23	23
LSA registration.....	2	1	1
statutory declarations of antique.....	0	0	0
reserved commodities (rice) licence.....	8 996	8 961	8 970
registration of reserved commodity (rice) stockholder.....	256	238	240
approval as a reserved commodity (rice) storage place.....	153	142	150
ozone depleting substances licence.....	61	71	71
strategic commodities licence.....	274 299	252 950	253 000
powdered formula export licence.....	9 221	7 895	7 900
delivery verification certificate.....	6	8	8
international import certificate.....	31	38	38
pesticide (methyl bromide) licence.....	3	46	46
Kimberley Process Certificate.....	1 546	1 428	1 430
registration of rough diamond traders.....	152	218	160 ^η
HKSS and HKI certificates ^Λ	264	245	270
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	81	81
<i>CEPA</i>			
enquiries.....	5 146	4 333	4 340
visitors to the Department's CEPA website.....	40 157	41 116	41 200

- ^φ Revised description of the previous indicator “Certificate of Hong Kong Origin, Certificate of Origin - Processing, Form A, CO(CEPA), CO(NZ), CO(Georgia) and CO(Form AHK)” as from 2024.
- ^η Rough diamond trader registration is renewable on a biennial basis. The planned figure is estimated based on the actual number of trader registration in 2022 which will expire in 2024.
- ^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 2024–25

14 During 2024–25, 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;

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- 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.

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

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	1,299.6#	1,535.4	1,843.1 (+20.0%)	2,035.8 (+10.5%)
				(or +32.6% on 2023–24 Original)

For comparison purpose, the figure excludes relevant provisions for the staff cost which have been transferred to Head 155 — Government Secretariat: Innovation and Technology Commission due to the re-organisation of the Government Secretariat with effect from 1 July 2022.

Aim

15 The aim is to support and facilitate the development of Hong Kong's 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, the Hong Kong Productivity Council (HKPC) and the Hong Kong Science and Technology Parks Corporation, to provide advisory services on government funding schemes. In addition, "SME ReachOut", operated by the HKPC under the support of the Department, promotes the Government's funding schemes to SMEs and assists them in identifying and applying for suitable schemes as well as building their capacities.

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 developing more diversified markets and enhancing their competitiveness. In 2023, to further assist enterprises in capturing business opportunities of post-epidemic recovery and in developing the domestic market of the Mainland and other markets outside Hong Kong with potential, \$500 million was injected into the BUD Fund and "Easy BUD" was launched to expedite the processing of applications involving designated measures with a smaller funding amount. The geographical coverage of the BUD Fund has been extended to include Türkiye, covering a total of 38 economies with which Hong Kong has signed FTAs or IPPAs. To continue to support enterprises in conducting local market promotion activities and to maintain Hong Kong's leading position as the hub for large-scale merchandise exhibitions, the special measure to expand the funding scope of the EMF has been extended to 30 June 2026 to continue to cover large-scale exhibitions and online exhibitions targeting the local market, and the eligibility criteria have 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#	2022 (Actual)	2023 (Actual)	2024 (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

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	Target#	2022 (Actual)	2023 (Actual)	2024 (Plan)
relying on complicated enquiries on licensing requirements within three working days (%)	100	100	100	100
relying on simple enquiries on SME support services and facilities within one working day (%)	100	100	100	100
relying on complicated enquiries on SME support services and facilities within three working days (%)	100	100	100	100
TSF				
processing applications for grant within 60 working days (%)	100	100	100	100
EMF				
processing applications for grant within 30 working days (%)	100	99.1 γ	100	100
BUD Fund				
processing general applications for grant within 60 working days (%) \square	100	100	100	100
processing “Easy BUD” applications within 30 working days (%) \ominus	100	N.A.	100	100

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

γ The unexpected special work arrangements due to the COVID-19 pandemic affected the actual performance in 2022.

\square Revised description of the previous target “processing applications for grant within 60 working days” as from 2024.

\ominus New target as from 2024. “Easy BUD” was introduced in June 2023.

Indicators

	2022 (Actual)	2023 (Actual)	2024 (Plan)
SUCCESS			
enquiries	3 297	3 848	3 850
visitors to SUCCESS ϕ	217 \wedge	1 794 \wedge	1 900\wedge
visits to SUCCESS and SME Link websites	2 179 950	2 410 451	2 411 000
seminars and other activities ϕ	106	119	120
e-newsletters sent to SUCCESS members	26	26	26
TSF			
applications received and processed	33	43	43
amount of government grants approved (\$m)	32.1	39.5	39.5
EMF			
applications received and processed	21 496	29 863 \P	29 900
no. of first time SME beneficiaries	2 037	2 582 \P	2 590
total no. of SME beneficiaries	7 273	9 182 \P	9 190
amount of government grants approved (\$m)	331.6	587.9 \P	587.9
BUD Fund			
applications received and processed	2 637	4 739 Δ	5 510$@$
amount of government grants approved (\$m)	969.7	1 160.4 Δ	1 240.4$@$

ϕ The increase in the number of visitors to SUCCESS is mainly due to the resumption of physical seminars since February 2023. The expected increase in the number of visitors to SUCCESS in 2024 is attributed to the rebound in economic activities upon full resumption of normalcy.

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

\P The increase in the number of applications received and processed, number of first time SME beneficiaries, total number of SME beneficiaries and the amount of government grants approved in 2023 is attributed to the rebound in economic activities upon full resumption of normalcy.

Δ The increase in the number of applications received and processed and the amount of government grants approved in 2023 is attributed to the launch of “Easy BUD” in June 2023 with streamlined application procedures and reduced processing time for projects involving designated measures with a smaller funding amount, and the rebound in economic activities upon full resumption of normalcy.

$@$ The increase in the planned figures for 2024 is attributed to the full-year implementation of “Easy BUD” and the launch of “E-commerce Easy” in mid-2024 to better assist Hong Kong enterprises in developing the Mainland market through e-commerce.

Matters Requiring Special Attention in 2024–25

20 During 2024–25, 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;
- implement “E-commerce Easy” under the BUD Fund to better assist Hong Kong enterprises in developing the Mainland market through e-commerce; and
- continue to administer the enhanced services of “SME ReachOut” in providing SMEs capacity building services and enhancing assistance to SMEs in government funding applications.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2022–23 (Actual) (\$m)	2023–24 (Original) (\$m)	2023–24 (Revised) (\$m)	2024–25 (Estimate) (\$m)
(1) Commercial Relations	153.1	167.2	174.0	184.4
(2) Trade Support and Facilitation	140.6	148.5	152.3	155.2
(3) Support for Small and Medium Enterprises and Industries.....	1,299.6	1,535.4	1,843.1	2,035.8
	1,593.3‡	1,851.1	2,169.4 (+17.2%)	2,375.4 (+9.5%)
				(or +28.3% on 2023–24 Original)

‡ For comparison purpose, the figure has been adjusted to reflect the provisions for the relevant programme under this Head due to the re-organisation of the Government Secretariat with effect from 1 July 2022.

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2024–25 is \$10.4 million (6.0%) higher than the revised estimate for 2023–24. This is mainly due to the increased provision for personal emoluments and personnel related expenses. There will be a decrease of one post under this Programme in 2024–25.

Programme (2)

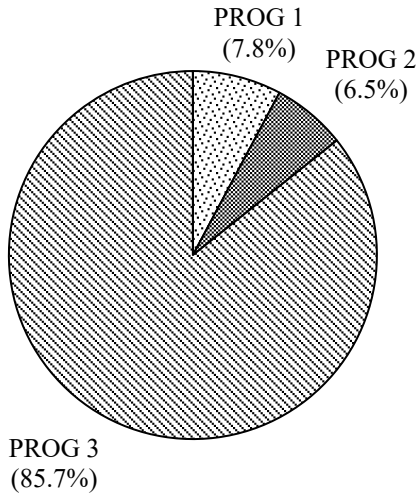
Provision for 2024–25 is \$2.9 million (1.9%) higher than the revised estimate for 2023–24. This is mainly due to the increased provision for personal emoluments and personnel related expenses. There will be a decrease of two posts under this Programme in 2024–25.

Programme (3)

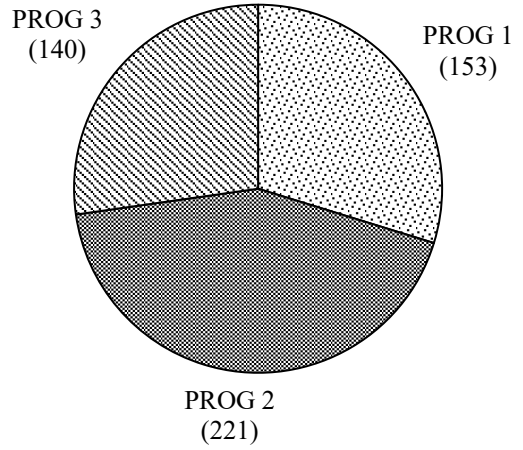
Provision for 2024–25 is \$192.7 million (10.5%) higher than the revised estimate for 2023–24. This is mainly due to the increased cash flow requirements for funding schemes and the increased provision for personal emoluments and personnel related expenses. There will be a decrease of one post under this Programme in 2024–25.

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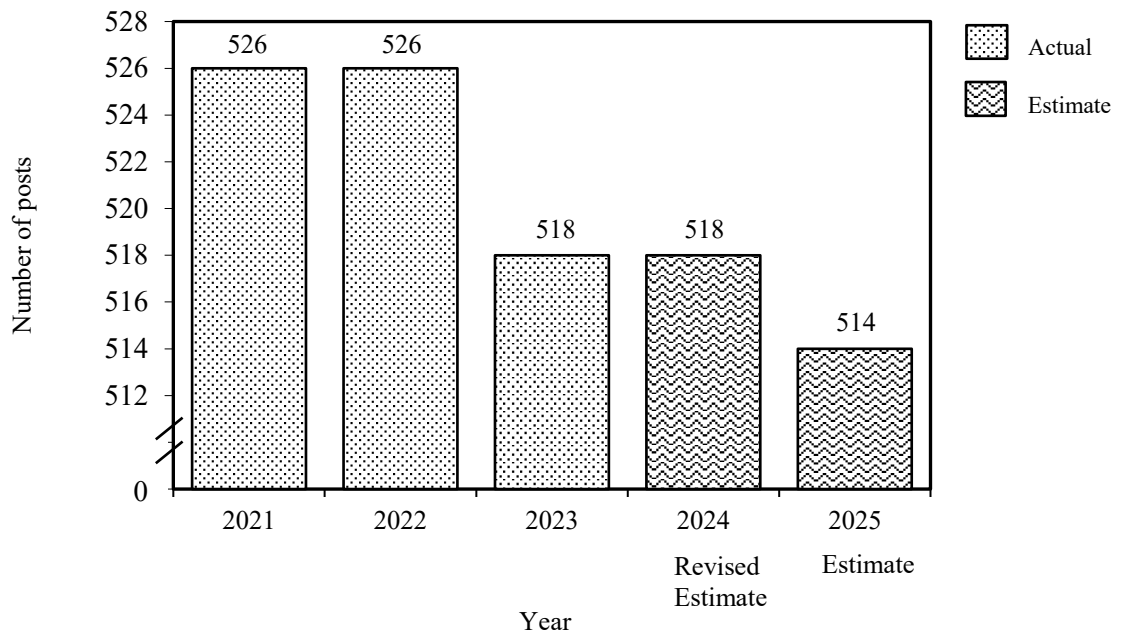
Allocation of provision to programmes (2024-25)



Staff by programme (as at 31 March 2025)



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



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Sub-head (Code)	Actual expenditure 2022–23	Approved estimate 2023–24	Revised estimate 2023–24	Estimate 2024–25	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	420,739	446,058	459,376	475,370
	Total, Recurrent.....	420,739	446,058	459,376	475,370
Non-Recurrent					
700	General non-recurrent	1,172,597	1,405,000	1,710,000	1,900,000
	Total, Non-Recurrent.....	1,172,597	1,405,000	1,710,000	1,900,000
	Total, Operating Account	1,593,336	1,851,058	2,169,376	2,375,370

	Total Expenditure	1,593,336	1,851,058	2,169,376	2,375,370
		<u>1,593,336</u>	<u>1,851,058</u>	<u>2,169,376</u>	<u>2,375,370</u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2024–25 for the salaries and expenses of the Trade and Industry Department is \$2,375,370,000. This represents an increase of \$205,994,000 over the revised estimate for 2023–24 and \$782,034,000 over the actual expenditure in 2022–23.

Operating Account

Recurrent

2 Provision of \$475,370,000 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 2024 will be 518 posts. It is expected that there will be a decrease of four posts in 2024–25. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2024–25, but the notional annual mid-point salary value of all such posts must not exceed \$316,007,000.

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

	2022–23 (Actual) (\$'000)	2023–24 (Original) (\$'000)	2023–24 (Revised) (\$'000)	2024–25 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	298,660	312,720	315,970	329,126
- Allowances	10,616	10,003	6,558	6,558
- Job-related allowances.....	163	2	2	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution	1,011	1,037	909	937
- Civil Service Provident Fund contribution	19,790	21,033	23,433	25,444
Departmental Expenses				
- General departmental expenses	84,858	94,263	101,552	101,451
Other Charges				
- Contribution to and participation in the Asia-Pacific Economic Cooperation	3,004	1,223	1,275	1,275
- Trade negotiations and associated activities	475	3,600	7,500	8,400
- 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	162	177	177	177
	420,739	446,058	459,376	475,370

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2023	Revised estimated expenditure for 2023–24	Balance
			\$'000	\$'000	\$'000	\$'000
Operating Account						
700	<i>General non-recurrent</i>					
	520	SME Loan Guarantee Scheme#	30,000,000	443,497	18,000	29,538,503
	524	Export Marketing and Trade and Industrial Organisation Support Fund	7,250,000	5,354,783	673,000	1,222,217
	802	Special Loan Guarantee Scheme@	100,000,000	823,939	3,000	99,173,061
	836	Dedicated Fund on Branding, Upgrading and Domestic Sales^	7,000,000^	2,684,820	1,016,000	3,299,180
		Total	<u>144,250,000</u>	<u>9,307,039</u>	<u>1,710,000</u>	<u>133,232,961</u>

The scheme ceased to receive applications from 1 April 2021. 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 \$1,500 million). The expenditure represents payments made to lending institutions for their default claims.

@ The scheme ceased to receive applications from 1 January 2011. 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 \$11,800 million). The expenditure represents payments made to lending institutions for their default claims.

^ The approved commitment for the item was \$6,500 million. An increase in commitment of \$500 million is sought in the context of the Appropriation Bill 2024.