

Anti-smuggling work of Customs in 2000

The Customs and Excise Department is the primary law enforcement department responsible for curbing smuggling activities in Hong Kong. This paper primarily provides an account of the current smuggling situation in the territory in three areas : goods smuggling, drugs smuggling and alien smuggling. It also reviews recent developments on the anti-smuggling efforts of the department.

(1) Goods Smuggling

2. Hot items smuggled into the Mainland include motor vehicles, vehicle accessories, marked oil, optical discs, vegetable oil, computer products, electrical appliances and electronic accessories, whereas items commonly smuggled into the territory include cigarettes and meat, because of the differential in price between the Mainland and Hong Kong as well as the control over imports and exports. These items are usually illegally transported across the boundary by sea and land.

Hot Items Smuggled into Mainland

Motor Vehicles and Vehicle Accessories

3. Smuggling of motor vehicles (mainly left-hand-drive vehicles) and vehicle accessories into the Mainland remains active. Motor vehicles are usually concealed inside cargo containers and then smuggled out of the territory on board container trucks through boundary control points. River trading vessels and fishing vessels are also used to convey motor vehicles and accessories to some spots without customs checkpoint in the Mainland for discharge.

4. Last year, the Customs effected altogether 8 cases of attempting to smuggle left-hand-drive vehicles to the Mainland, resulting in the arrest of 19 persons and seizures of 22 left-hand-drive vehicles worth over \$9.57 million in total. The number of cases decreased by 16 per cent as compared with 1999 (please refer to the table below).

Year	No. of Cases	No. of Persons Arrested	Volume of Seizures (No. of Vehicles)	Value of Goods (HK\$)
1999	12	40	30	11.38 million
2000	8	19	22	9.57 million
rise/drop	-33%	-53%	-27%	-16%

5. While the number of smuggled left-hand-drive vehicles showed signs of decrease, the volume of vehicle accessories smuggled into the Mainland was on an upward trend, registering an increase of 73 per cent over 1999 in the total value of seized vehicle accessories. The relevant case statistics for the past two years are summarized as follows:

Year	No. of Cases	No. of Persons Arrested	Total Value of Goods (HK\$)
1999	28	45	6.0 million
2000	33	46	10.4 million
rise/drop	+18%	+2%	+73%

6. As shown by related information, there has been a change in the modus operandi of smugglers. As a permit is required for export of intact left-hand-drive vehicles while there is no licensing control over the export of vehicle parts and accessories, it is common for criminals to dismantle or disassemble the vehicles before smuggling them into the Mainland - to facilitate concealment of these items and avoid detection by law enforcement officers on one hand, and to evade export control by the Customs on the other.

Marked Oil (commonly known as “Red Oil”)

7. Repeated rises in fuel prices in the Mainland have gradually widened the gap between the price of diesel oil in the Mainland and that of red oil in the territory. Smuggling of red oil into the Mainland has become profitable. Red oil is smuggled into the Mainland mainly by sea, only a small quantity through various land boundary control points.

8. Mainland smuggling vessels usually buy red oil from local oil barges or fishing vessels near the border of Hong Kong waters, and then smuggle it into spots without customs checkpoint for discharge or resale for profit. The table below summarizes the statistics of cases involving detection of red oil to be smuggled to the Mainland for the past two years:

Year	No. of Cases	No. of Persons Arrested	Volume of Seizures (Litres of Red Oil)	Value of Goods (HK\$)
1999	111	132	3.89 million	13.35 million
2000	193	218	2.91 million	11.86 million
rise/drop	+74%	+65%	-25%	-11%

9. Last year, cases of detection of smuggled red oil increased by more than 74 per cent over 1999, but with a drop of over 25 per cent in volume of seizures. According to intelligence analysis, in response to the earlier imposition of heavier sentences for smuggling large quantities of red oil in the Mainland, smugglers reduce the quantity of red oil (less than 50,000 litres) smuggled each time and resort to the tactics of “Removal of Ants’ Home” in smuggling red oil into the Mainland, in order to avoid severe penalty once intercepted by law enforcement officers in the Mainland.

Optical Discs

10. The types of optical discs smuggled into the Mainland are mainly video, music and software application. With the constant rise in living standard, there is a strong demand for all types of optical disc products in the Mainland. Compared with 1999, the quantity of optical discs seized last year rose by more than three times. Optical discs are hidden inside concealed compartments in cargo containers, fishing vessels or river trading vessels in which they are smuggled into the Mainland. The table below summarizes the statistics of cases of smuggled optical discs detection for the past two years :

Year	No. of Cases	No. of Persons Arrested	Volume of Seizures (Optical Discs)	Value of Goods (HK\$)
1999	12	17	1.2 million	19.39 million
2000	21	53	4.89 million	87.47 million
Rise/drop	+75%	+211%	+308%	+351%

11. Also, there is an upward trend in the average quantity of optical discs smuggled each time, which increased by 1.3 times from about 100,000 pieces in 1999 to about 230,000 pieces last year.

Vegetable Oil

12. There has been a marked increase in cases of smuggling vegetable oil into the Mainland. Compared with 1999, the quantity of vegetable oil seized last year shot up by nearly 50 times as shown in the case statistics summarised below:

Year	No. of Cases	No. of Persons Arrested	Volume of Seizures (Litres of Vegetable Oil)	Value of Goods (HK\$)
1999	1	1	5,000	0.03 million
2000	71	74	285,000	1.35 million
Rise/drop	+7,000%	+7,300%	+4,991%	+4,388%

13. Oil tanks, water tanks and cargo holds on river trading vessels or fishing vessels are commonly used for smuggling of vegetable oil. Consumption of such smuggled vegetable oil is likely hazardous to health as the storage conditions are anything but hygienic.

14. Vegetable oil is imported into the territory mainly from Germany and then transshipped to the Mainland for sale. Mainland importers are not only subject to quota restraints and licensing control, but are also required to pay import duty of up to 20 per cent of the goods cost. Supply of edible oil is therefore gravely limited. Furthermore, the demand for edible oil by the food processing industry and food premises has been increasing constantly in the Mainland. The soaring prices of edible oil is attributable to insufficient supply, which has become a lure for edible oil smuggling into the Mainland.

Computer Products, Electrical Appliances and Electronic Accessories

15. Smuggling of computer products, electrical appliances and electronic accessories remains rather active due to increasing demand for these products in the Mainland as a result of rising living standard and education level in recent years. Smugglers usually hide these products (computers and electronic accessories in particular) inside modified concealed compartments installed in vessels or containers due to their high value-to-size ratio. Last

year, the total value of seizures of these types of products increased by 27 per cent over 1999, including an increase of up to 61 per cent in smuggled computer products. The case statistics for the past two years are summarized as follows:

Case Statistics for Detection of Smuggled Computer Products

Year	No. of Cases	No. of Persons Arrested	Value of Goods (HK\$)
1999	19	31	8.41 million
2000	25	29	13.55 million
rise/drop	+32%	-6%	+61%

Case Statistics for Seizure of Smuggled Electrical Appliances and Electronic Accessories

Year	No. of Cases	No. of Persons Arrested	Value of Goods (HK\$)
1999	60	123	40.74 million
2000	43	92	48.95 million
rise/drop	-28%	-25%	+20%

Hot Items Smuggled into Hong Kong

Illicit Cigarettes

16. Duty gradient has resulted in big difference between the retail prices of cigarettes in the territory and nearby areas. Smuggling of cigarettes into the territory remains active under the temptation of high profit margin. Cigarettes smuggled into the territory by sea and land include duty-free cigarettes having initially been exported to other countries with permits issued by the Customs and Excise Department, but then illegally transported back to the territory via a circuitous route. Besides, cross-boundary vehicles are made use of in

syndicated smuggling of cigarettes from the Mainland into the territory through various boundary control points.

17. To launch a more effective strike at illicit cigarettes activities, the Customs increased the manpower (from 40 officers to 84 officers) for law enforcement action in this specific area last year. A total of 134.41 million sticks of cigarettes were seized last year, registering an increase of 6.62 per cent over 1999.

18. The Customs always maintains close liaison and co-operation with Mainland and overseas law enforcement agencies to combat the smuggling of cigarettes, because rampant illicit cigarettes activities not only cause loss of duty revenue to the Government but also pose a hazard to public health.

19. In March this year, tobacco duty was raised by five per cent in the territory, leading to rise in retail prices from HK\$30 to HK\$31 for each packet of cigarettes of a popular brand. The Customs will strengthen the collection of intelligence to combat cigarettes smuggling in anticipation of more illicit cigarettes being smuggled into the territory for sale in response to the increased demand for illicit cigarettes.

Meat

20. Smuggled meat seized in the past year comprises mainly frozen meat and fresh meat, of which frozen pork and chilled chicken account for the bulk. Meat is smuggled into the territory from the Mainland by sea and land in the vast majority of smuggling cases. Some local food premises readily purchase such illegally imported low-priced meat without prior inspection by the Mainland authorities, to increase their profit margin.

21. Illegally smuggled meat, not guaranteed in terms of quality and hygienic conditions, is likely to pose health hazard. The proactive interception actions of the Customs led to a significant shrinkage in illegal smuggling of meat last year (the table below refers). Compared with 1999, the quantity of meat seized dropped by 43 per cent with a particularly marked decrease in smuggled frozen meat.

Year	No. of Cases	No. of Persons Arrested	Volume of Seizures (Kg of Meat)	Value of Goods (HK\$)
1999	3,756	378	0.6 million (fresh meat : 0.05 million) (frozen meat : 0.55 million)	10.89 million
2000	3,573	177	0.34 million (fresh meat : 0.04 million) (frozen meat : 0.3 million)	6.57 million
rise/drop	-5%	-53%	-43% (fresh meat : -13%) (frozen meat : -46%)	-40%

(2) Drugs Smuggling

Anti-narcotics Strategy

22. The Customs and Excise Department remains active in investigation and prevention of drug trafficking by means of a three-pronged approach to combat such illegal activities: drug investigation, recovery of drug/related crime proceeds, and control of chemical precursors used in the illicit manufacture of drugs.

Drug Trafficking Trend

23. Drug traffickers often take advantage of the heavy vehicular and passenger flow at entry/exit points, the huge volume of cargo throughput, and the long coastal lines of Hong Kong in smuggling drugs into the territory. Modes of drug trafficking include: concealment in import commercial cargoes, body packing by entrants or hiding in concealed compartment of their baggages, making use of mail and express parcels, etc.

24. The 'Golden Triangle' is the main source of heroin seized in Hong Kong, to which the drugs are carried overland through Mainland provinces such as Yunnan, Guangxi and Guangdong. Only a small quantity of drugs are re-exported via Hong Kong. In the first half of last year, Customs officers intercepted at the airport a number of drug couriers about to take heroin to Australia, Dubai, Japan and Taiwan. Consequent upon the stepped up law enforcement by the Customs and changes in the drug trafficking approaches used by the

couriers, such transit activities dropped in the second half of the year. Now Hong Kong is no longer a major drug transit centre. The heroin smuggled into Hong Kong is all for local consumption.

25. According to intelligence, there is a steady supply of drugs in the 'Golden Triangle'. The average retail price of heroin dropped from HK\$386 per gram in 1999 to HK\$376 in 2000, representing a HK\$10 or 2.6 per cent decrease, while the average purity of heroin increased from 46 per cent in 1999 to 50 per cent in 2000.

26. The herbal cannabis seized in Hong Kong comes from Cambodia and Thailand. Last year the Department effected 8 cases of herbal cannabis smuggled in express air parcels and seized approximately 59 kg of herbal cannabis in total. Some of the parcels were mailed to Hong Kong by means of circuitous routing from Thailand via the Mainland or Singapore. To avoid detection, drug traffickers sent all the parcels to fictitious companies for collection by companies providing secretarial or mailbox services.

27. As indicated by intelligence and the drug seizures, the Methylamphetamine ('ice') seized in Hong Kong mainly comes from illicit drug manufacturers in the Mainland. The modes of drug trafficking discovered by the Department last year include: concealing liquid 'ice' in shampoo bottles and hiding 'ice' inside chocolates, cakes or amplifiers, etc.

28. The main sources of cocaine are South American countries. Drug traffickers import cocaine into the territory by making use of parcels or couriers with circuitous routing. In some cases, drugs were found hidden in wood carvings or concealed baggage compartments. The method of body packing was also adopted.

29. Ecstasy has recently replaced cannabis as the second most commonly abused drug in the territory. Ketamine (commonly known as 'K' Chai) has lately become another widely abused drug. A total of 91 178 tablets of Ecstasy (including a record seizure of 61 000 tablets of Ecstasy from an air cargo consignment in September last year), and 1.06 kg of Ketamine carried by passengers or concealed in cargoes were seized by the Department last year.

30. Compared with 1999, the total seizures of other psychotropic drugs sharply increased from 33 858 to 134 921 tablets in 2000, representing an almost three-fold increase. To tackle the problem, the Department has participated in the 'Task Force on Psychotropic Substances Abuse' of the Narcotics Division. Following the adoption of the proposal made

by the Task Force, with effect from 15 December 2000, Ketamine was transferred from Part I poisons of the Pharmacy and Poisons Ordinance to Schedule 1 of the Dangerous Drugs Ordinance to tighten up control over this chemical.

Enforcement Against Drug Offences

31. 815 drug offenders were arrested in 2000, registering a 5.4 per cent increase when compared with 773 in 1999. The number of drug offenders aged under 21 rose by 29.2 per cent from 65 in 1999 to 84 in 2000. Most of the offences committed by the young offenders concern possession of psychotropic drugs. The seizures last year totalled 45.8 kg of heroin, 5.21 kg of cocaine, 61.4 kg of cannabis, 55.8 kg of methylamphetamine (ice), 91 178 tablets of Ecstasy, 1.06 kg of Ketamine and 134 921 tablets of other psychotropic drugs.

32. There has been a rising trend in the number of cases of drug smuggling into Hong Kong through land boundary control points, having increased from 67 in 1999 to 205 in 2000, i.e., by 206 per cent. The number of people arrested increased from 75 in 1999 to 218 in 2000, representing a 191 per cent increase. Amongst those arrested, the number of people aged under 21 rose from 20 in 1999 to 42 in 2000, i.e. by 110 per cent. The increase is mainly attributable to the upward trend in drug abuse by young people in Hong Kong in recent years, and the much easier purchase of psychotropic drugs in the Mainland at prices lower than in Hong Kong. This has attracted drug smuggling from the Mainland to Hong Kong by both drug traffickers and young people. In light of the above findings, the Customs has set up notices and broadcasting systems at various land boundary control points, reminding passengers not to smuggle drugs from the Mainland into Hong Kong, which is against the law.

33. The Department continues to play an active role in international cooperation through intelligence exchange and joint operations with the Customs administrations and law enforcement agencies in other countries and regions. Fruitful results of such efforts include the seizure of 4.5 kg of 'ice' in Japan with the arrest of two drug traffickers, and the neutralization of a drug trafficking syndicate with seizure of 4.3 kg of heroin in Hong Kong and arrest of one suspect in Australia.

Financial Investigation

34. On drug proceeds investigation, applications were made to the court by the Department, leading to confiscation of \$0.55 million, freeze of \$0.85 million, and prosecution of one money laundering suspect in 2000.

35. The Department attaches great importance to international co-operation. In two money laundering investigations, the Department assisted the US Government in confiscating US\$1.8 million worth of drug proceeds from a drug trafficking syndicate. In recognition of the contribution made by Hong Kong, the US Government gave US\$0.9 million of the drug proceeds confiscated to the Government of Hong Kong Special Administrative Region in June 2000.

36. In addition, the Department continued its active role in international cooperation under the “Mutual Legal Assistance in Criminal Matters Ordinance” and the “Fugitive Offenders Ordinance”. In the past year, a fugitive offender was arrested and extradited to the US for trial.

37. Following the implementation of the “Organized and Serious Crimes (Amendment) Ordinance 2000” on 1 June 2000, remittance agents and money changers are required to register their business with the Hong Kong Police Force, and keep records of transactions for twenty thousand dollars or above, resulting in great enhancement in law enforcement capabilities of the Customs and the Police on money laundering.

Control of Chemical Precursors

38. The Customs is responsible for enforcement of the “Control of Chemicals Ordinance” on the strength of licensing control on chemicals which are often misappropriated for the manufacture of narcotic drugs and psychotropic substances. With effect from 1 September 2000, Norephedrine is included in Schedule 2 of the “Control of Chemicals Ordinance”. At present, 25 chemicals are subject to licensing control.

39. On the other hand, the Customs has continued to participate in “Operation Purple”, which is a programme of international joint efforts for monitoring the shipment of potassium permanganate to prevent misappropriation of the chemical for manufacturing cocaine. Over the past year, Customs has inspected or monitored 1 850 tonnes of potassium permanganate in 114 consignments imported to or exported from Hong Kong.

40. Moreover, in order to regulate the shipment of acetic anhydride, International Narcotics Control Board launched another international joint operation, “Operation Topaz”, on 1 March 2001. The Customs has been actively involved in the programme to combat the misappropriation of the chemical for manufacturing heroin.

List of “Major Drug Transit Countries/ Entities”

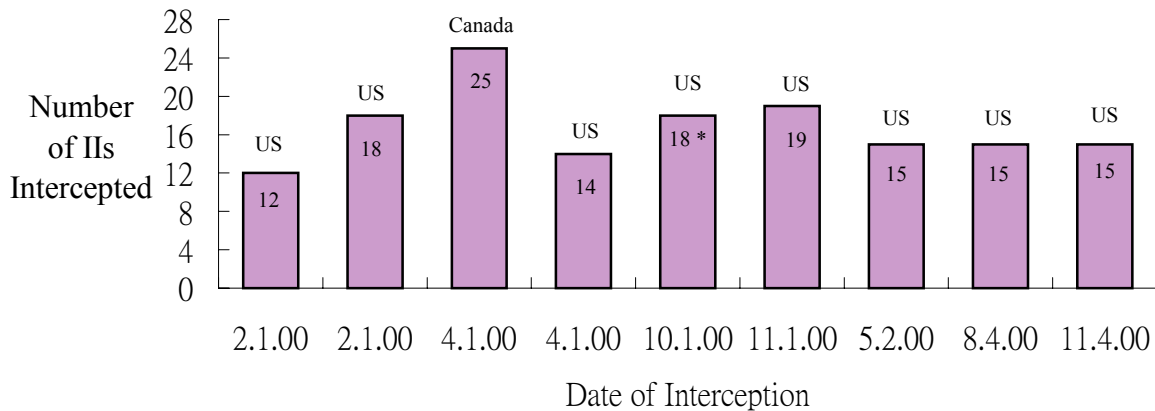
41. To recognize the efforts and achievements of Hong Kong in combating drug and money laundering activities, the US Government removed Hong Kong from its list of “Major Drug Transit Countries/ Entities” on 1 November 2000.

(3) Human Trafficking

42. Cases of illegal immigration detected in Hong Kong last year can be classified into two categories: (1) smuggling syndicates hid illegal immigrants in cargo containers which are then shipped via Hong Kong to US or Canada; (2) illegal immigrants sneaked into Hong Kong via the land boundary control points. While interception of illegal immigrants is not the core duty of the Customs, the Department as a frontline enforcement agency is duty bound to assist in curbing and combating illegal immigration.

The Use of Cargo Containers for Transit of Illegal Immigrants Via Hong Kong

43. In the past year, the US and Canadian authorities respectively detected eight and one cases (the chart below refers) in which cargo containers were used to smuggle illegal immigrants through Hong Kong. Six of them were detected as the result of tip-offs from the Hong Kong Customs. The nine cases involved a total of 151 illegal immigrants, three of whom were dead upon discovery. In six of the cases, soft-top containers (i.e. canvas containers) were used for the movement of the human cargo.



(Note : * Three of them had been dead upon discovery.)

44. All the nine cases occurred in the first four months of 2000. Since then, we have not received any further report from abroad about the use of Hong Kong as a transit base for syndicated smuggling of illegal immigrants. Unit October 2000, Customs officers detected, by means of newly procured carbon dioxide detectors, 26 illegal immigrants hidden inside a US-bound 40-foot container at the container terminal. In December of the same year, the Police intercepted another 12 illegal immigrants at the same venue when searching a container in transit to the US. These constitute good evidence for Hong Kong’s capabilities to detect such transnational illegal activities.

45. In January this year, the law enforcement authorities of the US intercepted 20 illegal immigrants in an inward container from Tienjin by way of Pushan, South Korea. Judging from the latest development, as the Hong Kong Customs and other law enforcement agencies strengthened ties and stepped up interception for inspection, smuggling syndicates have avoided using Hong Kong as a transit base.

Enhanced Inter-departmental Co-operation and Communication with Industry

46. To reinforce efforts against syndicated smuggling of illegal immigrants using containers, a dedicated Joint Investigation Team, comprising representatives of the Customs, the Police Force and the Immigration Department, has been established. The team is responsible for formulating and reviewing tactical response to human smuggling and relevant illegal activities.

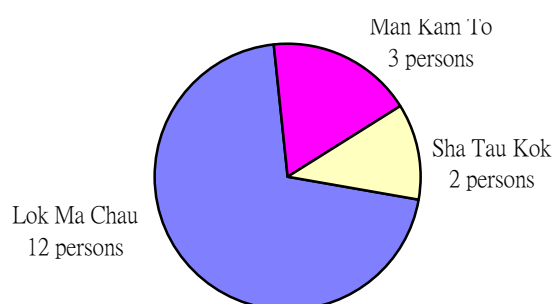
47. Co-operation and communication with the shipping industry have also been enhanced to cultivate stronger awareness of the industry, and to prevent transport operators and frontline workers from being used by smuggling syndicates. Meanwhile, the Customs has encouraged the industry to report any relevant illegal activities, and suggested referral of questionable containers (such as new clients' soft-top, late-come and patched containers) to the Customs for follow-up action.

Enhanced Equipment for Frontline Customs Officers

48. To facilitate the detection of syndicated alien smuggling using containers, the Customs acquired five portable 'carbon dioxide detectors' at a cost of some \$48,000 last year for frontline officers to measure the level of carbon dioxide inside selected containers for more effective and efficient container inspection. The detectors are light and handy devices (weighing only 1.6kg) with metal probes for insertion into any tiny openings or ventilation holes of a container for probing and testing. 20 more detectors for this purpose will be procured this year to enhance equipment for our frontline officers.

Illegal Immigrants Sneaking into the Territory through Land Boundary Control Points

49. Last year, a total of 17 illegal immigrants were intercepted at all the land boundary control points (the chart below refers). They were found hidden inside coaches, driving cabs of container trucks or under vehicular frames.



Number of illegal immigrants intercepted
at various land boundary control points in 2000

50. For effective interception of illegal immigrants sneaking into the territory via various land boundary control points, the Customs has conducted 86 operations with the Police Force and the Immigration Department against illegal immigration(the chart below refers), which involved the interception of altogether 1 227 incoming vehicles for inspection. Although no arrests were made during the operation, the close co-operation and strengthened interception of the law enforcement agencies should have certain deterrent effect on potential illegal immigrants.

Control Point	Frequency of joint operations	
	Customs/Immigration	Customs/ Police
Lok Ma Chau	12 (469)	25 (302)
Man Kam To	10 (98)	8 (65)
Sha Tau Kok	22 (216)	9 (77)
Total	44 (783)	42 (444)

(Note: The bracketed figures refer to the number of vehicles intercepted)

(4) Latest Developments in Anti-smuggling efforts

51. To enhance efforts against all forms of smuggling by air, sea and land while facilitating legitimate movements of travellers, cargoes and mails, the Customs has the following plans in place:

Lok Ma Chau Control Point- Phase II Extension

52. Following the completion of Phase I Extension in December 1999, Phase II Extension was launched in November 2000 for scheduled completion by September 2003. The project consists mainly of the extension of the passenger terminal building and the additional provision of cargo examination facilities, including the installation of two sets of fixed X-ray vehicle inspection system.

53. Upon completion of the project, passenger processing counters will increase from 15 to 28, whereas the number of transit passengers processed per day will rise from 25 000 to 35 000. The number of cargo examination platforms will also rise from 14 to 28. With the newly-installed fixed X-ray vehicle inspection system and flexible deployment of the Drug Detector Dog Unit, the Department's anti-smuggling capabilities will be enhanced and Customs clearance expedited.

Fixed X-ray Vehicle Inspection System

54. To facilitate cargo clearance, Customs has secured funding of \$208.3 million for installation of two sets of fixed X-ray vehicle inspection system at Lok Ma Chau Control Point. The system is able to process 12 cross-boundary vehicles per hour. On average, it will take only 15 minutes to examine one fully loaded 40-foot container, without having to offload and unpack the cargo inside manually. The assembling process of the system is anticipated to be completed by January 2003.

Mobile X-ray Vehicle Scanning System

55. For greater efficiency of cargo clearance at land boundary control points and Kwai Chung Container Terminal, the Customs will procure two sets of mobile X-ray vehicle scanning system at \$67.93 million. The assembly process of the system, with a capacity of examining three fully loaded container trucks per hour, is expected to be finished by June 2001. It is a mobile device which can be deployed to operate at other cargo examination venues when necessary, thereby strengthening the detection capabilities of Customs officers.

Land Cargo Advance Clearance System (LCACS)

56. To expedite the processing of land cargo manifests, to enhance Customs clearance efficiency, speed up driver clearance and pave the way for future Customs clearance through electronic data interchange (EDI), the Department launched the pilot scheme of the 'Land Cargo Advance Clearance System' (LCACS) in March 2000.

57. Traders from the cross-boundary transport industry, including transportation companies, importers and exporters, cargo agents and truck drivers, are all free to participate in the system. After completing the registration formalities, traders may submit relevant manifests and necessary information in advance by fax for Customs clearance, for expedited clearance when passing through the control points.

58. The system is being implemented in phases. The first phase has been implemented at a northbound lane of Lok Ma Chau Control Point (including loaded and empty goods vehicles). The daily average of advance manifests received rose from two at the initial stage of the pilot implementation to 17 as at December 2000. The LCACS will be extended to every lane of all land boundary control points at the final stage of implementation.

59. Once the LCACS is ripe for application, the Customs can obtain all relevant data prior to the arrival of cargo at land boundary control points, and enhance selection capabilities through the collection of intelligence and analysis by computer systems.

Customs Fleet

60. 2000 marked the entry of Customs launches to a new modern era. Two new sector patrol launches worth \$80 million were launched in the middle of the year one after the other. They are equipped with state-of-the-art electronic equipment like the latest thermal imager, ion-scanner for examining narcotics and explosives, advanced computer intelligence system, various kinds of navigating equipment etc. Besides, the launches are also equipped with davits that enhance interception capabilities by launching inflatables within seconds during inclement weather. Three brand new harbour patrol launches were also launched in the middle of the year, replacing the old fibre ones.

61. To implement the modernization programme for the Customs fleet, the Department secured a provision of \$32 million for building four high-speed pursuit crafts. When the four speedboats come into service by the end of 2002, Customs capabilities will be greatly enhanced in intercepting suspected boats during anti-smuggling operations, thereby achieving greater efficiency in discharge of duty over the territorial waters.

Narcotics Dog Unit (NDU)

62. In the expansion plan of Narcotics Dog Unit, six passive alert dogs have been injected to assist in checking passengers. Passive alert dogs differ from drug detector dogs in the sense that they will sit still in front of the targets when sniffing special odours, without making strong response like drug detector dogs. As they can avoid causing inconvenience and disturbance to passengers, passive alert dogs are considered highly suitable for the task of checking passengers. In March this year, a passive alert dog succeeded in sniffing drugs concealed in two parts of the body of a female passenger, leading to a seizure of a total of 3,000 tablets of "Midazolam" worth \$105,000. Also, in a joint operation carried out by Customs and Police officers in the same month, a drug detector dog succeeded in sniffing 7 kg of No.4 Heroin concealed in two speakers at the cab of a container truck returning to Hong Kong through Man Kam To.

63. At the end of 2000, there are altogether 32 Customs officers and 26 narcotics detector dogs in the Narcotics Dog Unit. Subsequent to the completion of training for the seven newly recruited dog handlers in 2001, the Unit will be divided into three teams stationed respectively at the airport, boundary control points and various cargo examination venues for strengthening detection capabilities of frontline Customs officers.

Control Points Investigation Division

64. For greater efficiency in combating against smuggling activities between Hong Kong and the Mainland, the Control Points Investigation Division staffed by 34 investigators was set up in February 2001. The division is mainly responsible for intelligence collection and information analysis. The analysed intelligence and information will be sent to frontline officers for follow-up action. The division also holds regular meetings with the law enforcement authorities in the Mainland for exchanging intelligence to combat cross-boundary crimes like smuggling of drugs, illicit cigarettes, illicit fuels, counterfeit goods etc.

65. In March this year, acting on analysed intelligence, the division, together with boundary control point officers, cracked down an outbound smuggling case in which 8 dismantled left-hand-drive vehicles, a batch of electronic components and computer equipment worth over \$6 million were concealed in cowhide, and arrested a driver involved in the case.

Special Unit

66. In view of the rising trend of using river trading vessels in goods smuggling and other illicit activities in the recent years, a “Special Unit” comprising 18 officers was set up in late 1999 to step up enforcement action against these activities.

67. Following the rigorous and active interception by the Special Unit, a total of 57 cases concerning smuggling and infringement of other ordinances (mainly the “Trade Description Ordinance” and “Dutiable Commodities Ordinance”) were detected last year. 39 people were arrested and goods valued \$60.45 million in total including optical discs, cigarettes, frozen meat, electronic components, goods bearing fake origin labels and forged trademarks were seized.

68. In view of the significant successes achieved by the Special Unit, the Customs deployed extra manpower to further set up one additional “Special Unit” in January 2001 to reinforce law enforcement efforts against smuggling activities through use of river trading vessels.

(5) Conclusion

69. Smugglers frequently change their modus operandi to avoid detection. Nevertheless, the Customs will continue to combat smuggling activities by adopting the following measures and methods :

- Stepping up law enforcement and interception operations ;
- Strengthening intelligence exchange and cooperation with the Mainland and overseas law enforcement agencies ;
- Exercising effective deployment of resources to tackle different kinds of crimes and modus operandi ; and
- Enhancing the equipment of frontline officers for greater detection capabilities and efficiency.

Hong Kong Customs
May 2001

P(A) : Paper\Brief on Smuggling