

Bills Committee on Revenue Bill 2002 and Revenue (No.2) Bill 2002
Duty rates on wine in places outside Hong Kong

At the Bills Committee meeting on 23 May, Members requested the Administration to provide information on the duty on wine in other places than Hong Kong.

2. In response to Members, the Administration has compiled the annexed table based on publicly available information about various tax regimes collected by Hong Kong Economic and Trade Offices. Caution should be exercised in comparing the duty rates because the basis on which duty is assessed at points in the supply chain varies from country to country. We have also included information on a price basis where available.

3. Furthermore, as we have pointed out in earlier responses, while Hong Kong has only a single duty on wine, other places also raise a miscellany of taxes on wine, such as import tax, excise duty, alcohol tax and sales tax. We believe information on such taxes can help Members view the issue in context, and have thus included this as well. As can be seen from the table, there are between two and five types of duties and taxes on wine in each of the 11 places in the region, the US and Europe that we have covered.

Finance Bureau
May 2002

Duty on wine in places outside Hong Kong

Place	Duties (Rate and price basis (if available) for duty assessment)	Other taxes (Rate and price basis (if available) for tax assessment)
Australia	(1) Custom Duty (5% of FOB price)	(1) Wine Equalisation Tax (29% of CIF price) (2) Goods and Services Tax (10%)
Belgium	(1) Excise Duty (14.9 to 161.1 euro per hectolitre)	(1) Environmental Tax (0.37 euro per bottle) (2) Entry Tax (13.1 to 32 euro per hectolitre) (3) Value-added Tax (21% of retail price)
Mainland China	(1) Import Duty (34.4% or above of CIF price)	(1) Consumption Tax at 10% (2) Value-added Tax at 17% (17% of sum of CIF price, import tax and consumption tax)
Japan	(1) Import Tax (93 yen to 201.6 yen per litre)	(1) Liquor Tax (56,500 yen per kilolitre or above) (2) Consumption Tax (5% of retail price)
Malaysia	(1) Custom Duty (RM120 to RM425 per ten litres)	(1) Sales Tax (20%) (2) Value-added Tax (5%)
New Zealand	(1) Import Duty (0% - 7% of FOB price) (2) Excise Duty (NZ\$2.0565 to NZ\$0.3702 per litre)	(1) Alcoholic and Liquor Advisory Council (ALAC) Levy (NZ\$0.0319 to NZ\$0.0521 per litre) (2) Goods and Services Tax (12.5%)
Philippines	(1) Import Duty (5% of CIF price) (2) Excise Tax (HK\$2.1 to HK\$4.2 per litre)	(1) Value-added Tax (10%) (2) Sales Tax (10% of retail price)
Singapore	(1) Excise Duty (S\$9.5 to S\$13.0 per litre)	(1) Goods and Services Tax (3%)
Thailand	(1) Custom Duty (55.8%) (2) Excise Tax (60%)	(1) Municipal Tax (10% of Excise Tax) (2) Health Tax (2% of Excise Tax) (3) Value-added Tax (7%)
United Kingdom	(1) Excise Duty (47.58 to 220.54 Sterling Pound per hectolitre) (2) Import Duty (13.1 to 32 Euro per hectolitre)	(1) Value-added Tax (17.5% on cost of goods including excise and import duties)
USA (Washington D.C.)	(1) Customs Duty (Free to US\$0.33 per litre)	(1) Federal Tax (US\$1.07 to US\$3.4 per gallon) (2) State Tax (US\$0.3 to US\$0.45 per gallon) (3) Sales Tax (8% to 10% on retail price)