

## Head 181 — TRADE AND INDUSTRY DEPARTMENT

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

**Estimate 2018–19** ..... **\$775.3m**

**Establishment ceiling 2018–19** (notional annual mid-point salary value) representing an estimated 499 non-directorate posts as at 31 March 2018 rising by six posts to 505 posts as at 31 March 2019 ... **\$264.3m**

In addition, there will be an estimated 11 directorate posts as at 31 March 2018 and as at 31 March 2019.

**Commitment balance**..... **\$130,887.8m**

### 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

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	2018–19 (Estimate)
Financial provision (\$m)	144.9	149.9	144.0 (–3.9%)	<b>150.2</b> (+4.3%)
				(or +0.2% on 2017–18 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 rule-based multilateral trading system under the auspices of the World Trade Organization (WTO) is the cornerstone of Hong Kong's external trade policy. Being a founding Member of the WTO, Hong Kong has continued its separate membership in the WTO, under the name "Hong Kong, China", since its return to China.

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

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

**6** According to the latest statistics compiled by the WTO, in 2016 Hong Kong was the world's seventh largest economy in terms of merchandise trade and the 17th largest in terms of commercial services trade.

**7** In 2017, the Department's key activities included the following:

- active participation in the WTO, including—
  - taking part in the Eleventh WTO Ministerial Conference held in Buenos Aires, Argentina in December 2017 in which Hong Kong, China was one of the Vice-Chairs;
  - monitoring the implementation of WTO agreements, including the Agreement on Trade Facilitation which entered into force in February 2017; and

- contributing to the ongoing negotiations and discussions at the WTO, particularly on domestic regulations under services, rules, investment facilitation, electronic commerce, micro, small and medium enterprises, and non-agricultural market access;
- active participation in various APEC activities, including—
  - taking part in the Economic Leaders’ Meeting, Ministerial Meetings and Senior Officials’ Meetings;
  - contributing to work on trade and investment liberalisation and facilitation, including the monitoring of progress towards achieving the Bogor Goals, APEC Growth Strategy, regional economic integration, regulatory co-operation and comprehensive connectivity; and
  - providing secretariat support for Hong Kong, China’s representatives to the APEC Business Advisory Council;
- active participation in regional bodies, including the Pacific Economic Cooperation Council (PECC);
- implementing the CEPA Agreement on Trade in Services, and discussing, in consultation with relevant bureaux and departments and the trade, with Mainland authorities enhancements to CEPA through further liberalisation and facilitation of trade and investment. The Investment Agreement and the Agreement on Economic and Technical Cooperation were signed in June, enhancing the admission of investments and investment promotion and protection, as well as setting the direction for economic and technical co-operation across a wide range of areas. A business forum was held in September to familiarise the trade with the latest CEPA measures and review the development of CEPA over the years;
- discussing with trading partners, including emerging economies, enhancements to economic co-operation through, for example, establishing co-operation arrangements, free trade agreements (FTAs) and investment promotion and protection agreements (IPPAs). Hong Kong signed a Closer Economic Partnership Arrangement with Macao in October, and forged an FTA and a related Investment Agreement with the Association of Southeast Asian Nations (ASEAN) in November. The Department continued to negotiate with Georgia and Maldives respectively for an FTA, and commenced FTA negotiation with Australia. The Department also continued to negotiate an IPPA with Russia;
- advising local companies on importing economies’ anti-dumping legislation and procedures;
- closely monitoring and giving prompt advice to local traders and manufacturers on changes in the import regulations of our trading partners;
- liaising with the trade and Mainland authorities on trade related issues and policies which may impact on Hong Kong business operations in the Mainland; and
- organising a seminar on Hong Kong’s role in promoting free trade and regional economic integration since the establishment of the Hong Kong Special Administrative Region.

### *Matters Requiring Special Attention in 2018–19*

**8** During 2018–19, the Department will:

- participate actively in the WTO to monitor implementation of agreements and engage in work relating to the decisions adopted at WTO Ministerial Conferences;
- participate in ongoing negotiations of the WTO in seeking to advance Hong Kong’s interest and contribute to multilateral efforts in trade liberalisation and greater predictability and transparency in global trade rules;
- participate in the WTO trade policy review of Hong Kong which is a regular exercise under the WTO Trade Policy Review Mechanism;
- participate actively in APEC, PECC and other regional bodies, and contribute particularly to APEC’s work on regional economic integration, supply chain connectivity, and enhancing ease of doing business;
- enhance economic co-operation with trading partners including emerging economies, continue to negotiate the FTAs with Australia and Maldives and the IPPA with Russia, explore forging FTAs and IPPAs with other economies including those along the Belt and Road, and sign an FTA with Georgia and IPPAs with Bahrain and Mexico respectively upon the completion of all the necessary procedures;
- oversee and monitor the implementation of FTAs signed between Hong Kong and foreign economies;
- discuss, in consultation with relevant bureaux and departments and the trade, with Mainland authorities measures to enrich the content of CEPA and seek future market liberalisation;
- facilitate understanding by the trade of the Mainland’s trade and economic policies with significant impact on business operations and changes in the global economic environment; and
- safeguard Hong Kong’s trade interests through monitoring and responding where necessary, to anti-dumping and other trade protection measures and changes in major trading partners’ laws, and provide prompt advice to local traders and manufacturers.

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

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	<b>2018–19 (Estimate)</b>
Financial provision (\$m)	121.0	122.8	124.8 (+1.6%)	<b>126.8</b> (+1.6%)
				(or +3.3% on 2017–18 Original)

#### *Aim*

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

#### *Brief Description*

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

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

12 The Department maintains a robust control system on strategic commodities and participates actively in international co-operation in strategic trade control. The list of strategic commodities controlled in Hong Kong is reviewed regularly to align the list of controlled items with the latest control lists of the international regimes. The Department implements the "Approval-in-Principle Arrangement for Bulk Users of Strategic Commodities Licensing Service", which aims to streamline licensing procedures and expedite processing time for certain frequent and qualified users of licensing services for strategic commodities.

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

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

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

16 Apart from providing a one-stop certification service for Hong Kong Service Suppliers (HKSS) and Hong Kong Investors (HKI) (new service as from 2018) to support the implementation of CEPA and handling enquiries on CEPA matters, the Department actively organises and participates in various promotional and publicity activities, and handles requests for assistance from Hong Kong businesses which encounter difficulties in making use of CEPA benefits.

17 The key performance measures are:

#### *Targets*

	Target#	2016 (Actual)	2017 (Actual)	<b>2018 (Plan)</b>
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)) and Certificate of Origin (Form A) (issued within 1.5 working days) (%) .....	100	100	100	<b>100</b>
expeditious issue of Certificate of Hong Kong Origin/Form A/CO(CEPA)/ CO(NZ) (issued within 24 hours excluding intervening non-working days) (%).....	100	N.A.¶	N.A.¶	<b>100</b>

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	Target#	2016 (Actual)	2017 (Actual)	2018 (Plan)
enquiry on CO(CEPA) and CO(NZ) and preferential rules of origin‡				
simple enquiry (replied within three working days) (%) .....	100	100	100	100
complicated enquiry (replied within ten working days) (%) .....	100	100	100	100
application for factory registration (completed processing within 14 working days) (%) .....	100	100	100	100
amendment of factory registration particulars				
if factory inspection is necessary (completed processing within 14 working days) (%) .....	100	100	100	100
if factory inspection is not necessary and the request is lodged in paper form (completed processing within three working days) (%) .....	100	100	100	100
if factory inspection is not necessary and the request is lodged through online system (completed processing within one working day) (%) .....	100	N.A.¶	N.A.¶	100
local subcontracting arrangement (LSA) registration (completed processing within one working day) (%) .....	100	100	100	100
outward processing arrangement (OPA) registration (completed processing within one working day) (%) .....	100	N.A.¶	N.A.¶	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 (issued within one working day) (%) .....	100	100	100	100
import and export licence for ozone depleting substances (issued within two working days) (%) .....	100	100	100	100
import and export licence for strategic commodities				
licence application with prior approval-in-principle (issued within the same day) (%) .....	100	100	100	100
other licence applications (issued within 2.5 working days) (%)Ψ .....	100	100	100	100
pre-classification service on strategic commodities (completed within two working days) (%)Ψ .....	100	100	100	100
powdered formula export licence (issued within two working days) (%) .....	100	100	100	100
amendment to and cancellation of powdered formula export licence (completed within one working day) (%) .....	100	100	100	100
Kimberley Process Certificate (Import) for rough diamonds (issued within 20 minutes) (%) .....	100	100	100	100

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	Target#	2016 (Actual)	2017 (Actual)	2018 (Plan)
Kimberley Process Certificate (Export) for rough diamonds (issued within the following working day) (%) .....	100	100	100	100
registration for rough diamond traders (completed within one working day) (%) .....	100	100	100	100
certified true copy (issued within one working day) (%) .....	100	100	100	100
registration for Transshipment Cargo Exemption Scheme (completed within 14 working days) (%) .....	100	100	100	100
registration for importers of cereals and grain flour from the Mainland (completed within four working days) (%) .....	100	100	100	100
HKSS and HKI certificates $\Delta$				
fresh application (completed within 14 working days) (%) .....	100	100	100	100
amendment and renewal (issued within five working days) (%) .....	100	100	100	100
replacement and cancellation (issued within three working days) (%) .....	100	100	100	100
other written enquiries (replied within ten calendar days) (%) .....	100	100	100	100

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

¶ No application/enquiry was received.

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

Ψ The processing time may take longer for complicated cases.

$\Delta$  Target for new HKI certificate included as from 2018.

### Indicators

	2016 (Actual)	2017 (Actual)	2018 (Plan)
<i>Licence issued</i>			
textiles trader registration .....	7 551	6 603	6 610
Certificate of Hong Kong Origin, Certificate of Origin - Processing, Certificate of Origin (Form A), CO(CEPA) and CO(NZ) .....	1 610	1 555	1 560
factory registration .....	731	706	710
OPA registration .....	53	46	46
LSA registration .....	7	1	1
statutory declarations of antique .....	0	0	0
reserved commodities licence .....	10 321	10 389	10 400
registration of reserved commodity stockholder .....	215	218	220
ozone depleting substances licence .....	65	97	97
strategic commodities licence .....	378 637	366 171	367 000
powdered formula export licence .....	25 686	19 411	19 500
delivery verification certificate .....	3	7	7
international import certificate .....	47	67	67
pesticide (methyl bromide) licence .....	2	3	3
Kimberley Process Certificate .....	4 225	8 080	8 080
registration of rough diamond traders .....	264	293	270
HKSS and HKI certificates $\Delta$ .....	546	500	560
permit under the Chemical Weapons (Convention) Ordinance (Cap. 578) $\Omega$ .....	0	0	0
registration for importers of cereals and grain flour from the Mainland .....	91	88	88
<i>CEPA</i>			
enquiries .....	12 777	11 409	11 500
visitors to the Department's CEPA website .....	89 165	90 874	90 900

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- Λ A new certification scheme for HKI under CEPA has been implemented by the Department as from January 2018. The figures on HKSS and HKI certificates include fresh applications as well as certificates for amendment, replacement, cancellation and renewal, and certified true copy.
- Ω Under the Chemical Weapons (Convention) Ordinance, the Department is empowered to administer a permit system to control and monitor the production and related activities pertinent to scheduled chemicals. There may be potential demand to operate chemical facilities which require permit from the Department. Given the chemical industry in Hong Kong is small in size, such potential demand would not be large.

### *Matters Requiring Special Attention in 2018–19*

18 During 2018–19, the Department will:

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

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

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	<b>2018–19 (Estimate)</b>
Financial provision (\$m)	462.5	529.7	495.7 (–6.4%)	<b>498.3</b> (+0.5%)
				(or –5.9% on 2017–18 Original)

### *Aim*

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

### *Brief Description*

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

21 The Department administers three SME Funding Schemes, namely, the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF), and the SME Development Fund (SDF). The Department also continues to follow up on the residual work relating to the Special Loan Guarantee Scheme which had ceased receiving applications after December 2010.

22 The Department assists Hong Kong enterprises in the development and promotion of brands to enhance their competitiveness in the Mainland and overseas markets. In particular, the Department administers the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), which was launched in 2012 to support Hong Kong enterprises in developing brands, upgrading and restructuring their operations, and promoting sales in the Mainland domestic market.

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

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24 The key performance measures are:

### *Targets*

	Target#	2016 (Actual)	2017 (Actual)	2018 (Plan)
<b>SUCCESS</b>				
confirming consultation meeting with applicants of Business Advisory Service within ten working days (%).....	100	100	100	<b>100</b>
replying to simple enquiries on licensing requirements within one working day (%).....	100	100	100	<b>100</b>
replying to complicated enquiries on licensing requirements within three working days (%).....	100	100	100	<b>100</b>
replying to simple enquiries on SME support services and facilities within one working day (%).....	100	100	100	<b>100</b>
replying to complicated enquiries on SME support services and facilities within three working days (%).....	100	100	100	<b>100</b>
<b>SGS</b>				
processing applications for guarantee within three working days (after receipt of complete applications from participating lending institutions) (%).....	100	100	100	<b>100</b>
<b>SDF</b>				
processing applications for grant within 60 working days (%).....	100	100	100	<b>100</b>
<b>EMF</b>				
processing applications for grant within 30 working days (%).....	100	100	100	<b>100</b>
<b>BUD Fund (Organisation Support Programme)</b>				
processing applications for grant within 60 working days (%).....	100	100	100	<b>100</b>
<b>BUD Fund (Enterprise Support Programme)</b>				
processing applications for grant within 60 working days (%)◇.....	100	N.A.	100	<b>100</b>

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

◇ New target as from 2017.

### *Indicators*

	2016 (Actual)	2017 (Actual)	2018 (Plan)
<b>SUCCESS</b>			
enquiries.....	3 763	3 786	<b>3 800</b>
visitors to SUCCESS.....	3 366	3 519	<b>3 500</b>
visits to SUCCESS website.....	533 099	548 984	<b>549 000</b>
seminars and other activities.....	105	106	<b>100</b>
publications relating to local industries and SMEs.....	2	2	<b>2</b>
e-newsletters sent to SUCCESS members.....	26	26	<b>26</b>
<b>SGS</b>			
applications received and processed.....	787	770	<b>770</b>
no. of SME beneficiaries.....	701	709	<b>710</b>
amount of government guarantees issued (\$m).....	965.4	1,034.7	<b>1,035.0</b>
<b>SDF</b>			
applications received and processed.....	34	36	<b>36</b>
amount of government grants approved (\$m).....	28.6	23.4	<b>23.4</b>

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	2016 (Actual)	2017 (Actual)	2018 (Plan)
EMF			
applications received and processed .....	11 387	10 895	<b>10 900</b>
no. of first time SME beneficiaries .....	1 490	1 418	<b>1 400</b>
total no. of SME beneficiaries.....	6 224	5 444	<b>5 400</b>
amount of government grants approved (\$m).....	158.4	135.4	<b>135.0</b>
BUD Fund (Organisation Support Programme)			
applications received and processed .....	26	21	<b>21</b>
amount of government grants approved (\$m).....	32.4	34.1	<b>34.1</b>
BUD Fund (Enterprise Support Programme)			
applications received and processed .....	525	441	<b>440</b>
amount of government grants approved (\$m).....	103.7	125.0	<b>125.0</b>

### *Matters Requiring Special Attention in 2018–19*

**25** During 2018–19, the Department will:

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



## Head 181 — TRADE AND INDUSTRY DEPARTMENT

### ANALYSIS OF FINANCIAL PROVISION

	2016-17 (Actual) (\$m)	2017-18 (Original) (\$m)	2017-18 (Revised) (\$m)	2018-19 (Estimate) (\$m)
<b>Programme</b>				
(1) Commercial Relations .....	144.9	149.9	144.0	<b>150.2</b>
(2) Trade Support and Facilitation .....	121.0	122.8	124.8	<b>126.8</b>
(3) Support for Small and Medium Enterprises and Industries .....	462.5	529.7	495.7	<b>498.3</b>
	728.4	802.4	764.5 (-4.7%)	<b>775.3</b> <b>(+1.4%)</b>
				<b>(or -3.4% on 2017-18 Original)</b>

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2018-19 is \$6.2 million (4.3%) higher than the revised estimate for 2017-18. This is mainly due to the full-year effect of filling vacancies in 2017-18, increased provision for salary increments and personnel related expenses. There will be a net increase of one post in 2018-19 to strengthen the support of implementation of FTAs.

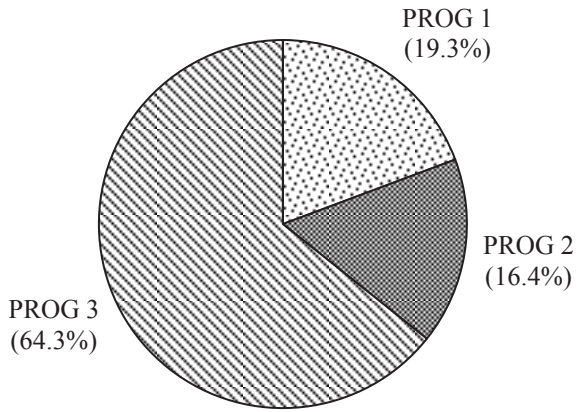
##### Programme (2)

Provision for 2018-19 is \$2.0 million (1.6%) higher than the revised estimate for 2017-18. This is mainly due to the full-year effect of filling vacancy in 2017-18 and increased provision for salary increments and personnel related expenses.

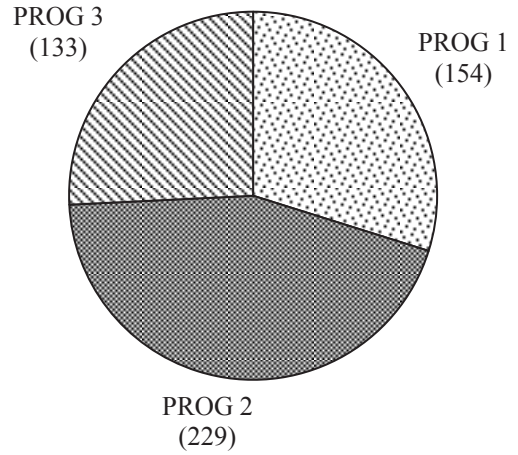
##### Programme (3)

Provision for 2018-19 is \$2.6 million (0.5%) higher than the revised estimate for 2017-18. This is mainly due to the increased cash flow requirements for funding schemes. There will be an increase of five posts in 2018-19 to strengthen the support for funding schemes.

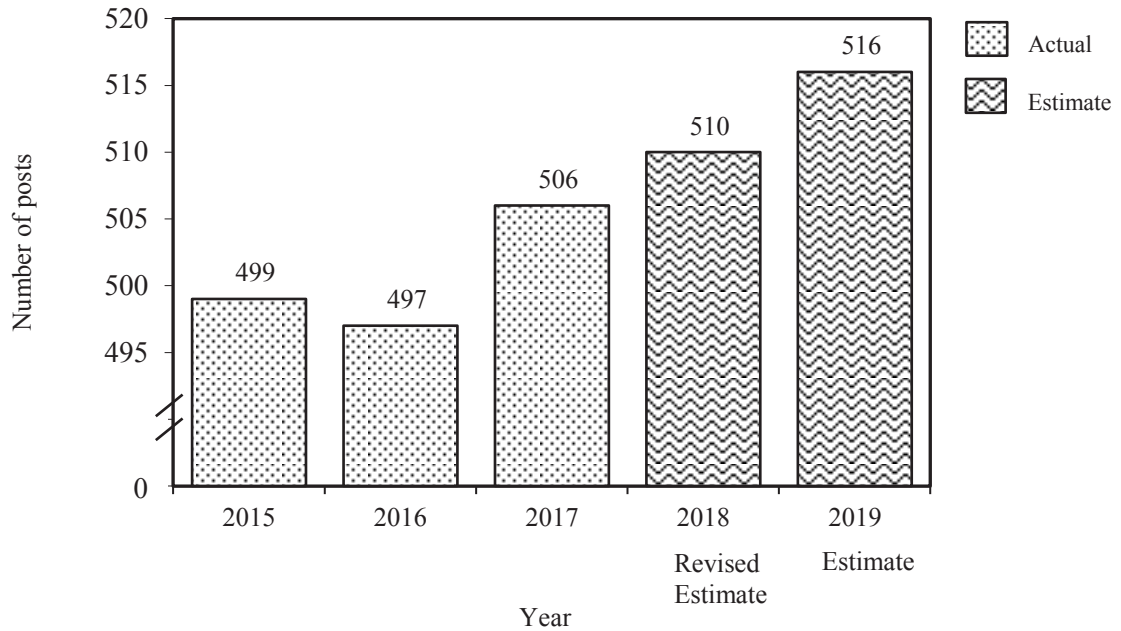
*Allocation of provision to programmes (2018-19)*



*Staff by programme (as at 31 March 2019)*



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



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Sub-head (Code)	Actual expenditure 2016-17	Approved estimate 2017-18	Revised estimate 2017-18	<b>Estimate 2018-19</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	361,264	369,411	368,524	<b>375,251</b>
	Total, Recurrent.....	361,264	369,411	368,524	<b>375,251</b>
Non-Recurrent					
700	General non-recurrent .....	367,176	433,035	396,000	<b>400,000</b>
	Total, Non-Recurrent.....	367,176	433,035	396,000	<b>400,000</b>
	Total, Operating Account .....	728,440	802,446	764,524	<b>775,251</b>
	Total Expenditure .....	728,440	802,446	764,524	<b>775,251</b>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2018–19 for the salaries and expenses of the Trade and Industry Department is \$775,251,000. This represents an increase of \$10,727,000 over the revised estimate for 2017–18 and \$46,811,000 over the actual expenditure in 2016–17.

#### *Operating Account*

#### Recurrent

**2** Provision of \$375,251,000 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 2018 will be 510 posts. It is expected that there will be a net increase of six posts in 2018–19. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2018–19, but the notional annual mid-point salary value of all such posts must not exceed \$264,259,000.

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

	2016–17 (Actual) (\$'000)	2017–18 (Original) (\$'000)	2017–18 (Revised) (\$'000)	<b>2018–19 (Estimate) (\$'000)</b>
Personal Emoluments				
- Salaries.....	260,901	270,827	262,038	<b>270,115</b>
- Allowances.....	6,383	7,253	7,069	<b>7,069</b>
- Job-related allowances.....	—	2	2	<b>2</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	776	555	788	<b>740</b>
- Civil Service Provident Fund contribution.....	7,581	9,337	9,545	<b>10,985</b>
Departmental Expenses				
- General departmental expenses .....	72,578	66,154	76,682	<b>71,932</b>
Other Charges				
- Contribution to and participation in the Asia-Pacific Economic Cooperation .....	1,212	1,255	1,272	<b>1,280</b>
- Trade negotiations and associated activities.....	9,706	11,900	9,000	<b>11,000</b>
- Contribution to the organisation of the Hong Kong Awards for Industries.....	2,000	2,000	2,000	<b>2,000</b>
- Subscription to the Pacific Economic Cooperation Council.....	127	128	128	<b>128</b>
	<u>361,264</u>	<u>369,411</u>	<u>368,524</u>	<u><b>375,251</b></u>

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### Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2017	Revised estimated expenditure for 2017–18	Balance
			\$'000	\$'000	\$'000	\$'000
<b><i>Operating Account</i></b>						
700		<i>General non-recurrent</i>				
	520	SME Loan Guarantee Scheme# .....	30,000,000	272,048	31,000	29,696,952
	524	SME Export Marketing and Development Funds .....	5,250,000	3,710,623	168,000	1,371,377
	802	Special Loan Guarantee Scheme@ .....	100,000,000	639,411	88,500	99,272,089
	836	Dedicated Fund on Branding, Upgrading and Domestic Sales .....	1,000,000	344,143	108,500	547,357
		Total .....	<u>136,250,000</u>	<u>4,966,225</u>	<u>396,000</u>	<u>130,887,775</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 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).