

Head 181 — TRADE AND INDUSTRY DEPARTMENT

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

Estimate 2021–22 **\$1,512.3m**

Establishment ceiling 2021–22 (notional annual mid-point salary value) representing an estimated 515 non-directorate posts as at 31 March 2021 and as at 31 March 2022..... **\$302.4m**

In addition, there will be an estimated 11 directorate posts as at 31 March 2021 and as at 31 March 2022.

Commitment balance..... **\$134,525.4m**

Controlling Officer's Report

Programmes

Programme (1) Commercial Relations
Programme (2) Trade Support and Facilitation
Programme (3) Support for Small and Medium Enterprises and Industries

These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).

Detail

Programme (1): Commercial Relations

	2019–20 (Actual)	2020–21 (Original)	2020–21 (Revised)	2021–22 (Estimate)
Financial provision (\$m)	153.8	171.0	159.4 (–6.8%)	160.2 (+0.5%)
				(or –6.3% on 2020–21 Original)

Aim

2 The aim is to secure and preserve maximum access and fair treatment for Hong Kong's goods, services and investments in external markets.

Brief Description

3 The Department is responsible for Hong Kong's commercial relations with its trading partners, and for promoting and protecting Hong Kong's trade interests and rights. The rules-based multilateral trading system under the auspices of the World Trade Organization (WTO) is the cornerstone of Hong Kong's external trade policy. Being a founding Member of the WTO, Hong Kong has continued its separate membership in the WTO, under the name "Hong Kong, China", since its return to China.

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

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

6 According to the latest statistics compiled by the WTO, in 2019 Hong Kong was the world's eighth largest economy in terms of merchandise trade and the 18th largest in terms of commercial services trade.

7 In 2020, the Department's key activities included the following:

- active participation in the WTO, including:
 - safeguarding Hong Kong's rights through monitoring and responding to trade restrictive measures which impacted on Hong Kong's trade interests and brought systemic risks to the multilateral trading system;
 - safeguarding Hong Kong's rights and interests by raising objections to and initiating actions in accordance with the WTO Dispute Settlement Mechanism against the revised origin marking requirement implemented by the United States (US) Government on imported products originating from Hong Kong; and

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- contributing to the ongoing negotiations and discussions at the WTO, particularly on domestic regulation for services; rules; investment facilitation; electronic commerce; micro, small and medium enterprises; and proposals to reform the WTO;
- active participation in various APEC activities, including:
 - taking part in the Economic Leaders’ Meeting, Ministerial Meetings and Senior Officials’ Meetings;
 - contributing to work on trade and investment liberalisation and facilitation, including the monitoring of progress towards achieving the Bogor Goals, regional economic integration, connectivity, and setting of the APEC Putrajaya Vision 2040; and
 - providing secretariat support for Hong Kong, China’s representatives to the APEC Business Advisory Council;
- overseeing the implementation of CEPA and its subsidiary agreements, including the Agreement on Trade in Goods which provides for the full implementation of zero tariff on goods of Hong Kong origin imported into the Mainland; and the updated Agreement on Trade in Services which further liberalises the Mainland market for Hong Kong service suppliers in a number of important sectors;
- enhancing economic co-operation with trading partners as well as assisting enterprises in diversifying markets and securing better market access through establishing co-operation arrangements, forging free trade agreements (FTAs) and investment promotion and protection agreements (IPPAs). The Department commenced FTA exploratory talks with Thailand, and continued the IPPA negotiations with Russia and Turkey respectively; Hong Kong and Chile are updating their commitments on trade in services under the Hong Kong, China – Chile FTA, which will come into effect upon completion of all the necessary procedures; and
- closely monitoring policies and actions of our major trading partners which might affect bilateral trade, responding to such policies and actions where necessary, and giving advice to local traders and manufacturers.

Matters Requiring Special Attention in 2021–22

8 During 2021–22, the Department will:

- participate actively in the WTO to monitor implementation of agreements and to safeguard Hong Kong’s rights and interests, and engage in work relating to the decisions adopted at WTO Ministerial Conferences and the discussions on proposals to reform the WTO;
- continue to take actions in accordance with the WTO Dispute Settlement Mechanism against the revised origin marking requirement implemented by the US Government on imported products originating from Hong Kong;
- participate in ongoing negotiations and discussions at the WTO in seeking to advance Hong Kong’s interest and contribute to multilateral efforts in trade liberalisation and greater predictability and transparency in global trade rules, including participation at the Twelfth WTO Ministerial Conference;
- participate actively in APEC and other regional bodies, and contribute particularly to APEC’s work on regional economic integration, supply chain connectivity, and in the implementation of the APEC Putrajaya Vision 2040;
- continue to pursue an FTA with Thailand, to seek early accession to the Regional Comprehensive Economic Partnership, to negotiate IPPAs with Russia and Turkey respectively, and sign IPPAs with Bahrain and Myanmar respectively upon completion of all the necessary procedures;
- oversee the implementation of FTAs signed between Hong Kong and foreign economies;
- discuss, in consultation with relevant bureaux and departments and the trade, with Mainland authorities measures to enrich the content of CEPA and seek future market liberalisation; 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

	2019–20 (Actual)	2020–21 (Original)	2020–21 (Revised)	2021–22 (Estimate)
Financial provision (\$m)	135.1	142.9	152.3 (+6.6%)	153.0 (+0.5%)
				(or +7.1% on 2020–21 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.

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Brief Description

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

- operates a 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 a 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 a Kimberley Process Certification Scheme to stop trade in “conflict diamonds” that fuels armed conflicts, terrorist activities and illicit proliferation of armament; and
- operates a powdered formula export licensing arrangement under the policy area of the Food and Health Bureau to help to ensure sufficient and stable supply of powdered formula for infants and young children under 36 months of age in Hong Kong.

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

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

13 The key performance measures are:

Targets

	Target#	2019 (Actual)	2020 (Actual)	2021 (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)), Certificate of Hong Kong Origin - Form AHK (CO(Form AHK)) and Certificate of Origin (Form A) (issued within 1.5 working days) (%).....	100	100	100	100
expeditious issue of Certificate of Hong Kong Origin/Form A/CO(CEPA)/ CO(NZ)/CO(Georgia)/CO(Form AHK) (issued within 24 hours excluding intervening non-working days) (%)φ.....	100	N.A.¶	N.A.¶	N.A.
enquiry on CO(CEPA), CO(NZ), CO(Georgia), CO(Form AHK) and preferential rules of origin‡ simple enquiry (replied within three working days) (%)	100	100	100	100
complicated enquiry (replied within ten working days) (%)	100	100	100	100
application for factory registration (completed processing within 14 working days) (%)	100	100	100	100

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	Target#	2019 (Actual)	2020 (Actual)	2021 (Plan)
amendment of factory registration particulars				
if factory inspection is necessary (completed processing within 14 working days) (%)	100	100	100	100
if factory inspection is not necessary and the request is lodged in paper form (completed processing within three working days) (%)	100	100	100	100
if factory inspection is not necessary and the request is lodged through online system (completed processing within one working day) (%)	100	N.A.¶	N.A.¶	100
local subcontracting arrangement (LSA) registration (completed processing within one working day) (%)	100	100	100	100
outward processing arrangement (OPA) registration (completed processing within one working day) (%)	100	100	100	100
combined annual renewal of factory registration and OPA registration (completed processing within one working day) (%)	100	100	100	100
enquiry on OPA: manufacturing processes allowed to be subcontracted outside Hong Kong				
simple enquiry (completed processing within one working day) (%)	100	100	100	100
complicated enquiry (completed processing within four working days) (%)	100	N.A.¶	N.A.¶	100
import and export licence for reserved commodities (rice) (issued within one working day) (%)	100	100	100	100
approval as a reserved commodity (rice) storage place				
inform Customs and Excise Department (C&ED) to conduct inspection of the premises (completed within five working days) (%)	100	100	100	100
inform the applicant of the application result upon receipt of C&ED's inspection report (completed within five working days) (%)	100	100	100	100
import and export licence for ozone depleting substances (issued within two working days) (%)	100	100	100	100
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	99.8γ	100
pre-classification service on strategic commodities (completed within two working days) (%)Ψ	100	100	98.5γ	100
powdered formula export licence (issued within two working days) (%)	100	100	96.3γ	100
amendment to and cancellation of powdered formula export licence (completed within one working day) (%)	100	100	100	100

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	Target#	2019 (Actual)	2020 (Actual)	2021 (Plan)
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.

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

¶ No application/enquiry was received.

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

Ψ The processing time may take longer for complicated cases.

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

Indicators

	2019 (Actual)	2020 (Actual)	2021 (Plan)
<i>Licence issued</i>			
textiles trader registration	5 048	4 568	4 570
Certificate of Hong Kong Origin, Certificate of Origin - Processing, Certificate of Origin (Form A), CO(CEPA), CO(NZ), CO(Georgia) and CO(Form AHK)	3 313	2 822 ^η	2 830
factory registration	765	779	780
OPA registration	38	42	42
LSA registration	9	10	10
statutory declarations of antique	0	0	0
reserved commodities (rice) licence	10 248	9 994	10 000
registration of reserved commodity (rice) stockholder	230	259	260
approval as a reserved commodity (rice) storage place	123	136	140
ozone depleting substances licence	84	41	41
strategic commodities licence	373 702	312 340	313 000
powdered formula export licence	20 277	17 927	18 000
delivery verification certificate	4	2	2
international import certificate	54	35	35
pesticide (methyl bromide) licence	4	1	1

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	2019 (Actual)	2020 (Actual)	2021 (Plan)
Kimberley Process Certificate	2 990	1 328	1 330
registration of rough diamond traders	229	172	230
HKSS and HKI certificates ^Λ	379	325	380
permit under the Chemical Weapons (Convention) Ordinance (Cap. 578) ^Ω	0	0	0
registration for importers of cereals and grain flour from the Mainland	86	83	83
<i>CEPA</i>			
enquiries	9 899	7 902	7 910
visitors to the Department's CEPA website	72 053	52 705	52 800

η With the slowdown of international trade, there was a decrease in the number of certificates issued in the year.

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 2021–22

14 During 2021–22, the Department will:

- promote understanding of CEPA among the trade through timely dissemination of information to the trade, and organisation of or participation in various promotional and publicity activities including the provision of a user-friendly enquiry hotline and when new measures are introduced, organisation of a business forum to introduce further enhancements to CEPA and the related implementation arrangements;
- liaise closely with the Mainland authorities and local traders on Mainland issues of significant impact on business operations, and help reflect the trade's concerns to the relevant Mainland authorities, and collaborate with the Mainland authorities to support Hong Kong enterprises to promote their products and services to the Mainland market; and
- keep the strategic trade control system under review with a view to streamlining procedures and requirements without compromising the integrity and effectiveness of control.

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

	2019–20 (Actual)	2020–21 (Original)	2020–21 (Revised)	2021–22 (Estimate)
Financial provision (\$m)	674.6	1,334.2	1,033.0 (–22.6%)	1,199.1 (+16.1%)
				(or –10.1% on 2020–21 Original)

Aim

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

Brief Description

16 The Department implements programmes to support enterprises, particularly SMEs, with a view to enhancing their competitiveness. It provides information and advisory services for 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 and the Hong Kong Science and Technology Parks Corporation, including the provision of advisory services on government funding schemes.

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17 The Department administers several funding schemes, including the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), the SME Export Marketing Fund (EMF), and the Trade and Industrial Organisation Support Fund (TSF) to assist Hong Kong enterprises in exploring markets and enhancing their competitiveness. In January 2020, a series of enhancement measures were implemented to the BUD Fund and the EMF. Among others, the geographical coverage of the BUD Fund has been extended to include economies with which Hong Kong has signed FTA; the cumulative funding ceilings per enterprise under the BUD Fund and the EMF have been doubled to \$4 million and \$800,000 respectively; and applicants have been provided with an option to obtain up to 75 per cent of the approved government funding as initial payment. To assist Hong Kong enterprises in embracing the economic challenges arising from the trade conflict between the US and the Mainland, as well as the COVID-19 pandemic in context of local market promotion activities, for a period of two years, the scope of the EMF will be expanded to cover large-scale exhibitions organised by organisers with good track record targeting the local market, as well as virtual exhibitions organised by the Hong Kong Trade Development Council and reputable exhibition organisers with good track record, and the eligibility criteria for the EMF will be relaxed to cover non-SMEs. Separately, given the SME Financing Guarantee Scheme (SFGS) administered by the HKMC Insurance Limited has been effectively assisting SMEs in obtaining commercial finance and that the number of applications received under the Department's SME Loan Guarantee Scheme (SGS) has substantially dropped, the SGS will cease to receive applications from 1 April 2021.

18 The Department maintains close 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.

19 The key performance measures are:

Targets

	Target#	2019 (Actual)	2020 (Actual)	2021 (Plan)
SUCCESS				
processing applications for Business Advisory Service within seven working days (%)	100	100	100	100
replying to simple enquiries on licensing requirements within one working day (%)	100	100	100	100
replying to complicated enquiries on licensing requirements within three working days (%)	100	100	100	100
replying to simple enquiries on SME support services and facilities within one working day (%)	100	100	100	100
replying to complicated enquiries on SME support services and facilities within three working days (%)	100	100	100	100
SGS				
processing applications for guarantee within three working days (after receipt of complete applications from participating lending institutions) (%)	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	100	95 ^γ	100
BUD Fund				
processing applications for grant within 60 working days (%)	100	100	100	100

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

□ Application period for the SGS will end on 31 March 2021.

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

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Indicators

	2019 (Actual)	2020 (Actual)	2021 (Plan)
SUCCESS			
enquiries ϕ	3 798	45 375	6 000
visitors to SUCCESS ϕ	3 412 \wedge	331 \wedge	700\wedge
visits to SUCCESS website ϕ	1 054 322	1 183 615	1 184 000
seminars and other activities ϕ	107	93	110
publications relating to local industries and SMEs δ	2	N.A.	N.A.
e-newsletters sent to SUCCESS members.....	27	26	26
SGS			
applications received and processed.....	702	111 \S	13\square
no. of SME beneficiaries.....	643	102 \S	13\square
amount of government guarantees issued (\$m).....	818.0	172.8 \S	20.0\square
TSF			
applications received and processed.....	77	69	69
amount of government grants approved (\$m).....	73.9 \diamond	54.7	55.0
EMF			
applications received and processed.....	16 246	11 215 θ	13 900β
no. of first time SME beneficiaries.....	1 276	1 110 θ	1 270β
total no. of SME beneficiaries.....	6 801	5 750 θ	7 600β
amount of government grants approved (\$m).....	299.0	239.7 θ	260.5β
BUD Fund			
applications received and processed.....	1 721	3 521 Δ	3 530
amount of government grants approved (\$m).....	430.8	609.4 Δ	610.0

ϕ The number of enquiries and visits to SUCCESS website increased while the number of visitors to SUCCESS and the number of seminars and activities organised decreased in 2020 due to the COVID-19 pandemic. The number of enquiries handled by SUCCESS includes those on quarantine exemption scheme and is expected to decline in 2021. The number of visitors to SUCCESS is expected to rebound only slightly in 2021 as more people prefer to use online services.

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

δ Indicator removed as from 2020. Printing of publications relating to local industries and SMEs has ceased as information has been disseminated through electronic means.

\S The decrease in the number of applications for the SGS in 2020 is attributable to various factors including the availability of other similar support programmes for SMEs in the market such as the SFGS.

\square Application period for the SGS will end on 31 March 2021.

\diamond One of the applications approved in 2019 was withdrawn in 2020.

θ The decrease in the indicators for the EMF in 2020 is attributable to the cancellation or postponement of many local and overseas exhibitions and business missions due to the COVID-19 pandemic.

β The increase in the planned indicators for the EMF in 2021 is attributable to the expansion of the scope of the EMF to cover large-scale exhibitions targeting the local market as well as virtual exhibitions, and the relaxation of the eligibility criteria to cover non-SMEs.

Δ The increase in the number of applications received and processed and amount of government grants approved in 2020 is attributable to the implementation of new enhancement measures under the BUD Fund starting from January 2020.

Matters Requiring Special Attention in 2021–22

20 During 2021–22, the Department will:

- closely monitor the global and domestic economic environment and the impact of any changes in the environment on Hong Kong enterprises, in particular SMEs;
- liaise closely with the trade and implement enhanced support services to help them meet the challenges they face;
- administer various funding schemes and closely monitor their implementation with a view to enhancing their effectiveness and utilisation; and
- enhance promotion and outreach to SMEs to provide support services on funding applications.

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ANALYSIS OF FINANCIAL PROVISION

	2019–20 (Actual) (\$m)	2020–21 (Original) (\$m)	2020–21 (Revised) (\$m)	2021–22 (Estimate) (\$m)
Programme				
(1) Commercial Relations	153.8	171.0	159.4	160.2
(2) Trade Support and Facilitation	135.1	142.9	152.3	153.0
(3) Support for Small and Medium Enterprises and Industries.....	674.6	1,334.2	1,033.0	1,199.1
	963.5	1,648.1	1,344.7 (–18.4%)	1,512.3 (+12.5%)
				(or –8.2% on 2020–21 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2021–22 is \$0.8 million (0.5%) higher than the revised estimate for 2020–21. This is mainly due to the full-year effect of filling vacancies in 2020–21, and increased provision for salary increments and personnel related expenses.

Programme (2)

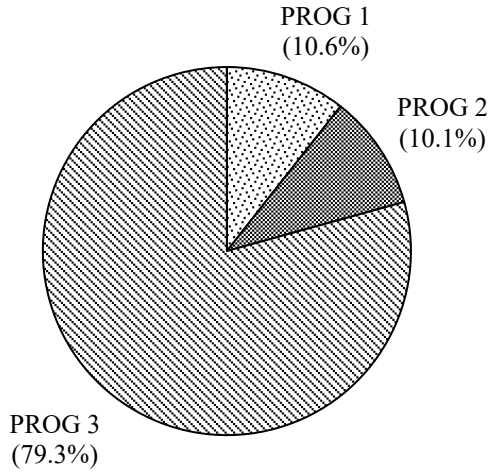
Provision for 2021–22 is \$0.7 million (0.5%) higher than the revised estimate for 2020–21. This is mainly due to the increased provision for salary increments and personnel related expenses.

Programme (3)

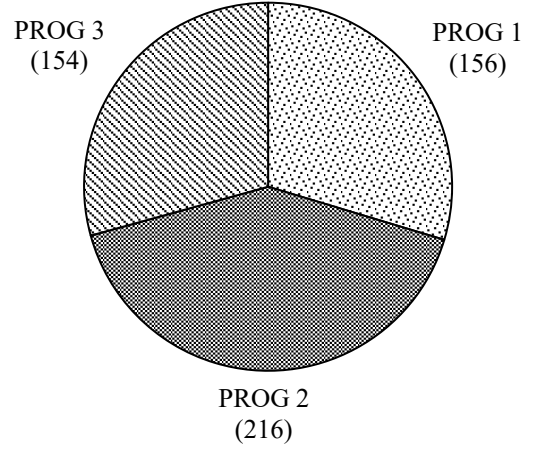
Provision for 2021–22 is \$166.1 million (16.1%) higher than the revised estimate for 2020–21. This is mainly due to the increased cash flow requirements for funding schemes.

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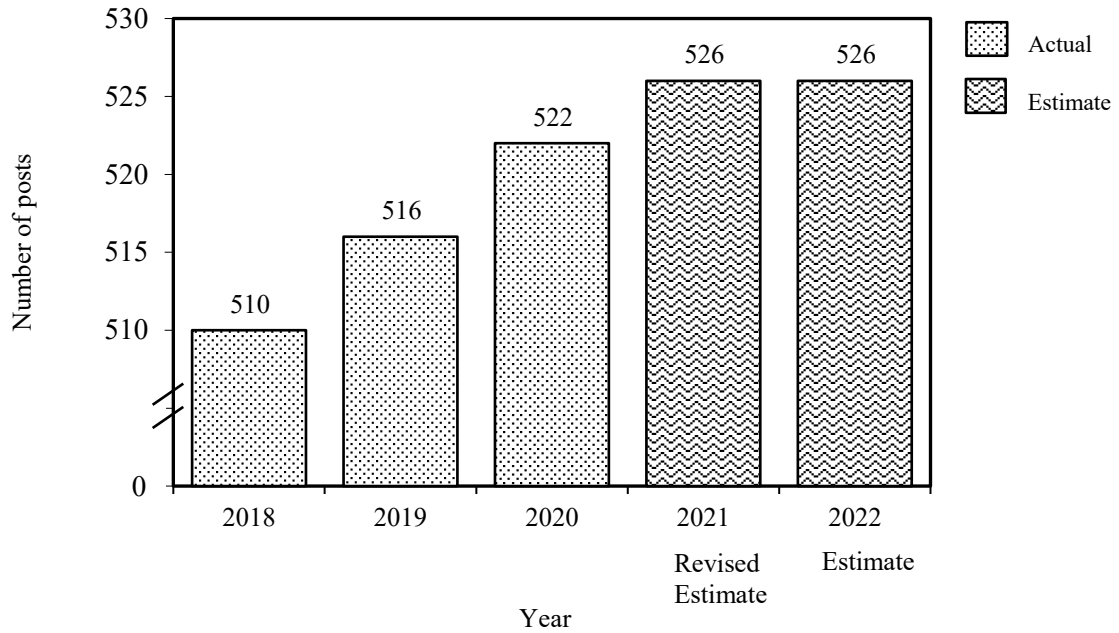
*Allocation of provision
to programmes
(2021-22)*



*Staff by programme
(as at 31 March 2022)*



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



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Sub-head (Code)	Actual expenditure 2019–20	Approved estimate 2020–21	Revised estimate 2020–21	Estimate 2021–22	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	399,195	431,055	431,055	441,345
	Total, Recurrent.....	399,195	431,055	431,055	441,345
Non-Recurrent					
700	General non-recurrent	564,325	1,217,000	913,676	1,071,000
	Total, Non-Recurrent.....	564,325	1,217,000	913,676	1,071,000
	Total, Operating Account	963,520	1,648,055	1,344,731	1,512,345
	Total Expenditure	963,520	1,648,055	1,344,731	1,512,345

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Details of Expenditure by Subhead

The estimate of the amount required in 2021–22 for the salaries and expenses of the Trade and Industry Department is \$1,512,345,000. This represents an increase of \$167,614,000 over the revised estimate for 2020–21 and \$548,825,000 over the actual expenditure in 2019–20.

Operating Account

Recurrent

2 Provision of \$441,345,000 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 2021 will be 526 posts. No change in establishment is expected in 2021–22. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2021–22, but the notional annual mid-point salary value of all such posts must not exceed \$302,448,000.

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

	2019–20 (Actual) (\$'000)	2020–21 (Original) (\$'000)	2020–21 (Revised) (\$'000)	2021–22 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	293,385	308,269	302,527	310,268
- Allowances	7,579	8,392	7,850	7,850
- Job-related allowances.....	1	2	2	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution	1,288	1,348	1,179	1,213
- Civil Service Provident Fund contribution	12,758	14,328	15,122	16,215
Departmental Expenses				
- General departmental expenses	73,156	86,524	95,004	96,415
Other Charges				
- Contribution to and participation in the Asia-Pacific Economic Cooperation	1,250	1,264	1,243	1,254
- Trade negotiations and associated activities	5,851	7,000	6,000	6,000
- Contribution to the organisation of the Hong Kong Awards for Industries	3,800	3,800	2,000	2,000
- Subscription to the Pacific Economic Cooperation Council	127	128	128	128
	399,195	431,055	431,055	441,345

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2020	Revised estimated expenditure for 2020–21	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
	520	SME Loan Guarantee Scheme#	30,000,000#	362,190	35,000	29,602,810
	524	Export Marketing and Trade and Industrial Organisation Support Fund	7,250,000	4,426,504	280,000	2,543,496
	802	Special Loan Guarantee Scheme@	100,000,000@	808,192	10,000	99,181,808
	836	Dedicated Fund on Branding, Upgrading and Domestic Sales.....	4,500,000	714,750	588,000	3,197,250
		Total	<u>141,750,000</u>	<u>6,311,636</u>	<u>913,000</u>	<u>134,525,364</u>

The approved commitment of \$30 billion refers to the total loan guarantee commitment approved by the Finance Committee (based on an assumed default rate of five per cent, the expected maximum expenditure for settlement of default claim is \$1.5 billion). The expenditure represents payments made to lending institutions for their default claims.

@ The approved commitment of \$100 billion refers to the total loan guarantee commitment approved by the Finance Committee (based on the assumed default rates of ten per cent and 12 per cent for loans approved under 70 per cent and 80 per cent Government guarantee respectively, the expected maximum expenditure for settlement of default claim is \$11.8 billion). The expenditure represents payments made to lending institutions for their default claims.