

Customs News

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Commissioner: Customs faces new challenges in 2004



Commissioner Timothy Tong, together with Acting Deputy Commissioner Chow Kwong and Customs Civil Secretary Albert Li, holding the year-end press conference.

Commissioner Timothy Tong said the Customs would build on last year's remarkable achievements to strive for the highest cost-effectiveness in curbing pirated goods, illicit cigarettes, illicit fuel and dangerous drugs and at the same time to facilitate trade.

Speaking at a press conference on January 20 to review the work of the Department in 2003, Mr Tong said Customs officers ably maintained quality services and displayed the fine tradition of "Commitment and Excellence" against stringent resources and a freeze on open recruitment.

The Department made significant achievements on various fronts in the past year, namely law enforcement, particularly in combating smuggling and selling of duty-not-paid cigarettes and fuels, facilitation of trade and enhancement of clearance services at the control points, Mr Tong said.

He attributed this to the strategic deployment, rigorous enforcement, enhanced intelligence collection and analysis, and effective risk management adopted by various formations.

In addition, the pooling of various formations for joint operations had generated positive synergistic effects in containing illicit fuel, illicit cigarettes, and copyright and trade mark infringing activities.

Commenting on the achievements, Mr Tong noted that the Department had handled 43 544 cases with the seizure of 152.4

million sticks of cigarettes and the arrest of 4 540 persons. The total value of the seizures amounted to \$230 million, and the duty potential more than \$120 million. The numbers of cases effected and persons arrested were respectively 92 per cent and 74 per cent higher than those in 2002.

The Department seized a total of 2.42 million litres of hydrocarbon oil with a total amount of \$17 million in 1 259 hydrocarbon oil cases, representing an increase of 6 per cent in the quantity seized as compared with that in 2002.

On the anti-piracy front, the Department detected 10 341 copyright cases and arrested 1 289 persons. About 6.22 million pirated compact discs worth \$136 million were seized.

In addition, the Department cracked 771 cases involving offences under the Trade Descriptions Ordinance and arrested 747 persons. Total seizures amounted to 36.81 million pieces of counterfeit goods at a total value of \$254 million, representing about four-fold and a 21 per cent increase respectively as compared with that in 2002.

Turning to trade facilitation, Commissioner Tong noted that the Department had streamlined procedures to enhance clearance efficiency and to speed up the cross-boundary passenger and cargo flows.

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For instance, the Vehicle X-Ray Inspection System installed at Lok Ma Chau control point in 2003 had substantially strengthened the Department's capability and efficiency in the inspection of vehicles and cargoes. The inspection time for each goods vehicle had been shortened drastically from the previous three to four hours to less than 20 minutes. With the use of the system, Customs officers had detected a total of 38 smuggling cases involving seizures worth a total of \$124.3 million.

Looking ahead, Mr Tong said that in the next few years, the Department would face numerous challenges arising from manpower planning. On one hand, the Department would have to meet the Government's target of reducing public expenditure by means of various enhanced productivity measures. On the other hand, with new cross-boundary projects soon to come

on stream and to ensure smooth implementation of CEPA, the Department had to ensure sufficient manpower to cope with the increasing workload.

He said the Department was actively pursuing the possibility of recruitment to replenish natural wastage and ensure sufficient highly professional officers to perform various law enforcement duties.

While keeping the non-essential general departmental expenditure to the minimum, Customs would ensure that essential spending to support its various functions and activities were maintained at a viable level, so that its quality of service would not be lowered.

Information Unit

Customs ensures CEPA implemented smoothly

The Customs is well prepared for the commencement of the "Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)" and will do its best to ensure that the control system for trade in goods will be implemented smoothly and effectively, Acting Commissioner Lawrence Wong said.

"In this regard, Hong Kong Customs plays dual roles in CEPA - efficiently facilitating Customs clearance of all goods eligible for zero tariffs on the one hand, and effectively deterring any abuse of CEPA Certificates of Origin (CEPA COs) on the other," Mr Wong added.

Before the commencement of CEPA on January 1, 2004, the Acting Commissioner and Head of Trade Controls Andrew Wong held a press conference on December 29, 2003 to explain the roles Customs would assume.

To ensure all goods eligible for zero tariffs enjoy efficient Customs clearance, the Customs and the Trade and Industry Department (TID) jointly operate a control system with certification, factory registration and inspection, consignment checks, costing checks, investigation, and blitz checks.

Under CEPA, goods of Hong Kong origin must be covered by a CEPA CO issued by the TID or one of the five Government Approved Certification Organisations when being exported to the Mainland in order to claim zero tariff concessions.



Acting Commissioner Lawrence Wong and Head of Trade Controls Andrew Wong briefing the media on the CEPA-related enforcement work of Customs. (Wen Wei Po Photo)

To deter misrepresentation of origin, the Customs deploys manpower to conduct consignment checks and costing checks, as well as carrying out blitz checks at control points based on risk management.

In order to ensure that the arrangements for trade in goods under CEPA be implemented efficiently and smoothly, the Hong Kong and Mainland Customs have set up a dedicated liaison channel and appointed liaison officers to maintain constant communication on CEPA matters.

Information Unit

Start from "Zero"

The introduction of CEPA on January 1, 2004 has brought new challenges to the Trade Controls Branch (TCB) as we are tasked to carry out the CEPA-related enforcement duties, including consignment checks and costing checks on CEPA COs.

As at the end of February, 313 CEPA CO applications have been received and 271 of them have been approved. The value of goods is worth about \$134 million. These applications cover, apart from textiles products, scores of goods including compact discs, Chinese medicines and plastic goods. The great variety of goods brings stimulation to many of our frontline officers who have been doing only textile garment checks for most of the time.

Undoubtedly, to many consumers in the Mainland, goods bearing a "Made in Hong Kong" label is equivalent to "high-end"

product. Not only is the label a symbol of safety and reliability, it also represents trendy and good workmanship. To protect this reputation, we have to exert all efforts to uphold the CEPA certification system. Besides, it is also incumbent on us to work closely with our Mainland counterparts to ensure the smooth implementation of CEPA.

With their commitment and enthusiasm, staff members of the TCB are certainly able and more than willing to fulfill our dual roles in facilitating Customs clearance and deterring any abuses of CEPA concessions.

Trade Inspection and Verification Bureau
Trade Controls Branch

HK Customs celebrates International Customs Day



The Secretary for Financial Services and the Treasury, Mr Frederick Ma, and Commissioner Timothy Tong proposing a toast at the International Customs Day Reception.

The Department celebrated the 2004 International Customs Day at the Senior Officers' Mess on January 26.

This year, we were honoured to have Secretary for Financial Services and the Treasury Mr Frederick Ma to be our principal

guest. Over 300 guests, including Secretary for Security Mr Ambrose Lee, other senior Government officials, Legislative Council members, Consul-General, local dignitaries, foreign customs attachés and Customs representatives from the Mainland and Macau, attended the function.

An exhibition on "Capacity Building", introducing a wide variety of well-designed and targeted capacity building initiatives in the area of trade facilitation, was held to signify the Department's efforts and determination in maintaining a fine balance between enforcement and trade facilitation, and in delivering its services in the most efficient and effective manner to members of the public.

Logistic Support Unit
Customs Liaison Bureau

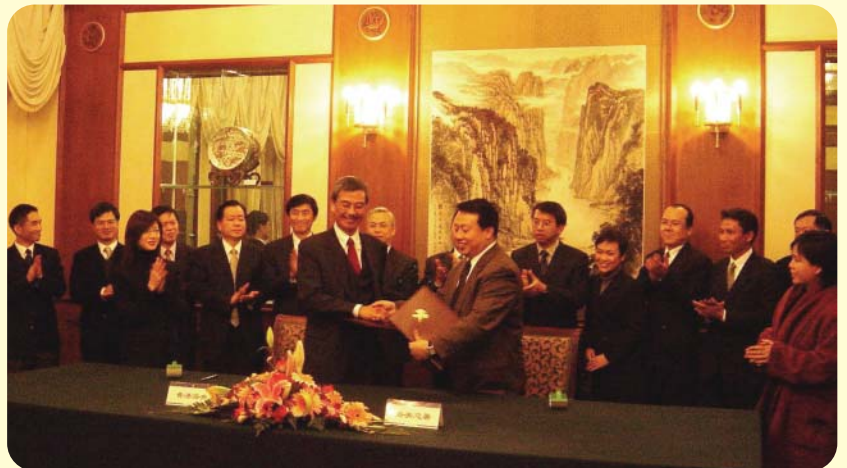
ARM held in Beijing

Commissioner Timothy Tong on January 12 led a nine-member delegation to Beijing to attend the Annual Review Meeting (ARM) with the General Administration of Customs (GAC). The Mainland delegation was led by Vice Minister Mr Gong Zheng.

The members of the Hong Kong delegation included Assistant Commissioner Chow Kwong; Head of Trade Controls Andrew Wong; Senior Superintendent Lai Chun-kong; and Superintendents Alex Liu, Daniel Cheung and David Fong.

The ARM was held in an amicable and co-operative atmosphere. Apart from reviewing the achievements of their co-operation in the past year, both administrations had in-depth discussions on various measures to enhance co-operation in combating smuggling activities. During the meeting, Hong Kong Customs delegation made presentations on the control system for trade in goods and the measures in deterring any abuses of Certificates of Origin after the commencement of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), and the implementation of the US Container Security Initiative Pilot Scheme in Hong Kong.

At the end of the meeting, both administrations affirmed a series of enforcement strategies, including the strengthening of co-operation to ensure smooth implementation of CEPA, the launching of more joint operations at control points to detect



Commissioner Timothy Tong and Vice Minister of Customs Mr Gong Zheng exchanging the record of meeting.

passengers bringing in excessive duty-free cigarettes and more joint investigations to smash syndicated cigarette smuggling activities. The meeting was successfully concluded with the signing of the meeting record by the two delegation heads.

Taking the opportunity of attending ARM, the Hong Kong Customs delegation paid a courtesy call to the Customs administration in Shanghai between January 14 and 15, and visited the Customs facilities at the Pudong International Airport, International Express Shanghai Customs Supervision Centre and the Customs Office at Waigaoqiao Container Cargo Port.

Logistic Support Unit
Customs Liaison Bureau

HK and Korea Customs hold Cooperation Conference

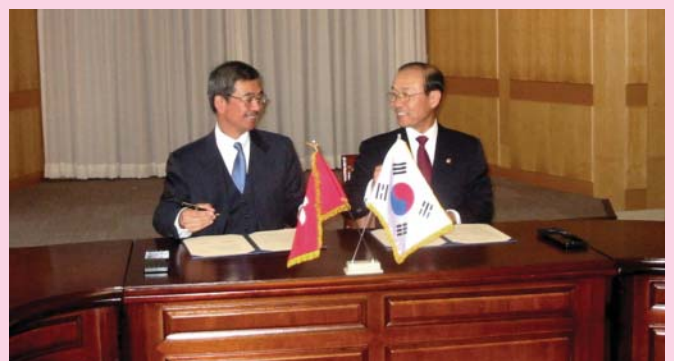
Commissioner Timothy Tong led a three-member delegation to attend the 24th Customs Cooperation Conference in Seoul between November 24 and 26, 2003.

Commissioner Tong and Commissioner Kim Yong-duk of Korea Customs Service reviewed the co-operation between the two administrations, updated each other on the development of trade facilitation initiatives, organisational changes and application of new technologies and equipment. They also exchanged views on the implementation of US Container Security Initiative, the enforcement efforts to combat infringement of intellectual property rights and trafficking of illicit drugs and cigarettes. During the Conference, the Hong Kong delegation also gave a presentation to Korea Customs about the implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA).

Following the Conference, Korea Customs made arrangements for the Hong Kong delegation to visit the new infrastructural developments in Seoul. Moreover, the Hong

Kong delegation also visited the Incheon International Airport, and had a chance to see the giant airport building infrastructure and its sophisticated facilities and equipment.

Customs Liaison Division
Customs Liaison Bureau



Commissioner Timothy Tong and Commissioner Kim Yong-duk of Korea Customs Service signed the agreed record of the 24th Customs Cooperation Conference.

C attends RILO opening in Beijing

Commissioner Timothy Tong attended the opening ceremony of the World Customs Organization Regional Liaison Intelligence Office for the Asia Pacific Region (WCO RILO A/P) in Beijing on January 13, 2004.

The Vice Minister of the General Administration of Customs (GAC), Mr Sheng Guangzhu, inaugurated at the opening ceremony. A number of high-ranking officials from the WCO, regional Customs administrations and Mainland enforcement agencies attended the opening ceremony.

China Customs took over from Japan Customs the hosting administration of the RILO A/P. The RILO A/P in Beijing started its operation on January 1. During its coming four-year tenure, China Customs would further develop the regional intelligence network to combat illegal drug trafficking and other Customs

offences through the facilitation of exchange of enforcement information and intelligence among regional members and the enhancement of their intelligence analysis capabilities.

The RILO A/P is headed by Mr Chen Xiaoying, Deputy Director General of GAC, assisted by two deputy heads, six Customs officials from Mainland and three Customs officials from other regional members. To render full support to the RILO A/P, Japan Customs, Korea Customs and Hong Kong Customs each have seconded an officer as intelligent analyst to the office. Senior Inspector Ip Tung-ching has been seconded to the office for a term of one year.

WCO and APEC Division
Customs Liaison Bureau

CDIB officer attends HONLEA Meeting



Daniel Cheung (second from right) pictured with Mr Yngve Danling, Law Enforcement Adviser of UNODC (third from right) and Mr Wang Qianrong, Deputy Secretary-General of the Mainland National Narcotics Control Commission (fourth from right) and members of the Mainland delegation.

In the capacity of the Head of Customs Drug Investigation Bureau, Daniel Cheung went to Bangkok to participate in the 27th Meeting of Heads of National Drug Law Enforcement Agencies (HONLEA), Asia and the Pacific between December

8 and 12, 2003. There were 120 delegates from 23 member states, four observer states and three international organisations attending this annual meeting, organised by the United Nations Office on Drugs and Crime (UNODC).

During the meeting, a series of discussion sessions were held with focus on several topics: (a) effective mechanisms to support operational cross border co-operation; (b) national drug law enforcement strategies to cope with the current world situation; (c) identifying traffickers through effective document control; and (d) law enforcement response to the increasing availability of Amphetamine-Type-Stimulants.

In the discussion and experience-sharing forum, the participants emphasised the importance of multilateral and bilateral co-operation in countering illicit drug trafficking. To meet the new challenges of globalisation, all participants agreed that more resources should be invested in the development of international networks to enhance information sharing in supporting operational responses to drug control and interdiction.

Customs Drug Investigation Bureau

Customs Invitation Football Tournament

By the invitation of the Sports and Recreation Club, the football teams of Japan Customs and Macau Customs participated in the Customs Invitation Football Tournament 2003 on December 5. It has been more than five years since the Japan Customs Football Team last visited Hong Kong. Most of the matches were closely contested and the final victory went to the Macau Customs Team. A farewell dinner was held at the Senior Officers' Mess in the evening.

Speaking at the dinner gathering, Commissioner Timothy Tong thanked all the officials and players for their keen participation in this sports event and wished the visitors a very happy and memorable stay in Hong Kong. "I personally congratulate all of you on the success of the tournament, which is a meaningful and enjoyable event that we will surely continue to promote in the Customs community", he said.



Commissioner Timothy Tong (back row fifth from left), Deputy Commissioner Lawrence Wong (back row seventh from left), Commissioner of Macau Customs Mr Choi Lai-hang (back row sixth from left) and Deputy Director General of Kobe Customs Mr Masaki Inoue (back row fourth from left) giving a toast at the farewell dinner.

Customs and Excise Football Sub-Committee

PMC officer delivers talk in Canada National Ports Workshop

In view of the Department's efforts in providing efficient and effective Customs control measures to the world's busiest container ports, Alex Leung, Assistant Superintendent of the Ports and Maritime Command was invited by the Royal Canadian Mounted Police (RCMP) to attend the National Ports Workshop in Vancouver as guest speaker from November 2 to 5, 2003.

The Workshop was an annual event organised by the Border Integrity Team of RCMP. Its prime objective was to gather international regulatory experts to exchange best practices in policing and law enforcement at ports.

More than 50 Canadian law enforcement officials participated in the event. Participants included representatives from RCMP, Customs, National Defence, Vancouver Police Department, Vancouver Port Authority and the US Naval Criminal Investigative Service.

Experts from different organisations were invited to give presentations on specific subject in relation to the work and



Assistant Superintendent Alex Leung receiving souvenir and appreciation certificate from Major Case Manager (Ports) of RCMP Mr Doug Kiloh.

experience in enhancing port security and crime prevention from different perspectives.

Ports and Maritime Command

All Arms Drill Instructor's Advance Course

I attended the All Arms Drill Instructor's Advanced Course in Alexander Barrack, Pirbright, the UK between September 22 and October 29, 2003. I was the fifth Service member nominated to attend the course.

The course instructor, Regimental Sergeant Major had modified the syllabus and thus participants had to perform Teaching Practice more than the previous courses. In the first three weeks, we aimed at foot drill and rifle drill. The first three-week course was finished in a Guard of Honour demonstration and Drill Competition.

In the last three weeks, we focused on sword drill, colour drill and pacesstick drill. We conducted a Military Funeral parade in front of 50 guests. To ensure we could perform properly, three Sergeant Majors from other barracks were invited to be the adjudicators.

Fortunately, our team won the three events in the competition. Having shared the experience with the course instructors and the



Chief Customs Officer Yip Wai-keung at the All Arms Drill Wing in Alexander Barrack.

participants, I found that knowledge is infinite. I would like to take this opportunity to thank our management and colleagues for giving me a precious opportunity to attend this course.

Chief Customs Officer Yip Wai-keung
Customs and Excise Training School

Legal lecture for APC officers



Senior Government Counsel Miss Anna Lai delivering lecture on DCO to officers of the Airport Command.

To provide officers with clearer concepts of the powers conferred on enforcement agents by the Dutiable Commodities Ordinance (DCO), the Airport Command invited Miss Anna Lai, Senior Government Counsel of the Department of Justice, to deliver a lecture on the law on December 30, 2003. Twenty-five officers attended the lecture.

The lecture provided an excellent opportunity for officers of the Airport Command to exchange views and discuss with a legal expert the operational difficulties faced by them in the exercise of controls on dutiable commodities. The lecture was well received by all the attendees.

Airport Command

Management Development Course for middle managers



Deputy Commissioner Lawrence Wong (front row centre) with the participants of the Second Customs Management Development Course.

I and 19 colleagues attended the Second Customs Management Development Course during the period between November 3 and 27, 2003. The course was intended to enhance leadership and management competence of middle managers of the Department. The curriculum covers extensive scope, including contemporary management concepts; departmental updates; media skills; stress identification and its therapy; syndicate assignment and project presentation; Government finance; effective writing techniques; and Hong Kong current affairs.

Elite academics were invited to deliver modern concepts of management. Distinguished scholars dissected the present situation of Hong Kong and gave penetrating comments on the public sector reforms. Renowned medical practitioner offered trainings on stress management and self-therapy. Experienced speakers from foreign enforcement agencies shared their invaluable operational experience and country crime profiles. The Department's senior officers were also invited to elaborate significant current

departmental projects and some impending reform initiatives.

The visit to the Mainland Customs control points in the Pearl River Delta Regions had definitely portrayed us the amazing modernisation initiatives in the Mainland. The course was so dedicatedly and meticulously arranged that each of the course member had been benefited intellectually and academically.

The course was really an innovative and quality training programme to keep the middle managers abreast of the challenges ahead and framework of reforms. It also created additionally another channel of communication between the top management and the middle managerial class. Moreover, the course rendered every participant an opportunity to retreat from the hasty pace of life to ponder over his/her role in the Department.

Lai Wai-hing
Assistant Superintendent

HK Customs contributes efforts in combating endangered species illicit trade

To strengthen the ability to combat the illicit trade on endangered species, the Customs General Administration of the Mainland has organised a training course with the Endangered Species Import and Export Management Office between December 7 and 9, 2003 in Punyu. Enforcement officers from Macau, Hong Kong and the Mainland attended the course. I was honoured to take part in the seminar on behalf of the Department and to join hands with the Agriculture, Fisheries and Conservation Department (AFCD) to deliver talks. I also exchanged views with other enforcement parties on the handling of intelligence and our enforcement experience in this specific topic.

I managed to share with the participants a case in which our officers had successfully intercepted an ivory smuggling consignment in October 2003 leading to a significant seizure of 1 932 kilograms of elephant tusks. It took our officers less than

three hours from receiving an informant's call through the hotline to the successful interception of the consignment. The case fully illustrated the importance of swift intelligence collation and handling, as well as Customs' crucial role in the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

The Department has long established a close working relationship with AFCD and the Mainland authorities. The meeting provided a forum for the participating parties to further exchange strategy and tactics in the fight against the smuggling of endangered species.

Lam Chi-keung
Divisional Commander of Intelligence Processing Division
Intelligence Bureau

Efficiency Savings Exercise deletes 87 posts

In support of the Government's continuous effort to reduce public expenditure, the Department has committed to deliver savings of \$34.5 million in Financial Year 2004-05 under the Efficiency Savings Exercise, equivalent to 1.83 per cent of its operating expenditure. The savings will be achieved through the deletion of 87 posts including 10 Customs Officer (CO) posts, 26 posts in the Trade Controls Officer Grade (TCOG) and 51 posts in the General and Common Grades (G&CG) and the reduction of \$27.4 million in general departmental expenses.

Posts to be deleted will be mainly G&CG posts responsible for internal administration and support, as well as TCOG posts responsible for the exercise of textile quota control which will be deleted in early 2005. The deletion of these posts will not have a significant impact on our major services and frontline enforcement. In addition to the deletion of posts, we will also adopt a series of measures to enhance our productivity and efficiency in order to maintain the effectiveness of our operation and the provision of quality service.

Notwithstanding the deletion of 26 posts in the TCOG, sufficient manpower has been retained to cater for the manpower requirement for enforcement work related to the Closer Economic Partnership Arrangement (CEPA).

The 10 CO posts to be deleted will be replaced by contract drivers for operating the two Mobile X-ray Vehicle Scanning Systems. It is part of the Department's on-going efforts in the civilianisation of its disciplined posts.

As regards the reduction of general departmental expenses, the Department will, while keeping the non-essential spending to the minimum, ensure that essential spending to support the Department's various functions and activities are maintained at the meet-the-appropriate-demand but not excessive level so that its operation will not be adversely affected and its quality of service will not be sacrificed.

Office of Departmental Administration

Unified manifest for road cargo launches

To facilitate the cross-boundary transportation industry and truck-drivers, Hong Kong and Mainland Customs have worked together to introduce a unified road cargo manifest after careful study and consultation with the cross-boundary transportation industries. We have also made reference to the existing laws and operational modes of both sides under the principle of seeking commonalities while maintaining differences.

The new cargo manifest enables members of the industry to fill only one set of manifest data for submission to both Customs. Whereas in the past, cross-boundary drivers have to submit two separate sets of manifests to the Hong Kong and Mainland Customs respectively. The new manifest was launched on January 1, 2004 and there would be a six-month transitional period when the old and new formats of road cargo manifest would be accepted.

Each set of unified road cargo manifest comprises six copies. The first two copies are for submission to the Mainland Customs,

the third copy for Hong Kong Customs, the fourth and the fifth copies for Trade and Industry Department and Census and Statistics Department respectively (to be collected by the Hong Kong Customs at the land boundary control points) while the last copy is for the driver's own retention.

The new manifest would enhance accuracy of manifest data and allow more risk-indicators for Customs at both sides to conduct clearance on vehicles and cargoes.

Hong Kong Customs has been proactively organising activities to publicise the unified manifest, such as distributing leaflets and guidelines to goods vehicle drivers at the land boundary crossings; holding briefing sessions for representatives of cross-boundary transportation industry; setting up a hotline for public enquiry; and uploading sample and related information of the new unified road cargo manifest to the Customs website.

Control Points Command

New initiatives to facilitate visitors

Since the introduction of the Mainland Individual Visit Scheme in July 2003, over one million Mainland individual visitors have visited Hong Kong. Many of them come to Hong Kong via the land boundary control points at Lo Wu, Lok Ma Chau, Man Kam To, and Sha Tau Kok. Having regarded to a large number of individual visitors, the operational Departments at control points have adopted corresponding measures to ensure smooth and orderly movement across the boundary.

One of the measures was the setting up of a "Joint Command Centre" (JCC). To monitor the visitor flow and the overall traffic situation at the land boundary control points, and to take prompt actions if necessary, the Department took an active role to work with the Police and Immigration Department in the setting up of the JCC at the Lo Wu Terminal during the past National Day Golden Week, Christmas, New Year and the Lunar New Year holidays. Apart from the divisional commanders of the disciplinary Departments, representatives of the Transport

Department and Kowloon-Canton Railway Corporation also took part in the JCC operations. With the setting up of a direct hotline between the JCC and our Mainland counterparts to ensure effective communication and handling of emergency situation, we could provide instant, efficient and effective clearance services to tourists during the peak seasons.

Besides, in response to the needs of individual visitors, we have added a Putonghua version to the announcement of Hong Kong's duty-free concessions at the passenger halls of the various control points. We have also established several self-service Customs Information Kiosks at the China Ferry Terminal and the Hung Hom KCR Station for passengers to check the schedules of cross-boundary train and ferry; information on duty-free concessions; notices to travellers; and other Customs-related information.

Control Points Command