

# Hong Kong Customs detects two sea-bound smuggling cases in one day and makes record seizure of donkey skins (with photos)

Hong Kong Customs yesterday (April 15) detected two sea-bound smuggling cases in a row at the Kwai Chung Customhouse Cargo Examination Compound and seized about 17 tonnes of suspected smuggled donkey skins, about 520 kilograms of suspected smuggled sea cucumbers, about 2kg of suspected smuggled fish maws and about one tonne of suspected scheduled dried shark fins, with a total estimated market value of about \$2 million. The donkey skin seizure is the biggest ever in Hong Kong.

Through risk assessment, Customs officers in the first case selected and inspected a container declared to be carrying table salt that arrived in Hong Kong from Egypt. The batch of suspected smuggled donkey skins, sea cucumbers and fish maws was found inside the container. An investigation is ongoing.

This is the second donkey skin smuggling case detected by Customs within a week. Customs officers seized about 16 tonnes of suspected smuggled donkey skins from a container on April 9, which also arrived in Hong Kong from Egypt and was declared to be carrying table salt. Donkey skin has a wide variety of uses. After processing, it could be manufactured as donkey-hide gelatin, also known as "Ejiao".

The second sea-bound smuggling case yesterday was also detected through risk assessment. Customs officers selected a container arriving in Hong Kong from Sri Lanka for inspection and found the batch of suspected scheduled dried shark fins mix-loaded with non-scheduled dried shark fins inside the container. The case was handed over to the Agriculture, Fisheries and Conservation Department for follow-up investigation.

Smuggling is a serious offence. Under the Import and Export Ordinance, any person found guilty of importing or exporting unmanifested cargo is liable to a maximum fine of \$2 million and imprisonment for seven years.

Under the Protection of Endangered Species of Animals and Plants Ordinance, any person found guilty of importing or exporting an endangered species without a licence is liable to a maximum fine of \$10 million and imprisonment for 10 years.

Customs will continue to step up stringent enforcement actions to combat smuggling and other illegal activities through passenger and cargo channels at the airport, seaport and all land boundary control points.

Members of the public may report any suspected smuggling activities to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email

account ([crimereport@customs.gov.hk](mailto:crimereport@customs.gov.hk)).



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## Flexible handling of government non-works contracts to support businesses

A spokesperson for the Financial Services and the Treasury Bureau said today (April 16) that to support businesses and ease the cash flow difficulties of government contractors during the pandemic period, the Government would handle non-works contract payment schedules as flexibly as possible.

In response to the challenges arising from the COVID-19 epidemic, the Chief Executive announced on April 8 a series of measures involving over \$130 billion to help keep businesses going, maintain employment and relieve financial burdens of individuals and businesses. To this end, the Secretary for Financial Services and the Treasury (SFST) has appealed to all procuring departments to do their best to handle payment schedules for their goods or service contracts flexibly as appropriate.

The spokesperson said, "Specifically, in cases where the contracts involve upfront payments or milestone payments, procuring departments are urged to provide larger sums for upfront payments to the contractors and break up milestones in payment schedules into more deliverables, thereby enabling more timely and frequent payments to help ease the cash flow difficulties of government contractors."

In addition, to help further improve the liquidity of the contractors, the SFST has earlier advised procuring departments to settle payments to contractors expeditiously upon satisfactory completion of deliverables and receipt of proper invoices. Bureaux/departments should also exercise maximum flexibility and do their best to compress their normal payment cycle from 30 days to two weeks, or, where possible, one week while ensuring that the operational needs of the procuring departments and reasonable protection of

the Government's interests are not compromised.

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## Volume and price statistics of external merchandise trade in February 2020

Further to the external merchandise trade statistics in value terms for February 2020 released earlier on, the Census and Statistics Department (C&SD) released today (April 16) the volume and price statistics of external merchandise trade for that month.

As the trade flows in January and February of each year tend to show considerable volatilities due to differences in timing of the Lunar New Year holidays, it is useful to analyse the trade figures for these two months taken together. Comparing the first two months of 2020 with the same period in 2019, the volume of Hong Kong's total exports of goods and imports of goods decreased by 11.8% and 9.1% respectively.

In February 2020, the volume of Hong Kong's total exports of goods and imports of goods increased by 5.4% and 0.9% respectively over February 2019.

Comparing the three-month period ending February 2020 with the preceding three months on a seasonally adjusted basis, the volume of total exports of goods and imports of goods decreased by 7.5% and 5.4% respectively.

Changes in volume of external merchandise trade are derived from changes in external merchandise trade value with the effect of price changes discounted.

As regards price changes in the first two months of 2020 over the same period in 2019, the prices of total exports of goods and imports of goods decreased by 0.2% and 0.1% respectively.

Comparing February 2020 with February 2019, the prices of total exports of goods and imports of goods both decreased by 1.0%.

Price changes in external merchandise trade are reflected by changes in unit value indices of external merchandise trade, which are compiled based on average unit values or, for certain commodities, specific price data.

The terms of trade index is derived from the ratio of price index of total exports of goods to that of imports of goods. Compared with the same periods in 2019, the index remained virtually unchanged in February 2020, while it decreased by 0.2% in the first two months of 2020.

Changes in the unit value and volume of total exports of goods by main destination are shown in Table 1.

Comparing February 2020 with February 2019, double-digit increases were recorded for the total export volume to Vietnam (48.1%), Taiwan (34.8%), India (29.2%) and the mainland of China (the Mainland) (13.4%). On the other hand, the total export volume to the USA decreased by 13.5%.

Over the same period of comparison, the total export prices to India (-4.3%), Vietnam (-2.3%), the USA (-1.4%) and the Mainland (-0.1%) decreased. On the other hand, the total export prices to Taiwan increased by 2.7%.

Changes in the unit value and volume of imports of goods by main supplier are shown in Table 2.

Comparing February 2020 with February 2019, double-digit increases were recorded for the import volume from Taiwan (45.1%), Korea (34.4%), Japan (12.1%) and Singapore (11.9%). On the other hand, the import volume from the Mainland decreased by 6.7%.

Over the same period of comparison, the import prices from Taiwan (-3.6%), Korea (-2.1%), the Mainland (-1.9%) and Singapore (-0.1%) decreased. On the other hand, the import prices from Japan increased by 0.8%.

Further information

Details of the above statistics are published in the February 2020 issue of "Hong Kong Merchandise Trade Index Numbers". Users can download the publication free of charge at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp230.jsp?productCode=B1020006](http://www.censtatd.gov.hk/hkstat/sub/sp230.jsp?productCode=B1020006)).

Enquiries on merchandise trade indices may be directed to the Trade Analysis Section (1) of the C&SD (Tel: 2582 4918).

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## **Task Force for the Study on Tenancy Control of Subdivided Units set up**

The Government today (April 16) appointed 13 members to the Task Force for the Study on Tenancy Control of Subdivided Units for a term of 18 months till October 2021.

The Government attaches great importance to supporting the underprivileged. The setting up of the Task Force was announced by the Chief Executive on January 14 as one of the 10 new livelihood initiatives to enhance the support for grassroots and underprivileged people.

Dr William Leung Wing-cheung will serve as Chairman of the Task Force. The Secretary for Transport and Housing, Mr Frank Chan Fan, said, "Dr Leung has a distinguished record of community service as well as a wealth of experience in leading statutory and advisory bodies. I am confident that the Task Force will come up with holistic and objective recommendations under his able leadership."

The Task Force, comprising members from various sectors of the community, is going to study the feasibility and options for tenancy control of subdivided units. The first meeting will tentatively be held in late April.

The membership of the Task Force is as follows:

Chairman

Dr William Leung Wing-cheung

Members

Mr Thomas Chan Kwok-cheung  
Mr Anthony Chiu Kwok-wai  
Professor Fung Kwok-kin  
Mr Vincent Ho Kui-yip  
Professor Eddie Hui Chi-man  
Professor Joe Leung Cho-bun  
Professor Lui Tai-lok  
Ms Melissa Kaye Pang  
Mr Shea Hing-wan  
Professor Kevin Tsui Ka-kin  
Mr Stephen Wong Yuen-shan  
Professor Yip Ngai-ming

In attendance

Under Secretary for Transport and Housing  
Under Secretary for Development or his/her representative  
Under-Secretary for the Environment or his/her representative  
Commissioner of Rating and Valuation or his/her representative  
Government Economist or his/her representative

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## Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Thursday, April 16, 2020 is 108.6 (up 0.3 against yesterday's index).