

ITEM FOR FINANCE COMMITTEE

HEAD 26 – CENSUS AND STATISTICS DEPARTMENT Subhead 700 General non-recurrent

Members are invited to accept in principle the financial commitment for Hong Kong to host the 59th Session of the International Statistical Institute in 2013.

PROBLEM

We need Members' acceptance in principle of the estimated financial commitment before we are in a position to submit a formal bid to the International Statistical Institute (ISI) for hosting its 59th Session in Hong Kong in 2013.

PROPOSAL

2. The Commissioner for Census and Statistics proposes that Hong Kong should offer to host the 59th ISI Session in 2013, subject to Members' acceptance in principle of the financial commitment estimated to be in the region of \$25 million (or net expenditure of around \$17 million after netting off the income expected from registration fees and sponsorship). The Secretary for Financial Services and the Treasury supports the proposal.

/JUSTIFICATION

JUSTIFICATION

3. The ISI is one of the oldest international scientific associations¹ which actively strives to meet the increasing needs for professional statistical information in a complex and dynamic society, and leads the development of statistical methods and their applications. It has seven Sections each focusing on important and emerging statistical issues in particular fields of statistical specialisation. The ISI has been holding biennial Sessions since 1887 in different regions and wishes to have a Session held in a renowned Asian city in the 2010's. It has invited Hong Kong to host the 59th Session in 2013.

4. In general, the Government is supportive of this kind of international events on conditions that the event is to be organised for proper purposes, and public money will be spent in a reasonable and lawful manner on the grounds of public interest. In deciding whether to make a bid to host the 59th ISI Session, we have paid due consideration to these general conditions. We have also taken into account the following favourable factors specific to the present proposal –

- (a) the positive impact of the event in enhancing the statistical services of the Government (paragraphs 5 and 6 below);
- (b) the reputable status of the ISI (paragraphs 7 and 8 below);
- (c) the economic and other benefits that can accrue to Hong Kong in hosting the event (paragraphs 9 and 10 below); and
- (d) our professional expertise and financial ability in shouldering the host obligations (paragraph 11 below).

Enhancing the Statistical Services of the Government

5. The work of the ISI is highly relevant to the statistical services provided by the Census and Statistics Department (C&SD). For instance, the ISI established the Declaration on Professional Ethics in the 1980's, which laid down a solid foundation for international standards and practices of the statistical profession, particularly in the context of official statistics (e.g. the United Nations

/Fundamental

¹ Founded in London in 1885, the ISI is a prestigious professional body with over 120 years of history. Its membership is open to both governmental and non-governmental entities or individuals, representing more than 130 countries worldwide.

Fundamental Principles of Official Statistics). Some of the Sections under the ISI are contributive to specific statistical issues like compilation of business and financial statistics and statistical indicators, quality of statistics, dissemination of official statistics, protection of data confidentiality and promotion of statistical literacy. Their work closely aligns with the major objectives of the C&SD in compiling and disseminating adequate, relevant, reliable and timely statistics, with due regard to professionalism, international standards and users' perspectives.

6. If an ISI Session is held in Hong Kong, statistical practitioners of Hong Kong could have an opportunity to meet with top statistical experts and practitioners from all over the world and keep abreast of the latest trends and developments in various important statistical issues. This will broaden the statistical perspective and raise the professional expertise of our practitioners, thus enhancing the provision of quality statistical services to the Government and the community at large.

Collaboration with a World Class Organisation

7. By hosting the ISI Session, we will be strengthening our collaboration with the ISI which stands in its position as one of the most prestigious and reputable scientific associations in the world, with profound achievements and influence in the world of statistics. It is a recognition of our professional standards and statistical achievements by being invited to host the 59th Session by the ISI.

8. The biennial ISI Sessions are regarded as the Olympiad of the international statistical community. Statistically advanced countries such as Australia, Canada, the United Kingdom, the United States and the Netherlands all have had the experience of hosting ISI Sessions. For Asian countries, this event has been held in China, India, Japan, the Philippines and South Korea. Generally, the ISI Sessions are hosted by the official statistical agencies of the hosting cities. Recent examples include the National Statistics Institute of Portugal in the 56th Session (to be held in 2007), the Australian Bureau of Statistics in the 55th Session (2005), the Federal Statistical Office of Germany in the 54th Session (2003) and the Korea National Statistical Office in the 53rd Session (2001). These official statistical agencies provided the necessary funding and attached great importance to the hosting of the ISI Session as one of the most important events in their respective statistical community.

/Bringing

Bringing Benefits to Hong Kong

9. On top of the main ISI Session which lasts for about ten days, satellite meetings are usually held before or after the main Session². If Hong Kong hosts the 59th ISI Session, we may organise satellite meetings in local academic/professional institutes and nearby cities in the Mainland China and neighbouring countries. This will provide a valuable platform for cross-fertilisation of statistical expertise and promoting statistical development in the Asian region. As a result, Hong Kong's status in the international arena of statistics could be further enhanced.

10. Recent ISI Sessions attracted a turnout of over 2 000 participants each time. We broadly estimate that hosting the event in Hong Kong will bring about 2 200 incoming visitors³, contributing approximately \$28 million⁴ to the tourist receipts of Hong Kong. In addition to the tangible economic benefits, we anticipate that the hosting of the 59th ISI Session will benefit Hong Kong in general by raising our international profile. It will provide an excellent opportunity to showcase our infrastructural achievements in communications, hospitality and transportation as well as to uphold our position as Asia's world city and the capital for exhibitions and conventions, thus helping to attract future internationally renowned events and other business opportunities to Hong Kong.

Professional Expertise and Resources

11. Over the years, the C&SD has been actively involved in the work of the international statistical community⁵. Given our involvement in the international statistical community and our premier role in the local statistical community, we

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² For the 54th ISI Session held in Berlin, a total of seven satellite meetings were arranged before or after the main Session. Four of them were held in nearby countries including Greece, Spain, Poland and Estonia, while the remaining three were held in Germany. As for the 55th ISI Session held in Sydney, three satellite meetings were held in New Zealand, one was held in New Caledonia and two were held in Australia.

³ The 55th ISI Session held in Sydney in 2005 attracted about 2 200 participants. We expect that if an ISI Session is held in Hong Kong, it will attract at least similar number of participants.

⁴ The estimation is based on the expenditure per night per capita of overnight visitors in 2005 (which was \$1,274) compiled by the Hong Kong Tourism Board.

⁵ Hong Kong took the chair of the Committee on Statistics of the United Nations Economic and Social Commission for Asia and the Pacific during 1994-1998. Currently, several senior officers of the C&SD are sitting on various international statistical committees, making solid contributions to the setting of international statistical standards and development of statistical methods. Also, professional officers of the C&SD have been participating extensively in international statistical conferences and seminars.

are confident that we have the expertise and resources to sail the event through. We will also set up a dedicated team headed by a directorate officer from the C&SD (please see the details in paragraph 14 below) to oversee the planning and organisation of the whole event, including related operational and logistical arrangements. Balancing the benefits stated above against the estimated financial commitment shown in paragraph 15 below, we think it highly rewarding to host the ISI Session.

12. As the ISI is a non-intergovernmental organisation and participation in its activities is not limited to states, Hong Kong may make a bid to host the event on its own. The bid will be submitted in the name of the C&SD, which will assume the role as the main organiser of the event.

FINANCIAL IMPLICATIONS

13. The hosting city is responsible for planning and mounting the Session under the auspices of the ISI. The commitments include funding the event and securing commercial sponsorship, providing efficient logistical support to ensure the smooth conduct of event activities, providing professional inputs to the organisation of the Scientific Program in the Session, as well as arranging promotion and publicity activities of the event.

14. To make the event a successful one, we will establish a Secretariat for about two years (2011-2013) in the C&SD to work on the project. The Secretariat will be headed by an Assistant Commissioner for Census and Statistics (D2) who will be assisted by a deputy at the Senior Statistician rank (both to be redeployed within the C&SD), and supported by a small dedicated team of six professional and supporting staff. We envisage that around 70 temporary clerical staff will also be employed around the ten-day conference period to support the event.

15. At this preliminary stage and in the absence of any discussions with the ISI on the budget in detail, we broadly estimate, based on the experience of the previous ISI Sessions, that the expenditure for hosting the 59th ISI Session in Hong Kong will be around \$25 million, to be incurred from 2011-12 to 2013-14. After netting off the income expected from registration fees and sponsorship, the net expenditure for hosting the event is estimated to be around \$17 million, inclusive of staff costs arising from the additional manpower requirements mentioned in paragraph 14 above. A tentative breakdown of expenditure and income by main components is at the Enclosure.

Encl.

/16.

16. We wish to emphasise that the breakdown at the Enclosure is indicative only. In rough terms, the projected cash flow for the net non-recurrent expenditure of \$17 million is as follows –

Year	\$ million
2011-12	2.5
2012-13	5.0
2013-14	9.5
Total	<u>17.0</u>

We will be mindful of the need to ensure the best possible use of public resources throughout the planning and implementation stage.

17. In line with the agenda of the ISI, we will make a formal bid to host the 59th Session to the ISI by February 2007. If our bid is successful, we expect to receive an indication of initial support and the formal approval of hosting the event from the ISI Council in mid-2007 and 2009 respectively. We will then hold further discussions with the ISI on the host obligations and work out a more detailed budget. We will make a separate submission to the Finance Committee for approval of the actual financial commitment when the details are finalised, probably in 2009-10.

PUBLIC CONSULTATION

18. We consulted the Legislative Council Panel on Financial Affairs on 6 November 2006. Members generally supported Hong Kong making a formal bid to host the 59th ISI Session in 2013 and noted the likely range of financial commitment.

Indicative Financial Implications for Hosting the 59th ISI Session in 2013

Estimated Expenditure	\$ million
(a) Venue hire and set up, technology services and general organising costs <i>(We have to hire the conference venue for accommodating over 2 000 participants in a number of parallel sessions of meetings for about ten days. We also need to provide adequate computer and Internet facilities at the venue for use by the participants. Besides, we need to commission professional conference organiser(s) as appropriate to undertake some tasks on logistics of the event.)</i>	8.0
(b) Advertising, publicity and promotion <i>(We need to produce a promotional video, several information bulletins and the requisite conference documents, and to set up a website and arrange souvenirs.)</i>	4.5
(c) Social receptions <i>(We will organise a welcome reception, a farewell reception, a night tour and daily tea receptions for the participants. We will also organise a range of optional social programmes for the participants and the accompanying persons.)</i>	4.0
(d) Support rendered to ISI <i>(Based on the experience of the past ISI Sessions, the hosting city will provide financial subsidy regarding airfares, accommodation costs, etc. to ISI staff engaged in the event.)</i>	1.0
(e) Staff costs <i>(We will set up a Secretariat for about two years to work on the event.)</i>	4.5
<i>Sub-total</i>	22.0
(f) Contingency [around 14% of (a) to (e)]	3.0
Total Expenditure	25.0

/Estimated Income

Estimated Income	\$ million
(a) Registration fees <i>(Registration fees will be received from participants. The estimation is made with reference to the experience of the 55th ISI Session held in Sydney.)</i>	7.0
(b) Sponsorship <i>(We will solicit sponsorship from local commercial firms. The estimation is made with reference to the experience of the past ISI Sessions.)</i>	1.0
Total Income	8.0
Estimated Net Expenditure	17.0
