

For discussion on
9 November 2007

Legislative Council Panel on Home Affairs

**Support for the
Sports Federation & Olympic Committee of Hong Kong, China
to bid for the Hosting Right of the
2011 International Olympic Committee Session**

Purpose

The Sports Federation & Olympic Committee of Hong Kong, China (SF&OC) intends to bid for the right for Hong Kong to host the 2011 International Olympic Committee (IOC) Session. This paper informs Members that the Administration intends to seek the approval in principle of the Finance Committee of the financial implications to support SF&OC in hosting the 2011 IOC Session in Hong Kong.

Background

2. SF&OC, which is the spokesman of the sports industry in Hong Kong and recognised by IOC as the National Olympic Committee (NOC) of Hong Kong, approached the Home Affairs Bureau (HAB) on 3 August 2007 for government support to bid for the hosting right of the IOC Session scheduled for 2011 (the 2011 IOC Session) and to host the 2011 IOC Session if the bidding is successful.

IOC Session

3. IOC, as an international non-governmental organisation, is the supreme authority of the Olympic Movement and has the roles to promote top-level sport as well as sport for all in accordance with the Olympic Charter and to ensure the regular celebration of the Olympic Games. It consists of about 115 members who are dignitaries in their respective countries or territories such as the former government

ministers, royalties or heads of major corporations. By the Olympic Charter, these members are representatives of the IOC in their respective countries or territories.

4. An IOC Session, usually consists of 4 days of official sessions spreading over a period of 7 to 8 days, is held once a year. It is an occasion when IOC members meet to discuss issues relating to the development of the Olympic Movement, and where presidents of about 50 international sports federations will be invited to take part. Since IOC is a non-governmental organisation, it entrusts the hosting right of the IOC Sessions to its affiliated NOCs only, but requires that the governments of the respective NOCs should provide support to the hosting of IOC Sessions.

2011 IOC Session

5. At the 2005 IOC Session held in Singapore, the host city of 2012 Olympic Summer Games (i.e. London) was elected and announced, while at the 2007 IOC Session held in Guatemala, the host city 2014 Olympic Winter Games (i.e. Sochi) was elected and announced. Drawing reference to these recent IOC Sessions, it is very likely that the host city of the 2018 Olympic Winter Games will be elected and announced at the 2011 IOC Session. Since the Olympic Winter Games is the most prestigious competition event for winter sports among nations, competition for the hosting right of the Games has all along been very keen. Depending on how many and which cities are going to bid for the hosting right of the 2018 Olympic Winter Games, the 2011 IOC Session, as with many previous IOC Sessions, could attract a large pool of press and receive wide international media coverage.

6. Although IOC would not indicate the requirements regarding the organisation of a future IOC Session such as reception, transportation and hospitality etc. to individual NOC until the NOC (say SF&OC) has expressed interest in hosting a specific IOC Session, HAB has, with the assistance of the Hong Kong Economic and Trade Office in Singapore, obtained some relevant information regarding the organisation of the 2005 IOC Session held in Singapore. Specifically, the requirements in respect of the organisation and broadcasting facilities are similar to those large-scale international events such as ministerial conference of the World Trade Organisation (WTO). Besides, the Singapore Sports Council set up a dedicated team with about 100 full-time staff plus some 200 volunteers to work on the event. About 6,000 to 10,000 people including IOC members, VIPs of the event, delegations and

senior government officials from the bidding cities of the coming up Olympic Games and their retinues visited Singapore during the period of the 2005 IOC Session.

7. In compliance with IOC's circulation letter issued to its member NOCs on 10 August 2007, NOCs (including SF&OC), together with their city (e.g. Hong Kong) and country, would have to submit written expressions of interest in hosting the 2011 IOC Session by 29 November 2007 if they decide to make a formal bid for the concerned hosting right. It is expected that IOC Executive Committee will, in mid December 2007, pre-select certain NOCs which have expressed interest for submission of a formal bid document. If pre-selected, the relevant NOCs will be informed in late December 2007 and will then need to submit their bid documents to IOC by 28 February 2008. Depending on the number of bids received, IOC Executive Committee may further select a short list of finalists to present their bids and respond to questions at the IOC Session to be held in Beijing in August 2008. At the 2008 Beijing IOC Session, NOC and the respective city to host the 2011 IOC Session will be elected and announced.

Justifications

8. Drawing reference to the 2005 IOC Session and having regard to Hong Kong's experience in staging major international conferences, SF&OC together with Hong Kong are capable of hosting the 2011 IOC Session. Below are the key considerations:

- (a) Hong Kong has a long and successful history in hosting high-profile conferences and meetings that require not only extensive inter-departmental co-operation of the Government, but also significant economic, logistical and security arrangements;
- (b) Hong Kong has a liberal visa policy in which nationals of about 170 countries or territories do not require a visa to visit Hong Kong. For entry of participants who are visa required nationals, due facilitation can be accorded to their visa-applications. In particular, dedicated IOC lane(s) can be provided at our airport and courtesy arrangements/facilities can also be made available at all control points for IOC members/staff during the period of the IOC Session;

- (c) based on records, IOC Sessions do not normally attract controversy, nor do they have a history of public protestors or disorder. With the expertise developed in hosting the Sixth Ministerial Conference (MC6) of WTO (in 2005) and the International Telecommunication Union (ITU) TELECOM WORLD 2006 (in 2006) and the experience being gained from staging the 2008 Olympic and Paralympic Equestrian Events as well as the 2009 East Asian Games, Hong Kong is fully capable of putting in place special security arrangements to ensure the 2011 IOC Session will be conducted in a safe and secure environment;
- (d) Hong Kong has world-class facilities for holding international conferences. The Hong Kong Convention and Exhibition Centre and the Asia World-Expo are both possible venues to meet the IOC requirements for organising the 2011 IOC Session;
- (e) Hong Kong has a number of luxurious hotels in convenient locations. If Hong Kong is to host the 2011 IOC Session, VIPs and guests can be offered first-class accommodation at close proximity to the conference venue. Hotel accommodation within walking distance to the press centre can also be arranged for the media; and
- (f) Hong Kong has adopted the most advanced technology in communication. Efficient and timely dissemination of information and news to countries or territories outside Hong Kong is guaranteed.

9. Apart from having considered Hong Kong's capability to host the 2011 IOC Session, we are of the view that the hosting of an IOC Session (the most prestigious international sports conference) is in line with the Chief Executive's Policy Address in 2007-08 which stated that "*To meet intensified regional competition, we will enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital. The Government will work more closely with the convention and exhibition, tourism and hotel industries to improve our competitive edge by seeking to host more mega international events.*". Amongst other benefits, this will help:

- (a) raise Hong Kong's prestige and profile in the international sports arena;
- (b) further establish Hong Kong as Asia's World City with the dynamism and ability in organising world-class international events;
- (c) promote Hong Kong to the world through showcasing the latest infrastructure development in Hong Kong; and
- (d) benefit the local economy, particularly the tourist, hospitality and exhibition industries.

10. To host the 2011 IOC Session also fits well with the Government's strategy in sports development to promote sports in the community, to develop elite sports, and to make Hong Kong a major location for international sports events. In the next three years, Hong Kong will be actively participating in a series of mega-scale international sports events including the staging of the Olympic and Paralympic Equestrian Events in 2008, the hosting of the East Asian Games in 2009 and the participation in the Guangzhou Asian Games in 2010. If the 2011 IOC Session is held in Hong Kong, this will keep Hong Kong under the spotlight of the international sports arena, strengthen Hong Kong's status as a major sports event capital in Asia, and help develop a strong sporting culture in Hong Kong. We are given to understand that the sports sector is very supportive of SF&OC's bidding for the hosting right of the 2011 IOC Session.

Financial Implications

11. Based on past experience, an IOC Session would attract about 10,000 overseas visitors to the host city. If the 2011 IOC Session is to be held in Hong Kong, the total anticipated spending of these overseas visitors would be around \$80 million to \$110 million¹ in broad terms.

12. IOC has stipulated requirements for the hosting NOC (city) of the 2011 IOC Session to deliver a series of obligations at its cost. As mentioned in paragraph 6

¹ Estimated based on the Hong Kong Tourism Board's figures on average per capita spending of overnight visitors in 2006.

above, IOC has not yet indicated to SF&OC the detailed requirements regarding the organisation of the 2011 IOC Session. Hence, at this stage, we cannot ascertain the funding requirement for hosting the 2011 IOC Session. For reference only, the budget for hosting MC6 of WTO was \$256 million and that for hosting ITU TELECOM WORLD 2006 was \$93 million. If the 2011 IOC Session is to be held in Hong Kong, the key expenditure items will include:

- (a) rental of the conference venue, meeting rooms, central information centre, etc.;
- (b) staff cost of a temporary secretariat to be set up in late 2008 to liaise with IOC, plan and organise the 2011 IOC Session;
- (c) establishment and administrative costs of the temporary secretariat including office rental, general administrative expenses, office inventory, engagement of legal and auditing services, etc.;
- (d) costs of setting up a central press centre (e.g. hiring or procurement of audio-visual and information technology equipment, procurement of software for computers, installation of tele-communication system, fax machines, photocopying machines, etc.);
- (e) spending on conferences services support including publicity, host broadcasting, simultaneous interpretation of six official and working languages of IOC (i.e. French, English, Spanish, Russian, German and Arabic);
- (f) spending on security and related support services for IOC members, VIPs and guests to the 2011 IOC Session; and
- (g) spending on hospitality (e.g. hotel accommodation, catering, transportation).

13. On the other hand, the expenditure for bidding the hosting right would be relatively insignificant as it is not necessary for SF&OC (and Hong Kong) to prepare an extravagant document or to stage any major publicity activities. As such, it is expected that SF&OC can seek and provide funding for the bidding exercise.

14. It should be highlighted that SF&OC is a non-profit making organisation which relies much on government subvention in the promotion and development of sports in Hong Kong. Given the substantial amount of funding required for hosting the 2011 IOC Session and the limited resources with SF&OC, SF&OC has requested full financial backing for its hosting of the 2011 IOC Session should it be elected the host NOC.

Next Steps

15. The next step for SF&OC to bid for the hosting right of the 2011 IOC Session is that SF&OC will have to express its interest in writing to IOC by 29 November 2007. In the likely event that SF&OC is pre-selected by IOC Executive Committee for submission of a bid document, we will seek the Finance Committee's approval in principle of the financial implications for SF&OC (and Hong Kong) to host the 2011 IOC Session in due course.

16. If SF&OC's bid is successful, it will enter into a bilateral contractual agreement with IOC probably before August 2009. In parallel, we will hold discussions with SF&OC on the obligations of the Government. As soon as we have collated all the necessary information, we will submit a more detailed budget to the Finance Committee for approval of funding to support SF&OC in hosting the 2011 IOC Session.

Advice Sought

17. Members are invited to give in-principle support for the Administration to support SF&OC in bidding and hosting the 2011 IOC Session.

Home Affairs Bureau
November 2007