

**For information**

**Legislative Council  
Panel on Financial Affairs**

**Hosting of the 59th World Statistics Congress of  
the International Statistical Institute in 2013**

**Purpose**

Pursuant to the approval by the Legislative Council Finance Committee (“FC”) in December 2006 of the estimated financial commitment for the Census and Statistics Department (“C&SD”) to bid to host the 59<sup>th</sup> World Statistics Congress (“WSC”) of the International Statistical Institute (“ISI”)<sup>1</sup> in Hong Kong in 2013 and the subsequent acceptance of our bid by ISI in June 2007, C&SD has updated the financial commitment for hosting the event. This paper briefs Members on the latest estimate before we seek approval from the FC.

**Background and Justifications**

2. The ISI is a prestigious international professional body on statistics with over 120 years of history. In 2006, the ISI decided to hold the biennial Session in a renowned Asian city in the 2010’s and invited Hong Kong to consider hosting the 59<sup>th</sup> WSC in 2013. We consulted this Panel on the proposal for Hong Kong to make a formal bid to host the event at its meeting on 6 November 2006 (vide LC paper No. CB(1)185/06-07(04)). Panel members generally supported the proposal. As a necessary step before C&SD submitted a bid to the ISI, we sought approval in principle from the FC on 15 December 2006 of the estimated financial commitment for hosting the event, which was 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). Having considered the potential benefits to be gained from hosting the event including increase in number of incoming visitors, and promotion of Hong Kong’s status as Asia’s world city as well as the capital for exhibitions and conventions, the FC approved the proposal. It was agreed then that if the bid was successful, the Administration would make a

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<sup>1</sup> Since 1887, the ISI has been holding biennial Session (to be formally renamed as World Statistics Congress starting from the coming Session to be held in Ireland in 2011) which is regarded as the Olympiad of the international statistical community. Statistically advanced economies such as Australia, Canada, UK, US and Netherlands have all hosted ISI Session before.

separate submission on the financial commitments for hosting the event to the FC for approval when the details were finalized.

3. Following ISI's acceptance of our bid in June 2007, C&SD has been making initial preparations for hosting the event and has commenced discussions with the ISI experts on various matters relating to the organization of the event having regard to the experience of the previous hosts.

4. Similar to the past arrangements, the 59<sup>th</sup> WSC, which is scheduled to be held between 25 and 30 August 2013, will include a Scientific Program involving more than 200 professional meetings and a Social Program comprising a number of hospitality functions and tours. A Trade Exhibition, covering a wide range of products and services related to the statistical profession, will also be held in conjunction with the 59<sup>th</sup> WSC.

5. As the host, C&SD will be responsible for planning and organising the 59<sup>th</sup> WSC under the auspices of the ISI. The work involved includes funding the event, providing efficient logistics support to ensure the smooth conduct of programme activities, providing professional inputs to the organization of the Scientific Program, as well as arranging promotion and publicity activities.

6. C&SD anticipates that some 2,800 participants<sup>2</sup>, comprising 2,700 incoming visitors and 100 local participants, would be joining the 59<sup>th</sup> WSC.

### **Financial Commitment**

7. Based on the latest information available, C&SD has estimated the total expenditure for hosting the 59<sup>th</sup> WSC to be around \$25.7 million (at the 2009 price level), which will be incurred from 2010-11 to 2013-14. After netting off an estimated revenue of \$10.5 million from registration fees, exhibition charges and commercial sponsorship, the net expenditure for hosting the event would be around \$15.2 million. This represents a reduction of \$1.8 million (or some 10%) from the previous broad estimate of net expenditure of around \$17 million. The resource requirement will be funded from the operating expenditure envelope of the Secretary for the Financial Services and the Treasury.

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<sup>2</sup> The estimate is similar to the turnout rates at recent ISI Sessions held.

8. The breakdown of the cost items for the 59<sup>th</sup> WSC is set out below

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(a) Venue, equipment and facilities

We have reserved venues at the Hong Kong Convention and Exhibition Centre (“HKCEC”) for the full duration of the event (viz. six days) for holding more than 200 professional meetings which will take place in a number of parallel sessions. A Trade Exhibition will also be organized at HKCEC. We will undertake minor fitting-out works and arrange equipment and furniture which are not readily provided by HKCEC to support the various functions.

The total rental and fitting-out costs are estimated to be around \$5.0 million.

(b) Information technology and communication services

The information technology (“IT”) and communication services to be provided for the 59<sup>th</sup> WSC will include (i) an event website to support on-line registration, and submission of papers and distribution of materials; (ii) a computer system to support back-end operations; (iii) Internet facilities for use by participants at the venue; and (iv) a system for virtual participation through webcasting by data streaming.

The total costs required for IT and communication services are estimated to be around \$1.5 million.

(c) Management and general organizing expenses

We will commission professional services to provide support in organizing the event, including registration of participants, venue and on-site management, exhibition management, organization of social functions, hotel and other logistics arrangements, etc.

Together with other miscellaneous organising expenses, the total costs of this item are estimated to be around \$2.9 million.

(d) Printing, publicity and promotion

We will publish information bulletins and conference

documents. We will also conduct a series of publicity and promotion activities to attract statistical practitioners from all over the world to participate in the 59<sup>th</sup> WSC.

The total costs of this item are estimated to be around \$3.0 million.

(e) Hospitality services

It is customary for the WSC host to organize social and hospitality programmes for the participants, including daily tea receptions, a welcome reception, a gala dinner and a dinner for VIPs. A range of optional social programmes will also be organized for the participants and their accompanying persons.

The total costs required are estimated to be around \$5.6 million, which will in principle be covered by the registration fees collected.

(f) Support rendered to the ISI

Following the practice of previous ISI Sessions, we will provide financial subsidy to the key ISI staff participating in the 59<sup>th</sup> WSC for the airfare, accommodation, etc. A certain percentage of income from registration fees will also be reserved for the ISI to promote statistical development in the region and in developing countries.

The total costs involved are estimated to be around \$1.1 million.

(g) Staff cost

A Secretariat will be set up in C&SD between mid-2011 and mid-2013 to work on the project. The Secretariat will be supported mainly by a dedicated team of seven Non-Civil Service Contract (“NCSC”) professional and administrative staff. Some 50 temporary clerical staff will be employed during the conference period to provide support for the event. The employment of NCSC staff is estimated to cost around \$4.3 million.

9. The breakdown of the revenue items for the 59<sup>th</sup> WSC is set out below -

(a) Registration fees

With the estimated participation of some 2,800 participants, the income to be collected from registration fees<sup>3</sup> is estimated to be around \$8.8 million.

(b) Exhibition charge

Exhibitors participating at the Trade Exhibition will be charged a fee (based on a cost recovery approach) for setting up their booths at the venue.

A total of some \$0.7 million is estimated to be collected from the exhibition charge.

(c) Sponsorship

In line with the practice of past ISI sessions, commercial sponsorship will be sought for social functions such as gala dinner. Based on the experience of previous hosts, we estimate that about \$1 million in commercial sponsorship can be secured.

10. A summary of estimated expenditure and income is tabulated as follows -

<b>Estimated expenditure</b>	<b>\$ million</b>
(a) Venue, equipment and facilities	5.0
(b) IT and communication services	1.5
(c) Management and general organizing expenses	2.9
(d) Printing, publicity and promotion	3.0
(e) Hospitality services	5.6
(f) Support rendered to the ISI	1.1
(g) Staff cost	4.3
<i>Sub-total</i>	23.4
Contingency (10%)	2.3
<b>Total expenditure</b>	<b>25.7</b>

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<sup>3</sup> The registration fee is tentatively set at €350 per person, which is in line with the range of fees charged at earlier ISI Sessions.

<b>Estimated income</b>		<b>\$ million</b>
(a)	Registration fees	8.8
(b)	Exhibition charge	0.7
(c)	Sponsorship	1.0
<b>Total income</b>		<b>10.5</b>

**Estimated net expenditure      15.2**

11. The projected cashflow from 2010-11 to 2013-14 is as follows -

<u>Year</u>	<u>\$ million</u>
2010-11	0.3
2011-12	5.7
2012-13	4.0
2013-14	5.2
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Total	15.2

12. C&SD will make every effort to ensure the best possible use of public resources throughout the planning and implementation stage.

### **Next Steps**

13. We plan to seek approval from the FC at its meeting on 30 April 2010 for the creation of a non-recurrent financial commitment of \$25.7 million (with net expenditure of around \$15.2 million) for funding the 59<sup>th</sup> WSC. Subject to approval from the Finance Committee, C&SD will proceed with the preparatory work for the 59<sup>th</sup> WSC.

**Census and Statistics Department/  
Financial Services and the Treasury Bureau  
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