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G4/58C By fax: 2121 0420

12 November 2008

Miss Polly Yeung Chief Council Secretary Legislative Council 8 Jackson Road Hong Kong

Dear Miss Yeung,

## Census and Statistics Ordinance (Cap.316) Census and Statistics (Quarterly Survey of Service Industries) (Amendment) Order 2008 (L.N.229)

I refer to your letter of 10 November 2008 requesting the Administration to provide, in relation to the captioned Amendment Order, information on the measures to rationalize the findings of future surveys in comparison with those collated in previous surveys; and to advise whether the findings are comparable, whether the introduction of new definitions such as that for "service industries" as proposed in the Amendment Order would have any adverse impact on the comparability of data collected under the current and new classifications, and whether the data computed under the current classifications could be retrieved after the amendments.

The Census and Statistics Department has provided the requested information in the attached note for Members' information.

Yours sincerely,

( Jenny Chan ) for Secretary for Financial Services and the Treasury

c.c. C for C&SD (Attn: Mr Y C Siu)

The main objective of introducing the Census and Statistics (Quarterly Survey of Service Industries) (Amendment) Order 2008 ("the Order") is to revise the scope of data collected for the purpose of the Quarterly Survey of Service Industries ("QSSI") to cover emerging service industries with growing economic significance in Hong Kong (e.g. academic tutoring services and body prettifying treatment activities) and industries not previously classified as service industries under the old classification.

- 2. At present, results of the QSSI are released in the form of business receipts indices of selected service industries/domains. Upon enactment of the Order, the Census and Statistics Department ("C&SD") will release, as from the reference period of first quarter of 2009, business receipts indices classified under the new classification. C&SD has already put in place a statistical procedure of "parallel coding", whereby the industrial activity of an establishment is classified according to both the old and new classifications concurrently, in processing the data collected in QSSI during the reference year of 2008. Aggregate statistical figures for earlier years will be recompiled in accordance with the new classification by making use of data with dual classifications. This statistical arrangement ensures comparability of business receipts indices of most of the service industries/domains across different periods for analytical purposes despite the change in classification. For a few service industries for which historical data are not available in the old classification, their business receipts indices will be available only under the new classification as from the reference year of 2009.
- 3. Generally speaking, as the new classification entails a more refined breakdown of industries than the old classification, statistics compiled under the new classification based on data collected in future rounds of QSSI may normally be convertible to those under the old classification as and when required.