

Head 26 — CENSUS AND STATISTICS DEPARTMENT

Controlling officer: the Commissioner for Census and Statistics will account for expenditure under this Head.

Estimate 2004–05 **\$503.3m**

Establishment ceiling 2004–05 (notional annual mid-point salary value) representing an estimated 1 376 non-directorate posts as at 31 March 2004 reducing by 97 posts to 1 279 posts as at 31 March 2005..... **\$355.2m**

In addition there will be an estimated seven directorate posts as at 31 March 2004 and as at 31 March 2005.

Controlling Officer's Report

Programmes

Programme (1)a	Trade Statistics	This programme contributes to Policy Area 6: Commerce and Industry (Secretary for Commerce, Industry and Technology).
Programme (1)b	Trade Statistics	These programmes contribute to Policy Area 27: Intra-Governmental Services (Secretary for Financial Services and the Treasury).
Programme (2)	Social Statistics	
Programme (3)	National Accounts and Balance of Payments Statistics	
Programme (4)	General Statistical Services	
Programme (5)	Price/Industry/Service Statistics	
Programme (6)	Labour Statistics	

Detail

Programme (1): Trade Statistics

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
1(a) Financial provision (\$m)	121.4	135.2	130.4 (–3.6%)	124.8 (–4.3%)
1(b) Financial provision (\$m)	34.8	38.2	36.0 (–5.8%)	32.7 (–9.2%)
Total	156.2	173.4	166.4 (–4.0%)	157.5 (–5.3%)

(or –9.2% on
2003–04 Original)

Aim

2 The aim is to process trade declarations and cargo manifests, to safeguard the Government's revenue from import and export declaration charges and to produce and analyse trade statistics.

Brief Description

3 The work involves:

- processing trade declarations submitted by importers/exporters and cargo manifests submitted by carriers;
- matching trade declarations and cargo manifests to ensure full collection of import and export declaration charges;
- designing commodity classification systems and compiling trade statistics;
- conducting monthly surveys on trade related to outward processing in the Mainland;
- conducting surveys on re-export trade for estimating the rates of re-export margin;
- collecting data for adjusting import statistics to a free-on-board basis to facilitate compilation of national income and balance of payments statistics and international comparison of trade data; and
- compiling port cargo statistics and container statistics.

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4 All performance targets were achieved in 2003.

5 The key performance measures are:

Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
provision of statistics requiring simple action.....	1 working day	0.2	0.2	0.2
provision of photocopies or softcopies containing detailed information upon receipt of a firm order	3 working days	2	2	2
assistance in completion of trade declarations or cargo manifests				
simple enquiries by telephone or personal visit	6 minutes	4	4	4
complex enquiries by telephone or personal visit	2 working days	1	1	1
written enquiries	3 working days	1	1	1
time after reference period for release of monthly trade statistics.....	4 weeks	4	4	4

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
trade declarations checked (m).....	16.5	17.2	17.9
cargo manifests processed (m)	7.8	7.8	8.1
statistical reports/publications produced	9	9	9
surveys conducted	3	3	3

Matters Requiring Special Attention in 2004–05

6 Following the launch of the electronic cargo manifests system (except road mode) in 2003, the department will, in collaboration with relevant government bureau/departments, help formulate the time schedule of phasing out submission in paper form, develop the computer system for the Government's back-end processing of manifests, and explore appropriate methods of submitting electronic manifests for the road mode.

7 With the introduction of an additional service provider for the Government Electronic Trading Service as from 2004, the department will help closely monitor the adequacy and quality of services available to users of electronic submission service for trade declarations and cargo manifests.

Programme (2): Social Statistics

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	68.2	43.5	46.3 (+6.4%)	55.6 (+20.1%)

(or +27.8% on
2003–04 Original)

Aim

8 The aim is to produce and analyse demographic, labour force and social statistics and to maintain a register of quarters as a sampling frame for conducting household surveys.

Brief Description

9 The work involves:

- conducting population censuses/by-censuses at five-yearly intervals;
- compiling vital statistics and population statistics and making population projections;
- conducting a continuous General Household Survey (GHS) with a core part to collect data on the labour force, employment, unemployment and underemployment and a supplementary part to collect data on a variety of social topics;

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- organising a series of thematic household surveys to meet the statistical data requirements of bureaux and departments under a contracting-out mode; and
- maintaining an up-to-date register of quarters.

10 In 2003, all performance targets were achieved.

11 The key performance measures are:

Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
provision of statistics requiring simple action.....	1 working day	1	1	1
provision of photocopies or softcopies containing detailed information upon receipt of a firm order	5 working days	4	4	4
time after reference period or time-point for release of				
half-yearly population statistics	2 months	1.6	1.6	1.6
annual vital statistics	7.5 months	7.5	7.5	7.5
unemployment/underemployment statistics for three-month periods ..	18 days	18	18	18

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
quarters records updated.....	143 000	139 000	140 000
households enumerated	88 000#	88 000#	88 000#
statistical systems maintained/enhanced/developed	10	10	10
statistical reports/publications produced	33@	16	14
surveys conducted	2†	2†	2†

Excluding households enumerated in the thematic household surveys contracted out to private survey research firms.

@ Including three CD-ROM products. The larger number in 2002 is mainly due to the release of publications on the 2001 Population Census results.

† Including the thematic household surveys contracted out to private survey research firms.

Matters Requiring Special Attention in 2004–05

12 Planning for the 2006 Population By-census is under way. The 2006 Population By-census Office will be set up in October 2004 to plan and carry out the project.

13 Following the decentralisation of the fieldwork of the GHS among all field pools in the department in 2003, the department will further streamline the workflow and operational procedures in 2004 to enhance productivity.

Programme (3): National Accounts and Balance of Payments Statistics

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	86.8	91.3	85.7 (–6.1%)	79.3 (–7.5%)

(or –13.1% on
2003–04 Original)

Aim

14 The aim is to produce and analyse Gross Domestic Product (GDP), Gross National Product (GNP) and Balance of Payments (BoP) and related statistics in a timely and accurate manner; and to assist in the preparation of Government's forecasts of various economic aggregates.

Brief Description

15 The work involves:

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- compiling quarterly and annual GDP and GNP statistics based on international statistical standards recommended in “A System of National Accounts” of the United Nations;
- compiling quarterly and annual BoP and external debt statistics and annual statistics on international investment position in accordance with the standard stipulated in “The Fifth Edition of the Balance of Payments Manual” of the International Monetary Fund;
- conducting survey work for collecting data required for the compilation of annual external direct investment statistics and annual and quarterly GNP and BoP statistics; and
- performing econometric modeling related to the production of short term and medium term forecasts of economic aggregates.

16 In 2003, all performance targets were achieved.

17 The key performance measures are:

Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
provision of statistics requiring simple action.....	1 working day	0.4	0.4	0.4
time after reference period for release of quarterly GDP by expenditure component	2.5 months	2.0	2.0	2.0
annual GDP by expenditure component	2.5 months	2.0	2.0	2.0
quarterly GDP by economic activity..	3 months	2.9	2.9	3.0
annual GDP by economic activity.....	12 months	11	11	11
quarterly GNP	3 months	2.6	2.6	2.6
annual GNP	3 months	2.6	2.6	2.6
quarterly BoP statistics	3 months	2.9	3.0	3.0
annual BoP statistics	3 months	2.9	3.0	3.0
annual external direct investment statistics	15 months	12	12	12
annual statistics on international investment position.....	6 months	5.7	5.7	6.0
quarterly external debt statistics.....	3 months	2.9	3.0	3.0
annual external debt statistics	3 months	2.9	3.0	3.0

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
statistical reports/publications produced	5@	4	4
surveys conducted	1	1	1

@ Including an ad hoc report entitled “Special Report on Gross Domestic Product” that was published in August 2002.

Matters Requiring Special Attention in 2004–05

18 The department will continue to enhance the methodology and compilation framework in respect of national accounts and BoP statistics in line with latest international standards.

19 The department will participate in the 2004 round of the International Comparison Program (ICP) co-ordinated by the World Bank, which provides benchmark data to enable cross-economy comparison of GDP and per capita GDP, taking into account the differences in prices and hence the purchasing power in different economies.

Programme (4): General Statistical Services

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	23.4	25.5	24.6 (–3.5%)	23.8 (–3.3%)

(or –6.7% on
2003–04 Original)

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Aim

20 The aim is to provide statistical consultancy services and to maintain quality standards in statistical work.

Brief Description

21 The work involves:

- providing professional assistance to policy bureaux and other departments in statistical work and promoting statistical literacy and application of statistics in the community;
- co-ordinating statistical work to ensure data compatibility and maintain quality standards;
- publishing general digests of statistics;
- promoting and facilitating further improvement of statistical services under the department's e-government strategy, including continuous enhancement of the department's website and the online statistical bookstore;
- co-ordinating and providing technical support for all end-user computer systems; and
- co-ordinating and providing support in information technology (IT) management areas such as software asset management and IT security.

22 In 2003, statistical services provided to policy bureaux and departments were generally maintained.

23 The key performance measures are:

Target

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
provision of statistics requiring simple action.....	1 working day	1	1	1

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
projects of policy bureaux/other departments for which the department has provided assistance	16	14	14
statistical reports/publications produced	5	6	5

Matters Requiring Special Attention in 2004–05

24 The need for objective, up-to-date and quality statistical information to facilitate policy planning in the Government and understanding and discussion of public issues by the community continues to increase. To address this need, the department will continue to upgrade the quality of statistical services in respect of timeliness, relevance and user serviceability to ensure that the services are oriented to the needs of users. It will continue to give attention to co-ordinating statistical activities across government departments to ensure data compatibility and maintain quality standards.

25 In view of the ever-increasing use of statistics in the society, the department will continue to promote statistical literacy and application of statistics in the community to facilitate correct interpretation and proper use of statistical information.

26 In line with the global trend, the department will continue to use modern technologies in the collection of data and dissemination of statistical information to enhance efficiency. The contents and functionality of the department's website will be enhanced on a continuous basis so as to better serve users' needs. Efforts are also being made to encourage more data users to purchase statistical publications and survey respondents to submit survey questionnaires through electronic means.

27 The department has been making extensive collaboration with data agencies and information providers in the private sector in incorporating official statistics about Hong Kong in their information products and applications (including GIS(Geographic Information System)-mapping, economic and financial data products, etc.). It will make continuous effort in this direction to further promote the use of official statistics in the community by expanding the channels of data dissemination.

28 In line with the government-wide strategy to enhance IT security, the department has made efforts to raise the security requirement standards in computer systems and associated procedures, as well as awareness among users. An Independent Risk Assessment and Audit (IRA) exercise, conducted by external consultants, has been completed to identify security vulnerabilities of the existing IT infrastructure and selected major information systems, advise on the necessary improvement measures and validate the follow-up improvements made. An internal self-assessment exercise will be conducted in 2004 in respect of those systems not covered in the IRA exercise.

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29 To assess the long term potential of IT application in statistical work and formulate an information systems strategy plan, an Information Systems Strategy Study has been completed by external consultants. The study results in an overall long term IT strategy and a portfolio of IT projects for the next five years.

Programme (5): Price/Industry/Service Statistics

	2002-03 (Actual)	2003-04 (Original)	2003-04 (Revised)	2004-05 (Estimate)
Financial provision (\$m)	126.2	133.3	130.0 (-2.5%)	124.6 (-4.2%)
				(or -6.5% on 2003-04 Original)

Aim

30 The aim is to produce and analyse price, industry and service statistics.

Brief Description

31 The work involves:

- compiling consumer price indices (CPIs), index numbers relating to costs of labour and materials used in building and construction projects and import and export specification price indices on a monthly basis;
- conducting a household expenditure survey on a quinquennial basis to collect up-to-date information on household expenditure pattern for rebasing the CPIs;
- conducting a programme of annual economic surveys covering all major economic sectors to collect detailed structural data;
- conducting monthly and quarterly surveys to collect data for compiling short term indicators of the performance of selected economic sectors;
- conducting an annual survey to collect data on trade in services;
- conducting an annual survey of regional offices representing overseas companies in Hong Kong to collect both data and opinions;
- conducting an annual survey to collect data on IT usage and penetration in the business sector; and
- conducting an annual survey to collect data on research and development (R&D) and innovation activities in the business sector.

32 In 2003, the department:

- expedited the release of the results of the Quarterly Survey of Service Industries (and accordingly the Quarterly Business Receipts Indices for service industries), Quarterly Survey of Industrial Production and Quarterly Survey of Construction Output each by 0.3 month; and that of the Quarterly Survey of Restaurant Receipts and Purchases by 0.4 month;
- compiled and published for the first time labour productivity indices of selected major service industries, the manufacturing sector and the economy as a whole, taking into account person-hours worked;
- published producer price indices for more selected service industries;
- launched a Quarterly Business Tendency Survey, which closely followed the recommendations of the Organization for Economic Co-operation and Development, to replace the Half-yearly Business Prospect Survey starting from the first quarter of 2003;
- compiled and published more statistics on the operating characteristics of the IT and telecommunications sector; and
- published some newly available science and technology statistics (notably those on R&D and innovation activities) under a science and technology statistical framework.

33 In 2003, all performance targets were achieved.

34 The key performance measures are:

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Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
provision of statistics requiring simple action.....	1 working day	1	1	1
provision of photocopies or softcopies containing detailed information upon receipt of a firm order	4 working days	4	4	4
time after reference period for release of results of				
Monthly Survey of Retail Sales	1.2 months	1.2	1.2	1.2
Quarterly Survey of Industrial Production	2.9 months	2.9	2.6	2.6
Quarterly Survey of Restaurant Receipts and Purchases	1.9 months	1.9	1.5	1.5
Annual Survey of Industrial Production	12 months	11.7	11.6	11.6
Annual Survey of Wholesale, Retail and Import and Export Trades, Restaurants and Hotels	12 months	11.7	11.7	11.7
time after reference period for release of CPIs.....	24 days	22	22	22

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
establishments enumerated	290 000	270 000	242 000
households enumerated	—†	—†	1 650
price quotations collected.....	736 000	711 000#	636 000#
statistical reports/publications produced	24	22@	21@
surveys conducted	36	33	34

† The Household Expenditure Survey will not commence until October 2004.

The decrease is mainly due to the reduction in sample size for the Monthly Retail Price Survey (in 2003 and 2004) and the Monthly Import/Export Price Survey (in 2004).

@ The decrease is mainly due to the fact that no more Establishment Survey on Manpower Training and Job Skills Requirements was conducted in 2003 and the Monthly Survey of Orders-on-hands is to be discontinued in 2004.

Matters Requiring Special Attention in 2004–05

35 During 2004–05, the department will:

- conduct the Household Expenditure Survey (from October 2004 to September 2005) for updating the weights of the CPIs;
- collect detailed price data for various goods and services and provide them to the Asian Development Bank for the compilation of purchasing power parities in connection with the 2004 ICP;
- compile more science and technology statistics; and
- expedite the release of the Quarterly Business Tendency Survey results.

Programme (6): Labour Statistics

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	63.8	67.8	66.3 (–2.2%)	62.5 (–5.7%)
				(or –7.8% on 2003–04 Original)

Aim

36 The aim is to produce and analyse statistics on employment, vacancies, wage and manpower requirements and to maintain a central register of establishments as a sampling frame for conducting establishment surveys.

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Brief Description

37 The work involves:

- compiling employment, vacancies and wage statistics;
- compiling statistics on manpower requirements and training needs; and
- maintaining a Central Register of Establishments.

38 In 2003, all performance targets were achieved.

39 The key performance measures are:

Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
provision of statistics requiring simple action.....	1 working day	1	1	1
provision of photocopies or softcopies containing detailed information upon receipt of a firm order	5 working days	5	5	5
time after reference period for release of results of quarterly surveys.....	13 weeks	13	13	13

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
records of establishments updated.....	381 000	416 000@	416 000@
establishments enumerated.....	639 000	661 000	660 000
statistical reports/publications produced	8	9	8
surveys conducted	4	5	5

@ Including records updated on the basis of an annual computerised matching exercise between the records of the Central Register of Establishments and those of the Business Register obtained from the Inland Revenue Department.

Matters Requiring Special Attention in 2004–05

40 Further to the sampling re-design of the “Quarterly Survey of Employment and Vacancies” in 2003 which has shortened the updating cycle of the Central Register of Establishments from three years to two years, the department will also simplify the data requirements and streamline the data reporting process of the survey starting from 2004.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2002–03 (Actual) (\$m)	2003–04 (Original) (\$m)	2003–04 (Revised) (\$m)	2004–05 (Estimate) (\$m)
(1) Trade Statistics	156.2	173.4	166.4	157.5
(2) Social Statistics	68.2	43.5	46.3	55.6
(3) National Accounts and Balance of Payments Statistics.....	86.8	91.3	85.7	79.3
(4) General Statistical Services.....	23.4	25.5	24.6	23.8
(5) Price/Industry/Service Statistics	126.2	133.3	130.0	124.6
(6) Labour Statistics	63.8	67.8	66.3	62.5
	524.6	534.8	519.3 (-2.9%)	503.3 (-3.1%)
				(or -5.9% on 2003–04 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2004–05 is \$8.9 million (5.3%) lower than the revised estimate for 2003–04. This is mainly due to the deletion of 42 posts and effect of the 2004 and 2005 civil service pay cut, partly offset by the increased salary provision resulted from staff changes.

Programme (2)

Provision for 2004–05 is \$9.3 million (20.1%) higher than the revised estimate for 2003–04. This is mainly due to the net creation of 21 posts, provision for the preparation of the 2006 Population By-census and increased salary provision resulted from staff changes, partly offset by the effect of the 2004 and 2005 civil service pay cut.

Programme (3)

Provision for 2004–05 is \$6.4 million (7.5%) lower than the revised estimate for 2003–04. This is mainly due to the deletion of 23 posts and effect of the 2004 and 2005 civil service pay cut.

Programme (4)

Provision for 2004–05 is \$0.8 million (3.3%) lower than the revised estimate for 2003–04. This is mainly due to the deletion of two posts and effect of the 2004 and 2005 civil service pay cut, partly offset by the increased salary provision resulted from staff changes.

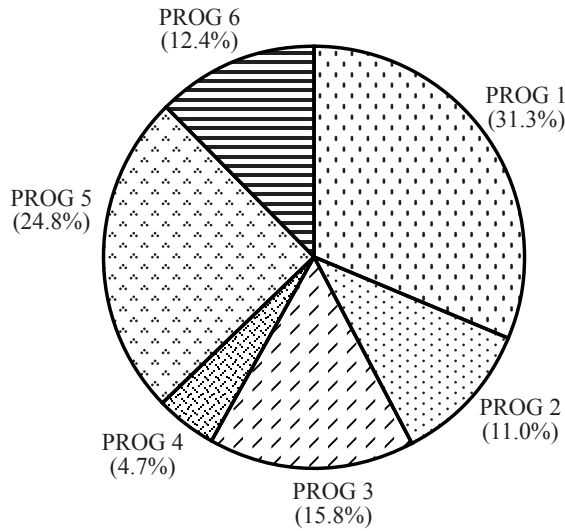
Programme (5)

Provision for 2004–05 is \$5.4 million (4.2%) lower than the revised estimate for 2003–04. This is mainly due to the deletion of 40 posts and effect of the 2004 and 2005 civil service pay cut, partly offset by the provision for the 2004–05 Household Expenditure Survey.

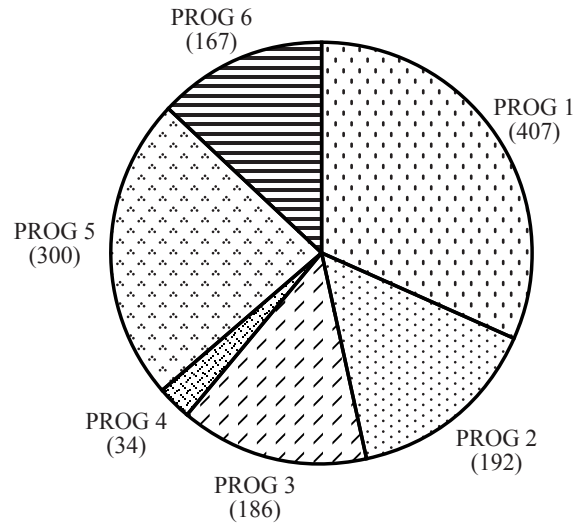
Programme (6)

Provision for 2004–05 is \$3.8 million (5.7%) lower than the revised estimate for 2003–04. This is mainly due to the deletion of 11 posts and effect of the 2004 and 2005 civil service pay cut.

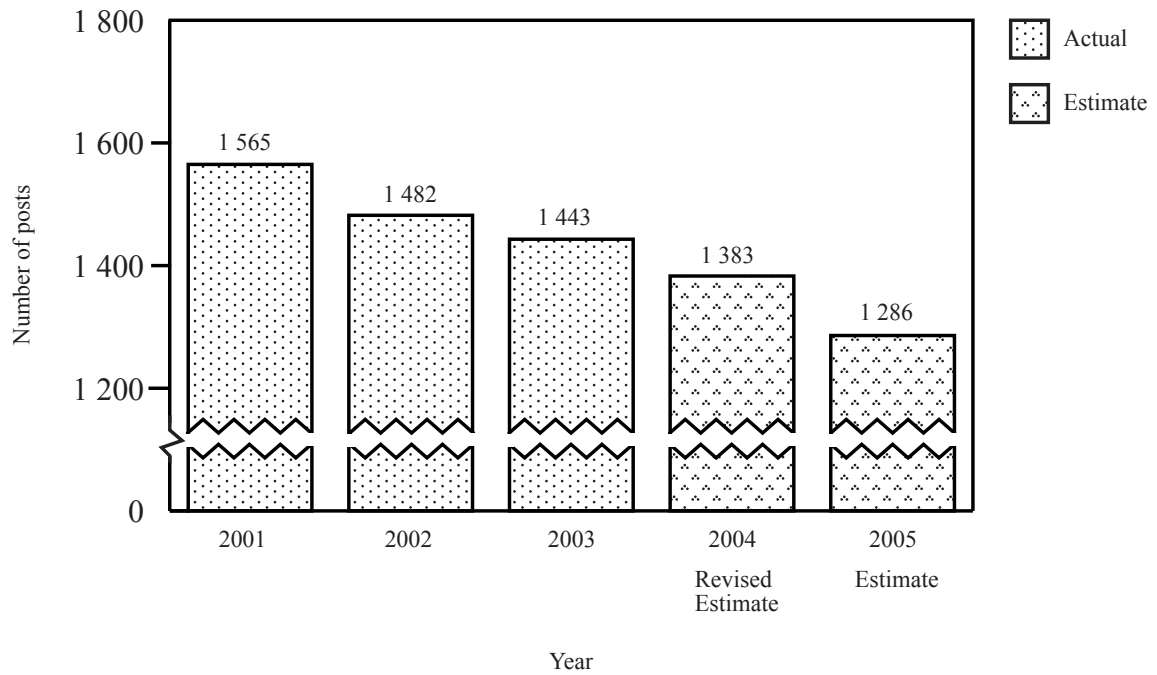
Allocation of provision to programmes (2004-05)



Staff by programme (as at 31 March 2005)



Changes in the size of the establishment (as at 31 March)



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Sub-head (Code)	Actual expenditure 2002-03	Approved estimate 2003-04	Revised estimate 2003-04	Estimate 2004-05	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses.....	523,925	534,041	518,900	503,196
	Total, Recurrent	<u>523,925</u>	<u>534,041</u>	<u>518,900</u>	<u>503,196</u>
Non-Recurrent					
	General non-recurrent.....	162	503	82	—
	Total, Non-Recurrent	<u>162</u>	<u>503</u>	<u>82</u>	<u>—</u>
	Total, Operating Account.....	<u>524,087</u>	<u>534,544</u>	<u>518,982</u>	<u>503,196</u>
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	553	298	298	110
	Total, Plant, Equipment and Works	<u>553</u>	<u>298</u>	<u>298</u>	<u>110</u>
	Total, Capital Account	<u>553</u>	<u>298</u>	<u>298</u>	<u>110</u>
	 Total Expenditure.....	 <u>524,640</u>	 <u>534,842</u>	 <u>519,280</u>	 <u>503,306</u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2004–05 for the salaries and expenses of the Census and Statistics Department is \$503,306,000. This represents a decrease of \$15,974,000 against the revised estimate for 2003–04 and of \$21,334,000 against actual expenditure in 2002–03.

Operating Account

Recurrent

2 Provision of \$503,196,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Census and Statistics Department.

3 The establishment as at 31 March 2004 will be 1 383 permanent posts. It is expected that a net 97 posts will be deleted in 2004–05. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2004–05, but the notional annual mid-point salary value of all such posts must not exceed \$355,211,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2002–03 (Actual) (\$'000)	2003–04 (Original) (\$'000)	2003–04 (Revised) (\$'000)	2004–05 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	469,165	474,404	464,050	444,385
- Allowances.....	6,008	7,557	5,116	3,034
- Job-related allowances.....	21	4	2	4
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	250	250	305
Departmental Expenses				
- General departmental expenses.....	48,497	51,592	49,248	55,234
Subventions				
- Statistical Institute for Asia and the Pacific.....	234	234	234	234
	523,925	534,041	518,900	503,196

Capital Account

Plant, Equipment and Works

5 Provision of \$110,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$188,000 (63.1%) against the revised estimate for 2003–04. This is mainly due to the reduced requirement for procurement of equipment.