



創新科技署

Innovation and Technology Commission

香港特別行政區政府  
The Government of the Hong Kong Special Administrative Region

Our ref. : ITC HKCTC/5-30/1-1 Pt 2

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27 December 2013

Ms Connie Szeto  
Clerk to the Establishment Subcommittee  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

Dear Ms Szeto,

**Establishment Subcommittee  
Follow-up to Meeting on 11 December 2013**

**EC(2013-14)11**

I refer to your letter of 12 December 2013 seeking supplementary information relevant to the proposal to create one permanent post of Administrative Officer Staff Grade C in the Innovation and Technology Commission, as discussed at the Subcommittee meeting on 11 December 2013.

At the meeting, Members sought additional information regarding the economic benefits of the testing and certification industry, services provided by the industry, and obligations under the World Trade Organization. Please see below our response to these requests following the order as presented in your letter.

**(a) The quantifiable economic benefits brought by Hong Kong's testing and certification industry, including the contribution of the industry to Hong Kong's Gross Domestic Products**

According to the latest statistics from the Census and Statistics Department, the direct contribution of Hong Kong's testing and certification industry to our Gross Domestic Products was about HK\$5.4 billion in 2011, an increase of 5.6% from about HK\$5.1 billion in 2009. In terms of employment, the industry employed 13 110 persons in 2011, representing an increase of 3.4% when compared to 12 680 persons in 2009. In addition to its direct contribution, the industry also supports the manufacturing, export and

other service industries, and is thus an integral part of the overall supply chain. It ensures the safety of products consumed by the local community and provides assurance to overseas buyers on the quality and safety of products/services. There are however no readily available statistics to quantify these benefits.

**(b) Services provided by Hong Kong's testing and certification industry in respect of the local, Mainland and Asian markets**

The testing and certification industry is an industry where Hong Kong enjoys clear advantages. Over the years, the industry has established a good foundation, based on a robust accreditation system, high professional standards and an excellent reputation. Services provided by the industry in Hong Kong, Mainland and elsewhere are elaborated in ensuing paragraphs.

Local Market

The testing and certification industry plays an important role in the daily life of the Hong Kong community. For example, medical testing provides essential support to the medical sector in the diagnosis of illnesses. It is estimated that about half of the industry's business receipts for testing serving the local market are from medical testing. The industry also assists the community in assuring the quality and safety of different products and services. The industry offers services covering a wide spectrum of areas including, for example, food (e.g. food nutrition and composition testing), Chinese medicines (e.g. testing for contaminants), environmental (testing for volatile organic compounds in consumer products, inspection of indoor air quality), construction/building (concrete diagnosis and fire tests, welding inspection at construction sites), and electrical and electronic products (safety and product performance tests).

Furthermore, the industry provides system certification and product certification services. System certification services mainly include certification of quality management system to ISO 9001, environmental management system to ISO 14001, and others such as occupational health and safety management system, food safety management system to ISO 22000 etc. Regarding products, our testing and certification industry is capable of certifying specific products including construction materials/products, electrical/electronic products, food etc. in accordance with their

respective product certification scheme.

### External Markets

In support of Hong Kong's extensive trade with other economies, the local testing and certification industry has been providing a large amount of testing, inspection and certification services for products manufactured in Hong Kong and the Pearl River Delta Region. It is estimated that about 60% of the business of the industry is related to international trade.

Most of the demand is from the testing of products from the categories of textiles, clothing and footwear, toys and games, and electrical products. Other than regulatory requirements and standards specific to an economy, many of the testing and certification services are common to various regions for the same category of product. For Asian markets such as the Mainland, members of Association of Southeast Asian Nations and Japan, our testing and certification industry can provide services that meet their respective standards and regulatory requirements, and also client's specifications.

Take electrical and electronic products as an example, which was the top export to Asian markets in the first ten months of 2013, Hong Kong's laboratories can provide testing services in compliance with, for example, the China Compulsory Certification System and Singapore's SPRING Safety Approval. The services are mainly related to product safety. Our laboratories can also provide service on product performance testing such as electromagnetic compatibility, energy efficiency, acoustic tests and transit tests.

- (c) **Whether measure/benefits for Hong Kong included in the Mainland and Hong Kong Closer Economic Partnership Arrangement have to be extended to other members of the World Trade Organization ("WTO") in due course given that both HK and the Mainland are members of WTO.**

The World Trade Organization (WTO) allows its members, subject to fulfilment of some conditions, to enter into Preferential Trade Agreements (PTAs) through which it grants more favourable measures to the PTA Parties compared to other WTO members. Insofar as CEPA is concerned, it does not contain any provision for

extension of the benefits under it to other WTO members.

Yours sincerely,



(Ms Lynn Ho)

for Commissioner for Innovation and Technology

c.c. Deputy Secretary for Financial Services and the Treasury (Treasury) 1