



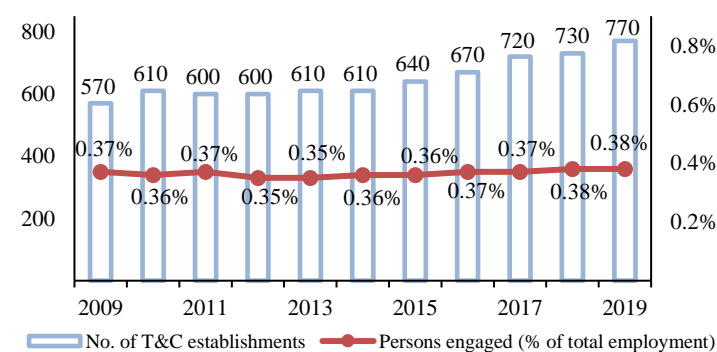
Testing and certification industry

Figure 1 – Contribution of the Six Industries to Gross Domestic Product⁽¹⁾

	2009	2012	2015	2018	2020
Cultural and creative industries	4.0%	4.9%	4.7%	4.8%	4.5%
Medical services	1.5%	1.5%	1.7%	1.8%	1.9%
Education services	1.0%	1.1%	1.2%	1.3%	1.4%
Innovation and technology	0.7%	0.6%	0.7%	0.8%	1.0%
Environmental industries	0.3%	0.3%	0.3%	0.4%	0.4%
Testing and certification	0.3%	0.3%	0.3%	0.3%	0.3%

Note: (1) Figures reflect the direct economic contribution of the private sector.

Figure 2 – Number⁽¹⁾ and employment of T&C establishments, 2009-2019⁽²⁾



Notes: (1) Figures are rounded to the nearest ten.

(2) Employment share was 0.41% in 2020, but T&C establishment number for 2020 is not available.

Figure 3 – Ratio of gross surplus⁽¹⁾ to business receipts of selected industries, 2016-2019

	2016	2017	2018	2019
Financing (except banking)	65%	65%	61%	55%
Testing and certification	30%	28%	26%	25%
Professional, scientific and technical activities	19%	19%	19%	18%
Import/export trade	8%	8%	8%	8%
Food services	7%	7%	7%	7%
Manufacturing	7%	7%	6%	6%
Retail trade	7%	7%	7%	6%

Note: (1) Gross surplus is compiled as business receipts less the sum of compensation of employees and operating expenses.

Highlights

- Testing and certification (“T&C”) industry mainly provides testing, inspection and/or certification services for an array of products/objects ranging from consumer products, food and other materials to medical samples. Quality assurance work provided by the T&C industry is not only essential to the day-to-day operation of many industries, but it is also part-and-parcel of global and regional supply chains. The T&C industry is one of the Six Industries identified by the Government back in 2009 as having good development potentials in Hong Kong. While the value added of the T&C industry increased markedly from HK\$5.1 billion to HK\$6.7 billion between 2009 and 2020, it consistently accounted for a mere 0.3% of total nominal Gross Domestic Product (“GDP”) throughout the period (**Figure 1**). In contrast, the other five industries have generally seen more discernable expansion in contribution to GDP (in terms of value added as a percentage share in GDP) during 2009-2020.

- Based on the latest available data, the number of private independent T&C establishments (“T&C establishments”) went up by 35% from 570 to 770 between 2009 and 2019, with the vast majority (95% in 2019) being small and medium-sized enterprises engaging less than 50 persons. There were 14 790 persons engaged in the T&C establishments in 2019, up by 17% from 2009. Employment growth in the T&C industry has been largely in pace with that of the overall labour market, thus maintaining a generally stable share in total employment throughout the period (**Figure 2**).

- According to the Hong Kong Council for Testing and Certification, an advisory body set up by the Government to promote industry development, one distinct characteristic of the T&C industry is its comparatively strong profitability. Based on the ratios of gross surplus to business receipts, which broadly measure the business profit situation, the T&C industry remained the second most profitable industry among the major selected industries (**Figure 3**), even though the ratio has been softening somewhat in recent years.

Testing and certification industry (cont'd)

Figure 4 – Business receipts of the T&C industry in 2019

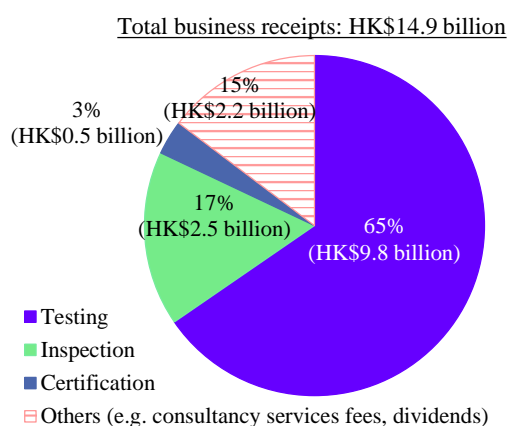


Figure 5 – Business receipts from testing services by product/services tested

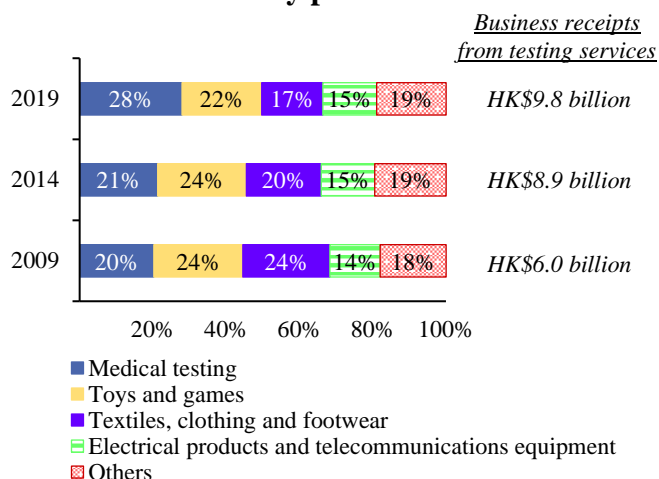
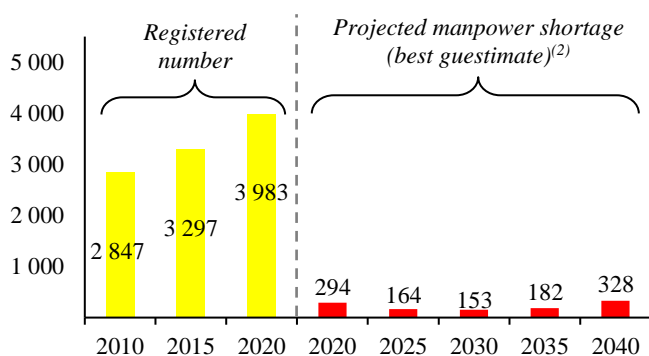


Figure 6 – Manpower of registered medical laboratory technologists⁽¹⁾



Notes: (1) Including both public and private sectors.
(2) The base year for projection was 2017 and the manpower shortage was projected in terms of full-time equivalents.

Highlights

- Among the various types of services, testing services (refer to the determination of characteristics of an object or a specimen according to a procedure) are the key activities of the industry. In 2019, business receipts of the segment reached HK\$9.8 billion and made up 65% of the T&C industry's total (**Figure 4**). Meanwhile, inspection and certification services accounted for 17% and 3% of overall business receipts respectively. The former services involve the examination of a product design and product, etc., whereas the latter is a third-party attestation related to products, processes, systems and persons.
- Between 2009 and 2019, testing services registered a 63% rise in business receipts from HK\$6.0 billion to HK\$9.8 billion. Medical testing has become the largest sub-segment in terms of share in business receipts from testing services since 2015 (at 25% that year versus no more than 20% for other major sub-segments), and its share has further increased to 28% in 2019 (**Figure 5**). The robust performance could be attributable to growing health consciousness of the public, population ageing and longer life expectancy. Conversely, the proportion of textiles, clothing and footwear testing shrank most noticeably from 24% to 17% over the same period.
- Medical testing of the T&C industry plays a vital role in diagnosis of illnesses. Its demand has been even greater amidst the COVID-19 pandemic. According to the Food and Health Bureau's commissioned-study on Healthcare Manpower Projection released in 2021, a shortage of industry professionals, namely medical laboratory technologists ("MLTs"), was anticipated in both short- and medium-term, especially if the COVID-19 pandemic and health consciousness among the general public would persist (**Figure 6**). MLTs are required to be registered under the Supplementary Medical Professions Ordinance (Cap. 359) before practising in Hong Kong. Between 2010 and 2020, the number of registered MLTs went up by 40% from 2 847 to 3 983. To address the manpower gap, the study recommended to further increase relevant University Grants Committee-funded training places in the coming triennium. Yet, the massive outbreak of the pandemic recently exposed an immediate and acute shortage in manpower, thereby drawing much public attention to manpower issues in the industry.

Data sources: Latest figures from Census and Statistics Department, Food and Health Bureau, Hong Kong Council for Testing and Certification, and Hong Kong Yearbook.

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