

立法會
Legislative Council

LC Paper No. CB(1)1893/10-11(08)

Ref. : CB1/PL/CI

Panel on Commerce and Industry

Meeting on 19 April 2011

**Updated background brief on promoting the development of
the testing and certification industry in Hong Kong**

Purpose

This paper provides background information on promoting the development of the testing and certification industry in Hong Kong, and summarizes previous discussions by Members on the subject matter.

Background

2. Testing and certification is one of the six economic areas with good potential identified by the Task Force on Economic Challenges (TFEC) for support and development. At its meeting on 22 June 2009, TFEC recommended the following measures:

- (a) a "Hong Kong Council for Testing and Certification" (HKCTC) should be established to enhance the professional standards and recognition of Hong Kong's industry in the international arena, and explore more business opportunities;
- (b) the Government should continue to provide more business opportunities for the private laboratories, for example, by increasing the outsourcing of food tests to complement new legislation, and encouraging the Chinese medicine trade to monitor the quality of Chinese medicine products by conducting basic tests on their products on a regular basis;
- (c) efforts should be made to promote Hong Kong's testing and certification services in the Mainland and overseas through the

Hong Kong Productivity Council, the Trade Development Council and the Government's Economic and Trade Offices;

- (d) the HKSAR Government should pursue discussions with the Mainland authorities through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) to seek their agreement to recognize the testing reports of Hong Kong-accredited laboratories; and
- (e) the Government should strengthen vocational training programmes for the industry.

3. In September 2009, the Government established the HKCTC to drive the development of the industry, to raise its professional standards, and to enhance the recognition of the industry in the international arena by building up a brand name for Hong Kong's testing and certification services. The priority task of the HKCTC is to work with the industry to formulate a three-year market-driven development plan within six months for submission to the Chief Executive.

Previous discussions

4. The Panel on Commerce and Industry (the Panel) held three meetings to discuss the development of the testing and certification industry in Hong Kong on 17 November, 15 December 2009 and 20 April 2010 respectively. The Panel was also briefed on the proposal to create a supernumerary Administrative Officer Staff Grade C post at D2 level in the Innovation and Technology Commission, for a period of two years from 16 March 2010 to 15 March 2012, to provide support to the HKCTC in formulating and implementing a development plan for the testing and certification industry. Panel members generally supported the development of the testing and certification industry in Hong Kong.

5. Whilst some Panel members shared the industry's concern that HKCTC should in future refrain from competing with the private sector in the provision of direct services relating to testing and certification to avoid unfair competition. Some other members however opined that HKCTC should serve as a platform for the promotion of the local industry without competing with the private sector. The Administration assured members that HKCTC was mindful of its role and would not provide any direct testing and certification services to the market.

6. Some Panel members considered that the emerging trades, including the software sector of the information and communications technologies (ICT) trade, should not be neglected. They called on the Administration to spearhead the development of software certification and to develop the ICT related industries, including certification of software and IT professionals, cloud computing, information storage and security software. The Administration assured members that HKCTC would press ahead with its work in relation to these selected trades and the relevant emerging trades, including ICT, for close monitoring of developments.

7. Some Panel members suggested that the Administration should capitalize on its international status in testing and certification by expediting the development of the industry in Hong Kong and helping local enterprises tap the Mainland domestic market in view of its strong demand for testing and certification service. Interim measures and the long-term plan for grooming of talent should also be formulated for the testing and certification industry. Consideration should be given to recruiting hi-end professionals from overseas to cope with the demand.

8. Some Panel members also opined that Hong Kong should leverage on its advantage as China's gateway to the world and strive for the recognition of the testing reports from Hong Kong's accredited laboratories by all the Mainland cities and municipalities. They also urged the Administration to ensure that the standards adopted in Hong Kong should be in line with internationally recognized ones to avoid controversies.

9. Some Panel members suggested that as the Administration was exploring the feasibility of developing the Lok Ma Chau Loop with higher education as the leading land use, complemented with hi-tech research and development (R&D) as well as cultural and creative industries, consideration should be given to providing more land in the border area for the construction of laboratories for the testing of food and medicine from the Mainland to leverage on the locational advantage.

Recent developments

10. At the Panel meeting on 15 February 2011, the Administration briefed members on the gist of the Hong Kong/Shenzhen Co-operation Meeting (the Meeting) held on 6 December 2010. Members noted that the Innovation and Technology Commission had entered into agreements with the Shenzhen Entry-Exit Inspection and Quarantine Bureau, and the Market Supervision Administration of Shenzhen Municipality respectively to enhance mutual

understanding of each other's systems and to strengthen exchanges and collaboration in testing and certification. The agreements would pave the way for Hong Kong's testing and certification industry to provide wider range of services for Shenzhen in future, facilitate trade between the two places and promote development of the testing and certification industry in the region.

11. In March 2011, the Administration updated the Panel on the latest progress of the work of the HKSAR in complementing the National 12th Five-Year Plan. Members noted that the "Outline of the Twelfth Five-Year Plan for the National Economic and Social Development of the People's Republic of China" (the National 12-5 Plan) was endorsed at the Fourth Session of the 11th National People's Congress and promulgated officially on 16 March 2011. An individual chapter was dedicated to the Hong Kong and Macao Special Administrative Regions (the Dedicated Chapter), whereby the deepening of co-operation between the Mainland and Hong Kong, as well as the functions and positioning of Hong Kong in the overall national development were elevated to the national strategic level.

12. Panel members noted that the Dedicated Chapter emphasized, among others, the Central Authorities' support for Hong Kong in nurturing emerging industries and developing the six industries (namely, medical services, environmental industries, testing and certification, education services, innovation and technology, and cultural and creative industries) where Hong Kong enjoyed clear advantages. The relevant statements would help the six industries extend the fields of co-operation and scope of service in the Mainland. Through interactive co-operation efforts, the development of the six industries could in turn help upgrade the country's industry structure, particularly the development of service industries.

Special meeting of the Finance Committee on 21 March 2011

13. At the special meeting of the Finance Committee to examine the Estimates of Expenditure 2011-2012 on 21 March 2011, Members raised questions on the promotion of testing and certification services. Members noted that HKCTC had set up a panel for each of the 4 selected trades, namely Chinese medicine, construction materials, food and jewellery, comprising members from the relevant trade, the testing and certification industry, academia, relevant Government departments and public bodies. These panels provided a co-operation platform for stakeholders to develop and promote new testing and certification services in the focus trades.

14. Members also noted that the Administration had taken steps to implement Supplement VII to the Mainland and Hong Kong Closer Economic Partnership Arrangement regarding access of Hong Kong's testing

and certification services to the Mainland market. Starting from 2011, testing organizations in Hong Kong could undertake product testing for the China Compulsory Certification System on a pilot basis for 4 types of products processed in Hong Kong (i.e. toys, circuit installations, information technology equipment and lighting apparatus). The Administration would assist the industry in implementing the pilot scheme.

Latest position

15. The Administration will brief the Panel on 19 April 2011 on the progress of work in promoting innovation and technology, including the latest development of testing and certification industry, and the plan for further work in the next 12 months.

Relevant papers

Information papers provided by the Administration for the Commerce and Industry Panel meeting on 17 November 2009

<http://www.legco.gov.hk/yr09-10/english/panels/ci/papers/ci1117cb1-341-6-e.pdf>

Background brief prepared by the Legislative Council Secretariat for the Commerce and Industry Panel meeting on 17 November 2009

<http://www.legco.gov.hk/yr09-10/english/panels/ci/papers/ci1117cb1-341-7-e.pdf>

Minutes of the Panel meeting on 17 November 2009

<http://www.legco.gov.hk/yr09-10/english/panels/ci/minutes/ci20091117.pdf>

Information papers provided by the Administration for the Commerce and Industry Panel meeting on 15 December 2009

<http://www.legco.gov.hk/yr09-10/english/panels/ci/papers/ci1215cb1-614-5-e.pdf>

Minutes of the Panel meeting on 15 December 2009

<http://www.legco.gov.hk/yr09-10/english/panels/ci/minutes/ci20091215.pdf>

Report of the Hong Kong Council for Testing and Certification

<http://www.legco.gov.hk/yr09-10/english/panels/ci/papers/ci0420cb1-1529-1-e.pdf>

Administration's paper for the Commerce and Industry Panel meeting on 20 April 2010

<http://www.legco.gov.hk/yr09-10/english/panels/ci/papers/ci0420cb1-1601-3-e.pdf>

Background brief prepared by the Legislative Council Secretariat for the Commerce and Industry Panel meeting on 20 April 2010

<http://www.legco.gov.hk/yr09-10/english/panels/ci/papers/ci0420cb1-1601-4-e.pdf>

Minutes of Commerce and Industry Panel meeting on 20 April 2010

<http://www.legco.gov.hk/yr09-10/english/panels/ci/minutes/ci20100420.pdf>

Administration's paper on the 2010 Hong Kong/Shenzhen Co-operation Meeting for the Commerce and Industry Panel meeting on 15 February 2011

<http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/cicb1-846-1-e.pdf>

Administration's replies to initial written questions raised by Finance Committee Members in examining the Estimates of Expenditure 2011-12: serial nos. CEDB(CT)047 and CEDB(CT)074

http://www.legco.gov.hk/yr10-11/english/fc/fc/w_q/cedb-ct-e.pdf

Administration's paper on the latest progress of the work of the Hong Kong Special Administrative Region in complementing the National 12th Five-Year Plan

<http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci1019cb1-1675-1-e.pdf>

Council Business Division 1
Legislative Council Secretariat
15 April 2011