立法會 Legislative Council

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Panel on Commerce and Industry

Meeting on 17 November 2015

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

Purpose

This paper provides background information on the development of the testing and certification industry in Hong Kong and the work of the Hong Kong Council for Testing and Certification ("HKCTC"). It also summarizes previous discussions by Members on the subject matter in the 2012-2013 and 2013-2014 sessions.

Background

2. In 2009, testing and certification was identified by the Task Force on Economic Challenges ("TFEC") as one of the six economic areas¹ where Hong Kong enjoys clear advantages and has good potential for further development.

- 3. Following the recommendation of TFEC, HKCTC was established in September 2009 to spearhead the development of the testing and certification industry and to advise the Government on the overall development strategy and initiatives for promoting the growth of the industry in Hong Kong.
- 4. In April 2010, the Government endorsed the three-year market-oriented development plan² formulated by HKCTC for developing Hong Kong into a testing and certification hub in the region by reinforcing

¹ The six economic areas are testing and certification, medical services, innovation and technology, cultural and creative industries, environmental industries and education services.

http://www.legco.gov.hk/yr09-10/english/panels/ci/papers/ci0420cb1-1529-1-e.pdf (LC Paper No. CB(1)1529/09-10(01))

the branding of "Tested in Hong Kong, Certified in Hong Kong". Since then, HKCTC has been working closely with the Innovation and Technology Commission ("ITC") to implement the development plan, targeting efforts at six specific trades, namely, Chinese medicines ("CM"), construction materials, food, jewellery, environmental protection and information and communications technologies where there were potential strong demands for testing and certification services. In March 2013, HKCTC submitted a Review Report³ to the Chief Executive after reviewing the progress of the implementation of the three-year industry development plan.

Previous discussions

- 5. The Panel on Commerce and Industry ("the Panel") was briefed on the Administration's efforts on promoting testing and certification of CM at its meeting on 18 December 2012. Panel members were updated on the implementation progress of the three-year market-oriented development plan for the testing and certification industry, the recommendations made by HKCTC in its Review Report to support the further development of the industry and the work progress of HKCTC at the Panel meetings on 16 April and 19 November 2013. Members supported the Administration's proposal to covert the supernumerary Administrative Officer Staff Grade C (D2) post, designated as Secretary-General (Testing and Certification), to the permanent establishment of ITC with effect from 1 April 2014 to provide long-term manpower support for the development of the Hong Kong's testing and certification industry. The proposal was recommended by the Establishment Subcommittee on 11 December 2013 and approved by the Finance Committee on 10 January 2014.
- 6. Major views and concerns expressed by Members in respect of the development of the testing and certification industry in Hong Kong during the relevant discussions are presented in the ensuing paragraphs.

Identifying trades with good development potentials

7. Members of the Panel generally supported the recommendations made by HKCTC in its Review Report to further promote the development of the testing and certification industry and the way forward in implementing these recommendations. The HKCTC was advised to closely monitor the market trend and assess the development potential of other trades for inclusion in its development plan. The Administration advised that the

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³ http://www.legco.gov.hk/yr12-13/english/panels/ci/papers/ci0416cb1-832-5-e.pdfLC (LC Paper No. CB(1)832/12-13(05)).

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selection of the six specific trades for focused effort was a consensus reached after wide consultation with stakeholders in the related industries having regard to the growth forecast of the respective trades. While keeping a close watch at the market trend to identify other trades with high potential demand for testing and certification services, HKCTC would also explore the possibility of winding up projects for existing selected trades.

Seeking wider recognition of Hong Kong's testing and certifications services in the Mainland

- 8. The Panel called upon the Administration and the Hong Kong Accreditation Service⁴ ("HKAS") to seek wider recognition of Hong Kong's testing and certification services in the international and regional arena, in particular, the Mainland. The HKCTC was also urged to capitalize on Hong Kong's advantages and seize the opportunities under the Mainland and Hong Kong Closer Economic Partnership Arrangement ("CEPA") to proactively secure further opening up of the Mainland market to Hong Kong's testing and certification industry, such as including the testing and certification services for textile products in the further liberalization measures under CEPA.
- 9. In light of the food safety concern in the Mainland, some Panel members advised the Administration to explore the possibility of extending Hong Kong's testing and certification services to food produced in the Mainland, using milk products as a trial item, and consider setting up designated retail outlets in the Mainland for sale of products certified by Hong Kong to help promote the Hong Kong brand and expand Hong Kong testing and certification services in the Mainland.
- 10. Some members of the ESC held the view that under CEPA, the scope of testing services for certification that could be taken by Hong Kong testing organizations should be expanded to cover areas of mandatory product certification, and Mainland manufactured products should be allowed to be tested and certified in Hong Kong for sale in the Mainland.
- 11. At the Council meeting of 18 December 2013, Hon CHAN Kin-por raised a written question on promoting the development of industries where Hong Kong enjoys clear advantages, of which included the testing and certification industry. He urged, among others, the Government to draw up specific measures to enhance cooperation between the relevant industries and their counterpart industries on the Mainland, especially in the Pearl River Delta Region, to help Hong Kong enterprises tap into the mainland market.

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⁴ Under the Innovation and Technology Commission, the Hong Kong Accreditation Service provided accreditation for laboratories, certification bodies and inspection bodies.

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The hyperlink of the relevant question and the Administration's reply is given in the **Appendix**.

<u>Develop a common standard of Chinese medicine testing between Hong Kong and the Mainland</u>

12. In view of the huge business opportunities in the Mainland for Hong Kong-made CM, some Panel members urged the Administration to explore with the Mainland authorities the feasibility of developing a common standard of CM testing and to seek acceptance of testing reports issued by HKAS-accredited laboratories for proprietary CM ("pCm") registration. The Administration advised that laboratories in Hong Kong had the capability of providing testing services for Chinese materia medica according to both the Hong Kong Chinese Materia Medica Standards developed by the Department of Health, and the Pharmacopoeia of the People's Republic of China adopted in the Mainland in authenticating Chinese materia medica. The Administration would discuss with the Mainland authorities through CEPA to seek acceptance of testing reports issued by the HKAS-accredited laboratories for pCm registration.

Promoting testing and certification services to the trades concerned

- 13. Some ESC members held the view that HKCTC should be more proactive in promoting testing and certification services to the jewellery trade given the huge tourists' spending on jewels in Hong Kong. These members considered that mandatory certification should be imposed for jewellery to enhance tourists' confidence in procuring jewels in Hong Kong, and suggested that the scope of testing and certification services should be extended to cover diamonds and other kinds of gems in addition to Fei Cui. The Administration advised that there were well-established and internationally recognized methods on the testing of diamonds while testing and certification services for Fei Cui was a niche area that Hong Kong enjoyed some advantages. It would be necessary for all stakeholders in the trade to reach a consensus before implementing any testing and certification schemes for the trade.
- 14. On the trade of information and communication technologies, some Panel members highlighted the need for a long-term plan for promoting the development of ISO 27001-based certification services for information security management. They called on the Administration to provide

⁵ The Hong Kong Chinese Materia Medica Standards which is developed by the Department of Health provides detailed references for testing laboratories in authenticating Chinese materia medica, and serves as a supplement to the Pharmacopoeia of the People's Republic of China adopted in the Mainland.

incentives for organizations to adopt the ISO 27001 certification or other certification initiatives developed by HKCTC and to further promote potential service users' awareness on the application and advantages of ISO 27001. The Administration advised that HKCTC would work with the Office of the Government Chief Information Officer to foster the development of ISO 27001 certification service.

15. In light of strong potential market demand, some Panel members suggested that the HKCTC should formulate a more coordinated strategy to promote software testing services in Hong Kong in collaboration with the Hong Kong Productivity Council ("HKPC") with reference to its cooperation with the Zhuhai Southern Software Testing Center in establishing a third-party professional software and network testing platform. The Administration advised that HKCTC had been keeping a close watch on the development potential of third-party software testing services in Hong Kong and would make reference to HKPC's experience when mapping out the relevant development plan.

Latest position

16. The Administration will brief the Panel on the latest development of the testing and certification industry in Hong Kong and the work of HKCTC at the meeting on 17 November 2015.

Relevant papers

17. A list of relevant papers is set out in the **Appendix**.

Council Business Division 1
<u>Legislative Council Secretariat</u>
11 November 2015

Appendix

List of relevant papers

| Date of meeting | Meeting | Paper |
|-----------------|--------------------------------------|---|
| 17/11/2009 | Panel on Commerce and Industry | Administration's paper on "Establishment of the Hong Kong Council for Testing and Certification and its Work Plan" (LC Paper No. CB(1)341/09-10(06)) Background brief on promoting the development of the testing and certification industry in Hong Kong (LC Paper No. CB(1)341/09-10(07)) Minutes of meeting (LC Paper No. CB(1)781/09-10) |
| 20/4/2010 | Panel on Commerce and Industry | |
| 17/5/2011 | Panel on Commerce and Industry | Administration's paper on "Progress Report of the Hong Kong Council for Testing and Certification" (LC Paper No. CB(1)2147/10-11(03)) Updated background brief on promoting the development of the testing and certification industry in Hong Kong (LC Paper No. CB(1)1893/10-11(08)) Minutes of meeting (LC Paper No. CB(1)2960/10-11) |

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| Date of meeting | Meeting | Paper |
|-----------------|--------------------------------------|--|
| 18/12/2012 | Panel on Commerce and Industry | Administration's paper on "Research and Development of Chinese Medicines" (LC Paper No. CB(1)299/12-13(03)) |
| | | Updated background brief on research and development of Chinese medicines (LC Paper No. CB(1)299/12-13(04)) |
| | | Minutes of meeting (LC Paper No. CB(1)532/12-13) |
| 16/4/2013 | Panel on Commerce and Industry | Administration's paper on "Review Report of the Hong Kong Council for Testing and Certification 2013" (LC Paper No. CB(1)832/12-13(05)) |
| | | Updated background brief on promoting the development of the testing and certification industry in Hong Kong (LC Paper No. CB(1)832/12-13(06)) |
| | | Minutes of meeting (LC Paper No. CB(1)1280/12-13) |
| 19/11/2013 | Panel on Commerce and Industry | Administration's paper on "Progress Report of the Hong Kong Council for Testing and Certification" (LC paper No. CB(1)290/13-14(05)) |
| | | Updated background brief on promoting the development of the testing and certification industry in Hong Kong (LC Paper No. CB(1)290/13-14(06)) |
| | | Minutes of meeting (LC Paper No. CB(1)747/13-14) |
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| Date of meeting | Meeting | Paper |
|----------------------------------|--------------------------------------|---|
| 11/12/2013 | Establishment Subcommittee | Administration's paper on the proposed creation of one permanent post of Administrative Officer Staff Grade C (D2) in the Innovation and Technology Commission designated as Secretary-General (Testing and Certification) (LC Paper No. EC(2013-14)11) Minutes of meeting (paragraphs 23-40) (LC Paper No. ESC26/13-14) |
| 18/12/2013 | Council | Question No. 12 on "Promoting the development of industries where Hong Kong enjoys clear advantages" raised by Hon CHAN Kin-por (Hansard) (Page 4737-4742) |
| 18/12/2014 (Date of paper) | Panel on Commerce and Industry | Administration's information paper on "The Mainland and Hong Kong Closer Economic Partnership Arrangement" (LC Paper No. CB(1)373/14-15(01)) |