

The Greater Bay Area

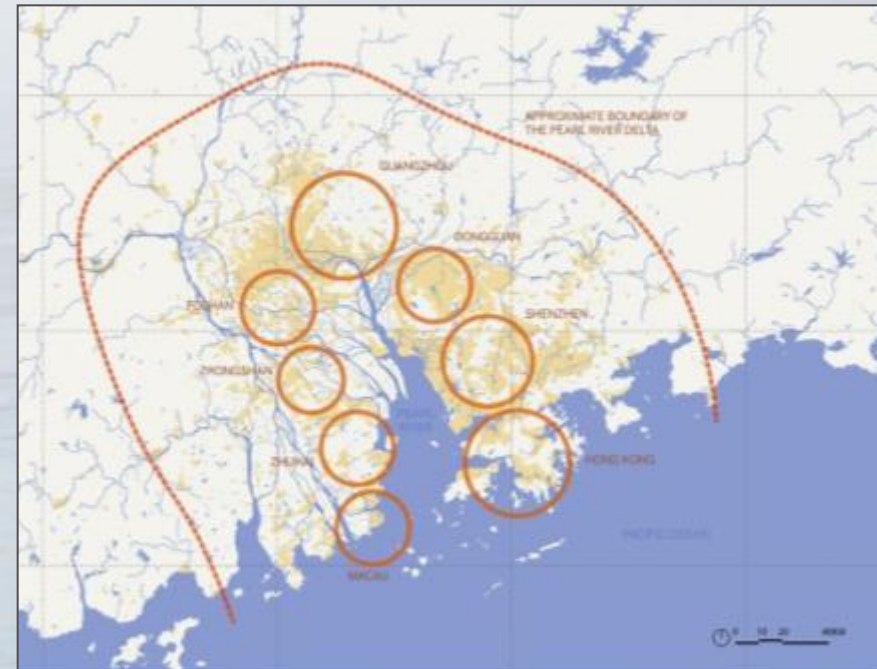
Thomas Chan,
One Belt One Road Research Institute,
Chu Hai College,
Hong Kong 2020

What is the Greater Bay Area?

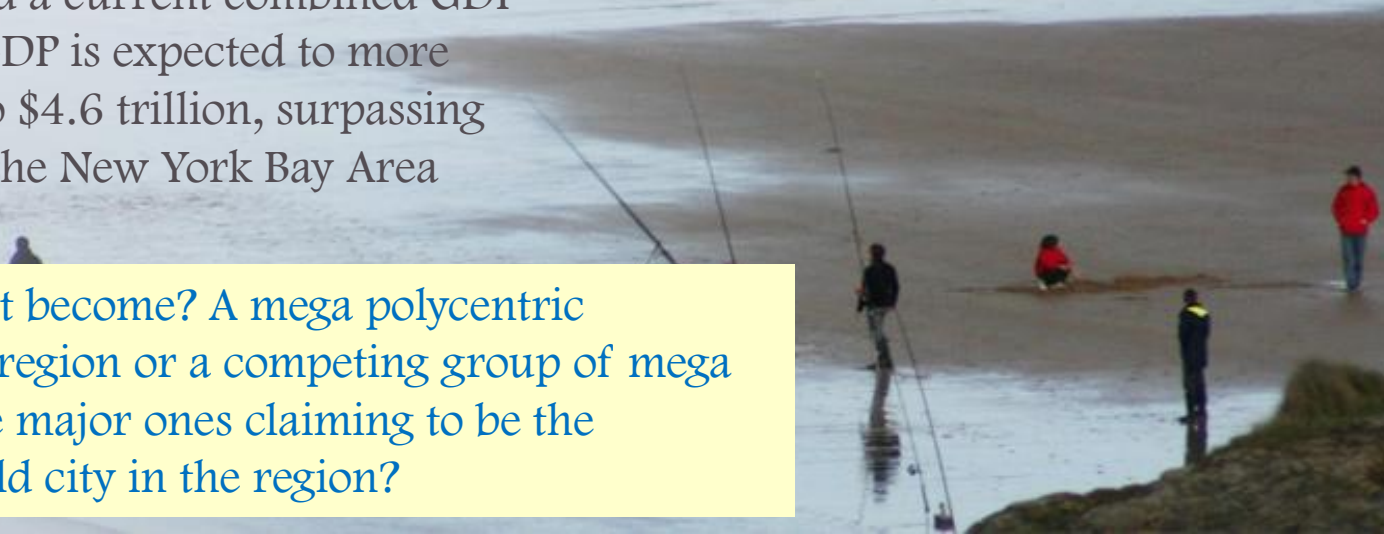
Greater Bay Area: a Rebranding of the Pearl River Delta? (May 23, 2018)

But rebranding of what?

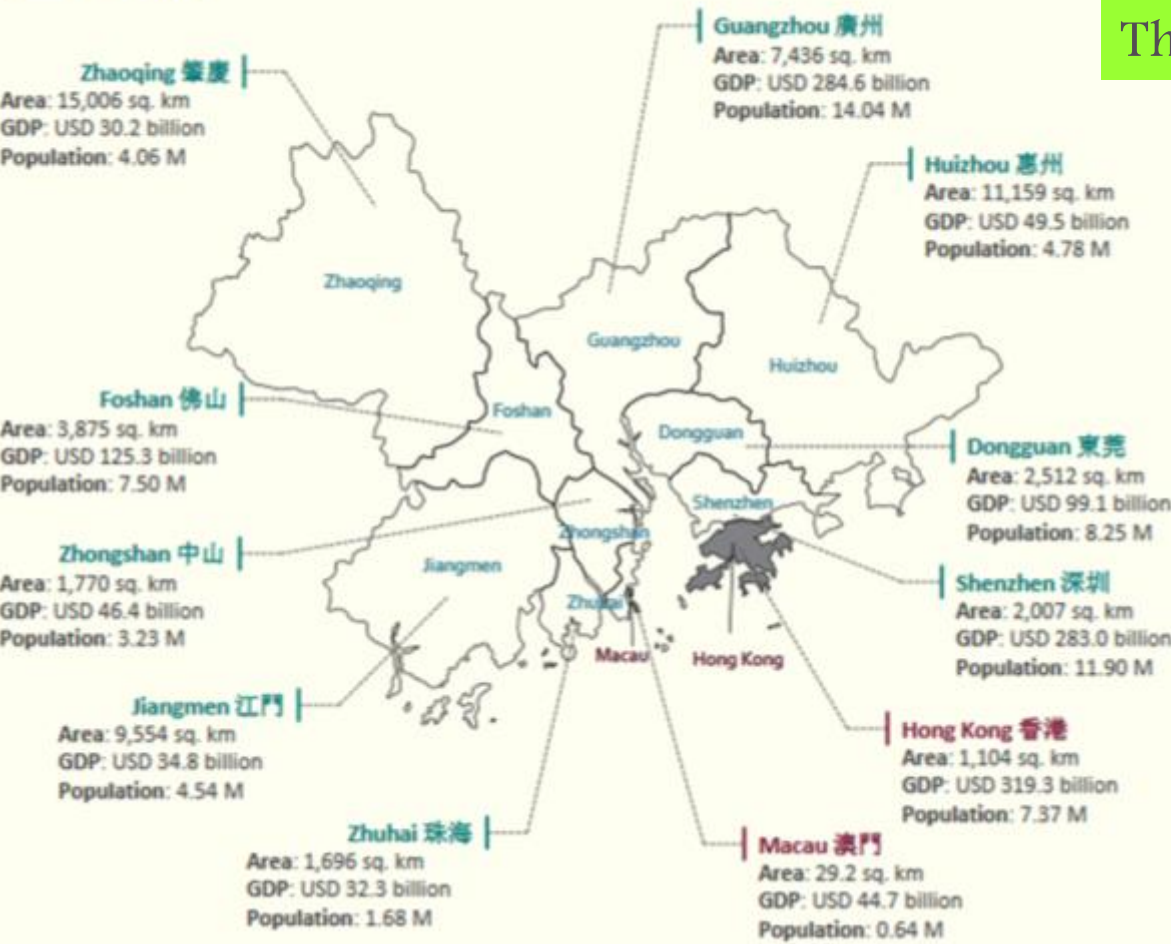
A perception of the GBA in <https://www.1421.consulting/2018/05/great-bay-area/> that sees mostly the administrative arrangement of the cities, but without the outlying 3 smaller cities of the PRD region. It is true as projected by the Mainland authorities that 'it is a potential market of over 68 million people, and a current combined GDP of \$1.34 trillion. Its GDP is expected to more than triple by 2030 to \$4.6 trillion, surpassing the economic size of the New York Bay Area (\$2.18 trillion).'



What would it become? A mega polycentric metropolitan region or a competing group of mega cities with the major ones claiming to be the exclusive world city in the region?



Cities in the Guangdong-Hong Kong-Macau (GDHKMC) Bay Area 粵港澳大灣區 (data of 2016)



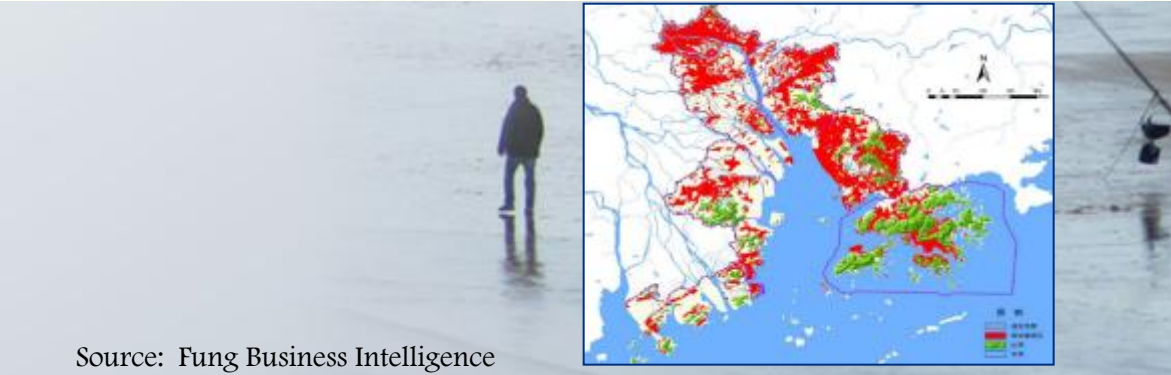
The scale of the Greater Bay Area

9 cities of PRD constitute World's 16th largest economy, at par with Mexico, bigger than Indonesia, Turkey & Saudi Arabia, with annual exports over US\$ 600 billion and trade surplus at 22.5% of regional GDP. In 2000 trade surplus equaled to FDI, and 10 times in 2015. Manufacturing occupies 40% of GDP with annual investment of 500 billion yuan or 10% of GDP. They are the 8th largest industrial economy in the world in 2008, 5th in 2016.

Hong Kong is world's 3rd largest international financial centre with the world's 7th largest reserves. Macao's per capital GDP is over US\$ 70,000 among the highest in the world.

GBA together has a current priced GDP at world's 12th largest, seconded to Canada and Korea, larger than Russia, Australia & Spain.

More dynamic than Silicon Valley and Tokyo Bay with stronger manufacturing capabilities, larger local market and high R&D/GDP ratio (Shenzhen at over 4% at par with world leaders of Israel & Korea)



	Total Investment in Fixed Assets		Total Retail Sales of Consumer Goods			
	Pearl River Delta		Pearl River Delta		Hong Kong	
	(RMB)(100 million)	%	(RMB)(100 million)	%	(HK\$ 100 million)	%
2019		12	33,237.60	17	4,311.60	~11.1
2018		11	28,446.24	8	4,851.69	8.7
2017	25,463.53	14	26,282.98	8	4,461.36	2.2
2016	22,321.23	11	24,261.60	10	4,366.23	-8.1
2015	20,048.68	14	22,009.63	10	4,751.46	~3.7
2014	17,542.28	9	20,030.73	8	4,932.36	-0.2
2013	16,030.78	15	18,630.60	11	4,944.51	11.0
2012	13,974.24	13	16,799.41	11	4,454.98	9.8
2011	12,366.76	9	15,119.12	22	4,057/32	24.9
2010	11,355.80	18	12,415.01	15	3,249.66	18.3

The GBA is growing but increasingly it has been led by Shenzhen and Guangzhou with Hong Kong lagging behind.



Greater Bay Area Regional Cooperation Framework Agreement ~ Building on existing strength

Targets:

- Strengthen **Guangdong** as the leading reform and open door policy region and important engine of growth of the nation, and as the bases for science and technology, industrial innovation, advanced manufacturing industry and modern services;
- Consolidate and upgrade the 3 major centre functions of **Hong Kong** in international finance, shipping and trade, strengthen its function as the hub for global offshore business of Renminbi and international wealth management, promote professional services and innovation and science and technology business, and build up the local international law & arbitration service centre for the Asia Pacific region;
- Develop **Macau** as a world tourism and entertainment centre, build up the platform for commerce and trade cooperation services between China and Portuguese speaking countries, construct a exchange and cooperation base for diverse cultures but with the Chinese culture as the core, and promote a diversified sustainable development of the Macau economy;
- Develop the GBA into a dynamic economic zone, a quality life region good for living, business and tourism, and a demonstration area for deep cooperation between the Mainland and Hong Kong and Macau, and jointly to transform the GBA into a world class bay area and cluster of world class cities

---國家發展和改革委員會，廣東省，香港，澳門，深化粵港澳合作 推進大灣區建設框架協議 (2017年7月1日)

Focuses: Innovation & connectivity

1. Develop interconnection of infrastructures, improve Mainland and Hong Kong & Macau transport linkages, use Hong Kong's advantages as world shipping centre, to build up a world class clusters of ports and airports in the region;

2. Increase regional market integration and implement the CEPA series of agreements;
3. Use global resources to build up international technology and innovation centre with a internationalized and open regional innovation system;
4. Leverage on dissimilar industrial advantages of the cities to establish a coordinated modern industrial system;
5. Jointly build a quality life region for living, business and tourism, with emphases on internationalized education and to develop into a green low carbon bay area;
- 6 To become an important support area for the Belt and Road construction by means of infrastructure connectivity and exchanges and cooperation in trade and commerce, finance, ecological protection and culture with Belt and Road countries;
7. Support the development of major cooperation platform, e.g. 深圳前海、廣州南沙、珠海橫琴港深創新及科技園、江門大廣海灣經濟區、中山粵澳全面合作示範區, etc.



Outline of the development planning of the GBA

(> 2022, > 2035)

Challenges

- great intra-region development gaps, inadequate coordination and inclusiveness, and cases of inter-city vicious competition & resource mismatch
- Hong Kong economy lacks sustainable strong supports
- Macau economic structure too narrow with limited development resources
- market system of the PRD cities needs improvements
- Bottlenecks in regional development space, increasing resources constraints, deteriorating ecological pressures, and weakening demographic bonus

Strategic positioning

- dynamic world class city cluster
- International science, technology & innovation centre with global impact
- important support for Belt & Road construction
- demonstration of Mainland and Hong Kong & Macau cooperation
- quality life region

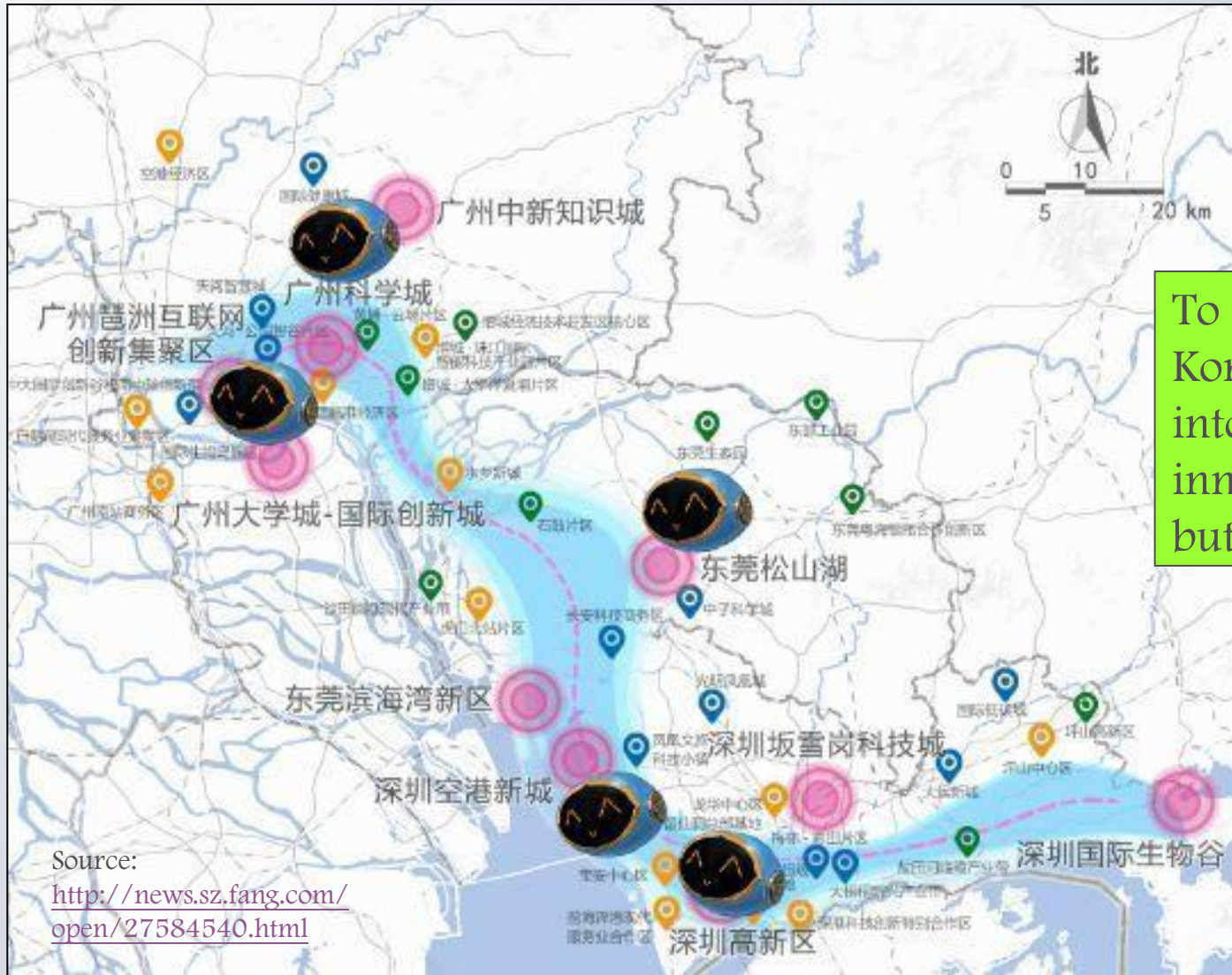


Networked spatial development strategy

- Growth pole led – Hong Kong-Shenzhen, Guangzhou-Foshan, Macau-Zhuhai as major growth poles to lead GBA to deep cooperation with the world;
- Axis supported – By means of the rapid transport network of high speed railways, inter-city railways and highways and clusters of ports and airports in the region to develop regional economic development axial zones (with new railway and road projects to connect the eastern and western part of the PRD)



From Guangzhou-Shenzhen science, technology & innovation corridor to Guangzhou-Shenzhen-Hong Kong Macau science, technology & innovation corridor



To integrate Hong Kong and Macau into the national innovation system, but *how?*

Source:
<http://news.sz.fang.com/open/27584540.html>



Targets

1. short-term (2020): science, technology & industrial innovation leading the nation,
2. medium-term (2030): with international impact &
3. long-term (2050) – first class world centre

第一步 到2020年科技产业创新能力领先全国。

主要创新指标都要达到或超过创新型国家（地区）水平！
全社会研发投入在GDP占比超过 **3.5%**；
科技进步贡献率提高到 **62%** 以上
高技术制造业增加值占规模以上工业增加值的比重超过 **45%**
万人发明专利拥有量达到 **55** 件

第二步

到2030年建成具有国际影响力的科技产业创新中心。

打造中国“硅谷”，成为与美国硅谷、波士顿地区相媲美的全球创新高地，
全社会研发投入在GDP占比超过 **4%**，
科技进步贡献率不低于 **65%**，
高技术制造业增加值占规模以上工业增加值的比重超过 **60%**，
万人发明专利拥有量达到 **85** 件，



第三步

到2050年建成国际一流的科技产业创新中心。

全面建成具有全球影响力的科技创新走廊，成为世界主要科学中心和创新高地，科技创新能力达到世界领先水平，强有力支撑我省领先全球创新型地区，推动粤港澳大湾区建设成为全球领先的科技创新中心，为我国建设世界科技强国提供强劲支撑，营造最具魅力的全球顶尖创新人才向往的人居环境。

Interaction, integration and Innovation of Guangzhou, Dongguan & Shenzhen

Dual engines

Guangzhou as national hub of innovation with international impact;
Shenzhen as frontier region for science, technology & innovation with international competitiveness;
Dongguan as advanced manufacturing base & and Southern China technology transfer centre.

广深科技创新走廊是一条连接了广州、深圳、东莞，长度约 180 多公里的经济带。在 11836 平方公里内构建“一廊十核多节点”的空间格局。



To develop internationally competitive modern industrial system

- Priority development of advanced manufacturing industries – deep integration of internet, big data, AI with industries to promote upgrading and structural transformation of local manufacturing industries with focus on robotics, key components & parts, precision processing for smart manufacturing equipment and products;
- Strengthening of strategic emergent industries – new generation of information technology, biotechnology, advanced equipment & new materials, major industrial projects (new display, new telecommunications technology, 5 G & mobile Internet, protein type biomedicine, advanced medical equipment, DNA testing, modern Chinese medicine, smart robotics, 3D printing, Beiidou GPS, and engineering projects like maritime engineering equipment, new health technology, semiconductor, new energy vehicles, etc.

Eastward expansion of Shenzhen to Dongguan, Huizhou, Heyuan and Shenzhen-Shanwei Special Cooperation Zone



Merging of Guangzhou & Foshan into a mega-metropolis competing/cooperating with Shenzhen and Hong Kong?

广佛同城发展规划



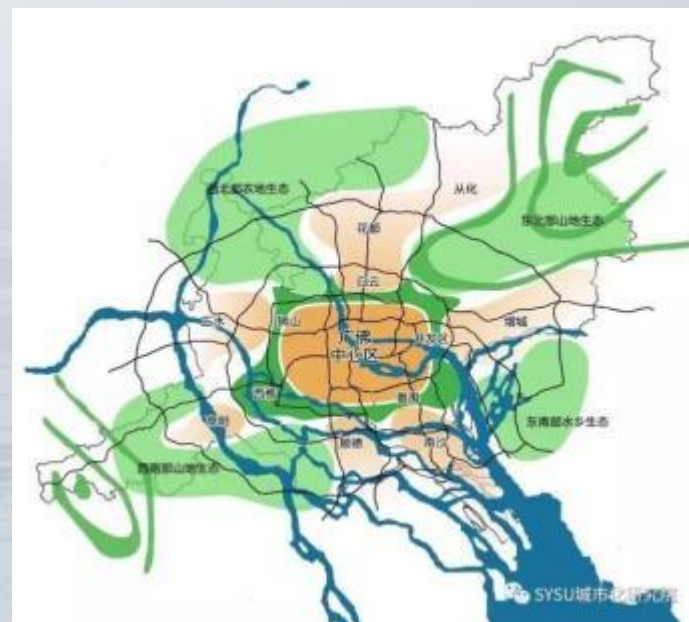
Target:
2030



Source: 广佛同城化“十三五”发展规划（2016—2020年）

Guangzhou-Foshan Integration targets

类型	广佛地区主要指标	单位	2015 年完成值	2020 年预期值	年均增长率 (%)
经济实力	地区生产总值	亿元	26104	39500	7.5
	人均地区生产总值	万元	12.62	17	-
	第三产业增加值占地区生产总值比重	%	58.12	61.26	-
	现代服务业增加值占服务业增加值的比重	%	62.96	69.05	-
	社会消费品零售总额	亿元	10693.18	15850	8.19
	进出口总额	亿美元	1996.2	2720	6.38
创新能力	研究与试验发展经费支出占地区生产总值比重	%	2.23	2.97	-
	每万人发明专利拥有量	件	14.96	23.3	-
基础设施	地铁通车里程	公里	280.8	572.3	-
	白云机场旅客吞吐量	万人次	5521	8000	-
	港口集装箱吞吐量 (2020 年数仅为广州数)	万标箱	2063.8	2500	-
	港口货物吞吐量 (2020 年数仅为广州数)	亿吨	5.825	6	-
	常住人口规模	万人	2093.17	2350	2.34



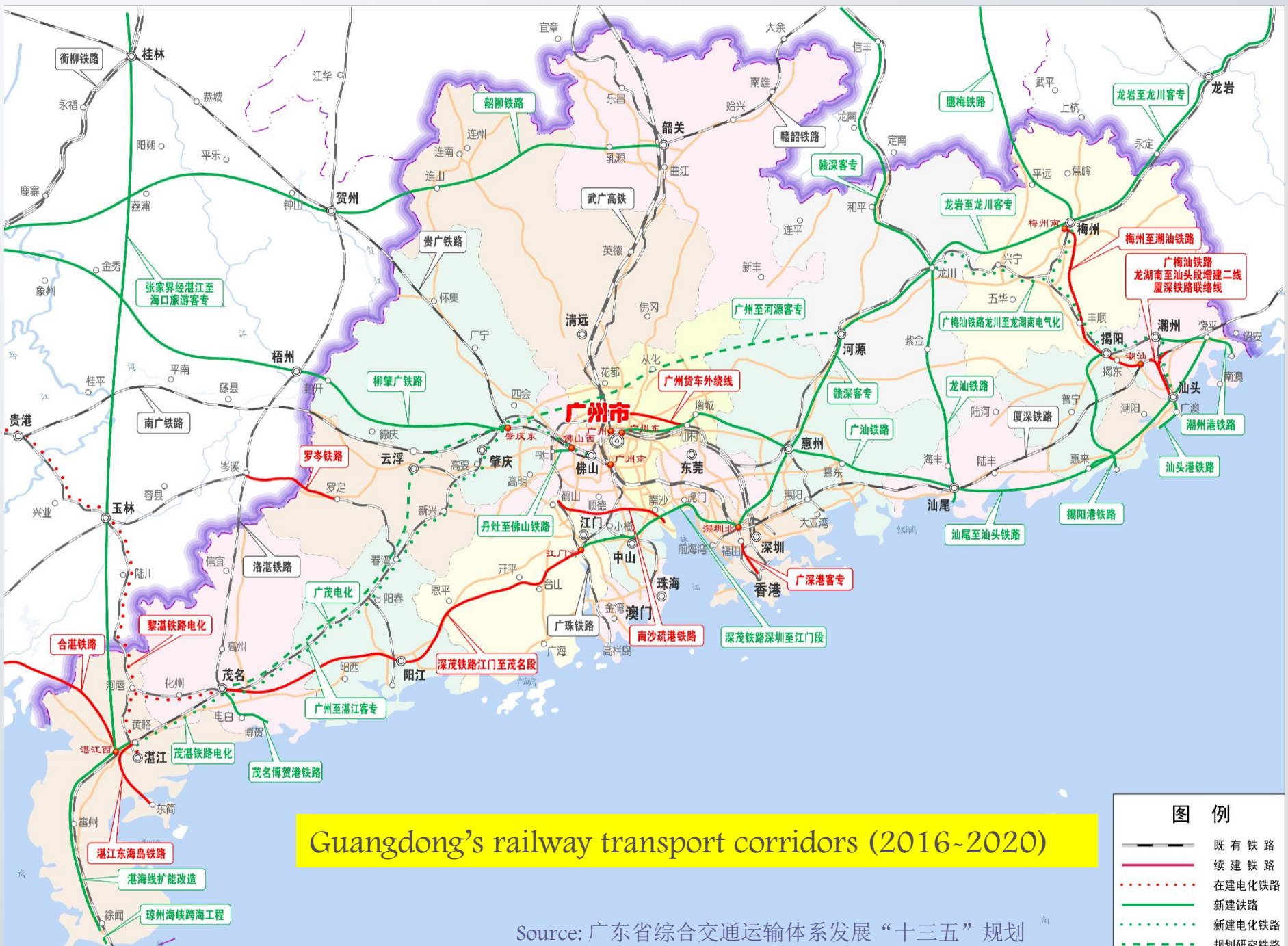
Source: 广佛超级城市，同城化城市的标杆！2017-4-29, <http://www.cn1n.com/economy/nd/20170429/120417556.htm>



Connectivity based Guangdong coastal economic belt development strategy (2017~2030)

- 图例**
- 珠江两岸产业带
 - 沿海产业带
 - 重化产业基地
 - 地市





Guangdong's railway transport corridors (2016-2020)

图例	
	既有铁路
	续建铁路
	在建电化铁路
	新建铁路
	新建电化铁路
	规划研究铁路

Source: 广东省综合交通运输体系发展“十三五”规划

Massive further investment in infrastructure to enhance connectivity, 2017-2020 – Beyond PRD

Highway and High-speed railway intensity in Guangdong tops the world now and, between 2017 & 2020, the province will further invest 2.5 trillion yuan in infrastructure (136 billion in HSR, 130 billion in Intercity railways & 458 billion in highways)

Source: 广东省推进基础设施供给侧结构性改革实施方案 (28 June 2017)

Five-vertical & two-horizontal network of high-speed railways (250-350 km/h) in Guangdong by 2020



Source: 未来广东交通将覆盖全省、通达全国、连通世界, 南方都市报, 25 May 2017

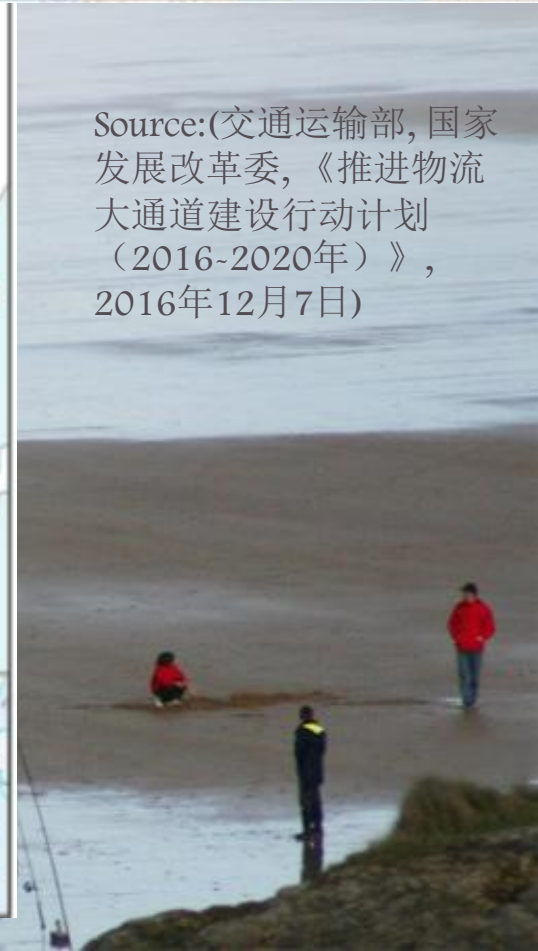
China's major trade flow corridors



附图 物流大通道和节点示意图



Source: (交通运输部, 国家发展改革委, 《推进物流大通道建设行动计划 (2016-2020年)》, 2016年12月7日)

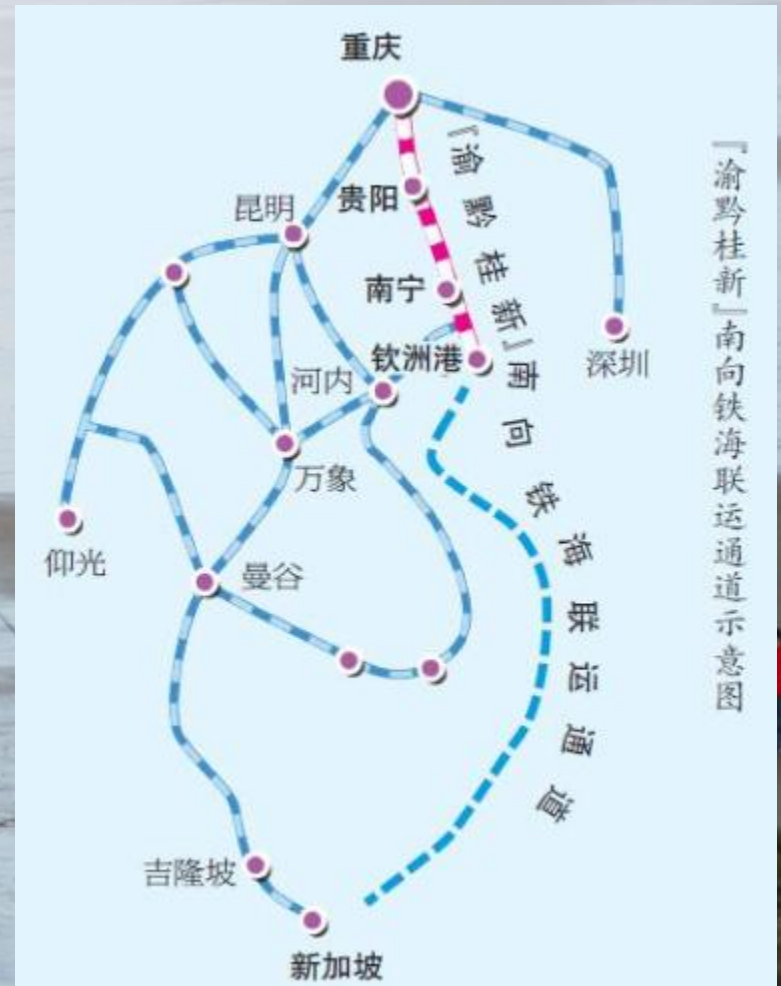




Source: 中新（重庆）战略性互联互通示范项目管理局解析——“渝黔桂新”南向通道六大意义, 2017-09-26 06:13:36 来源： 华龙网-重庆日报

Southward corridor

China-ASEAN intermodal routes connecting the China-Europe/Central Asia railways



「渝黔桂新」南向铁海联运通道示意图

The role for Hong Kong ?

The 14th Five-year-plan: three major policy goals/platforms

1. International technology and innovation centre;
2. Belt and Road Initiative;
3. Great Bay Area Initiative

The US factor – return of Chinese firms and talents

The major advantage: leverage on the China factor and utilize its existing institutions and international linkages – an open-ended challenge!

