GREATER BAY AREA

POPULATION
~ 70mn
> UK, Italy, South Africa

LAND AREA
~ 56,000km²
> Ireland, Latvia, Panama, West Virginia (US)

GDP
~ US$1.5trillion
~ Australia, Spain
## COMPARISON WITH THE WORLD’S MAJOR BAY AREAS

<table>
<thead>
<tr>
<th></th>
<th>Guangdong-Hong Kong-Macao Bay Area</th>
<th>San Francisco Bay Area</th>
<th>New York Metropolitan Area</th>
<th>Tokyo Bay Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land area (sq km)</td>
<td>55,905.5</td>
<td>17,886.4</td>
<td>21,478.5</td>
<td>36,898.3</td>
</tr>
<tr>
<td>Population (mn)</td>
<td>69.6</td>
<td>7.6</td>
<td>20.2</td>
<td>44.0</td>
</tr>
<tr>
<td>GDP (US$ bn)</td>
<td>1,513.4</td>
<td>781.2</td>
<td>1,657.5</td>
<td>1,774.2</td>
</tr>
<tr>
<td>Real GDP growth (%)</td>
<td>7.0</td>
<td>5.3</td>
<td>0.9</td>
<td>1.9</td>
</tr>
<tr>
<td>Per-capita GDP (US$)</td>
<td>21,750</td>
<td>102,230</td>
<td>82,050</td>
<td>40,360</td>
</tr>
<tr>
<td>Air passenger traffic (mn passenger-times)</td>
<td>201.7</td>
<td>81.3</td>
<td>132.2</td>
<td>123.9</td>
</tr>
<tr>
<td>Air freight traffic (mn tonnes)</td>
<td>7.96</td>
<td>1.18</td>
<td>2.16</td>
<td>3.58</td>
</tr>
<tr>
<td>Port container throughput (mn TEUs)</td>
<td>66.48</td>
<td>2.42</td>
<td>6.25</td>
<td>7.76</td>
</tr>
<tr>
<td>GDP share of tertiary industry (%)</td>
<td>65.6</td>
<td>71.9</td>
<td>83.3</td>
<td>77.0</td>
</tr>
</tbody>
</table>

Source: Government statistical departments in the relevant jurisdictions, TDC
OUTLINE DEVELOPMENT PLAN FOR THE GBA

Issued by the State Council in February 2019

- To implement the innovation-driven development strategy, improve the regional synergistic innovation system, pool together international innovation resources, and develop an internationally competitive innovation development area.

- To implement the coordinated regional development strategy, fully leverage the comparative advantages of different areas, strengthen policy coordination and planning interface.

- To develop a new system for an open economy, create a high-level platform for opening up, converge with high-standard trade and investment rules, and accelerate the development of new edges in international cooperation and competition.
DEVELOPMENT OBJECTIVES

By 2022, the **combined strength of the GBA should increase substantially**, the cooperation among Guangdong, Hong Kong and Macao should be deepened and broadened, the internal driving forces for development should be further enhanced in the region, and the framework for an international first-class bay area and world-class city cluster that is vibrant and highly innovative with an optimised industrial structure, a smooth flow of various factors and a pleasant ecological environment should essentially be formed.

By 2035, the GBA should become **an economic system and mode of development mainly supported by innovation**, with its economic and technological strengths vastly increased and its international competitiveness and influence further strengthened; the markets within the Greater Bay Area should basically be highly connected, with very effective and efficient flow of various resources and factors of production; the coordination of regional development should remarkably improve, with the influence on neighbouring regions further strengthened; and an international first-class bay area for living, working and travelling should be fully developed.
FOCUSES OF
THE CITIES

- National core city and an integrated gateway city;
- International commerce and industry centre and integrated transport hub;
- Technological, educational and cultural centers

- World-class tourism and leisure centre;
- Commerce and trade cooperation service platform between China and Lusophone countries

- Special economic zone;
- National economic core city;
- National innovation city

- Maintain international financial, transportation and trade centers;
- Strengthen financial, commercial and trading, logistics and professional services;
- Develop innovation and technology industries and nurture emerging industries;
- Establish as the centre for international legal and dispute resolution services
DEVELOPING AN INTERNATIONAL INNOVATION AND TECHNOLOGY HUB

- Deepen innovation cooperation among Guangdong, Hong Kong and Macao, **build an open community for coordinated innovation** in the region that encompasses integrated development, pool together international innovation resources, enhance the innovation system and policy environment, focus on enhancing the capability for the commercial application of technological achievements, and develop a focused area of global technological innovation and a major source of emerging industries.

- Explore policy measures to **facilitate the cross-boundary and regional flow of innovation elements** such as talents, capital, information and technologies.
DEVELOPING AN INTERNATIONAL INNOVATION AND TECHNOLOGY HUB (CONT)

- Encourage domestic and foreign investors to set up R&D institutes and innovation platforms in the GBA.
- Fully leverage the advantages of Hong Kong in IP protection and related professional services, and support the development of Hong Kong as a regional IP trading centre.
- Encourage higher education institutions, R&D institutes and enterprises from other regions to participate in events on innovation and technology in the GBA.
Cooperation with Overseas Universities

HK recently signed MOUs with several overseas universities to cooperate on R&D

- Tohoku University of Japan for centre on transformative artificial intelligence/robotics technologies;
- Royal College of Art on the Artificial Intelligence Design Laboratory;
- ETH Zurich’s Multi-Scale Robotics Lab within the Institute of Robotics and Intelligent Systems;
- Imperial College London's Hamlyn Centre for Robotic Surgery;
- Johns Hopkins University's Laboratory for Computational Sensing and Robotics;
- Harvard John A. Paulson School of Engineering and Applied Sciences;
- Chinese Academy of Science on establishing affiliated institution;
- Fraunhofer Institute for Production Technology of Germany on launching of Smart Industry One Consortium;
- State University of New York on biotechnology and translational medicine collaboration
EXPEDITING INFRASTRUCTURAL CONNECTIVITY

- Support Hong Kong’s development of high-end maritime services as well as maritime law and dispute resolution services
- Strengthen its role as an aviation management training centre
- Develop high value-added freight, aircraft leasing and aviation financing services, etc.
KEY INFRASTRUCTURE

- Shortens the distance between Dongguan and Panyu District by at least 10 km
- Reduces the travelling time between Shenzhen and Zhongshan from currently 2 hours to 20 minutes
- Reduces the travelling time between the Hong Kong International Airport and Zhuhai from currently 4 hours to about 45 minutes
- With direct access facilities for both passengers and vehicles
- Takes only 48 minutes to Guangzhou South

Source: CMAB, THB
DEVELOPMENT OF THE ADVANCED MANUFACTURING INDUSTRY

- Leverage the strengths in innovation and R&D as well as their high concentration of headquarters bases for enterprises, together with the advantages of having complete industry chains in rest of the GBA to enhance collaboration and connectivity among industries and raise the level of coordinated development.

- Support Hong Kong’s efforts in exploring “re-industrialisation” in sectors where it enjoys advantages.
NURTURING STRATEGIC EMERGING INDUSTRIES

- Leverage the rich scientific research resources and solid foundations in new and hi-tech industries of core cities such as Hong Kong
- Pursue the development and growth of new pillar industries including new-generation information technology, biotechnology, high-end equipment manufacturing and new materials, and nurture major industry projects
- Centre on key areas and their critical components such as information consumption, new healthcare technologies, marine engineering equipment, hi-tech service industry and high-performance integrated circuit
- Nurture and develop industries such as new energy, energy conservation and environmental protection, and new energy vehicles

InvestHK
Leverage the leading position of major enterprises, proactively pursue the development of a digital economy and a sharing economy, and promote economic transformation and upgrading as well as social development.

Promote regional cooperation in digital and creative industries such as animation, comics and games, internet culture, digital culture and devices, digital art and display, and promote the application of digital creativity in areas such as convention and exhibition, e-commerce, medical and healthcare, education services, tourism and leisure.
DEVELOPMENT OF MODERN SERVICE INDUSTRIES

- Leverage Hong Kong’s leading position in the financial services sector, consolidate and enhance Hong Kong’s status as an international financial centre, and establish a platform for investment and financing serving the Belt and Road Initiative

- Support the development of Hong Kong into a green finance centre

- Widen the scope for cross-boundary investment by Hong Kong and Mainland residents and institutions, and steadily expand the channels for Mainland and Hong Kong residents to invest in financial products in each other’s market

- Support Hong Kong in developing more offshore RMB, commodity and other risk management tools

- Deepen cooperation in industrial design, and facilitate the commercialisation of industrial design achievements.
DEVELOPMENT OF MODERN SERVICE INDUSTRIES (CONT)

- Deepen cooperation in the cultural and creative industries, and progressively open up the market.

- Fully leverage the strengths and expertise of Hong Kong talents in the film and television industries, strengthen film investment and cooperation and exchanges among talents, and support Hong Kong in its development into an exposition hub for television and film.

- Consolidate and enhance Hong Kong’s status as an international high-end convention, exhibition and sourcing centre.

- Deepen the implementation of liberalisation measures for service sectors of Hong Kong under CEPA, encourage Guangdong, Hong Kong and Macao to work together in establishing professional services institutions, and further the development of professional services such as accounting and auditing, legal and dispute resolution services, management consultancy, testing and certification, IP, construction and related engineering works.
ONE COUNTRY  TWO SYSTEMS

- Fully and faithfully implementing the principle of “one country, two systems” under which the people of Hong Kong govern Hong Kong with a high degree of autonomy, as well as acting in strict adherence to the Constitution and the Basic Law are the guiding ideology for the development of the GBA.

- Hong Kong’s participation in the development of the GBA will follow the same principles and will be based on Hong Kong’s own positioning and strengths.

- “One country, two systems” is not only the best system for maintaining the long-term prosperity and stability of Hong Kong, but also a unique characteristic of the GBA, as well as the key foundation for the internationalisation of the GBA.
## OPPORTUNITIES IN GBA
**BY LEVERAGING HONG KONG**

### Hong Kong's highly international business environment
- Attract international innovation and technology enterprises to enter the GBA
- Help Mainland innovation and technology enterprises go global

### Hong Kong, Shenzhen and other Greater Bay Area cities specialising in advanced manufacturing
- Complement one another in a number of areas including capital, scientific research, and production

### A consumer base of 70 million people
- Relatively and increasingly wealthy
- Within just an hour or so travelling from Hong Kong

*Source: CMAB*
NEW LAW ON FOREIGN INVESTMENT

- Overall Principles: “Reform and Opening Up” will continue; domestic market welcomes foreign investors; improving overall business environment for foreign firms, applies to HK

- National treatment for foreign firms on areas not on the “negative list”, which are industries in which foreign investment is either prohibited or restricted

- Products manufactured / services provided in China by foreign firms can participate in government procurement

- Government cannot use administrative measures to “force” technology transfer or leak commercial secrets
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