

The Greater Bay Area (GBA) and the Role of Hong Kong

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4 November 2019



Hong Kong Trade Development Council (HKTDC)

- Promoting trade in **goods** and **services**
- Helps international businesses explore opportunities in and through Hong Kong
- Promotes **Hong Kong as Asia's business platform** and services hub
- A go-to organisation for Belt and Road and Bay Area opportunities
- A partner for start-ups & SMEs
- **50 offices globally**, including 13 on Chinese mainland



Assists international companies and investors to explore and enter new markets on the Chinese mainland and throughout Asia



Facilitates Chinese outbound investment in both mature and emerging markets



Connects businesses worldwide with Hong Kong partners, including product suppliers and services providers



Provides market intelligence

HKTDC: Marketing & Sourcing Trade Fairs

- 30+ world-class trade fairs
- Around 39,000 exhibitors, over 770,000 buyers a year
- Forming 11 largest marketplaces in Asia

World's Largest Marketplaces



Watch & Clock



Gifts & Premium



Fashion Fall/Winter



Electronics (Spring)



Electronics (Autumn) + electronicAsia



Jewellery + Diamond, Gem & Pearl



Lighting (Autumn) + Outdoor Lighting



Toys & Games



Licensing



Houseware



FILMART

HKTDC's flagship conferences



Asian Financial Forum (AFF)

- Brings together some of the most influential members of the global financial and business community to discuss developments and trends in the dynamic markets of Asia



Asian Logistics and Maritime Conference (ALMC)

- Brings together a wide variety of service providers and users, from manufacturers and distributors to retailers and brand owners, to discuss the latest trends and opportunities in Asia's logistics, air cargo, maritime and supply-chain management industries



Business of IP Asia Forum (BIP Asia)

- Brings IP professionals and business leaders from all over the world to discuss the latest developments in the IP world, and to explore business collaboration opportunities



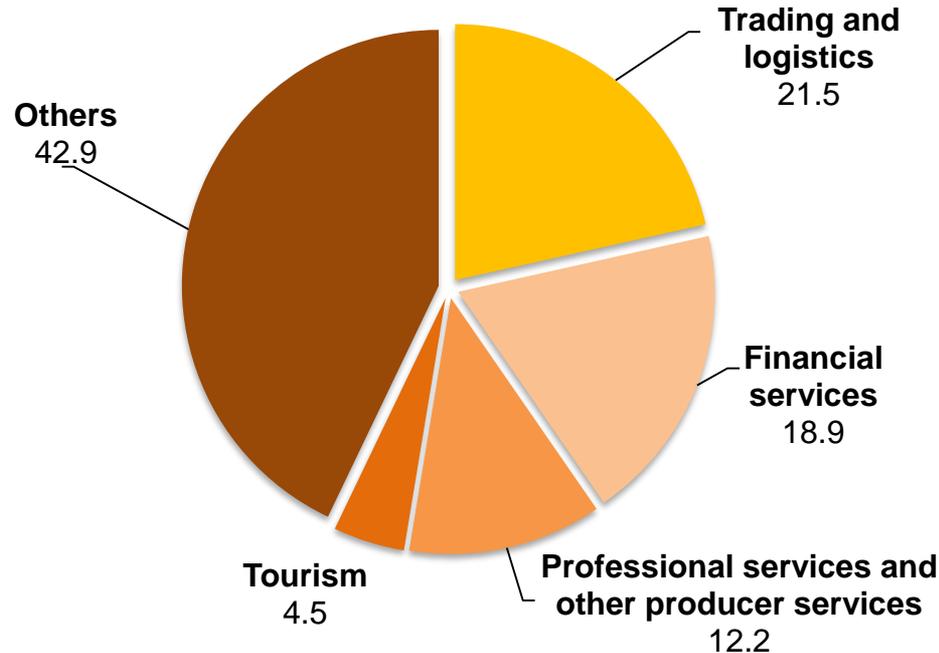
Hong Kong -- An International Business Hub



Hong Kong: a services-oriented economy

The four pillars of Hong Kong economy

Percentage share (%) of GDP 2017

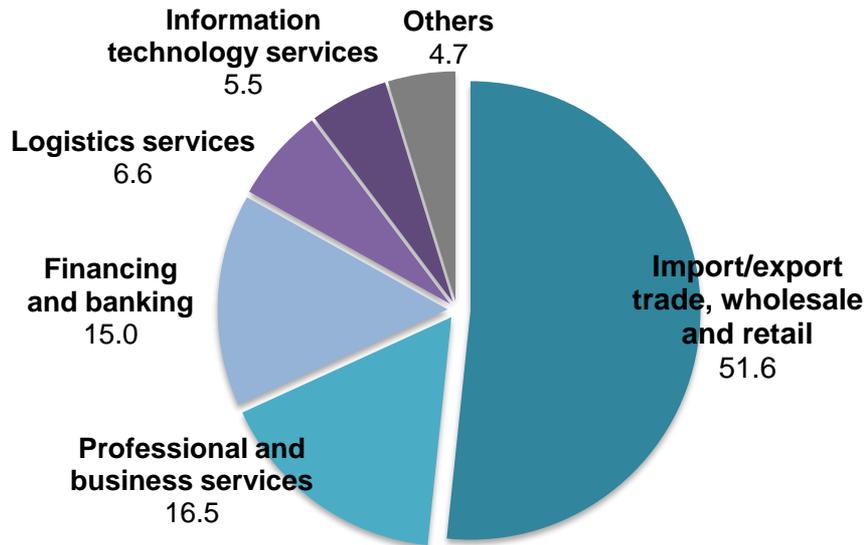


**Services
account for
92.4% of
GDP (2017)**

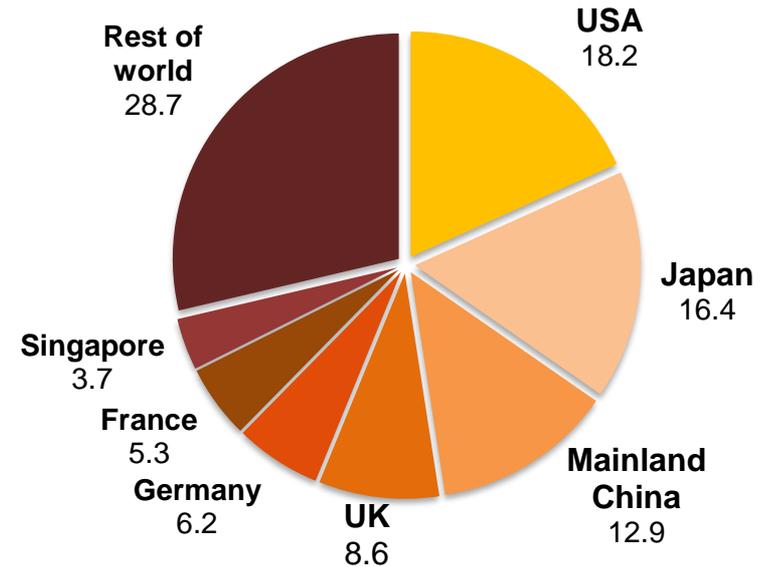
Source: Hong Kong Census and Statistics Department

Location for MNCs to oversee their regional businesses

Regional headquarters and offices of MNCs by sector



Regional headquarters and offices by parent companies' origin



As of June 2019, Hong Kong has **4,031** regional headquarters and offices by MNCs.

Source: HKSAR Census and Statistics Department

Hong Kong: international trade platform

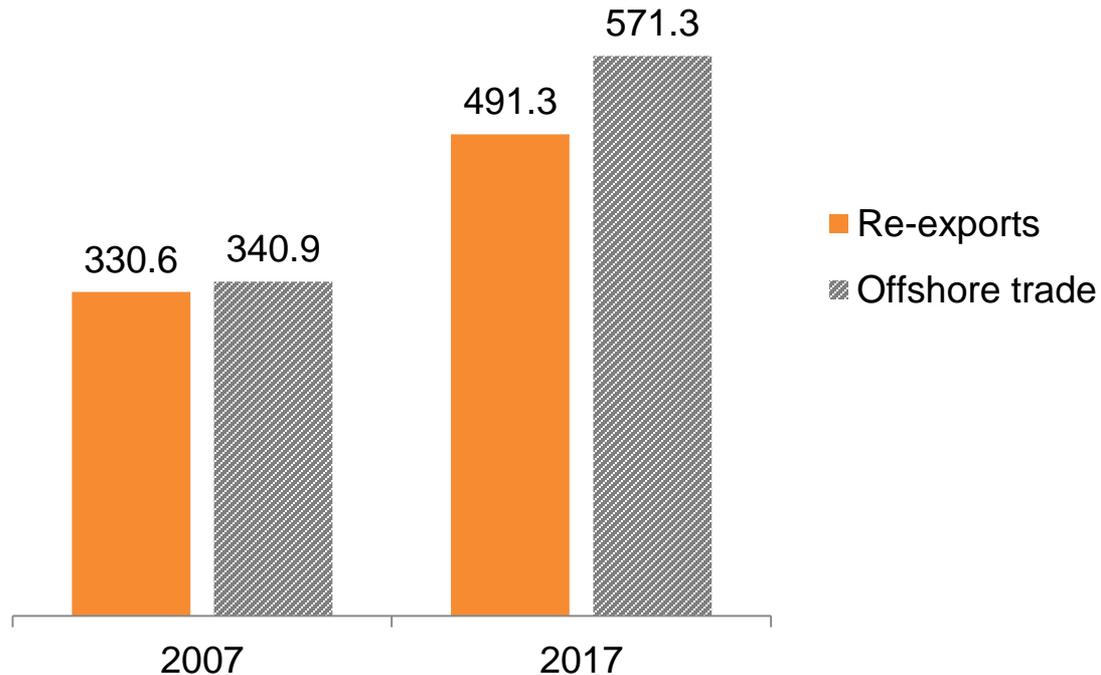
Total External Trade of Countries (2018)

Country	Ranking	Total trade (US\$ bn)
China	1	4,623
US	2	4,278
Germany	3	2,846
Japan	4	1,487
...
Hong Kong	7	1,197
...

Source: World Trade Organisation

Off-shore trade surpassing on-shore

Hong Kong's re-exports and off-shore trade value (US\$ bn)



Source: HKSAR Census and Statistics Department

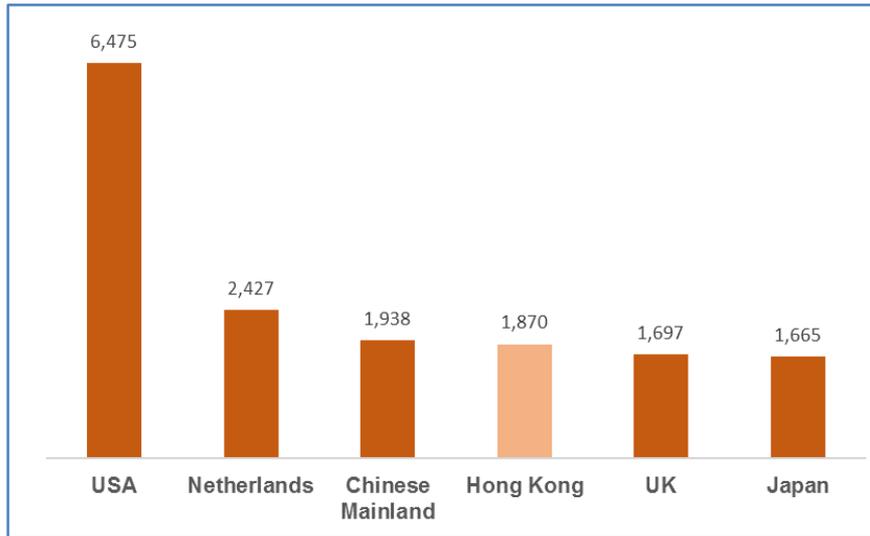
HK : an international financial center

Hong Kong is :

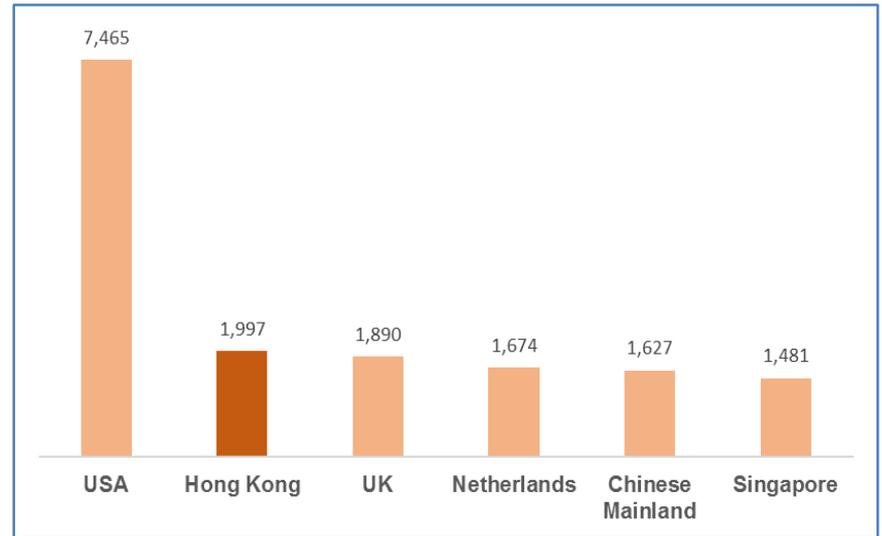
- The 3rd leading global financial centre, after New York and London, according to the Global Financial Centre Index.
- The 2nd largest foreign exchange market in Asia and the 4th largest in the world.
- The largest offshore RMB clearing centre in 2018, sharing about 79% of the world's RMB payments.
- The 3rd largest stock market in Asia and the 5th largest in the world in terms of market capitalisation.

HK as a platform for direct investment

FDI outward stock (end-2018)
(US\$ bn)



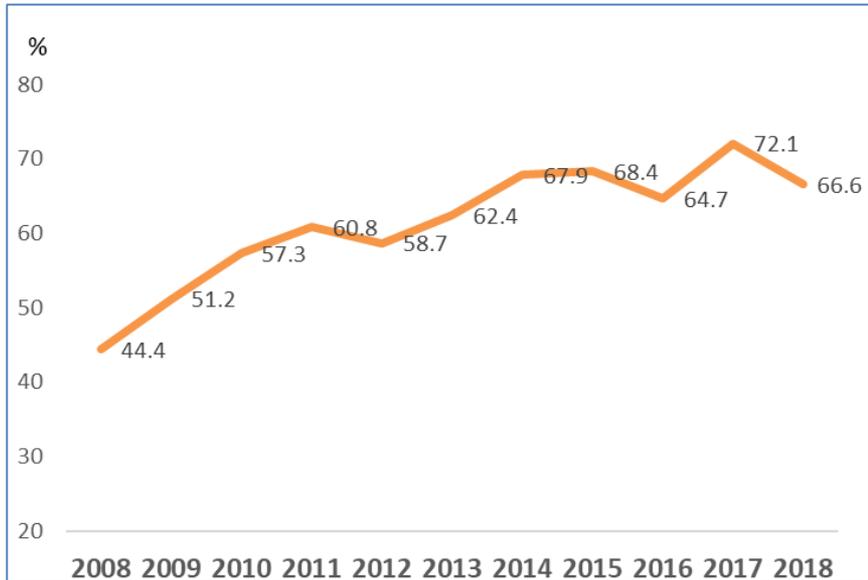
FDI inward stock (end-2018)
(US\$ bn)



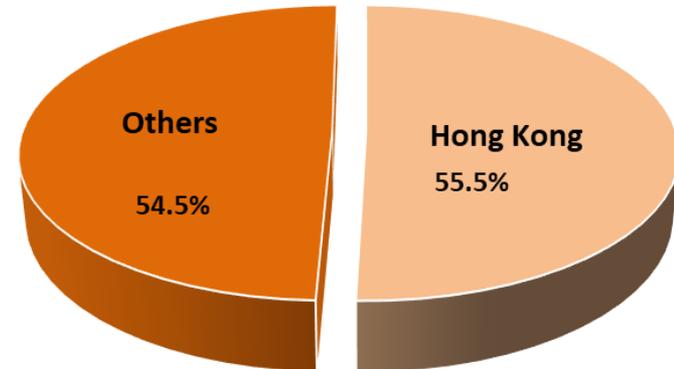
Source: UNCTAD World Investment Report 2019

HK : a main conduit for FDI to & from China

HK's share in China inflow FDI



HK's share in China outward FDI stock (end-2018)



Source: MOFCOM

The Guangdong-Hong Kong- Macao Greater Bay Area (GBA)

Coverage of the Greater Bay Area (GBA)



Hong Kong

Macau

9 Cities in Pearl River Delta:

- Guangzhou
- Shenzhen
- Foshan
- Dongguan
- Huizhou
- Zhongshan
- Jiangmen
- Zhuhai
- Zhaoqing

Development plan for the GBA

The ***Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area*** was unveiled by the State Council on 18 February 2019.

Strategic positioning of GBA

- (i) a vibrant world-class city cluster;
- (ii) a globally influential international innovation and technology hub;
- (iii) an important support pillar for the Belt and Road Initiative;
- (iv) a showcase for in-depth cooperation between the Mainland and Hong Kong and Macao;
- (v) a quality living circle for living, working and travelling.

Hong Kong Advantages

City	Land Area (km ²)	Population (mn)	GDP ¹ (US\$ bn ²)	Per-capita GDP (US\$ ²)	GDP share of tertiary industry (%)	Export (US\$ bn ²)	Utilised FDI (US\$ bn ²)
Greater Bay Area	56,094	71.16	1,641.97	23,075	66.1	1,145.84	132.695
Hong Kong	1,107	7.48	362.66	48,673	92.4 ³	530.44	110.7 ³
Macau	33	0.67	54.54	82,609	94.9 ³	1.51	0.375 ³
Guangzhou	7,434	14.9	345.44	23,497	71.8	84.74	6.611
Shenzhen	1,997	13.03	366.03	28,647	58.8	245.94	8.203
Foshan	3,798	7.91	150.15	18,992	42.0	53.30	0.691
Dongguan	2,460	8.39	125.1	14,951	51.1	120.22	1.361
Huizhou	11,347	4.83	62.0	12,908	43.0	33.38	0.959
Zhongshan	1,784	3.31	54.9	16,711	49.3	27.23	0.527
Jiangmen	9,507	4.6	43.83	9,570	44.5	16.97	0.734
Zhuhai	1,736	1.89	44.05	24,100	49.1	28.52	2.391
Zhaoqing	14,891	4.15	33.27	8,050	38.6	3.59	0.143

Note: ¹ At current market prices ² Converted with the yearly average exchange rates ³ 2017 figure

Source: Census and Statistics Department of Hong Kong, Statistics and Census Service of Macau, the statistics bureaux of the relevant PRD cities, HKTDC

Four core cities

According to the **Plan**, **Hong Kong, Macao, Guangzhou and Shenzhen** will be the four core engines for regional development.

Hong Kong's status and role:

- international financial, transportation and trade centres
- an international aviation hub
- a global offshore Renminbi (RMB) business hub
- an international asset management centre
- a risk management centre

International innovation and technology hub

Pooling together **international** innovation resources and enhancing the innovation system

- Facilitating the cross-boundary and regional flow of innovation elements such as talents, capital, information and technologies, jointly develop a GBA big data centre
- Encouraging enterprises and scientific research institutes to participate in international innovation and technology cooperation, developing the GBA into a base for commercial applications
- **Hong Kong** is positioned to be a financing centre for high-tech industries, as well as a regional IP trading centre

Globally competitive modern industrial system

Building a competitive industrial system, encompassing advanced/strategic **manufacturing** industries and modern **services**

- Pursuing the smart development of the manufacturing industry and new pillar industries like biotechnology, 5G, robotics etc
- Promoting cross-boundary transactions of financial products within the GBA
- **Hong Kong** will be supported to develop into a green finance centre and offer more offshore RMB, commodity and other risk management tools
- Enhancing **Hong Kong's** status as an international high-end convention, exhibition and sourcing centre

Competitive business environment, participating in the Belt and Road Initiative

Deepening cooperation among Guangdong, Hong Kong and Macao in enhancing the investment and business environment

- Increasing the degree of market integration through trade/investment facilitation, flows of people and goods
- Leveraging on **Hong Kong**'s extensive external trade connections to jointly expand the scope for international development
- To support **Hong Kong** to be a service centre for resolving investment and commercial disputes relating to Belt and Road projects

Potentials of GBA: A quick international comparison

	Greater Bay Area	San Francisco Bay Area	New York Metropolitan Area	Tokyo Bay Area
Land area (sq km)	56,094	17,887	21,479	36,899
Population (mn)	71.16	7.82	19.98	44.18
GDP ¹ (US\$ bn ²)	1,642.0	837.5 ³	1,717.7 ³	1,774.2 ⁴
Real GDP growth (%)	5.9	4.7 ³	1.3 ³	2.1 ⁴
Per-capita GDP (US\$)	23,075	107,178 ³	85,974 ³	40,163 ⁴
Air passenger throughput (mn passenger-times)	214.9	85.7	138.1	125.6
Air cargo and airmail throughput (mn tonnes)	8.32	1.23	2.21	3.49
Port container throughput (mn TEUs)	74.42	2.42	7.18	8.24 ³
GDP share of tertiary industry (%)	66.1	72.1 ³	83.5 ³	77.0 ⁴

Note: ¹ At current market prices ² Converted with the yearly average exchange rates ³ 2017 figure ⁴ 2015 figure
 The San Francisco Bay Area covers nine counties bordering the San Francisco Bay.
 The New York Metropolitan Area covers the three cities of New York, Newark and Jersey and 25 surrounding counties.
 The Tokyo Bay Area covers Tokyo and its seven surrounding prefectures.

Source: Government statistical departments in the relevant jurisdictions, HKTDC

Potential business cooperation opportunities

- Innovation & technology -- pooling together international innovation resources, talents, IP trading, commercial application
- Financial services -- green finance, cross-boundary financial services/products
- Consumer market -- local population and tourist arrivals, consumer goods/services
- Quality living circle – higher education and medical services, silver market services and products
- Green development – environmental protection services and products

Thank you !

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