

# Guangdong-Hong Kong-Macao Greater Bay Area

## **Overview**

The Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) is a vibrant city cluster that comprises the Special Administrative Regions of Hong Kong and Macao, as well as nine municipalities in Guangdong (Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing). Collectively, they represent a vibrant economic force of over 71 million people, with a GDP of more than US\$1.6 trillion.

## **Outline Development Plan**

The State Council promulgated the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (Outline Development Plan) on February 18, 2019. The Plan covers the period up to 2022 in the immediate term, extending to 2035 in the long term. Key strategies include:

- Spatial layout, namely building on the four core cities of Hong Kong, Macao, Guangzhou and Shenzhen as core engines for regional development, leveraging the core cities' comparative advantages in striving for excellence and achievements, and strengthening the radiating effect in leading the development of nearby regions
- Policy measures for developing an international innovation and technology hub, expediting infrastructural connectivity, building a globally competitive modern industrial system, taking forward ecological conservation, developing a quality living circle for living, working and travelling, strengthening co-operation and jointly participating in the Belt and Road Initiative, jointly developing Guangdong-Hong Kong-Macao cooperation platforms, as well as the implementation of the Outline Development Plan
- The Outline Development Plan supports Hong Kong in consolidating and enhancing our status as international finance, transportation and trade centres as well as an international aviation hub, making great efforts to develop the innovation and technology industries, and establishing Hong Kong as the centre for international legal and dispute resolution services in the Asia-Pacific region, etc.

## **Work focus of HKSAR Government**

Following the promulgation of the Outline Development Plan, Chief Executive Carrie Lam set out the Government's work focus in taking forward the development of the Greater Bay Area:

- Consolidating and enhancing Hong Kong's status as international financial, transportation and trade centres and aviation hub
- Developing an international innovation and technology hub
- Expanding the scope of development for sectors in which Hong Kong's strengths lie
- Strengthening infrastructural connectivity
- Fostering youth innovation and entrepreneurship
- Fully utilizing Hong Kong's international connections and networks to promote the Greater Bay Area overseas and attract capital and talent to the Greater Bay Area.

## **Greater Bay Area Opportunities**

- Strategic significance for Hong Kong in two key aspects: diversification of the economy and of industries; and forming a quality living circle in the Greater Bay Area to expand the living space of Hongkongers
- World-class professional services of Hong Kong, such as legal, accounting, architecture and engineering services
- Plays to Hong Kong's fundamental strengths under the "one country, two systems" principle, including international connections, trusted common law system, and free flows of capital, information and talent
- Commissioning of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge in 2018 promotes cross-boundary business activities and creates a "one hour living circle" in the Greater Bay Area
- The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) is a unique free trade pact that accords tariff-free treatment to goods of Hong Kong origin upon importation into the Mainland and basically achieves liberalisation of trade in services. Besides, Hong Kong investments and investors enjoy investment protection and facilitation in the Mainland; and both sides have agreed to enhance economic and technical cooperation in 22 areas.

## **Hong Kong's role**

Under "one country, two systems", Hong Kong enjoys the dual advantages of being part of China, while maintaining its global outlook and institutional advantages.

- **Financial services:** Hong Kong is an international financial centre and the world's leading offshore RMB business hub; full range of globally benchmarked services such as banking, financing, investment, asset and wealth management and offshore RMB businesses
- **Legal services:** With the common law system, strong rule of law and independent judiciary, Hong Kong can act as a "deal maker" and "dispute resolver" for enterprises and can serve as the international legal and dispute resolution services centre for the Greater Bay Area. Arbitral awards made in Hong Kong are enforceable in over 150 Contracting States to the New York Convention and also in Mainland and Macao with which Hong Kong has concluded arrangements on reciprocal enforcement of arbitral awards
- **Business services:** Hong Kong has a full range of mature business services, including expertise in marketing, accountancy, project management and risk management, logistics, supply chain management and maritime (such as ship finance, marine insurance and maritime legal and arbitration) services
- **Innovation and Technology (I&T):** With top-notch tertiary institutions and outstanding scientific research achievements, a robust intellectual property protection regime, advanced financial infrastructure, free flow of information and a vibrant business environment, Hong Kong is well placed to become an international I&T hub
- **Creative services:** Hong Kong's creative services, including design, marketing and architectural services, attract attention from markets around the world.

## **High-Level Collaboration**

- Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation in the Development of the Greater Bay Area signed by the governments of Guangdong, Hong Kong and Macao and the National Development and Reform Commission (NDRC) on July 1, 2017
- A Steering Committee for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area is chaired by the Chief Executive, with its membership comprising all Secretaries of Department and Directors of Bureau
- The Constitutional and Mainland Affairs Bureau (CMAB) will set up a Guangdong-Hong Kong-Macao Greater Bay Area Development Office and appoint a Commissioner for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area to implement the relevant work.

## **Cross-boundary Co-operation**

- **Finance:** Stock Connect and Bond Connect schemes connect capital markets in Hong Kong with those in the Mainland
- **Legal:** The Co-operative Arrangement on Legal Matters signed between the Department of Justice of HKSARG and Shenzhen Municipal People's Government enhances mutual legal collaboration and exchanges. Under the CEPA framework, partnership associations between Hong Kong and Mainland law firms have been set up in the Guangdong Province with Hong Kong lawyers seconded there. Hong Kong legal practitioners have also been retained as legal consultants by Mainland law firms in the Greater Bay Area
- **Innovation and technology:**
  - The Ministry of Science and Technology (MOST) and HKSARG signed the Arrangement on Enhancing I&T Cooperation between the Mainland and Hong Kong in September 2018 to enhance I&T co-operation and exchanges between Hong Kong and the Mainland. Both sides also signed a research funding agreement to encourage research and development co-operation. The new "Mainland-Hong Kong Joint Funding Scheme" has been launched. Besides, universities and research institutions in Hong Kong may apply for science and technology funding of the Central Government and use the funding granted in Hong Kong.
  - Hong Kong is working with Shenzhen to jointly develop the Lok Ma Chau Loop into the Hong Kong-Shenzhen Innovation and Technology Park
- **Creative:** The Hong Kong-Shenzhen Design Innovation Hub (now named "Zetta Bridge, Qianhai Shenzhen") is scheduled for inauguration in the latter half of 2019. It will become an exchange platform to boost further collaborations between Shenzhen and Hong Kong in design and creative industries.