

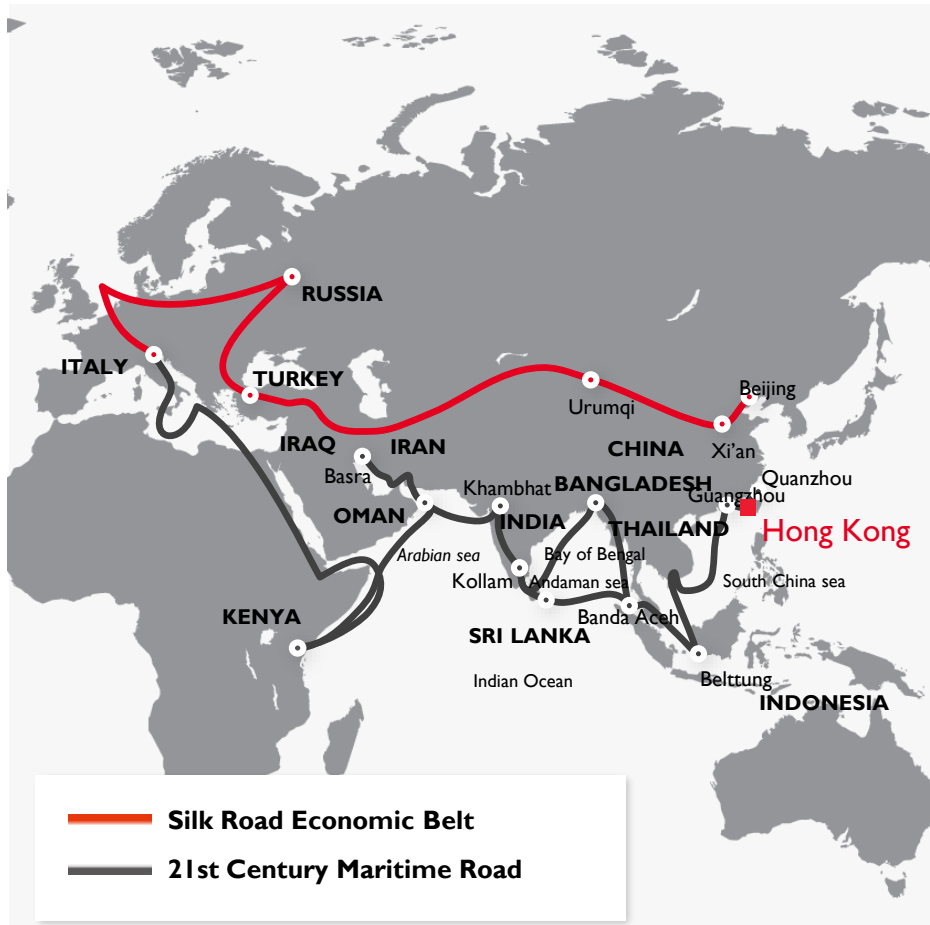


Belt and Road, the Greater Bay Area Perspective

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Head of Maritime Cluster

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**4th Annual Capital Link
International Shipping Forum**





BELT & ROAD.

- About 30% of global GDP in 2017
- About 60% of the world's population in 2017
- About 40% of the world's total merchandise trade in 2017

Sources: China-US Focus, Xinhua Finance Agency

GREATER BAY AREA NEW MARITIME SILK ROAD ■

- Located at the forefront of China's opening up along the coast, the GBA is the fastest-growing city cluster in China
- One of the starting points of the 21st Century Maritime Silk Road
- By means of two-way opening up, the Greater Bay Area will develop into an important support area for the pursuit of the Belt and Road Initiative





- Comprises Hong Kong, Macao and nine Guangdong cities
- To promote economic integration in the area and to develop external links in order to establish a significant position in the global economy
- B2B and B2C opportunities
- Connectivity
- To establish a Steering Committee for the development of the Greater Bay Area and identify opportunities for Hong Kong

GREATER BAY AREA ■

POPULATION

71mn

>UK, Italy, South Africa

LAND AREA

56,000km²

<Ireland, Latvia, Panama, West Virginia (US)

GDP

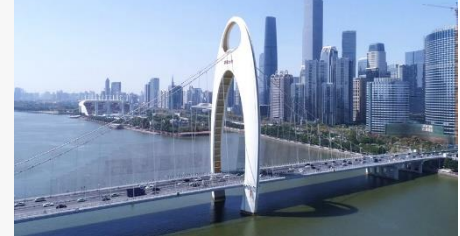
US\$1.6trillion

>Indonesia, Netherlands, Turkey

Source: CBRE Research

STRATEGIC POSITIONING OF THE GREATER BAY AREA ■

- A vibrant world-class **city cluster**
- A globally influential international **Innovation and Technology (I&T)** hub
- An important support pillar for the **Belt & Road Initiative (BRI)**
- A showcase for **in-depth cooperation** between the Mainland and Hong Kong and Macau
- A quality **living circle** for living, working and travelling



COMPARISON WITH THE WORLD'S MAJOR BAY AREAS ■

	Guangdong-Hong Kong- Macau Bay Area	San Francisco Bay Area	New York Metropolitan Area	Tokyo Bay Area
Land area (sq km)	56,000	17,900	21,500	36,900
Population (mn)	71	7.6	20.2	44.0
GDP (US\$ bn)	1,600	781.2	1,657.5	1,774.2
Real GDP growth (%)	7.0	5.3	0.9	1.9
GDP share of tertiary industry (%)	65.6	71.9	83.3	77.0
Per-capita GDP (US\$)	21,750	102,230	82,050	40,360
Stock Market Capitalisation (USD Trillion)	7.6	N.A.	30.5	5.7
No. of World Top 100 Universities	4	2	2	2
Air freight traffic (mn tonnes)	7.96	1.18	2.16	3.58
Port container throughput (mn TEUs)	66.48	2.42	6.25	7.76

FOCUSES OF THE 4 CORE CITIES

Coordinated and innovation-driven regional development with more seamless flows of
people, goods, capital and information

- National core city and integrated gateway city
- Enhance functions as international centres for commerce and industry, transport, technology, education, and culture

For the other 7 key node cities, main objectives are to develop towns with distinct characteristics and to promote integrated development of urban and rural areas

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



- National economic core city and national innovation city
- Develop as capital of innovation and creativity with global influence

HONG KONG

- International financial, transportation and trade centres
- Global offshore RMB business hub and international asset and risk management centre
- International legal and dispute resolution services centre
- Develop high-end services, innovation and technology industries and emerging industries

HONG KONG AMONG GREATER BAY CITIES

HONG KONG

- No Capital and Exchange Controls
- HKD pegged to USD
- Common Law

GBA City	Area (sq. km)	GDP (USD billion)	Population (Million)	GDP Per Capita (USD)
Hong Kong	1,104	319.3	7.37	43,300
Guangzhou	7,436	284.6	14.04	20,300
Shenzhen	2,007	283.0	11.90	23,800
Foshan	3,875	125.3	7.50	16,700
Dongguan	2,512	99.1	8.25	12,000
Huizhou	11,159	49.5	4.78	10,400
Zhongshan	1,770	46.4	3.23	14,400
Macao	29.2	44.7	0.64	69,800
Jiangmen	9,554	34.8	4.54	7,700
Zhuhai	1,696	32.3	1.68	19,200
Zhaoqing	15,006	30.2	4.06	7,400

THE GREATER BAY AREA DEVELOPMENT OBJECTIVES ■

Announcement of
**Outline
Development
Plan for the
Guangdong-
Hong Kong-
Macao Greater
Bay Area**

In 2019

Framework for a
world-class city
cluster essentially
formed in terms of
economic structure,
infrastructural
support and
ecological
environment

By 2022

An international
first-class bay area
for living, working,
and travelling fully
developed

By 2035

GREATER BAY AREA

OUTLINE DEVELOPMENT PLAN GREATER BAY AREA .



粵港澳大灣區
Greater Bay Area

In Feb 2019, the Central Government released the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, which sets out the directions guiding the development of the Greater Bay Area. It includes:

- To consolidate and enhance Hong Kong's status as an international **financial, transportation** and **trade** centres
- To support Hong Kong's development of **high-end maritime services** such as ship management and leasing, ship finance, marine insurance as well as maritime law and dispute resolution services, and provide such services to Mainland and Macao enterprises.

HONG KONG **Policy Address 2018** (released in Oct 2018)

- The Government will implement measures to support and enhance the development of **high value-added maritime services**



INTERNATIONAL LEADING SHIP FINANCING CENTRE

- Hong Kong is a leading international financial centre and is also the freest economy in the world. Also Hong Kong is one of the most significant international ship finance centres in Asia.
- Premier financial infrastructure, effective financial regulations and an abundant pool of financial professionals
- A wide range of ship finance products is offered by the market.
- Shipping loans and advances in Hong Kong have more than doubled in the past 10 years.
 - As at Dec 2018, loans and advances for the shipping industry in HK amounted to around **US\$15.5 billion**



7 of the world's top 10 bookrunners on syndicated marine finance loans have set up offices in Hong Kong.





WORLD TOP CAPITAL RAISING DESTINY ■



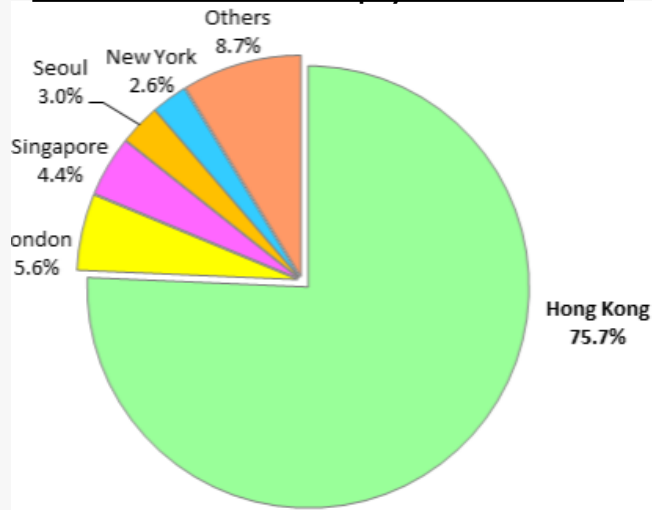
- World's No. 3 global financial centre, behind London & New York; 1st in Asia⁽¹⁾
- 77 of the world's 100 top banks operate in Hong Kong
- World's 3rd largest and Asia's 2nd largest stock market by market capitalisation in early Apr 2019 (US\$5.78 trillion)⁽²⁾
- World's No.1 for IPO funds raised in full year 2018.⁽³⁾
 - HK ranked No.1 for IPO funds raised in 2009 to 2011, 2015 and 2016.

(1): Global Financial Centers Index (GFCI) published by Z/Yen.

(2): Hong Kong pips Japan to become world's third-biggest stock market, Financial Times 10 Apr 2019

(3): KPMG. SCMP

Global share of RMB payments in 2017



- Around **70%** of the world's Renminbi (RMB) payment transactions are processed via Hong Kong
- **World's largest offshore RMB hub** (total deposits of **RMB669.7 billion** at end-August 2018)
- 9 banks designated as Primary Liquidity Providers
- Full range of RMB products and services



GLOBAL OFFSHORE **RMB** HUB

Largest RMB Pool Outside Mainland China ■

POLICY ADDRESS 2018

SHIP LEASING INCENTIVES ■

The Chief Executive, Mrs Carrie Lam, released new moves in maritime in Oct 2018:

- Ship leasing is an emerging business model of ship finance.
- The Government is working with the industry to devise tax concession and other measures with a view to attracting more **ship leasing companies**
- The study is expected to be completed in the second half 2019.



HOW WE CAN HELP ■

Invest**HK**



Information to aid planning
and evaluation

Facilitation of visa
applications, schooling



Networking events,
introduction to service providers

PR and marketing support for
launch/ expansion





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