Belt and Road, the Greater Bay Area Perspective

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Head of Maritime Cluster

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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
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**

71 mn

> UK, Italy, South Africa

**LAND AREA**

56,000 km²

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

**GDP**

US$1.6 trillion

> Indonesia, Netherlands, Turkey

*Source: CBRE Research*
STRAATEGIC 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

<table>
<thead>
<tr>
<th></th>
<th>Guangdong-Hong Kong-Macau 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>56,000</td>
<td>17,900</td>
<td>21,500</td>
<td>36,900</td>
</tr>
<tr>
<td>Population (mn)</td>
<td>71</td>
<td>7.6</td>
<td>20.2</td>
<td>44.0</td>
</tr>
<tr>
<td>GDP (US$ bn)</td>
<td>1,600</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>GDP share of tertiary industry (%)</td>
<td>65.6</td>
<td>71.9</td>
<td>83.3</td>
<td>77.0</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>Stock Market Capitalisation (USD Trillion)</td>
<td>7.6</td>
<td>N.A.</td>
<td>30.5</td>
<td>5.7</td>
</tr>
<tr>
<td>No. of World Top 100 Universities</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>2</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>
</tbody>
</table>

Source: Government statistical departments in the relevant jurisdictions, TDC
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

**GUANGDONG**

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

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

**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

Source: CMAB
HONG KONG AMONG
GREATER BAY CITIES

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

HONG KONG
- No Capital and Exchange Controls
- HKD pegged to USD
- Common Law
THE GREATER BAY AREA DEVELOPMENT OBJECTIVES.

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

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

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

In 2019
By 2022
By 2035
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.
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
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.

(2): Hong Kong pips Japan to become world’s third-biggest stock market, Financial Times 10 Apr 2019
(3): KPMG. SCMP
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
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.

- Networking events, introduction to service providers
- Facilitation of visa applications, schooling
- Information to aid planning and evaluation
- PR and marketing support for launch/ expansion

InvestHK
GET in TOUCH

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