

## A Greater Bay Area Proposed in South China

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*Hong Kong is the financial center in South China and one of the top financial centers in Asia. Macao is the gaming and entertainment hub and the world's top gaming destination. Guangdong led the manufacturing base in the South China region and it is swiftly moving toward hi-tech and culture. Will a Guangzhou-Hong Kong-Macao Greater Bay Area impact your overall or regional China strategy?*

In Premier Li Keqiang's annual government work report delivered on March 5, he announced the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

Building of the Greater Bay Area was included in the 13th Five-Year Plan (2016-2020), and in fact, it is a deepened version of the Pearl River Delta and the Pan-Pearl River Delta development initiatives.

This regional city cluster in south China includes Hong Kong SAR, Macao SAR, and nine cities in Guangdong province, namely Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen, and Zhaoqing.

This Greater Bay Area of 56,500 sq. km. shares similar folk culture and Cantonese dialect. It involves some 67.5 million urban residents and US\$1.3 trillion GDP.

Each of the SARs and cities in the Greater Bay Area has its own functions and positioning. For example, Hong Kong is a global financial center and an international logistics hub, Shenzhen is China's technological innovation center and an important base for private enterprises, Dongguan is a global IT manufacturing location, Guangzhou is a center for Lingnan (Pearl River) culture and a center for heavy industry in south China, Zhongshan is a key base for white goods, Zhuhai is a south China tourism city, and Macao, the world's largest gaming center.

The nine cities run a "3+3+3" spatial structure with these groupings: Guangzhou, Foshan and Zhaoqing; Shenzhen, Dongguan and Huizhou; Zhuhai, Zhongshan and Jiangmen. These nine cities also bring about a "9+6" combination on development involving six surrounding cities in the Pearl River Delta, they are: Shaoguan, Heyuan, Shanwei, Yangjiang, Qingyuan, and Yunfu.

The Greater Bay Area urban agglomeration is divided into three development sub-regions: the east coast as the knowledge-intensive industrial belt, the west coast as the technology-intensive industrial belt, and the coastal region as the heavy industry and eco-friendly belt.

**Table: Three Sub-Regional Positioning of the Greater Bay Area**

<b>East Coast: Knowledge Intensive</b>	<b>Modern Services</b>	<b>Strategic Emerging Industries + Hitech Industry</b>
1. East and Central Guangzhou 2. Dongguan 3. Shenzhen	1. Financial 2. Interactive Information 3. Exhibition 4. Professional Services 5. Logistics 6. Cultural Innovation	1. New Energy 2. New Materials 3. Digital Information 4. Biopharmaceutical
<b>West Coast: Technology Intensive</b>	<b>Modern Services</b>	<b>Equipment—Manufacturing Industry + Leading Traditional Agriculture</b>
1. North and South Guangzhou 2. Foshan 3. Zhongshan 4. West Zhuhai	1. Logistics 2. Education 3. Outsourcing	1. New Energy 2. New Materials 3. Digital Information 4. Biopharmaceutical
<b>Coastal Region: Eco-Friendly + Heavy Industry</b>	<b>Modern Services</b>	<b>Advanced Manufacturing</b>
1. Huizhou 2. Shenzhen 3. Coastal Zhuhai 4. Jiangmen	1. Business and Leisure 2. Cultural Innovation 3. Education and Training	1. Petrochemical 2. Oil and Gas Exploration 3. Biopharmaceutical

Chart prepared by Royal Roots Global Inc.

In an interview with *China Development Observation*, Professor Lu Jinyong of School of International Economics and Trade, University of International Business and Economics, and Director Wang Haifeng of Trade and Investment Research Department, Foreign Economic Research Institute, National Development and Reform Commission, shared their insight on the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

Building up the Greater Bay Area “will further develop China's vision in urban development planning. It will be conducive to a more extensive future blueprint development and coordination, including industrial structure, infrastructure development, social management system reform, and environmental protection.”

Professor Lu pointed out that even though administrative divisions are local, economic development will break through administrative restrictions. Introducing the Guangdong-Hong

Kong-Macao Great Bay Area aims at breaking through the administrative restrictions to bring about new vitality, drive, and space in China's economic and social development.