



OUR HONG KONG
FOUNDATION
團結香港基金

Greater Bay Area Opportunities: Survey and Analytical Observations Executive Summary



Introduction

The Guangdong-Hong Kong-Macao Greater Bay Area (GBA) comprises two Special Administrative Regions (SARs)—Hong Kong and Macao, and nine mainland cities in Guangdong Province on the Pearl River Delta—Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen, and Zhaoqing (hereinafter referred to as the “nine mainland cities”). The development of the GBA is accorded the status of key strategic planning in China’s development blueprint, and has great significance for the nation’s ongoing development and commitment to reform and opening-up. Backed by the mainland, Hong Kong has always been an externally oriented and open economy well positioned to capitalise on the tremendous momentum of the rapid economic growth of the GBA.

Hong Kong has long been criticised of its excessively uniform economic structure, with its economy relying mainly on the real estate and finance sectors. As a result, there are limited career paths for Hong Kong people, especially the younger generation. Hong Kong has to formulate afresh strategies for the development of a more diversified economy and introduce relevant supporting measures to seize the opportunities in the GBA.

Recent studies show that Hong Kong residents have developed an increased understanding about the GBA. Moreover, the GBA is recognised as an opportunity for future business development with access to the region’s market. Studies also show that businesses view the GBA as an increasingly important market in light of the new opportunities arising in China. Some of them have already set up offices in the region or are planning to do so.

In order to better understand how Hongkongers perceive and evaluate opportunities in the GBA, Our Hong Kong Foundation (OHKF) has commissioned the Public Governance Programme at the Lingnan University to conduct a telephone survey. 1,012 Hong Kong permanent residents (aged 18 or above) were interviewed by a randomised telephone survey in late April 2021. The sampling error is calculated to be approximately $\pm 3.1\%$ at 95% confidence interval.

In addition to the survey, OHKF has also commissioned an external organisation to conduct 12 focus groups to further understand participants’ perceptions of the GBA’s development. A total of 82 participants aged between 18 to 40 were interviewed in the discussions in May 2021.

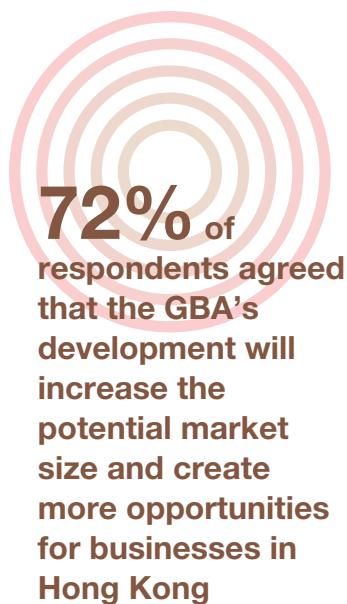
Study Highlights

STUDY HIGHLIGHTS (1)

Recognition of the economic benefits brought by the Greater Bay Area

1.1 MOST RESPONDENTS RECOGNISED THE BUSINESS OPPORTUNITIES ARISING FROM THE GREATER BAY AREA

Most respondents agreed on the economic benefits brought by the development of the GBA. Among the respondents who have expressed their views¹ (the same applies hereinafter), **72%** of the respondents agreed that the GBA's development will increase the potential market size and create more opportunities for businesses in Hong Kong, while only 28% of them disagreed with this statement. Most of the participants recognised the constraints of the limited market size in Hong Kong. With a population size of 86 million² and a similar level of GDP as compared with South Korea, the GBA provides more opportunities and potential for great business growth.



72% of respondents agreed that the GBA's development will increase the potential market size and create more opportunities for businesses in Hong Kong

The survey also shows that **55%** of the respondents agreed that the development of the GBA will attract multinational corporations (MNCs) to expand their business operations in Hong Kong, creating more job opportunities in the local market, whereas 45% of the respondents disagreed with this statement. Some participants argued that with the GBA's development, businesses will be more integrated into both local and global supply chains, inducing a two-way development base for "going global" and attracting foreign investment.



The scope, requirements and procedures of mutual recognition of qualifications are key factors for facilitating talent exchange

1.2 MUTUAL RECOGNITION FOR PROFESSIONAL QUALIFICATIONS

The study shows that the current mutual recognition system of professional qualifications has its limitations in effectively facilitating talent exchange between Hong Kong and the mainland GBA. Some participants expressed their views on how the opportunities in the GBA could be a breakthrough in their careers. The study shows that the scope, requirements and procedures of mutual recognition of qualifications are key factors in encouraging Hong Kong professionals to develop their careers in the GBA, and in facilitating the exchange of talents.



66% of respondents believed that the number of people interested in living in the GBA has increased

STUDY HIGHLIGHTS (2)

It is perceived that more Hongkongers are willing to live in the Greater Bay Area—drawn by lower living costs

2.1 INCREASED RECOGNITION OF THE GREATER BAY AREA

The survey shows that **66%** of the respondents believed that the number of people who are interested in living in the GBA has increased, while 34% of them thought the opposite. 63% of the respondents said that they had been to at least one of the nine mainland cities in the past 5 years, and 37% of them said they had not. Among those who had, sightseeing-based tourism was their major form of interaction with the mainland GBA cities, with Shenzhen and Guangzhou being the most visited cities. However, sightseeing alone does little in helping Hong Kong people to fully understand the GBA's development and progress. Therefore, more has to be done to promote the GBA and to help Hong Kong people better understand business and career opportunities in the GBA.

¹ All data presented in this document have excluded respondents who chose "no opinion" or "refuse to answer".

² Source: Hong Kong Trade and Development Council

³ The term "living" here includes, but not limited to working, operating business, studying, and living after retirement.

2.2 MORE INCLINED TO MOVE TO THE GREATER BAY AREA WITH SOCIAL WELFARE INCENTIVES

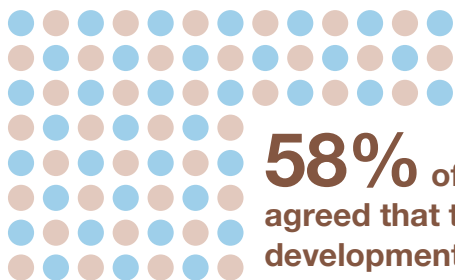
The study shows that living-cost related policies are the most attractive factors for Hong Kong people when considering whether to live in the mainland. Notably, having access to Hong Kong's medical services and social benefits in the GBA cities is a great incentive for Hong Kong people to live in the GBA. The attempt to offer more housing benefits in the nine mainland cities to Hong Kong residents would also increase their incentive in moving there.

STUDY HIGHLIGHTS (3)

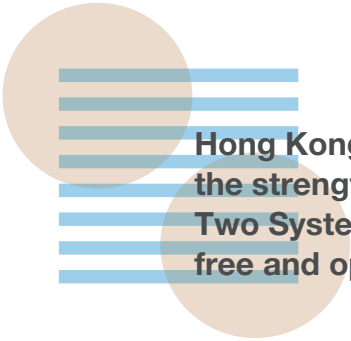
Greater Bay Area development as a key “growth engine” for a more diverse economy

3.1 DIVERSIFY HONG KONG'S ECONOMY

According to the survey, **58%** of the respondents agreed that the joint development of Hong Kong and the nine mainland cities will help to diversify Hong Kong's economy; while 42% of them disagreed. The respondents recognised the fact that the local economy relies heavily on real estate and finance, and expressed concerns about limited career options. Hong Kong should identify new areas of growth by developing emerging industries vigorously. Through engaging in the GBA's development, Hong Kong can nurture more talent and explore emerging industries so as to create new “growth engines”.



58% of respondents agreed that the joint development of Hong Kong and the nine mainland cities will help diversify Hong Kong's economy



Hong Kong should capitalise on the strengths of the “One Country, Two Systems” principle and its free and open economy

3.2 MAXIMISE SYNERGIES AMONG THE GREATER BAY AREA CITIES

Participants agreed that under the premise of the “One Country, Two Systems” principle, Hong Kong has unique advantages over any other GBA city, particularly in the areas of finance and business. For instance, Hong Kong’s strong legal protections on intellectual property, the free flow of capital, and a well-established legal system underscored by the Rule of Law and judicial independence. In the short run, Hong Kong cannot be matched by any other city in China in this regard. Participants’ opinions on Hong Kong’s advantages are summarised as below:

In relation to the financial industry, Hong Kong has no restriction on capital flow and foreign exchange controls, which is why participants believed that Hong Kong will continue to be the world’s dominant gateway to mainland China, as it had always been.

As a city that adopts capitalism and as the only common law jurisdiction in China, Hong Kong has sophisticated systems of law making, legal protection and legal enforcement that are in line with western countries. These are important for international business development.

Also, Hong Kong is one of the largest centres for equity fundraising. Its open and international capital markets, allowing free flow of capital are key factors to maintaining Hong Kong’s competitiveness.

OUR HONG KONG FOUNDATION LIMITED

19/F Nan Fung Tower, 88 Connaught Road Central, Hong Kong

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Concluding Remarks

Develop a refined and precise talent recognition policy

Capitalising on the strengths of the “One Country, Two Systems” principle and its free and open economy, Hong Kong plays a crucial role in the development of the GBA. Unlike other bay areas in Tokyo, New York, and San Francisco, Hong Kong and other GBA cities are governed under different legal and economic systems. The key to creating a more integrated GBA is to overcome silos between cities, especially those between Guangdong province, Macao, and Hong Kong.

To start with, the Government of the Hong Kong SAR should foster the mobility of talents by working on the mutual recognition of qualifications within GBA cities. Participants in the study recommended government officials set up dedicated departments to undertake mutual recognition of qualifications and re-examining relevant procedures to facilitate effective talent exchange. Meanwhile, it is also important to ensure Hong Kong talent receive social benefits equivalent to talent in the nine mainland cities, and vice versa.

Effective promotion alongside a clear blueprint for development

In conclusion, the study shows that most Hong Kong residents were able to identify the potential of the GBA, and recognise the economic benefits brought by the integration with other GBA cities. Therefore, when considering the approaches in promoting the GBA, the Hong Kong Government should focus on social policies such as welfare and housing, which are of relevance and concern to local residents. In this way, Hong Kong residents will be more willing to consider living in the GBA. A regular communication mechanism can be established among the Hong Kong SAR Government and the mainland authorities (at the central, provincial and municipal levels) and the Macao SAR Government to enhance the understanding of the GBA’s opportunities and policies among Hong Kong residents.

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