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## Report expects Greater Bay Area to develop in 2 phases

By Oswald Chan



This July 7, 2017 photo shows a section of the Hong Kong-Zhuhai-Macao Bridge. According to an academic report on logistics and trade facilitation in the Guangdong-Hong Kong-Macao Bay Area, the central government is leaning towards a two-phase approach to developing the area. (PHOTO / XINHUA)

HONG KONG – The central government is leaning towards a two-phase approach to developing the [Guangdong-Hong Kong-Macao Bay Area](#) (Greater Bay Area), according to an academic report on logistics and trade facilitation in the GBA.

In the first phase, nine Chinese mainland cities will be integrated. The cities will later be aligned with Hong Kong and Macao Special Administrative Regions.

*As a free-trade port, Hong Kong still retains its competitive advantage over the mainland as full trade liberalization is still not feasible in the country.*

During the integration and alignment stage, these 11 cities should harness their own unique geographical and functional advantages to pursue separate but complementary services based on market forces, the report added.

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To gauge their views on GBA integration, Hang Seng Management College's (HSMC) Policy Research Institute of Global Supply Chain, and Chinese University of Hong Kong's (CUHK) Asian Institute of Supply Chains & Logistics interviewed several central government bureaus such as National Development and Reform Commission, Hong Kong and Macao Affairs Office of the State Council, General Administration of Customs and Ministry of Transport and Communications.

The researchers also interviewed industry stakeholders such as shipping companies, airlines, logistics firms, airports and container ports to examine their concerns on GBA integration, market and policy-driven dynamics, division of services and customs policy.

"Hong Kong is not to compete with the other 10 cities in the Greater Bay Area, rather they should compete collectively as a whole with other regions to become the world's largest market," said Cheung Wai-man, director at CUHK's Asian Institute of Supply Chains & Logistics.

"As a free-trade port, Hong Kong still retains its competitive advantage over the mainland as full trade liberalization is still not feasible in the country," Cheung reckoned.

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The GBA was officially included in the 13th Five-Year Plan outline approved by the 12th National People's Congress in March last year. The GBA blueprint was also stated clearly in Premier Li Keqiang's government work report this year.

"Competing for regional leadership is not credo of the Greater Bay Area. Rather Hong Kong and the other 10 cities should pursue complementary development through division of services," said Lawrence Leung Chi-kin, dean at HSMC's School of Decision Sciences.

"As an international city, Hong Kong can endow services support to the other 10 cities in the region. Hong Kong's niches are not mutually exclusive with the advantages of these 10 cities."

"Hong Kong should focus on high-value added logistics products and services and this can help position the logistics hub status of the Greater Bay Area to the Association of Southeast Asian Nations region and the rest of the world," asserted Collin Wong Wai-hung, associate professor at HSMC's Supply Chain and Information Management Department.

The GBA is the city cluster area formed by nine cities in the Pearl River Delta area of Guangdong province – Guangzhou, Shenzhen, Foshan, Dongguan, Zhuhai, Huizhou, Zhongshan, Jiangmen and Zhaoqing – as well as the special administrative regions of Hong Kong and Macao. It is estimated this city cluster has a population of more than 100 million and an annual gross domestic product of US\$1.4 trillion.

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