

'Government inaction has cost Hong Kong advantages over other bay area cities'

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12/1/2017



Government failure to maintain Hong Kong's economic advantages in innovation and technology has caused it to fall behind local rivals, a group of academics said on Thursday.

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But the city can still rekindle its niche in logistics and high-value-added services through the “[Greater Bay Area](#)” scheme if the local government can speed up policymaking to ease cross-border trade, according to the joint report from Hang Seng Management College and Chinese University.

The Greater Bay Area is the central government's plan to link Hong Kong, Macau, and nine mainland cities in the Pearl River Delta into an integrated innovation and technology hub.

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A co-author of the report, Professor Cheung Wai-man said the plan's success hinged on how well the cities integrate and complement each other to maximise their respective competitive edges.

But he said Hong Kong's advantages in innovation and logistics had eroded in recent years, and blamed government inaction for that.

[Coordinate Greater Bay Area's environmental standards as the economies integrate, experts urge](#)

“Hong Kong has been talking about being an IT hub for two decades without taking significant actions. Now this ambition [has been taken up by Shenzhen](#). Also the Hong Kong government has failed to provide any policies to facilitate its logistics development,” he said.

But he added that swift action from officials could revive the city's innovation prospects.

Cheung, director of Chinese University's Asian Institute of Supply Chains and Logistics, said integration as envisaged under the grand plan “may not be easy, as each city may have its preference and some politics may be involved here. But I believe the central government will sort it out”.

The report recommended that Guangzhou be the bay area's manufacturing base, with Shenzhen and Hong

Kong innovation and technology bases, and Macau and Zhuhai tourism and hospitality hubs.

It also called for city governments to set up e-commerce and digital platforms that can simplify customs procedures and logistics.

‘Innovation’ needed to capitalise on Greater Bay Area, Hong Kong official says

Another co-author, Danny Ho Chi-kuen of Hang Seng college, noted that the central government’s National Development and Reform Commission said it supported Hong Kong’s role as a shipping centre and its development towards high-value-added businesses such as marine insurance.

The commission also noted that the Civil Aviation Administration of China was concerned about excessive aviation competition in the region and would coordinate with Hong Kong on this issue, the report said, adding that it had already requested the cancellation of some flights or routes with few passengers.

The report said that, according to the Ministry of Transport and Communications, “further discussion is needed to decide which city – Hong Kong, Guangzhou or Shenzhen – will play the role as hub airport”.