

SPOTLIGHT

By DAVID HO in Hong Kong
For China Daily Asia Weekly

Two of China's biggest initiatives — the Belt and Road and the Guangdong-Hong Kong-Macao Greater Bay Area — could support each other as development progresses.

This view was espoused by prominent business leaders and professionals during panel discussions held in conjunction with the Belt and Road Conference 2018, co-organized by *China Daily* and the Silk Road Economic Development Research Center, in Hong Kong on Oct 29.

The conference — the fourth held so far on the Belt and Road Initiative — included three panel discussions and a number of keynote addresses on the theme Tapping Belt and Road Opportunities in the Greater Bay Area.

The first panel dialogue, themed Exploring Innovation and Technology Intra-Regional Cooperation in the Greater Bay Area, was chaired by Ceajer Chan Ka-keung, adjunct professor of finance at the Hong Kong University of Science and Technology and former secretary for financial services and the treasury of the Hong Kong Special Administrative Region (HKSAR).

He kicked off the discussions by encapsulating the importance of the Bay Area as an "important supply chain to the world", saying there is "no other place like it".

Other panelists backed Chan's assessment, with a consensus that the Bay Area's unique position has given rise to special opportunities and challenges.

George He, senior vice-president at Lenovo and president of the Lenovo Capital and Incubator Group, touched on Hong Kong's role in the Bay Area.

"The Bay Area is a great opportunity for Hong Kong to be a great connector for startups. It has a role in developing high tech and robotics from Chinese startups and helping them expand overseas," he said.

He said the SAR's strengths in the field of research and development are not to be underestimated as well.

"There are a lot of great opportunities at Hong Kong universities. They have great technology, professors and students," he said.

Besides innovation-based industries, traditional businesses could benefit from the initiatives too.

Arnold Cheng, director of Hong Kong and Pearl River Delta for John Swire and Sons (China), said he is still excited over the Bay Area development despite his dealings with the more traditional business areas.

"All these developments are opportunities for us. The home market (in Hong Kong) will expand from 7 million to 68 million. And, with the key infrastructures in place, one can now easily go from Shenzhen's Futian district to Hong Kong airport in about an hour," he said.

The sudden boom and connectivity means a fast growing market for all,

said Cheng, convinced that his company's beverage and property development businesses will stand to benefit.

"Besides an enlarged home market, it also means there will be more people resources to grow our businesses."

However, there is still much work to be done, Cheng noted, with three main areas of development in store — integrating the Bay Area into a single market; enhancing its competitiveness by increased collaboration among member cities in the Bay Area; and ensuring the free flow of people, information, capital and goods within it.

Not only would such a scenario benefit the region itself, it could build up the expertise to support countries along the BRI route.

Doris Luey, head of social innovation for New World Development, pointed out that the shared tech innovations within the Bay Area could help boost industries.

"Technology brings a lot of disruption. We're facing the fourth industrial revolution, and the Bay Area could be an opportunity to transform these traditional businesses," she said.

E Zhihuan, chief economist at Bank of China (Hong Kong), reckons that financial technology, in particular, could find a great playground in the area.

"Artificial intelligence development can experience a growth spurt and enter the disruptive phase in the fintech of the Bay Area," she said.

Luey, however, pointed out that the different policies of the three jurisdictions in the Bay Area might need to be sorted out.

"Mobile payment is a powerful tool. In the Bay Area, we have different policies and compliance terms concerning it. How do we work through the different privacy ordinances and integrate the systems?" she asked.

The subject of regulatory differences also came up during the discussions.

"The Bay Area is different from other world bay areas because of the 'one country, two systems' policy in Hong Kong and Macao. It allows us to be more dynamic and to conduct experiments before exporting to the external market. Thus, it should not be measured by the same metrics as other bay areas in the world," said Chan.

He also referred to the results of a survey conducted by consulting firm KPMG on the Bay Area.

"The key benefits of the Bay Area would be the free flow of talent, greater regional ties, and better market penetration. But, to deal with the challenges facing it, policy barriers and government foresight in planning capabilities were highlighted," said Chan.

Also, there might be a clash arising from the difference in government attitudes toward their own economies.

"The difference between the mainland and here (Hong Kong) includes market-driven and planned economies. Each system is based on its beliefs in the market. We should see the Bay Area as a place to try out new ideas and compromise to make effective policies to promote the global

Bay Area to reap Belt, Road benefits

'No other place like it' for integration, innovation opportunities that will power the nation forward, panelists affirm



From left: Joseph Chan, chairman of the Silk Road Economic Development Research Center; H.E. Rashid Alimov, secretary-general of the Shanghai Cooperation Organisation; Matthew Cheung Kin-chung, Hong Kong's chief secretary for administration; and Zhou Li, editorial board member of China Daily Group, publisher and editor-in-chief of China Daily Asia Pacific, pose for a group photo at the Belt and Road Conference on Oct 29. EDMOND TANG / CHINA DAILY ASIA WEEKLY

From left: Ceajer Chan Ka-keung, former secretary for financial services and the treasury of the Hong Kong Special Administrative Region; George He, senior vice-president of Lenovo and president of Lenovo Capital and Incubator Group; Arnold Cheng, Hong Kong and Pearl River Delta director at John Swire and Sons (China); E Zhihuan, chief economist at Bank of China (Hong Kong); Doris Luey, head of social innovation at New World Development; Chen Guanghan, associate dean and chief expert at the Institute of Guangdong, Hong Kong and Macao Development Studies of Sun Yat-sen University; and Wong Kam-fai, associate dean (external affairs), Faculty of Engineering, at the Chinese University of Hong Kong. PHOTOS BY ROY LIU / CHINA DAILY ASIA WEEKLY

economy," said Wong Kam-fai, associate dean of external affairs at the Chinese University of Hong Kong's Faculty of Engineering.

Cheng agreed that integration could be a tough process.

"The governments have been working hard to address many of these integration issues. What's left is tough, and is not likely to be worked through in a month or even a year. But, they are working toward it," he said.

Cheng suggested that two areas should be looked at. "The Bay Area can be a tourism destination. It can make for a one-journey, multiple-destination spot. However, most tourists get a single entry visa for the mainland.

It would be hard for them to move from, say, Shenzhen to Hong Kong to Zhuhai because of it," he noted, adding that being a tourism hot spot could promote the Bay Area to those who are unaware of it.

Besides tourism, another area would be the development of a circular economy in the region.

Chen Guanghan, associate dean and chief expert at the Institute of Guangdong Hong Kong and Macao Development Studies of Sun Yat-sen University, said a better-integrated Bay Area could lead to more innovations.

"Innovation is a key ingredient for the region's success. We can, and

should, integrate our resources in knowledge transference," he urged.

"If we can replicate Hong Kong's success as a financial center, we should do it for the Bay Area to be known as a center of innovation for the Belt and Road countries and the rest of the world," he added.

Nonetheless, all the panelists were on the same page that there are rich rewards to be reaped from the Bay Area development, especially in relation to the BRI.

"Despite the challenges, there are tremendous opportunities to be found in the Bay Area as an external-looking area that will power a nation going forward," Chan concluded.



Matthew Cheung Kin-chung, Hong Kong's chief secretary for administration, speaks during the forum Belt and Road Conference: Tapping Belt and Road Opportunities in the Greater Bay Area, jointly presented by *China Daily* and the Silk Road Economic Development Research Center, in Hong Kong on Oct 29.

Ready for innovation push

Hong Kong to leverage its advantages to help build the Greater Bay Area into a global technology hub, making it the 'Silicon Valley of China'

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The Hong Kong Special Administrative Region Government is working closely and proactively with relevant central government departments in taking forward new policies to unleash the innovation and technological potential for interregional cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area.

Speaking on Oct 29 at the forum Belt and Road Conference: Tapping Belt and Road Opportunities in the Greater Bay Area, organized by *China Daily* and the Silk Road Economic Development Research Center, Hong Kong's Chief Secretary for Administration Matthew Cheung Kin-chung said "the aim is to develop the Bay Area into the Silicon Valley of China".

"Leveraging on our advantage in scientific research, internationalization, our robust legal system, rule of law and our status as an international financial, business and logistics center, Hong Kong is in an excellent position to contribute to the national strategy of innovation-driven development, namely building the Guangdong-Hong Kong-Macao Greater Bay Area into an international innovation and technology hub," Cheung

said in his keynote address.

The Bay Area, comprising the nation's two special administrative regions and nine mainland cities in the Pearl River Delta region, boasts a population of nearly 68 million and a gross domestic product of nearly \$1.4 trillion. It will be a key pillar for the Belt and Road Initiative as the Bay Area will be an innovation and technology hub.

"We have gathered to hear how Hong Kong can take full advantage of this increased opportunity," said Zhou Li, editorial board member of *China Daily* Group and publisher and editor-in-chief of *China Daily Asia Pacific*. "We would like to be able to visualize the road map that must follow to play a pivotal role in the process of China's reaching out to the world."

Cheung said the government is committed to fostering innovation and technology development in eight areas, namely increasing resources for research and development, pulling the resources together, providing investment funding, providing technological research infrastructure, renewing existing legislation and regulation, opening up government data, changes in government's procurement policy, and strengthening science education.

Chief Executive Carrie Lam Cheng Yuet-ngor, in her October Policy Address, announced the government will allocate HK\$28 billion (\$3.6 billion) to expedite reindustrialization, promote research and development in universities, revamp e-government services and encourage innovation in society. The amount is in addition to the HK\$50 billion announced by Financial Secretary Paul Chan Mo-po in February to support key technology startups.

The Hong Kong Shenzhen Innovation and Technology Park in Lok Ma Chau Loop, when completed, will be the largest technology business park in Hong Kong with an area of 87 hectares and is expected to boost the area's global position in technology and provide an incubator for technology startups.

Besides infrastructure, Cheung reckoned that talent is also an essential piece of the jigsaw puzzle of innovation and technology development. The government has launched the three-year pilot Technology Talent Admission Scheme, which provides a fast-track arrangement for eligible technology companies and institutes to admit overseas and mainland technology talent to undertake research and development work.