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DEVELOPMENT

Bay area cities urged to drop rivalry and cooperate

Sum Lok Kei and Sue Xinqi

Hong Kong's leader has called for cooperation rather than unhealthy competition with mainland cities to enjoy the financial benefits of Beijing's ambitious "Greater Bay Area" development.

Chief Executive Carrie Lam Cheng Yuet-ngor said yesterday that a detailed plan to transform Hong Kong, Macau, and nine Guangdong cities into an economic powerhouse would be published soon.

But she warned that fierce competition was something to be "avoided as far as possible".

"We are all very committed to building a bay area economy which is open, international, which will consist of an international innovation and technology hub, which has the personal

support of President Xi Jinping," Lam said.

Beijing's aims to integrate the cities into an innovation hub to rival Silicon Valley.

"The cities should ... leverage our strengths and advantages, to create a much bigger economy," Lam said.

The bay area covers over 56,500 sq km and 11 economies valued at US\$1.58 trillion in 2017.

Lam said more details would surface at a symposium in Hong Kong next Thursday involving officials from China's National Development and Reform Commission, as well as leaders of Guangdong and Macau.

The *Post* earlier reported that Vice-Premier Han Zheng - Beijing's top man on Hong Kong and Macau affairs - approved the blueprint last month and it would be unveiled on February 21.

Lam said the document would contain broad initiatives for the three governments to carry out.

"This is an outline development plan, so it will not be like the policy address, which has hundreds of policies that can be implemented immediately."

Some critics fear integration with the mainland will threaten the "one country, two systems" principle or the city's advantages as an international finance hub.

Lam said that would not be the case. "This is because one of the key factors in the bay area's success is one country, two systems, and the involvement of the two special administrative regions."

She said both Premier Li Keqiang and Han had said Hong Kong's involvement would not divert from the one country, two systems principle.

Mao Yanhua, an economist at

Sun Yat-sen University in Guangzhou, said it was a rule of regional economies for city members to seek specialisation and cooperation through market competition.

"What governments should do is remove barriers that hinder the free flow of production elements, and provide better public services, instead of being an oversized market player," Mao said.

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CHIEF EXECUTIVE CARRIE LAM

Terence Chong Tai-leung, an economist at Chinese University, said: "Cities will compete for, say, a new airport, or a new high-speed rail station. Therefore, the National Development and Reform Commission must be at the meeting table to coordinate distribution of such investments."

Competition for workers would be inevitable too.

"Hong Kong might be attractive to young talent and international professionals, but the slow increase in salaries will make the competition for mid-level executives rather bitter," Chong said.

He added that Hong Kong should preserve its free market as a comparative advantage. "Hong Kong should do things that the mainland cities can't do, such as financial services."

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