

# **China's Greater Bay Area**

## **Mapping a Paradigm of Innovative Development for Global Progress**

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## **Introduction: Mapping the GBA as a paradigm of innovative development**

Urbanization has been instrumental in advancing human civilization<sup>2</sup>. Intriguingly, cuneiform, the earliest known form of writing, originated in the late 4th millennium BC, coinciding with the rise of Mesopotamian city-states that propelled humanity on a path of progress. This pattern of advancement continues into the present digital age, where writing not only serves the practical purpose of recording information but also plays a critical role in stimulating creativity. The diverse populations and the exchange of ideas that urban centers facilitate are undeniably pivotal to fostering innovation.

The changes in the urban landscape as cities grow, merge, and connect are vividly captured in maps over time. Historical maps provide snapshots of urban development, showing how cities have expanded their footprints, absorbed surrounding areas, and formed vast urban agglomerations. Modern mapping technologies, including Geographic Information Systems (GIS) and satellite imagery, offer real-time data and visualizations of urban growth patterns, infrastructure development, and environmental impacts. **China's Greater Bay Area (GBA) project exemplifies the scale of modern urban construction, showcasing an ambitious endeavor that holds considerable implications for both the dynamics of urban development and its potential impacts. Our aim in this report is to better define, or “map”, the GBA as a paradigm of innovative development.**

Urbanization encompasses the movement of individuals from rural to urban regions, leading to the expansion of cities. This phenomenon presents various dimensions, including economic growth, cultural exchange and diversity, enhancement of infrastructure and services, technological progress, and social advancement. Nonetheless, urbanization also introduces several challenges, such as overcrowding, housing shortages, environmental impacts, strain on infrastructure, economic disparities, and a broad spectrum of social issues.

Obviously, the future of urbanization involves addressing these challenges while maximizing the benefits it can bring. This includes sustainable urban planning, investment in infrastructure, policies to reduce inequalities, and efforts to minimize environmental impact. The goal is to create cities that are not only centers of economic activity but also livable, inclusive, and sustainable space<sup>3</sup>. In other words, our world is in need of Smart Cities.

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<sup>2</sup> The subtitle of Ben Wilson's *Metropolis* says it all: “A history of the city, humankind's greatest invention”. See bibliography.

<sup>3</sup> One should remember that goal 11 of the Sustainable Development Goals (UN SDGs) is precisely “Sustainable cities and communities”.

In a global village of more than 8 billion inhabitants, urban expansion<sup>4</sup>, a complex spatiotemporal phenomenon, poses numerous challenges for spatial management and economic development. As cities grow, administrative governance becomes a key element in ensuring sustainable and efficient growth. The politics of scale, deeply intertwined with globalization, influences how nations organize themselves territorially.

This essay explores the GBA's significance in the context of spatial management and economic development, highlighting the intricate relationships between urban expansion, governance, politics of scale, global competitiveness, and attractiveness. **We argue that the GBA constitutes a paradigm of innovative development not only relevant to China but also to global progress.**

We also posit that the GBA has ignited a dynamic of continuous advancement. We've embarked on what might be termed a 'virtuous cycle of success,' where initial achievements enhance the region's allure, thereby fostering further successes. This report not only aims to showcase the GBA but also serves as **a call to action for international economic players, highlighting the importance of what is undeniably a significant reality in the business world.**

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<sup>4</sup> In the *2018 Revision of World Urbanization Prospects* produced by the Population Division of the UN Department of Economic and Social Affairs, it was noted that 55% of the world's population lives in urban areas, a proportion that is expected to increase to 68% by 2050.

## **I Historical, Geographical, and Cultural Background Leading to a Major Urban Convergence Forming the GBA**

Contemporary China cannot be viewed as a blank slate; the rich metaphor of the palimpsest would be more helpful to understand its realities. It has evolved from a complex historical backdrop and context. Particularly in the realms of urbanization and infrastructure, China boasts a truly unique history. This legacy is crucial for understanding the nation's current state and its progression over time.

Imperial China was famed for its prosperous urban centers, with several cities achieving remarkable levels of development and cultural significance. Notably, during the Tang Dynasty (618-907), Chang'an<sup>5</sup> emerged as a preeminent metropolis, comparable in size and grandeur to other major cities of the era, such as Constantinople and Baghdad. This illustrious period in Chinese history witnessed Chang'an becoming one of the largest and most vibrant cities in the world, renowned for its highly sophisticated culture, bustling markets, and architectural marvels.

Further exemplifying the urban achievements of Imperial China, the city of Hangzhou, during the Song Dynasty (960-1279), was held in high esteem. The Italian explorer Odoric of Pordenone (1280-1331), who traveled extensively across Asia, proclaimed Hangzhou as the greatest city in the world. His accounts highlight Hangzhou's impressive scale, economic vitality, and the richness of its cultural life, making it a beacon of urban excellence in the medieval world.

Since 1949, following the establishment of the People's Republic of China (PRC), the country has witnessed a substantial transformation in terms of urbanization. Back in 1980, urban dwellers constituted less than 20% of the population. By 2023, this statistic had risen sharply, with 66% of the population living in urban areas.

The *Old Book of Tang*, compiled during the Five Dynasties and Ten Kingdoms period in the 10th century, already identified Guangzhou<sup>6</sup> as a significant port in southern China. For an extended period, it was the sole Chinese port open to foreign traders. What was known as the Canton System (Yikou tongshang) arose in 1757 and served as a means for the Qing dynasty (1644-1912) to control trade with the West. The Treaty of Nanking of 1842, the first of a series of Unequal Treaties, modified the situation.

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<sup>5</sup> For a beautiful introduction to the Tang dynasty and, therefore, Chang'an, *The Golden Peaches of Samarkand* remains a book of reference. See bibliography below.

<sup>6</sup> The *Historical Dictionary of Guangzhou (Canton) and Guangdong* is useful to understand the city. See bibliography below.

In the context of the PRC, Guangzhou stands today as one of China's three largest cities – after Chongqing and Shanghai –, and serves as the capital of Guangdong Province, which is home to 127 million people. It has to be noted that Guangdong is now China's most populous province ahead of Shandong (101 million) and Henan (98 million).

July 1, 2017, marks a significant milestone for the Guangdong Province. On this date, the "Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation in the Development of the Bay Area" was officially signed in Hong Kong. The GBA encompasses nine cities from Guangdong Province — Guangzhou, Shenzhen, Dongguan, Foshan, Zhongshan, Huizhou, Jiangmen, Zhuhai, and Zhaoqing — along with the Special Administrative Regions of Hong Kong and Macau.

Boasting a combined population of 71.2 million, this area would rank as the 20th most populous region globally, surpassing a country like France, which has 68 million residents. By comparison the Tokyo Bay Area has a population of 40 million, the San Francisco Bay Area has in its greatest definition less than 10 million people. The city of Nice, the largest urban center close to Europe's first science and tech hub, Sophia Antipolis, has a population of around 350 000 inhabitants. Obviously, **the GBA is an inevitable force**<sup>7</sup> demanding focused attention from analysts and decision makers alike.

In dissecting the GBA's strategies, impacts, and outcomes, the call for an unbiased analytical lens becomes paramount. This insistence on impartiality is crucial, especially given the complex backdrop of China's rapid ascent on the world stage, which often polarizes opinion and breeds preconceived notions. An objective evaluation of the GBA is challenging yet indispensable. It demands setting aside prevailing biases and preconceptions that cloud judgment. China, as a subject of global discourse, is frequently ensnared in a web of prejudices—ranging from its governance model to its economic practices. However, to truly understand the essence and impact of the GBA, analysts must navigate beyond these biases. This unprejudiced approach enables a clear-eyed recognition of the initiative's visionary goals, its tangible achievements in fostering economic integration, innovation, and sustainable development, and the broader lessons it offers to the global community.

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<sup>7</sup> “The GBA is an inevitable force” is the phrase that introduces the recent book of Jerry Patchell, *China's Greater Bay Area*. See bibliography below.

The GBA, geographically synonymous with the Pearl River Delta<sup>8</sup>, has already undergone a remarkable transformation. Before the 1980s, this area was primarily characterized by agricultural lands and small rural villages. However, the landscape began to change dramatically with the onset of the reform and opening up period. A pivotal moment occurred in May 1980 when the Central Committee of the Communist Party of China designated Shenzhen<sup>9</sup> as China's first Special Economic Zone, a key element in Deng Xiaoping's (1904-1997) grand vision. A decade later, this vision further materialized with the establishment of the Shenzhen Stock Exchange, symbol of an open market economy.

In parallel, Deng Xiaoping also played a critical role in defining China's stance on Hong Kong. This culminated in the Sino-British Joint Declaration, signed on December 19, 1984, in Beijing, where the Chinese government declared its intention to resume sovereignty over Hong Kong from July 1, 1997. The handover was a historical watershed that marked the end of an era and the beginning of another. For over a century and a half, Hong Kong had been under British colonial rule. The return of Hong Kong to Chinese sovereignty was a symbol of China's growing strength and confidence on the world stage, signaling a major step towards its renaissance as a global power<sup>10</sup>. China, reclaiming sovereignty over Hong Kong was a critical step towards undoing the "Century of Humiliation" and restoring its territorial integrity.

In this evolving context, **the emergence of the GBA can be conceptualized as a dual convergence**. The first convergence is between Shenzhen and the post-colonial cities of Hong Kong and Macau. The second is the integration of this tri-city area with the other eight cities of the Pearl River Delta, including the colossal Guangzhou city with its population of 20 million. This dual convergence symbolizes not just economic growth, but a blending of cultures, histories, and aspirations.

The GBA is significantly influenced by biases, particularly due to the inclusion of Hong Kong<sup>11</sup>. This stems from a complex interplay of historical, political, and socio-economic factors that cast a shadow over the region's perception, especially from a Western viewpoint. The West's scrutiny and critique often fail to acknowledge the post-colonial dynamics at play, where China has

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<sup>8</sup> "The GBA is a new vision for an old region". It is how Jerry Patchell concludes his *China's Greater Bay Area*. See bibliography below.

<sup>9</sup> In its beautiful foreword to the book *Learning from Shenzhen*, Ezra F. Vogel (1930-2020) writes with the greatest possible clarity: "No city in the world has ever grown as rapidly as Shenzhen (...)"

<sup>10</sup> I, like many others around the world, found myself glued to the television on that significant day, despite being continents away in Europe. The vivid images of the British flag being lowered for the last time, juxtaposed with the Chinese flag rising, were powerful and poignant. These visuals made it an unforgettable spectacle that accompanies me to this day.

<sup>11</sup> One illustrative, though hyperbolic, example of these biases is economist Stephen Roach's recent comment in the Financial Times (February 12, 2024) declaring that "Hong Kong is over."

reasserted sovereignty over Hong Kong, transitioning from a British colony to a Special Administrative Region under the "One Country, Two Systems" framework.

This reclamation of sovereignty by China was not merely a political maneuver but a restoration of historical continuity that had been disrupted by colonial rule. However, the narrative in Western discourse frequently overlooks this context. Our assumption that the West's perspective on Hong Kong is often unfair highlights the need for a more nuanced understanding of the GBA's unique position at the intersection of historical sovereignty, economic integration, and social harmony. Acknowledging this complexity is essential for appreciating the GBA's potential and navigating its future trajectory in a manner that respects both the region's rich heritage and its dynamic role in global affairs.

The process of convergence within the GBA has certainly been facilitated by cultural elements. Beyond the well-known aspects of Cantonese cuisine and Cantonese opera, the GBA shares a unifying linguistic thread - the Cantonese language. This variant of Yue Chinese is particularly noted for its unique pronunciation. Moreover, the cultural influence of the GBA extends beyond its geographical boundaries, reaching across different continents. This is exemplified by Cantopop<sup>12</sup>, a popular music genre characterized by its composition in standard Chinese and performed in the Cantonese dialect. This musical style not only resonates within the rest of China but also enjoys popularity on a global scale!

**The shared cultural traits among the diverse elements of the GBA certainly facilitated its development, while the construction of the GBA itself has solidified these cultural commonalities, granting them a newfound significance with the potential to influence beyond China's borders.**

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<sup>12</sup> The English term "Cantopop" did not come into existence until the 1970s, when *Billboard* correspondent Hans Ebert started to use it.



## **II Optimized Governance for the Management of Urban Expansion and the Convergence of Cities**

Urban expansion is a complex process influenced by factors such as population growth, economic development, and societal shifts. While, as it has been mentioned, Guangzhou, today, has a population of 20 million inhabitants, in 1950 its population was under 1.5 million. Shenzhen's demographic growth has been particularly meteoric. In 1980, Shenzhen's population was a mere 300,000, but it skyrocketed to 1 million by 1987, 2 million by 1991, and astonishingly exceeded 17 million in 2020. This rapid transformation has earned Shenzhen the moniker of "the instant city", as described in Juan Du's *The Shenzhen Experiment – The Story of China's Instant City*.

As cities undergo expansion, the importance of effective spatial planning becomes increasingly apparent<sup>13</sup>. This is vital for tackling issues related to land utilization, infrastructure advancement, and environmental conservation. The role of administrative organization is central in this context, as it is crucial for sculpting the urban environment and handling the complexities that arise from such growth.

It leads to the importance of governance. Governance, in our eyes, embodies three core capabilities: the capacity to analyze and anticipate future challenges, the ability to formulate strategic plans, and the competence to execute those plans effectively. These facets work in tandem to ensure responsive, responsible, and forward-thinking administration, enabling societies and organizations to navigate complexity, adapt to change, and achieve their objectives.

**Effective governance is crucial in navigating the challenges brought about by urban expansion.**

National, regional and local authorities need to be capable of formulating and executing policies that strike a balance between the demands of urban development and the preservation of natural resources, while also maintaining a high quality of life for residents. Administrative divisions are key in this regard, serving as the structural foundation for governance and playing a pivotal role in fostering sustainable and equitable urban development.

**Mega infrastructure projects represent a formidable challenge to governance**, requiring a comprehensive and forward-thinking vision for a territory. These undertakings demand not only the ability to envision and design large-scale initiatives but also the capacity to bring these plans to fruition. The process involves meticulous planning, effective execution, and ongoing

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<sup>13</sup> In the preparation of this report, I have often thought about France's DATAR or the Interministerial Delegation of Land Planning and Regional Attractiveness. This was key to the modernization of France under the leadership of Charles de Gaulle (1890-1970).

management to ensure that the infrastructure serves its intended purpose and benefits the community. Such projects test the limits of governance, showcasing its ability to coordinate vast resources, navigate complex regulatory landscapes, and achieve sustainable development goals. Through successful management, these projects can significantly enhance a region's economic and social fabric, demonstrating the critical role of governance in shaping our built environment.

## **1 Infrastructure**

Obviously, infrastructure plays a crucial and central role in urban expansion, acting as both a foundation and a catalyst for development. Infrastructure provides the essential framework for any urban area. This includes roads, bridges, public transportation systems, water supply, sewage systems, electrical grids, and telecommunications among others. These components are not only necessary for the functioning of a city but also for its expansion. As urban areas grow, there's a corresponding need to expand and upgrade infrastructure to accommodate the increasing population and its demands. **The development of infrastructure in the GBA presents a fascinating case of how infrastructure projects can shape and are shaped by the geography and socio-economic landscape of a region.**

### **1.1 Ports and Airports Unifying the GBA and Strengthening its Global Connections**

The GBA boasts a strategic geographic location, enriched by the Pearl River, which offers seamless inland access, and its proximity to the sea, connecting it globally. The ports within the GBA, including the Port of Hong Kong, the Port of Shenzhen, and the Port of Guangzhou, play a pivotal role in bolstering China's economic growth and its integration into the global economy. From a global trade perspective, these ports serve as crucial junctures for international shipping routes, facilitating the efficient movement of goods between China and the rest of the world.

The World Shipping Council ranks the biggest container ports in the world, the hubs that keep global trade moving; in 2019, Shenzhen, Guangzhou and Hong Kong ranked respectively 4, 5 and 8 in the world, that is the three of them were in the top 10<sup>14</sup>.

The Port of Hong Kong, one of the busiest and most technologically advanced ports globally, acts as a key gateway for trans-shipment and international trade flows. It not only handles a vast quantity of cargo but also provides a range of logistical and financial services that support international trade.

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<sup>14</sup> <https://www.worldshipping.org/top-50-ports>

The Port of Shenzhen<sup>15</sup>, adjacent to Hong Kong, complements this by serving as a critical export and import hub for mainland China, particularly for its high-tech industries. The Port of Guangzhou, with its deep-water capabilities recently upgraded, serves as a major point for the export of manufactured goods and the import of raw materials, playing a vital role in the manufacturing and industrial chain of the GBA and beyond.

These ports contribute significantly to the GBA's role in global trade by providing efficient, reliable, and cost-effective services. They enhance China's export capabilities, enable the global distribution of Chinese-manufactured products, and facilitate the import of essential goods and resources. Their strategic locations and state-of-the-art facilities make them integral to the supply chains of multinational corporations, impacting global trade patterns and logistics networks.

Furthermore, the ports in the GBA are at the forefront of innovation in maritime and logistics technologies, including automation and digitalization, which improves efficiency and reduces trade barriers. This technological advancement not only strengthens the GBA's position in global trade but also sets standards for port operations worldwide. Last year, Port of Guangzhou and Port of Los Angeles signed an agreement to further their relationship and cooperation that includes development of digital supply chain infrastructure, and the creation of a Transpacific Green Shipping Corridor<sup>16</sup>.

Among the critical components of the GBA infrastructure system are the airports, which serve as vital nodes in its integration and economic dynamism. Their importance cannot be overstated, as they facilitate international trade, boost tourism, and enhance connectivity, thereby playing a pivotal role in realizing the GBA's full potential.

Airports in the GBA, such as Hong Kong International Airport (HKIA) on Chek Lap Kok, Guangzhou Baiyun International Airport, and Shenzhen Bao'an International Airport, are crucial for international trade and logistics. HKIA, in particular, is renowned for its cargo handling capabilities, linking the GBA to global markets. This connectivity is vital for the export-oriented economy of the region, allowing for the swift movement of goods and bolstering the GBA's position as a global trading hub.

The Shenzhen Bao'an International Airport, particularly its Terminal 3, stands as a monumental testament to the fusion of functionality and aesthetic elegance in modern architecture. In 2008, a team of Italian architects emerged victorious in an international competition, setting the stage for

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<sup>15</sup> The Port of Shenzhen consists in fact of six ports, the Yantian and Dapeng port areas in the east, and the Nanshan, Dachan Bay, Dachan Island, Xiaochan Island, and Bao'an port areas in the west.

<sup>16</sup> [https://www.portoflosangeles.org/references/2023-news-releases/news\\_102423\\_guangzhou\\_mou](https://www.portoflosangeles.org/references/2023-news-releases/news_102423_guangzhou_mou)

an extension project that would not only accommodate the growing influx of travelers but also symbolize the innovative spirit of the region. This achievement is chronicled in a book<sup>17</sup> dedicated to exploring the intricacies of the terminal's design and construction, offering readers an in-depth look at a landmark project at the heart of the GBA.

Tourism benefits immensely from the region's airports. The GBA's diverse attractions, from Hong Kong's cosmopolitan cityscape to Guangzhou's historical sites and Macau's gaming industry<sup>18</sup>, rely on airports to bring in international visitors. This influx not only contributes to the local economy through direct spending but also promotes cultural exchange and international goodwill.

In this context, it's unsurprising that China Southern Airlines from its main hub in Guangzhou has ascended to remarkable heights within the aviation industry. As the largest airline in China and Asia, it stands as a formidable entity on the global stage, showcasing not only the strength of its operational capabilities but also the vast potential for further expansion.

Moreover, the strategic role of airports in the GBA extends to enhancing regional connectivity. The development of airport clusters, alongside high-speed rail and road networks, ensures seamless travel within the GBA, making it more accessible for business and leisure travelers alike. **This interconnectivity is essential for the GBA's vision of a unified, dynamic economic zone, allowing for the efficient movement of people and fostering a sense of community among the cities in the region.**

Airports in China's GBA, including Hong Kong, are more than just transportation hubs; they are linchpins in the region's economic infrastructure. Their role in facilitating international trade, boosting tourism, and enhancing regional connectivity is indispensable for the GBA's development. As the GBA continues to grow, the strategic importance of its airports will undoubtedly increase, underscoring their significance in China's regional and global aspirations.

## **1.2 Mobility, Energy and Artificial Intelligence (AI)**

Infrastructure in the GBA means also ground transportation systems, a vision for energy policy, and an ambition for optimization of the cyberspace. Given the scope of this study, we do not claim to be comprehensive, but we will highlight a few examples in the field of mobility, energy and AI.

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<sup>17</sup> *Shenzhen Bao'An, International Airport, Terminal 3*, Philip Jodidio, Skira Rizzoli, 2014.

<sup>18</sup> Gambling tourism makes 50% of Macau's economy. Macau overtook the Las Vegas Strip in gambling revenues in 2007. Macau is the only region in China where casino gambling is legal. Macau's casinos generated 36 billion US dollars in revenue in 2019. Nevada, home of Las Vegas, reported under 12 billion in gambling revenue over the same period.

**The Hong Kong-Zhuhai-Macau Bridge is another realization that presupposed a vision and a capacity to execute it thanks to an effective governance.** It is a 55-kilometer bridge-tunnel system consisting of a series of three cable-stayed bridges, an undersea tunnel, and four artificial islands. It is both the longest sea crossing and the longest open-sea fixed link in the world. With the bridge in place, travelling time between Zhuhai and Hong Kong was cut down from about 4 hours to 30 minutes on the road.

Another bridge still under construction and that will boost the GBA interconnectivity even further is the Shenzhen-Zhongshan Bridge whose total length will be close to 50 kilometers. The eight-lane link is scheduled to be completed in 2024. It will be located about 27 km downriver from the Humen Bridge, the only current bridge crossing of the estuary, and some 32 km north of the new Hong Kong–Zhuhai–Macau Bridge.

The expansion of high-speed rail networks, like the Guangzhou-Shenzhen-Hong Kong Express Rail Link, integrates also the region more closely and decreases travel times between major cities. From Hong Kong (West Kowloon) to Guangzhou South, it takes 47 minutes!

The GBA has been also able to develop strategic projects in the energy sector. One of them, the Daya Bay Nuclear Power Plant commenced its commercial operations in the early 1990s, serving as a hallmark of Sino-French collaboration. This facility has played an instrumental role in meeting the energy requirements of the Greater Bay Area (GBA) region. Further enhancing the advancements in nuclear energy, the Taishan Nuclear Power Plant is a critical establishment equipped with two operational European Pressurized Reactors (EPR). The launch of its first reactor, Taishan 1, in December 2018, signified its commercial introduction, followed by the commencement of the second reactor, Taishan 2, in September 2019. The successful operationalization of these reactors at Taishan, amidst the delays and obstacles encountered by similar EPR projects in Finland and France, underscores its status as **the first nuclear power plant worldwide to achieve full operational capability with an EPR reactor.**

As witnessed by Governor Gavin Newsom from California on his visit to the GBA in October 2023, **the region is also a pioneer in sustainable transportation**<sup>19</sup>. In 2018, following years of collaboration with California via an existing partnership focused on zero emission vehicles (ZEVs), Shenzhen became the first city in the world to transition to an all-electric bus fleet with 16,000 buses as well as 22,000 taxis. The city has built 40,000 charging stations and has implemented innovative technologies like battery swapping to support a quick transition to ZEVs.

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<sup>19</sup> <https://www.gov.ca.gov/2023/10/24/governor-newsom-visits-chinas-greater-bay-area/>

Beyond the traditional dimensions of geography, it was announced recently<sup>20</sup> that Shenzhen will build a digital platform to coordinate the deployment and use of computing resources for artificial intelligence projects in the city. **The southern tech hub's action plan will also involve building an AI supercomputing network for the GBA.**

The case of China is certainly illustrative of how effective governance, a hallmark of the country's unique approach to modernization, has been instrumental in managing rapid urbanization and the formation of new, extensive urban areas like the GBA.

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<sup>20</sup> South China Morning Post, Iris Deng, 31 May 2023.

### **III Politics of Scale, Competitiveness, and the Rise of Global Firms**

#### **1 Politics of scale**

It can be argued that the emergence of the GBA is also connected to external factors. This is particularly evident when considering the rise of Shenzhen during the acceleration of globalization in the 1980s. As globalization intensifies, ambitious systems find the necessary resources to implement what can be called a politics of scale.

This concept of politics of scale, deeply embedded in political geography, describes how governance and decision-making processes operate at various spatial levels. The phenomenon of globalization has amplified the importance of this politics of scale. Nations are now faced with the challenge of adapting to a highly interconnected global environment while simultaneously maintaining their local identities and interests. In this context, administrative divisions transform into arenas for negotiating the most suitable level of governance. This involves a careful balance between local autonomy and global interdependence.

**The GBA concept, comprising 11 cities, commands an economic magnitude of significant relevance on a global scale, even in an era dominated by economic giants.** Let's delve into the economic significance of the GBA's constituents, ranking them by their Gross Domestic Product (GDP) as of 2022: Shenzhen leads with a GDP of \$482 billion, Guangzhou follows with \$445 billion, Hong Kong at \$385 billion, Foshan with \$189 billion, Dongguan at \$167 billion, Huizhou with \$80 billion, Zhuhai at \$60 billion, Jiangmen with \$56 billion, Zhongshan at \$54 billion, Zhaoqing with \$40 billion, and Macau rounds out the list with \$38 billion.

Cumulatively, these figures surpass \$1.9 trillion, equating roughly to the entirety of Guangdong's economy. This represents about 10% of China's total economy and nearly 2% of the global economy—a testament to the GBA's substantial economic footprint on the world stage.

To a certain extent, an analogous example can be found in the context of Europe with the construction of the European Union. This represents a type of politics of scale, where diverse nations align under a unified political and economic framework, navigating the complexities of both regional integration and individual sovereignty. The overall strategic objective is to be able to remain competitive, that is relevant, in a world in which scale matters.

#### **2 Competitiveness**

Adjusting administrative divisions to reflect the evolving spatial dynamics is essential for enhancing the competitiveness of nations in the global arena. A well-organized territorial structure enables efficient resource allocation, infrastructure development, and policy implementation. Nations that can adapt their administrative divisions to align with economic and social realities are better positioned to attract investments, foster innovation, and promote sustainable development. It can be argued that the interplay of at least 8 factors impact the level of competitiveness of large regions or nations. Let us present them and see how the GBA performs.

## **2.1 Infrastructure**

Good transport, telecommunications, and utilities infrastructure can significantly enhance a region's competitiveness. The GBA's strong infrastructure has already been introduced in relation with the effective governance it presupposes.

## **2.2 Human Capital**

A skilled and educated workforce is crucial for innovation and productivity. Regions with better education systems and training facilities tend to be more competitive. The GBA has, indeed, a dynamic and multifaceted education system that is considered highly competitive and diverse.

Known for its high-quality education system, Hong Kong's universities (University of Hong Kong, Chinese University of Hong Kong, and the Hong Kong University of Science and Technology) are consistently ranked among the top in Asia and globally. The city offers a wide range of educational opportunities, including international schools following British, American, and other curricula, alongside local schools emphasizing bilingual education in Chinese and English.

While smaller, Macau also offers a diverse education system with public and private schools providing education mainly in Chinese and Portuguese. It has a focus on higher education and vocational training to support its tourism and hospitality industry.

Guangzhou and Shenzhen are hubs for innovation and technology. Their education systems are robust, with a strong focus on STEM (Science, Technology, Engineering, and Mathematics) education. Both cities are home to some of China's top universities, such as Sun Yat-sen University (SYSU) in Guangzhou and Southern University of Science and Technology in Shenzhen, which emphasize research, innovation, and international collaboration. In fact, SYSU has five campuses in the three cities of Guangzhou, Zhuhai, and Shenzhen.

## **2.3 Innovation Ecosystem**



A strong network of research institutions, universities, and firms that collaborate on research and development can drive technological advancements and business growth.

The World Intellectual Property Organization's Global Innovation Index (GII) serves as a comprehensive barometer of innovation worldwide. It identifies the world's most innovative economies by showcasing their innovation capabilities, along with areas of strength and improvement. The 2023 edition of the Global Innovation Index ranks the top 100 science and technology hubs, with the Shenzhen-Hong Kong-Guangzhou cluster securing the second spot, trailing Tokyo-Yokohama and outpacing other notable clusters such as Seoul, San Francisco, and Tel Aviv. In terms of country rankings within the Global Innovation Index, Switzerland claims the top position, while China is ranked 12th, underscoring its significant presence in the global innovation landscape

## **2.4 Access to Markets**

Proximity to customers, suppliers, and partners can reduce transportation costs and improve business efficiency. Regions with access to larger markets through trade agreements or strategic geographic positions are often more competitive.

The GBA is a case study in leveraging geographical advantages for unparalleled market access. Proximity to customers, suppliers, and partners significantly reduce transportation costs, leading to lower overall operational expenses. The GBA leverages its proximity to some of the world's busiest shipping lanes and its robust manufacturing base. This region has developed into a global manufacturing hub, offering businesses unparalleled access to suppliers.

## **2.5 Regulatory Environment and Tax/Incentive Policies**

A stable and business-friendly regulatory environment that supports entrepreneurship and doesn't impose excessive burdens on businesses can enhance competitiveness. We will present below three recent plans by Shenzhen that are highly significant in this perspective: The “Shenzhen Plan for Optimizing the Market-oriented Business Environment (2023—2025)”, the “Shenzhen Plan for Optimizing the Rule-of-Law Business Environment (2023—2025)”, and the “Shenzhen Plan for Optimizing the International Business Environment (2023—2025)”.

## **2.6 Quality of Life**

Factors such as safety, healthcare, cultural and recreational opportunities, and environmental quality can attract and retain skilled workers.

In fact, the GBA represents a vibrant confluence of cultural, historical, and innovative prowess in East Asia. One of the primary cultural strengths of the GBA is its rich tapestry of historical and contemporary art scenes, embodied through an array of museums and cultural institutions. For example, the Palace Museum in Hong Kong, an extension of Beijing's Forbidden City, offers a unique glimpse into China's imperial past, housing priceless artifacts and artworks. Similarly, the Hong Kong Museum of Art showcases the city's cultural evolution, presenting a mix of Chinese traditional art, modern, and contemporary works, illustrating the region's ability to bridge past and present.

The GBA also boasts significant architectural creativity, where traditional Chinese elements seamlessly blend with cutting-edge design. Hong Kong's skyline, punctuated by iconic structures such as the Bank of China Tower, designed by I.M. Pei (1917-2019), reflects this fusion. The city's architecture narrates a story of cultural amalgamation and economic dynamism, standing as a testament to the GBA's capacity for innovation and aesthetic appeal.

Moreover, the GBA's cultural vibrancy is not confined to its physical structures but extends to its bustling arts scene, characterized by art fairs (among them the Hong Kong Art Basel<sup>21</sup>), galleries, and street art in areas like Hong Kong's West Kowloon Cultural District. This district, home to the M+ Museum, Asia's first global museum of contemporary visual culture, highlights the GBA's commitment to fostering artistic expression and dialogue.

## **2.7 Financial Services**

Access to finance through banks, venture capital, and other financial instruments is critical for business expansion and innovation.

**The GBA can be considered a promising place for accessing capital, offering vast opportunities for businesses looking to tap into both domestic and international markets.** Hong Kong, with its established reputation as a global financial center, plays a crucial role within

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<sup>21</sup> The 2023 edition of the Hong Kong Art Basel was marked by brisk sales throughout the week and across all levels of the market, and a celebration of its ten-year anniversary in the city and its ever-flourishing arts scene. In the words of Noah Horowitz, CEO, Art Basel, "Once again, Hong Kong demonstrated its uncontested position as the leading art market hub in Asia and its critical importance within the global trade." Staged across two floors of the HKCEC for the first time since 2019, the show brought together 177 galleries from across the world. Leading private collectors from 70 countries and territories attended the fair and explored the city's diverse cultural offerings, as did museum directors, curators, and patrons from over 100 international museums and institutions.

the GBA's banking sector. It serves as a gateway for international investors and companies looking to tap into the Chinese market and for mainland entities seeking access to global markets. The city's robust regulatory framework, open market environment, and the presence of international banks facilitate a conducive environment for financial activities. Moreover, Hong Kong's unique position under the "one country, two systems" principle allows it to operate a separate currency (the Hong Kong Dollar), which is pegged to the US Dollar, providing stability and trust for international transactions.

On the mainland, cities such as Shenzhen and Guangzhou are also key players within the GBA's banking sector. Shenzhen, known for its technological innovation, and Guangzhou, with its strong industrial base, have attracted substantial investments, both domestic and foreign. This has necessitated a dynamic banking sector capable of providing sophisticated services, ranging from corporate banking to fintech solutions, to support the region's economic activities.

The integration of fintech into traditional banking services is a notable trend within the GBA's banking sector. With China's rapid advancements in technology, banks in the GBA, especially those in Hong Kong and Shenzhen, have been at the forefront of adopting digital banking services. This includes mobile payments, blockchain technology for transactions and record-keeping, and the use of big data and AI in financial services, which has enhanced operational efficiency and customer experience.

Furthermore, the Chinese government's support for the GBA initiative has facilitated regulatory reforms and policies aimed at promoting financial integration and innovation across the region. Initiatives such as the Wealth Management Connect<sup>22</sup> scheme, which allows cross-border investments between Hong Kong, Macau, and mainland cities within the GBA, underscore efforts to create a more integrated and efficient financial ecosystem. HSBC, first established in Hong Kong in 1865, has set up a dedicated GBA customer service, and its network provides Wealth Management services across the region.

The banking sector in China's GBA, including Hong Kong, is a testament to the region's growing importance as a global financial hub. Through a blend of regulatory support, technological innovation, and international collaboration, the sector is poised to continue playing a vital role in the economic development of the GBA and beyond, serving as a bridge between China and the world in financial services

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<sup>22</sup> Hong Kong Monetary Authority, Enhancements to the Cross-boundary Wealth Management Connect Pilot Scheme Strengthening Financial Market Connectivity in the GBA, 28 Sept 2023  
<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2023/09/20230928-4/>

Stock exchanges are also an important element of the GBA financial landscape. The history of stock exchanges in China traces back to the late Qing Dynasty, with the establishment of the Shanghai Stock Exchange in 1891, making it the first in the country. It is also in 1891 that the Association of Stockbrokers in Hong Kong was established. Today the Stock Exchange of Hong Kong has 2538 listed companies – as of the end of 2020. In response to the economic reforms and opening-up policies initiated by Deng Xiaoping in the 1980s, the Shenzhen Stock Exchange was established in 1990.

Today, the Shanghai and Shenzhen Stock Exchanges are the biggest in Mainland China, playing pivotal roles in its economic development. The Shenzhen Stock Exchange caters more to tech companies and small to medium-sized enterprises, with a focus on innovation and growth sectors. The Stock Exchange of Hong Kong and its US\$4 trillion of market capitalization is obviously a strategic asset for the region, and is key to its competitiveness and attractiveness.

## **2.8 Governance and Political Stability**

Effective and transparent governance, along with political stability, can enhance a region's attractiveness by reducing uncertainty. The strength of China's governance has already been mentioned in “Optimized Governance for the Management of Urban Expansion and the Convergence of Cities”.

## **3 The GBA as a Catalyst for the Ascendance of Global Corporations**

The competitive edge of the GBA is pivotal in explaining the thriving success of its enterprises. Notably, firms like ZTE, Ping An Insurance, Foxconn or SF Express have flourished, leveraging the advantages offered by this dynamic environment. Highlighting its significance, the 2023 Fortune Global 500 List includes a remarkable representation of 25 companies originating from the GBA, with a detailed breakdown as follows: 10 from Shenzhen, 6 from Guangzhou, 6 from Hong Kong, 2 from Foshan, and 1 from Dongguan. Within the scope of this analysis, particular emphasis will be placed on examining the achievements of three standout firms: Huawei, BYD, and Tencent, as exemplars of the region's conducive atmosphere for fostering global corporations.

**“National prosperity is created, not inherited (...) A nation’s competitiveness depends on the capacity of its industry to innovate and upgrade”<sup>23</sup>.** These are the words of American academic

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<sup>23</sup> <https://hbr.org/1990/03/the-competitive-advantage-of-nations>

Michael Eugene Porter in *The Competitive Advantage of Nations*. They are apt to describe the GBA's dynamics.

### 3.1 HUAWEI

Huawei Technologies Co., Ltd., founded in 1987 by Ren Zhengfei, has grown from a small sales agent into a global telecommunications giant - it had revenue in 2022 of 87.8 billion US dollars -, deeply intertwined with China's technological and economic landscape. At the end of 2022, 114 000 Huawei employees or 55.4 % of its workforce, worked in R&D. By the end of 2022, the company held a total of 120 000 active patents<sup>24</sup>.

#### **Shenzhen, often hailed as China's Silicon Valley, has been the cradle of Huawei's growth.**

Starting in this once small fishing village turned megacity, Huawei has leveraged Shenzhen's transformative policies, which epitomize China's reform and opening-up. The city's strategic location, favorable business environment, and the government's supportive policies for high-tech industries have provided Huawei with an ideal ecosystem for innovation and growth. Shenzhen's status as a Special Economic Zone (SEZ) has afforded Huawei advantages such as tax incentives, investment in infrastructure, and an international talent pool, which have been instrumental in its development and expansion.

The symbiotic relationship between Huawei and Shenzhen extends beyond mere geographical location. As Huawei has grown, it has contributed significantly to Shenzhen's economic development and global reputation as a tech hub. Huawei's global success has, in turn, attracted more investments, talent, and technological advancements to the city, creating a virtuous cycle of growth and innovation. This interdependence showcases how Huawei and Shenzhen have jointly navigated the path of technological advancement and economic transformation.

Besides its Shenzhen historical large presence, Huawei has inaugurated another huge campus in the neighboring city of Dongguan where most of its smartphone and mobile gadget R&D and manufacturing will be done. Huawei's establishment of research and development centers across the GBA further signifies its commitment to the region's technological ecosystem. These centers focus on cutting-edge technologies such as 5G, artificial intelligence, and cloud computing, contributing to the GBA's position at the forefront of global tech innovation. Moreover, Huawei's role in building digital infrastructure, such as 5G networks in the GBA, not only strengthens its ties with the region but also supports China's ambition to lead in the global digital economy.

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<sup>24</sup> <https://www.huawei.com/en/ipr>

Huawei's connections with Shenzhen and the GBA are emblematic of China's broader strategy to leverage technology and innovation for economic growth and global influence. Through its deep roots in Shenzhen and its strategic engagement with the GBA, Huawei exemplifies the synergy between Chinese companies and the country's regional development plans. This relationship underscores the pivotal role of technology firms in China's economic narratives and its aspirations on the global stage.

Huawei's journey from a modest beginning in Shenzhen to a global tech titan is a testament to its strong connections with its home city and the broader GBA. These ties are not merely geographical but are deeply embedded in shared goals of innovation, economic growth, and global competitiveness. As China continues to push the boundaries of technological advancement, Huawei's role within Shenzhen and the GBA will undoubtedly remain crucial in shaping the future of the global tech landscape.

### **3.2 BYD or Build Your Dreams**

The firm was founded in 1995 and headquartered in Shenzhen, is a shining exemplar of China's technological and industrial ascendancy, particularly within the GBA. Originally started as a rechargeable battery company, BYD has transformed into a colossal conglomerate, encompassing various sectors including automobiles, new energy, and rail transit. Charlie Munger (1924-2023), former right-hand man of Warren Buffett, used to say that his 2008 decision to get Berkshire Hathaway to invest in budding BYD, was one of the best decisions he's ever made<sup>25</sup>.

**BYD's journey is inextricably linked with the rise of Shenzhen.** BYD's advancements in electric vehicles (EVs) and renewable energy solutions resonate with the GBA's ambitions to be a global innovation leader in green technology. BYD has established manufacturing plants and research centers across the GBA, promoting technological exchange, job creation, and sustainable urban development.

BYD's global outreach, with its products and services extending to over 200 cities in 50 countries, positions the GBA as a critical gateway for China's global trade and technological diplomacy. BYD's emphasis on innovation, evidenced by its significant investment in R&D, aligns with the GBA's vision of fostering a high-tech, sustainable, and innovative economic region.

BYD's development trajectory and strategic endeavors epitomize the symbiotic relationship between a corporation and its local environment. Through its deep roots in Shenzhen and

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<sup>25</sup> <https://fortune.com/2023/02/16/charlie-munger-byd-stake-warren-buffett-berkshire-hathaway-china-tesla/>

significant contributions to the GBA's development, BYD not only showcases the potential of Chinese enterprise in the global stage but also highlights the critical role of regional collaboration in achieving sustainable growth and technological advancement.

### 3.3 TENCENT

Tencent, one of China's largest and most influential tech conglomerates, has played a pivotal role in the economic and technological development of Shenzhen and the broader Guangdong-Hong Kong-Macao Greater Bay Area (GBA). Founded in 1998 in Shenzhen, Tencent has grown from a modest startup into a global powerhouse in the internet and technology sectors. In 2022, its revenue amounted to 77.99 billion US dollars with total assets of 221 billion. It is a major stakeholder in tech companies and products including Spotify, Tesla, Snapchat, Monzo and Reddit, as well as the makers of video games such as Fortnite, League of Legends, Clash of Clans, and Call of Duty<sup>26</sup>. **Tencent's story is deeply intertwined with the rise of Shenzhen as a global tech hub and the strategic importance of the GBA in China's economic plans.**

Tencent's connection with Shenzhen is not merely geographical but symbolic of the city's rapid transformation and innovation-driven economy. The company's flagship product, WeChat, is a testament to its innovation capabilities, offering a multifunctional platform that has become integral to daily life in China.

The company has been at the forefront of developing smart city technologies, cloud computing, and artificial intelligence within the GBA, fostering a digital ecosystem that supports the area's ambition to be a world-class urban agglomeration.

Tencent's international partnerships and investments have helped bridge the GBA with global markets, enhancing the region's international competitiveness and connectivity. Through initiatives like the establishment of innovation labs and investment in cutting-edge technologies, Tencent not only fuels its own growth but also propels the GBA's position on the world stage.

Tencent's journey from a Shenzhen-based startup to a global tech titan mirrors the aspirations and dynamism of Shenzhen and the GBA. Its contributions to technological innovation, economic development, and the digital transformation of the region underscore the symbiotic relationship between Tencent, Shenzhen, and the GBA, highlighting their collective impact on shaping the future of technology and commerce both within China and globally.

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<sup>26</sup> *Influence Empire: Inside the Story of Tencent and China's Tech Ambition*, Lulu Chen, Hodder & Stoughton, 2022.

## **IV International Dimensions of the GBA: Attractiveness, the Association of Southeast Asian Nations (ASEAN), and the Maritime Silk Road**

The extraordinary success of contemporary China owes much to its policy of reform and opening up, a strategy that has transformed its economic landscape. Amidst speculation about the persistence of this approach, the GBA stands as a resounding testament to its active implementation and enduring impact. **On April 7, 2023, an informal dialogue between Chinese President Xi Jinping and French President Emmanuel Macron took place in Guangzhou, shedding light on these matters. During this meeting, President Xi underscored Guangzhou's pivotal role in spearheading China's ongoing reform and opening up efforts. He elaborated on how Guangzhou is at the forefront, vigorously driving the GBA's development, thereby reaffirming the city's strategic importance in China's economic evolution and openness to the world<sup>27</sup>.**

### **1 Attractiveness**

The GBA offers a conducive environment for the growth and development of Chinese companies, while also holding considerable appeal for international businesses. This allure is expected to persist into the future. It is noteworthy that numerous countries maintain diplomatic representations in both Guangzhou and Hong Kong. **There are about 51 diplomatic missions based in Guangzhou, and 122 in Hong Kong.** This dual presence underscores the significance of the GBA on a global scale, highlighting its pivotal role in fostering economic and diplomatic relations.

The region continues its effort to optimize competitiveness and attractiveness. From this perspective, three recent plans by Shenzhen are highly significant. The “Shenzhen Plan for Optimizing the Market-oriented Business Environment (2023—2025)”, the “Shenzhen Plan for Optimizing the Rule-of-Law Business Environment (2023—2025)”, and the “Shenzhen Plan for Optimizing the International Business Environment (2023—2025)” have been approved by the Shenzhen Municipal Party Committee and the Municipal Government and have been officially issued.

The plan for optimizing the market-oriented business environment proposes that Shenzhen will focus on key areas such as property rights protection, market access, fair competition, and social credit. It aims to innovate government management and service methods, fully utilize policies for

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<sup>27</sup> Xi, Macron hold informal meeting in China – on website of the State Council of the PRC [https://english.www.gov.cn/news/202304/08/content\\_WS64309f37c6d03ffcca6ce1fe.html](https://english.www.gov.cn/news/202304/08/content_WS64309f37c6d03ffcca6ce1fe.html)



loosening market access, and continuously strive to create a business environment characterized by more effective property rights protection, better access systems, fairer market competition, a more robust credit system, and more convenient government services. According to the plan, Shenzhen will optimize business registration and exit services, aiming for comprehensive "one-click" access to bankruptcy-related information and "one-stop" processing of bankruptcy affairs by 2025.

The plan for optimizing the rule-of-law business environment outlines comprehensive advancement in scientific legislation, strict law enforcement, fair judiciary, and universal law compliance, aiming to better utilize the rule of law as a fundamental guarantor for stability, long-term benefits, and high-quality development. It ensures equal legal protection for all types of market entities. The main tasks include improving the business environment's institutional system, promoting standardized, civilized regulatory enforcement, advancing strict, fair, and efficient judiciary, and perfecting the public legal service system.

For the plan optimizing the international business environment, Shenzhen aims to accelerate systematic openness in rules, regulations, management, and standards, continuously advancing the liberalization and facilitation of trade and investment to build a higher-level open economic system.

These efforts by Shenzhen echo a plan by the National Development and Reform Commission (NDRC) to transform the GBA into a business environment system that aligns with international standards and achieve a world-class level of marketization, rule of law, and internationalization<sup>28</sup>.

## **2 The GBA, the South China Sea, and the Association of Southeast Asian Nations (ASEAN)**

**Positioned against the expansive backdrop of the South China Sea, the GBA holds a pivotal geographical stance that transcends mere cartographic location.** This region is a vital conduit for global maritime trade, serving as a crucial juncture where key shipping lanes converge. In 2016, the significance of this location was underscored by the staggering volume of trade that navigated through these waters, with \$3.4 trillion of the world's \$16 trillion in maritime commerce passing through this section of the Western Pacific Ocean. This economic throughput not only highlights the GBA's strategic importance to global trade networks but also underscores the critical role the South China Sea plays in facilitating international commerce, acting as a maritime lifeline that connects various economies across continents.

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<sup>28</sup> "Greater Bay Area aims to build a world-class business environment as part of three-year action plan" in <https://www.globaltimes.cn/page/202312/1304478.shtml>

According to China's General Administration of Customs, ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam) **remained China's largest trading partner in 2023, with the total trade between the two sides reaching \$891.6 billion. The GBA serves as a pivotal link between China and ASEAN, positioning itself as a key player in fostering economic and trade relationships.** Given ASEAN's vast potential for growth, characterized by a young, dynamic population and a rapidly expanding digital economy, the symbiosis between China and ASEAN is poised to flourish. This burgeoning partnership is expected to significantly bolster the GBA's strategic importance, transforming it into a more influential economic hub. Enhanced connectivity, increased trade, and investment flows will naturally strengthen the GBA, leveraging its unique position to catalyze regional development and economic integration. This evolution underscores the GBA's role not just as a bridge between China and ASEAN, but as a critical nexus for global trade and economic dynamism.

The connection GBA and ASEAN is a multifaceted one, underpinned by the increasing significance of trade relations. The GBA, with its advanced manufacturing base, financial services hub, and innovation capabilities, serves as a vital gateway for ASEAN countries to access the vast Chinese market. This relationship is mutually beneficial: while ASEAN countries offer a diverse range of goods, services, and investment opportunities that complement the GBA's economic structure, the GBA provides ASEAN with technology, capital, and a sophisticated consumer market.

Trade between the GBA and ASEAN has seen robust growth, driven by the Belt and Road Initiative (BRI) and the Regional Comprehensive Economic Partnership (RCEP). These initiatives have reduced trade barriers, streamlined logistics, and enhanced connectivity, further integrating ASEAN economies with China's dynamic southern region. The GBA's strategic position on the Pearl River Delta allows it to act as a key maritime and logistics hub, facilitating smoother trade flows between China and ASEAN countries.

Moreover, the GBA's focus on high-tech industries, green finance, and digital economy aligns well with ASEAN's development priorities, such as digital transformation, sustainable development, and innovation-led growth. Collaborative projects in areas like smart cities, renewable energy, and digital payment systems are examples of how the GBA-ASEAN partnership is evolving beyond traditional trade, fostering a deeper economic and technological integration.

The connection between China's GBA and ASEAN is a testament to the increasingly significant role of trade and economic integration in shaping regional dynamics. This relationship not only enhances the economic prosperity of the involved parties but also contributes to the stability and

growth of the broader Asia-Pacific region. As both the GBA and ASEAN continue to evolve, their deepening ties will likely become a cornerstone of East Asian economic architecture.

### **3 GBA and the Maritime Silk Road (MSR)**

The GBA's strategic importance is magnified when viewed in the context of the Maritime Silk Road (MSR), a cornerstone of China's ambitious Belt and Road Initiative (BRI). The BRI, announced in 2013, aims to enhance global trade and stimulate economic growth across Asia, Africa, and Europe through a network of trade routes, infrastructure projects, and investment initiatives. The MSR, as a crucial component, seeks to connect China with Southeast Asia, South Asia, the Middle East, Africa, and Europe through sea routes. The relationship between the GBA and the MSR illustrates China's vision of creating a modern trade network that not only boosts its economic interests but also enhances its geopolitical influence.

Firstly, the GBA plays a pivotal role in the MSR by serving as a major maritime gateway. The area is home to some of the world's largest and most efficient ports, such as Hong Kong and Shenzhen, which are essential for the flow of goods along the MSR. These ports act as critical nodes, where maritime routes converge, facilitating the efficient transfer of goods between China and the rest of the world. By investing in port infrastructure and development within the GBA, China strengthens the MSR's capacity to handle large volumes of maritime trade, enhancing the overall connectivity and efficiency of the BRI.

Secondly, the GBA's advanced manufacturing and technological sectors complement the MSR's objectives of trade and economic development. The region is a hub for high-tech industries, including electronics, biotechnology, and information technology, which are integral to the economic landscape of the 21st century. By linking these industries with markets along the MSR, China can export its high-value products and services, secure raw materials, and foster technological exchanges. This synergy not only boosts the economic prowess of the GBA but also accelerates the development of countries along the MSR through technology transfer and innovation collaborations.

Furthermore, the GBA's position as a financial center amplifies its significance to the MSR. Hong Kong, in particular, plays a crucial role in financing BRI projects through its status as a global financial hub. The city offers a platform for raising capital, risk management, and international financial services, which are vital for funding the infrastructure projects central to the MSR. This financial integration facilitates the flow of investments across the BRI, ensuring the liquidity necessary for its sustained development.

The relationship between the GBA and the MSR is a testament to the country's strategic vision of creating a modern-day silk road that bridges economies and cultures across continents. The GBA's role as a maritime, economic, and financial hub is instrumental in realizing the objectives of the MSR, demonstrating how regional development initiatives can be aligned with global ambitions. As China continues to navigate the complexities of international relations and global trade, the synergy between the GBA and the MSR will be crucial in shaping the future of the Belt and Road Initiative, offering a blueprint for international cooperation and economic integration in the 21st century.

## **Conclusion: GBA as a Paradigm of Innovative Development for Global Progress**

The relationship between administrative division adjustment, spatial management, and economic development is intricate and dynamic. Urban expansion necessitates effective administrative governance to navigate the challenges it presents. The politics of scale, influenced by globalization, further underscores the importance of adapting administrative divisions to changing circumstances.

Ultimately, **the GBA, as a new territorial arrangement, plays a pivotal role in enhancing China's competitiveness, ensuring the country is well-equipped to thrive in an interconnected and rapidly evolving global landscape.** As we move forward, strategic and adaptive administrative division adjustments will be key to fostering sustainable urban development and economic prosperity.

The GBA represents a formidable model of regional development that could serve as a blueprint for global progress. The reasons for considering the GBA as a model for development in other countries are manifold, encompassing economic integration, technological innovation, sustainable development, and urban planning.

The economic integration within the GBA has led to a seamless market that enhances trade, investment, and the flow of human resources. By leveraging the complementary strengths of its member cities, the GBA has become one of the most economically vibrant regions in the world. This model of integration facilitates not only economic growth but also cultural and educational exchanges, making it a compelling template for cross-border cooperation in other regions.

Technological innovation is another pillar that positions the GBA as a paradigm for global progress. Cities like Shenzhen have become hotbeds for high-tech industries, including telecommunications, biotechnology, and artificial intelligence. The emphasis on innovation has propelled the GBA to the forefront of technological advancements, demonstrating the importance of fostering a conducive environment for research and development.

Sustainable development within the GBA also highlights its potential as a global model. The region has made significant strides in green infrastructure, renewable energy, and eco-friendly urban planning. This commitment to sustainability not only enhances the quality of life for its inhabitants but also sets a benchmark for environmentally responsible development worldwide.

The urban planning and infrastructure development in the GBA, including world-class transportation systems and smart cities initiatives, showcase how integrated planning can lead to more livable and efficient urban spaces. This approach is particularly relevant as countries around the world grapple with rapid urbanization and the need for sustainable city planning.

The GBA exemplifies a holistic model of development that combines economic prosperity, technological innovation, sustainable practices, and advanced urban planning. Its success provides valuable lessons for other countries aiming to achieve similar progress, making it a new paradigm for global development. **The title of the 2017 publication, *Learning From Shenzhen*, prefaced by Ezra F. Vogel (1930-2020), encapsulates its essence almost entirely. It is conceivable that, in the not-too-distant future, a book titled *Learning from the GBA* will be written.**

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