



Opportunities for industrial cooperation between GBA and India

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Composition of the GBA

Nine cities in the Pearl River Delta and **Hong Kong and Macao**

Total area: **56,000** square kilometers

(**0.58%** of the country's land)

Permanent population: over **70 million**

GDP: more than **12%** of the country



It has **40** of the 41 United Nations industrial categories.

The total retail sales in the GBA amount to **3.6 trillion** yuan.

The total number of PCT international patents: **more than half of the country**

In 2019, the number of innovation patents in the GBA topped **330,000**, **the first** among the world's top four bay areas.

Total value of international trade (excluding Hong Kong and Macao): **1/4** of the mainland
Fiscal revenue(excluding Hong Kong and Macao): **1/7** of the mainland

Two stages of large-scale economic integration for the GBA cooperation

Hong Kong-invested enterprises moved northward to the mainland, creating the model of "front shop, back factory".

This Vertical Industrial chain division turned Pearl River Delta into "World factory".

While Hong Kong had also been upgraded to an international financial, trade and shipping center.

Service sector cooperation under the CEPA

With trade in services at its core, it had achieved liberalization of trade in services covering 95.6%, was the **highest standard** trade agreement signed between the Mainland and foreign countries or regions.

The structure of cooperation and complementarity was gradually shifting to an **alternative structure**, the urban function was overlapping, and the interest appeals appeared **differentiation**. the limitations of the original cooperation mechanism and organizational structure have become **prominent**.

1978

2003

for more than a decade after 2003

the Integration of the Industrial Economy

the Integration of the Service Economy

the Coordinated Development in the Greater Bay Area

Objectives in
post-industrial
stage

- * Financial center
- * Science and technology center

Hong Kong is a financial center, but not yet a powerhouse of science and technology.

Shenzhen is a regional financial center and the largest hi-tech industrial hub in China.

Guangzhou is focusing on developing strategic emerging industries of IAB and NEM.

Technological innovation is the biggest common divisor among Guangdong, Hong Kong and Macao



straddling two different systems



supersized



the biggest trade volume



the highest concentration of megacities



the most complete industries



the most innovation patents

VS
International
Bay Area

the
uniqueness of
the GBA

Some of the problems



The service industry is not yet well-developed.

The regional development is lopsided.

Scientific and technological innovation has not become an engine of business competitiveness.

A large number of enterprises still focus on the primary manufacturing process.

Most industries lie among the middle and low end of the value chain.

The quality of urbanization is yet to be improved.

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1st vision: the construction of the “China - India”economic corridor

New opportunities for India

- ① promote cooperation in infrastructure construction, enhance the process of urbanization
- ② trade and investment integration and cross-border financial service chain



E.g: the power and railway system

According to the statistics of the world bank, India's per capita power output is only 25% of that of China. The per capita freight capacity of the railway system is only medium 30% of the country.

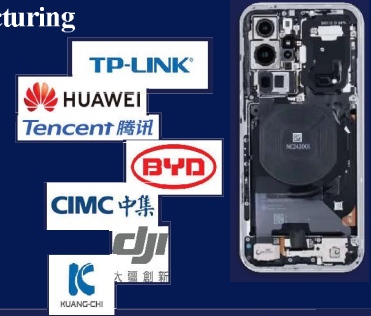
2nd vision: Construction and operation of manufacturing Industrial Park

For China:

Chinese enterprises are encouraged to rely on the existing development zones and high-tech parks in India to establish various types of industrial cooperation zones in India.

For India:

support Chinese manufacturing enterprises to set up processing plants, manufacturing bases, or establish technology R & D institutions in India to share the management experience of Chinese manufacturing parks.



3rd vision: Complementarity and cooperation ---software and information service industry, biomedicine and other industries



The advantages of India's software and information service industry---one of the world's five largest computer software suppliers

Future development direction of software field

- ① increase Chinese enterprises procurement of software and information products in India
- ② promote the deep cooperation between China's smart city construction and large software and information technology enterprises in India
- ③ Encourage large Indian enterprises to set up Sino Indian software industry cooperation park in China
- ④ Promote Indian software and information enterprises to establish branches in China



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Opportunity
1

the massive market brings
about consumption upgrade
and industrial development



Over **70 million** people live in the GBA and this number is estimated to total **100 million**. A large number of them are middle-income earners. The GDP per capita here reaches **USD 23,000** and the total retail sales top **3.6 trillion yuan**.

Opportunity
2

the robust ability to
support industries makes
creativity and innovation
possible



Opportunity
3

the digital new infrastructure
speeds up the digitalization of
the supply side and drives
forward the Industrial Internet

Digital New Infrastructure Priority Layout



China closed 2020 with the GDP of its digital economy reaching **39 trillion yuan**. This represented **38%** of the country's GDP.

THANK YOU

