China's development.

There is a great chance to establish a free trade zone alliance inside the Bay Area while Hong Kong and Macao tariff-free zones are already in the region. In addition, Guangdong has three pilot free trade zones, Nansha, Qianhai and Hengqin. It will be an innovative move to join Hong Kong, Macao, and the three free trade zones, to form the "2+3" free trade area. Once the alliance is established, the development of the free trade area will be facilitated so does the Greater Bay Area as a whole.

The Bay Area will continually unleash potential and upgrade economic structure, with an increasing share of the high-end service sector and emerging industries such as digital economy, life sciences, aerospace, renewable and sustainable energy, etc. It will become a global international trade center for goods and services.

Fan Gang, President of CDI

A New Round of Opening up to Spur China's Economy

Opening up is in line with China's fundamental interests. Since 1978, China has achieved rapid economic development by opening up its market and introducing foreign investment. China is now implementing the "going global" strategy, which means it will open even wider in future. It will contribute to China's long-term interest which is to achieve mutually beneficial cooperation in the opening up.

Recent years have seen the retreat of globalization. Under such circumstances, China shall first have a clear understanding of its fundamental interests, which lie in sustaining long-term growth and closing the gap with developed countries. China shall steadily press forward with economic restructuring as it opens wider, for instance, by conducting supply-side structural reform, cutting overcapacity and excess inventory, deleveraging, and defusing financial risks. China should also maintain a prudent monetary policy to ensure steady economic growth.

Fan Gang, President of CDI

Based in Shenzhen and founded in 1989, China Development Institute (CDI) is a non-governmental think tank that develops solutions to public policy challenges through broad-scope and in-depth research to help advance China's reform and opening-up. Based on rigorous research and objective analysis, CDI is committed to providing prospective, innovative and pragmatic reports for governments at different levels in China and corporations at home and abroad. In December 2015, CDI was designated as one of top 25 national leading think tanks in a pilot project of central government which is aimed at promoting the building of new-type think tanks with Chinese characteristics.

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CDI-NERI Macro Outlook >

Growth Targeted at About 6.5%

Prime Minister Keqiang Li announced during a March 5th address to the People's Congress of Beijing that China's growth target for 2018 would be about 6.5%, the same as in 2017, when growth reached 6.9%.

Insights >

Collaboration in Guangdong-Hong Kong-Macao Greater Bay Area

The Guangdong-Hong Kong-Macao Greater Bay Area hinges on the concept of metropolitan area and the coordination of different mechanisms. The establishment of the "2+3" free trade area consisting of Nansha, Qianhai, Hengqin, Hong Kong and Macao will promote the development of the Bay Area.

A New Round of Opening up to Spur China's Economy

Opening up is in line with China's fundamental interests. A new round of reform and opening up will certainly create more opportunities for China's development.

News >

Synergy between BRI and 2030 Agenda for Sustainable Development: UNESCAP and CDI

Dr. Shamshad Akhtar, Under-Secretary-General of the United Nations and Executive Secretary of the United Nations Economic and Social Commission (ESCAP), and Dr. Mia Mikic, Director of the Trade, Investment, and Innovation Division of ESCAP, visited CDI and had discussions on joint research on the Belt and Road Initiative (BRI) with CDI experts. Dr. Akhtar said that BRI, which will enhance integration in Asia-Pacific region, will facilitate the implementation of the 2030 Agenda for Sustainable Development and that BRI need to address challenges of infrastructure connectivity, trade costs, sovereignty debts, labor skills etc. UNESCAP and CDI agree to promote cooperation on research related to trade, investment, transport, and innovation to ensure policy coordination in the implementation of BRI and the 2030 Agenda for Sustainable Development.

Events >

Boost Science and Technology Innovation in Guangdong-Hong Kong-Macao Greater Bay Area

CDI invited Dr. FANG Zhou from One Country Two Systems Research Institute Limited to share his ideas on science and technology innovation collaboration, human resource integration, industry transformation and upgrading, as well as the building of an international platform between Shenzhen and Hong Kong.

Industrial transformation and upgrading will be facilitated by the cooperation and innovation advantages within the Guangdong-Hong Kong-Macao Greater Bay Area, especially in the realm of science and technology, and will in turn boost the Greater Bay Area economic development. The Greater Bay Area possesses unique advantage in technology and industrial innovation which will be its main area of focus. It is supported by the large consumer market and rich manufacturing background, as well as sound solid scientific research base, active corporate R&D, world class business environment and intellectual property protection.

Greater Bay Area and the strategic development opportunities

From the national stand point, Greater Bay Area denotes the following strategic significance: it bears the vision of becoming the core of world division system and global resource allocation under the emergence of a new international economic order and facilitating low cost cross border mobilization of production and living factors among the three independent tariff areas under the benefit of “One Country, Two Systems”. The Greater Bay Area is facing an important opportunity for transformation and upgrading. It is crucial to accomplish collaboration among the high-level industries, especially in the area of science and technology innovation.

Obstacles faced by Shenzhen and Hong Kong’s cooperation in science and technology innovation

Hong Kong and Shenzhen are in need of a better complementary mechanism. Hong Kong has a strong research foundation in basic science and is home to wide variety of international talents, however is relatively weak on research commercialization ability. Shenzhen is the exact opposite. In other words, Shenzhen and Hong Kong are complementary of each other. However, there was little interaction in the past decade.

As a result of “One Country, Two Systems”, scientific research funding and equipment is not mobile between Hong Kong and Mainland China due to tariff differences. The removal of mobilization barriers is critical for the integration of science and technology industry in the Greater Bay Area.

Strengthen industry-university collaboration between Shenzhen and Hong Kong

Shenzhen and Hong Kong should strengthen technology and R&D collaboration, information docking and sharing, as well as resource complementation. First of all, a research commercialization base can be established near the border, as well as platforms and companies that break the information asymmetry. Commercialization can then be extended to other cities in the Greater Bay Area, providing a comprehensive support service for the whole industry chain. Secondly, removal of collaboration barriers will facilitate technology innovation mobilization. Thirdly, the advantages of arbitration and alternative dispute resolution mechanism in Hong Kong shall be given full play for Hong Kong to become a cross-border intellectual property trade center in the Greater Bay Area. Fourthly, the reform of capital market shall be promoted. High quality science innovation enterprises in the Greater Bay Area will be attracted to be listed in Hong Kong by the enhanced financing capacity of IPO markets in the two cities.

Lok Ma Chau Loop serving as a “special cooperation zone”

Lok Ma Chau Loop, a Shenzhen-Hong Kong cooperation gold mine, can be built into a Greater Bay Area science innovation collaboration platform, in other words, a “special cooperation zone” under “One Country, Two Systems”, in which the science innovation industry collaboration mechanism can be implemented. International talents will be attracted by the low tax rate, whose work will be supported by Shenzhen’s research commercialization advantage in the entire industry chain, making the zone China’s top international science and R&D base.

Insights >

Collaboration in Guangdong-Hong Kong-Macao Greater Bay Area

Metropolitan areas provide impetus for China’s urbanization, industrialization and innovation-driven growth since they have emerged as a solution to urban challenges like housing, traffic and employment. The Guangdong-Hong Kong-Macao Greater Bay Area will be a major driving force for