

Conclusion

This report shows that the Greater Pearl River Delta region has become one of the most economically dynamic regions in China. With its population of an estimated 60 million people and more than 20 fast growing cities such as Guangzhou, Shenzhen and Dongguan, the region has become an economic powerhouse of global significance.

In order to tap these opportunities, international investors need reliable facts and figures to support their decisions. As explained in this report, any statistics concerning the Chinese Mainland are subject to a number of issues and problems. This is particularly true of the Pearl River Delta region. The unique circumstances of the Greater Pearl River Delta region, particularly the vast influx of workers from other parts of China and the interaction between two Special Administrative Regions and an Economic Zone, puts a strain on traditional statistical methods. There is no unified data collection for the Greater Pearl River Delta region. This makes it a challenge to develop such data, especially in areas such as international trade, investment, and tourism, where simply adding the figures for Hong Kong, Macao, and the Pearl River Delta Economic Zone may be misleading.

China's traditional statistical methods are ill-suited to deal with a mobile, dynamic population. This makes measurements of population and anything that is estimated on a per capita basis problematic in the Pearl River Delta Economic Zone. The result is that one must carefully reverse engineer the statistics that do exist in order to determine if the



proper regional definition is used. For some statistics, the breakdown that is needed to exclude the non-Pearl River Delta Economic Zone portions of some jurisdictions is not publicly available.

Methodological difficulties also exist with industrial statistics in the Pearl River Delta region. In particular, the mechanism for calculating gross industrial output substantially understates the values of the final goods produced by export processing. This can be seen in instances where a jurisdiction's merchandise exports represent an unusually high percentage of its gross industrial output. Again, the Pearl River Delta region is distinctive in having the highest concentration of export processing operations in the Chinese Mainland and thus the biggest statistical problem.

One overarching conclusion is that the economic interaction between Hong Kong, Macao, and the Pearl River Delta Economic Zone makes it difficult to treat them as entirely separate economies from a statistical standpoint. Although each area is administered separately and each has its own customs area, one must view the region as a whole if one is to understand its strengths and potential. This is the emerging economic reality that should be reflected in any comparison between the region's economy and other economies around the world.

Despite the difficulties of obtaining and analysing economic data concerning the Pearl River Delta, there is no doubt about the business opportunities for international investors. As China's prosperity reaches new heights, the consumers of the Pearl River Delta have become avid purchasers of computers, mobile phones, private cars and a range of professional services. Because of their geographic proximity, Hong Kong-based providers of these goods and services are leading the way to meet this demand.

The Pearl River Delta is also a uniquely advantageous production base for exports to overseas markets and for the Chinese Mainland. In fact,

Hong Kong investors were the first to understand this and began to shift their manufacturing plants across the border when the region's Special Economic Zones were set up in 1980. Today, the economic development of the Pearl River Delta is driven by thousands of foreign invested companies producing competitively at internationally recognised quality and process standards.

Hong Kong has always played a vital role in facilitating foreign direct investment and offers an unrivalled platform to take advantage of these opportunities. Its business environment and fundamentals – such as political stability and security, rule of law and independent judiciary, free flow of information and corruption-free government and many others – will continue to remain highly attractive to international investors. They can utilise the competitiveness of mainland China's workforce, combined with the solid, established and convenient business infrastructure in Hong Kong to achieve success in the Greater Pearl River Delta.

Invest Hong Kong: The one-stop shop for investment support services

InvestHK helps companies access the opportunities in the Greater Pearl River Delta, by providing information, assistance and guidance on direct investment opportunities in Hong Kong. InvestHK's sector specific experts guide potential investors through all stages of the investment process. Their business expertise includes:



- Financial Services
- Business and Professional Services
- Information Technology
- Media and Multimedia
- Technology (especially Electronics and Biotechnology)
- Telecommunications
- Tourism and Entertainment
- Consumer, Retail and Sourcing
- Transportation

InvestHK has strong expertise on mainland China related investments and it maintains dedicated teams to promote direct investment from Beijing, East China and other provinces in China. There is also support on the ground through the Hong Kong Government's Guangdong Economic and Trade Office, Beijing Liaison Office and the Economic and Trade Office in Shanghai and Chengdu.

InvestHK's services include:

- Supply of the latest information on Hong Kong's business environment and investment regime with special focus on the Pearl River Delta, including comprehensive economic sector profiles, business incorporation, contacts, human resources and availability and costings of real estate.



- Provision of government information on funding and other support services for business as well as on taxation, import and export regulations, government projects, employment legislation, and immigration requirements.
- Identification and matching of potential investors in Hong Kong. Arrangement of meetings, site visits and calls on government departments as well as trade and industrial support organisations.
- Help deal with government departments on matters such as visa applications, trademark registration, fire and environmental protection requirements and business incorporation.

InvestHK not only helps in the research and decision-making processes, it is also committed to ensuring that these processes help a new business prosper.

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