

Foreword

Invest Hong Kong is pleased to publish the fourth edition of 'The Greater Pearl River Delta'. The need for this edition became clear from the positive and very enthusiastic response to this report during the past year and numerous requests for an updated and expanded version – particularly in light of newly available statistics and important developments such as the third phase the Closer Economic Partnership Arrangement between the Central People's Government and the Government of the Hong Kong Special Administrative Region which took effect 1 January 2006.

The development of the Greater Pearl River Delta, including Hong Kong and Macao, during the past two decades has been remarkable by any standard. The Greater Pearl River Delta has become one of the most affluent and fastest growing regions in China and an enormously attractive market, with an average annual GDP growth rate of over 11 percent over the past 15 years. If it were a country, the Greater Pearl River Delta would be the world's eleventh largest trading economy.¹ The Greater Pearl River Delta is the world's leading light manufacturing basin and sets cost and price standards for many products.

Ongoing liberalisation under CEPA, together with reforms related to the Mainland's WTO accession, should spur further expansion in trade and investment within the Greater Pearl River Delta, as well as accelerated integration within the region. Hong Kong has joined with other cities in the Greater Pearl River Delta to introduce opportunities associated with these and other developments to companies in countries around the world.

¹ Data for 2004 based on Enright, Scott & Associates analysis and the World Trade Organisation, 'International Trade Statistics 2005'.

Hong Kong plays 'a distinct role' as a place for non-Hong Kong firms to access the strength of the Greater Pearl River Delta, as pointed out by the authors of this study. The city's special position in the Greater Pearl River Delta underlines the importance of communicating the benefits to current and prospective investors in this dynamic region. Although there is a great deal of knowledge regarding various aspects of the Greater Pearl River Delta in Hong Kong, most of it is not compiled or updated in a format that is useful to investors interested in exploring the Greater Pearl River Delta.

Invest Hong Kong therefore set out to update this report on the Greater Pearl River Delta that supplies relevant, credible facts and figures, and profiles its major cities. This book provides overall information on the region, including facts and figures about the economies of the major cities, and cites sources where potential investors can obtain more information. At the same time, we are continuing to communicate the advantages of the Greater Pearl River Delta directly to business executives based overseas via joint investment promotions with Guangdong province and various Greater Pearl River Delta cities.

I hope you will be able to use this information to launch or expand your investments in Hong Kong and other Greater Pearl River Delta cities. We at Invest Hong Kong are ready to provide you with advice and support to help you succeed.

Mike Rowse

Director-General of Investment Promotion

Invest Hong Kong