

## BOCHK Research Journals

- Economic Review
- Offshore RMB Express
- Economic Vision
- 中銀財經述評
- 中銀內部研究
- 中銀策略研究

Contact: Ms. Chan  
Email: [ccchan@bochk.com](mailto:ccchan@bochk.com)  
Tel : +852 282 66208



Please follow BOCHK Research on WeChat for the latest economic and financial markets analyses

## Study on New Mode of Hong Kong-Shenzhen Coordinated Development

Han Zhu

Head of Hong Kong Financial Research Institute of Bank of China

It has been more than four years since “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area” was announced in February 2019. During this period, the Greater Bay Area (GBA) has experienced shocks from the COVID-19 pandemic, the rapid interest rate rise of the US dollar and the increasing geopolitical risks. GBA as a whole has shown a momentum of steady development and strong economic resilience. In the face of fierce competition from other regions in the world, GBA needs to explore a development model that suits its actual conditions in the future, especially a collaborative model among core cities. Hong Kong (HK) and Shenzhen (SZ), as the two most important core cities inside and outside mainland China, are geographically adjacent, culturally connected and have integrated interests. Great expectations are placed on Hong Kong and Shenzhen. Therefore, this paper mainly analyzes the role positioning and cooperation history of Hong Kong and Shenzhen in GBA, explores their cooperation modes in key areas, including finance, technology, people’s livelihood and advanced manufacturing, and proposes roles and new opportunities of financial sector in the collaboration development of Hong Kong and Shenzhen.

### I. Role and Orientation of Hong Kong and Shenzhen

Hong Kong and Shenzhen are the two most representative cities in the Guangdong-Hong Kong-Macao Greater Bay Area. One is a famous global financial center outside mainland China, and the other is the most dynamic and open model city in mainland China. From the perspective of the overall planning of GBA, the two cities play the role of financial engine and technological engine respectively. They are the locomotives for the long-term and healthy development of the overall economy of GBA.

#### 1. Hong Kong takes on the role of financial engine

Hong Kong has long been one of the top four financial centers in the world. With its strong financial services industry, Hong Kong is a financial engine driving the development of GBA and the Mainland. Hong Kong is home to 78 of the world’s top 100 banks, and leads Asia in fund management, according to public data. The stock market is the seventh largest in the world and fourth largest in Asia by market capitalization (end of March 2023), the insurance business is the most concentrated location in Asia, the bond market is the regional center for Asian institutions to issue international debt, and the private equity market is the second largest in Asia. At the same time, as a sino-western communication window, Hong Kong is the preferred pilot city for the opening up of the Mainland’s capital market. It has always been a “super connector” between the Mainland and overseas markets, becoming the first stop for mainland enterprises to go overseas, and a bridgehead for overseas enterprises to enter the mainland market.

Specifically, Hong Kong’s role as a financial engine is mainly reflected in five aspects: **First, it is the preferred platform for mainland enterprises to raise funds overseas.** At present, the number of mainland companies listed in Hong Kong accounts for more than half, and the market capitalization accounts for about 80%. **Second,**

**it is the test ground for opening policies of the Mainland's financial market.** Connectivity products, including Stock Connect, Bond Connect, Wealth Management Connect, Private Equity Connect and Swap Connect, were all first piloted in Hong Kong. **Third, it is a pioneer in the internationalization of RMB.** For a long time, the offshore RMB clearing volume in Hong Kong accounted for over 70% of the global total. **Fourth, it is a booster for green and sustainable development in the Mainland.** Hong Kong is capable of becoming an important contributor to green financing, green standard alignment and carbon market development in the Mainland. **Fifth, it is an important part of the Mainland's financial security system.** Hong Kong has gradually become the Mainland's financial firewall against global upheavals, playing an important role in monitoring and responding to financial risks.

## **2. Shenzhen takes the role of technological engine**

Known as "China's Silicon Valley" by the market, Shenzhen has ranked the first in the Mainland's Innovative City Innovation Capability Assessment released by the Mainland's Ministry of Science and Technology and Institute of Scientific and Technological Information of China for four consecutive years, and has essentially become the technological engine for the development of GBA. According to official data, in 2022, the value added by Shenzhen's strategic emerging industries reached 1.33 trillion-yuan, accounting for 41.1% of the city's GDP. Both the total industrial output value and industrial added value ranked the first among cities in China. The number of high-tech enterprises reached 23,000, ranking the second in China.

Specifically, Shenzhen's role as a technological engine is mainly reflected in four aspects: **First, it is an important platform for the industrialization of scientific innovation achievements in GBA.** In the past, Shenzhen has successfully cultivated several large technology enterprises, such as Huawei, Tencent and Da Jiang Innovations, effectively promoting technological innovation and talent pooling. In addition, according to the statistics of the Shenzhen government, Hong Kong universities and colleges have set up 88 industry-related research institutes in Shenzhen, and incubated 265 technology enterprises. **Second, it is the leading goose in the development of GBA technology industry.** A large number of leading technology enterprises in Shenzhen play a leading role in enabling the upstream and downstream supporting enterprises of the industrial chain, driving the common development of surrounding cities and jointly building the science and technology industry ecology. **Third, it is the main driver of Hong Kong-Shenzhen cooperation in scientific and technological innovation.** The Hong Kong and Shenzhen Governments are jointly promoting the development of "Shenzhen-Hong Kong Cooperation Zone for Technology and Innovation" at Lok Ma Chau, the only science and innovation themed platform in GBA under the model of "one district and two parks". The target is to focus on the development of six areas, including medical technology, big data and artificial intelligence, robots, new materials, microelectronics and financial technology. **Fourth, it is a sponsor of scientific and technological innovation activities in Hong Kong and Macao.** According to data from the Shenzhen government, since 2019, Shenzhen has funded more than 200 million yuan in Hong Kong-Shenzhen-Macao science and technology projects, of which 97.3 million yuan has been invested in cross-border scientific research activities.

## **II. History of Hong Kong-Shenzhen Cooperation**

The cooperation between Hong Kong and Shenzhen began with the Mainland's reform and opening-up, with Hong Kong companies using Shenzhen as a bridgehead to enter the Mainland market. The cooperation has gradually expanded from manufacturing to areas including people's livelihood, finance, science and technology, etc. The cooperation mode has gone through three stages: one-way export, two-way exchange, and comprehensive & coordinated development.

### **1. One-way output mode of Phase I**

In the early stage of the reform and opening up in the Mainland, Hong Kong exported capital, equipment, technology, talents and management experience to Shenzhen in one direction, which resulted in the cooperation mode of "front shop and back factory" between the two sides, and also greatly promoted the formation of the division of labor between Shenzhen manufacturing industry and Hong Kong service industry. In the process, Hong Kong plays the role of "shop" by virtue of its strong capital and technology, strong external service capability and other functions, such as taking overseas orders, marketing, new product design, etc. Shenzhen, with its advantages of low operating costs and abundant resources, undertakes manufacturing, processing, assembly, storage and other functions, playing the role of "factory". According to market disclosure data, Hong Kong has invested more than US \$7 billion in Shenzhen in the past 20 years since the reform and opening up, successfully helping Shenzhen's economy to soar.

### **2. Two-way communication mode of Phase II**

Before and after the return of Hong Kong, with the continuous development and expansion of Shenzhen's economic strength, more and more enterprises or institutions began to expand overseas business, and Hong Kong was the first port of call, marking the first upgrade of the cooperation between Hong Kong and Shenzhen, from one-way export to two-way exchange. In the process, overseas funds and technologies continue to flow to Shenzhen and other mainland cities, taking Hong Kong as the main transit point, to participate in local economic construction. At the same time, mainland funds and technical solutions, represented by Shenzhen, began to invest in Hong Kong, actively participate in social construction in

Hong Kong, and use Hong Kong as the regional or global headquarters to further expand overseas business. According to public market information, Shenzhen has set up more than 6,000 enterprises and institutions in Hong Kong, with a cumulative agreed investment of more than US \$40 billion.

### 3. Comprehensive and coordinated development mode of Phase III

In 2019, “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area” was promulgated. In the following years, the Mainland governments at all levels have issued about 30 policy support documents, covering areas including people’s livelihood, finance, science and technology, and cross-boundary issues, with the aim of furthering the development of GBA, achieving win-win cooperation, and building it into a world-class bay area. At the same time, in recent years, there has been a growing call from the community for the transformation and development of Hong Kong. The initiative of “integrating into GBA, and serving the overall development of the country” has gradually become the consensus of all sectors of the Hong Kong society. Shenzhen and other cities in GBA have also proposed to link up rules and mechanisms with Hong Kong, marking the second upgrade of the Hong Kong-Shenzhen cooperative relations, to further upgrade from two-way exchanges to comprehensive and coordinated development.

### III. Hong Kong-Shenzhen Cooperation Enters Deep Water Zone

As the two core cities of GBA, Hong Kong and Shenzhen have great potential for future development. If the main economic indicators of the two cities are added together (see Exhibit), the GDP of 2022 will be among the top 20 economies in the world, while the other scale indicators (such as population, area, deposit and loan balances of financial institutions, stock market capitalization, sea and airport throughput, etc.) significantly throws away Singapore, its Asian neighbor. Therefore, in the post-COVID-19 era, Hong Kong and Shenzhen should tap the potential of cooperation, strive to make progress in the four key areas, including finance, science and technology, people’s livelihood and advanced manufacturing, explore innovation cooperation mode, draw on each other’s strengths, and drive the high-quality development of neighboring cities.

**Exhibit: Basic Information Comparison between Hong Kong (HK)-Shenzhen (SZ) and Singapore**

		HK	SZ	HK & SZ	Singapore
Population	1,000 Persons	7,333	17,682	25,015	5,976
Land Area	km <sup>2</sup>	1,114	1,997	3,112	733
GDP	100 mil USD	3,610	4,696	8,306	4,668
Import and Export	100 mil USD	1,552	5,327	6,879	9,901
Balance of FI Deposit	100 mil USD	19,762	17,893	37,655	23,417
Balance of FI Loans	100 mil USD	13,530	12,096	25,627	9,594
Stock Market Capitalization	Billion USD	4,701	5,117	9,818	617
Throughput of Container Port	10,000 TEU	1,657	3,004	4,661	3,729
Throughput of Airport Cargo	10,000 tons	420	151	571	185

Note: The data cut-off date of stock market value is the end of March 2023. Shenzhen’s population ends in December 2021, and Singapore’s ends in June 2022. The rest is the end of 2022

Sources: IMF, the official website of Shenzhen government, CEIC, etc., Hong Kong Financial Research Institute of Bank of China

### 1. Build science and innovation cooperation mode featuring coordinated development of industry, university and research

**At present, Hong Kong-Shenzhen cooperation in the field of scientific and technological innovation is still at a relatively loose stage.** According to official statistics, the core strength of Shenzhen’s science and innovation is the enterprise side. More than 90% of the research institutions, funds, personnel and invention patents are from local technology enterprises. Science and innovation activities also focus on the industrialization of scientific and technological achievements. Shenzhen’s innovative talents mainly come from all over the country, and local universities and scientific research institutions have yet to become major contributors to innovative activities due to their late layout. The strength of Hong Kong’s science and innovation comes mainly from its universities. Four to five local universities have long ranked among the top 100 in the world rankings. Hong Kong’s science and innovation activities are mainly based on basic research. Due to the hollowing out of Hong Kong industry, there is a lack of application scenarios for the transformation of scientific and technological innovation achievements. To sum up, due to the different historical development paths of Hong Kong and

Shenzhen, although “Shenzhen-Hong Kong Cooperation Zone for Technology and Innovation” at the Lok Ma Chau and “Northern Metropolitan Area of Hong Kong” are advancing their cooperation development, they are still in the preliminary stage of planning and construction, and the scientific innovation resources of the two places have not yet formed a synergy.

**In the future, Hong Kong and Shenzhen should strive to develop an integrated mode of scientific and technological innovation cooperation.** First, the two governments may cooperate to introduce world-renowned large science and technology enterprises to enter Hong Kong-Shenzhen science and technology parks, which will drive the rapid development of related industrial chains and play an exemplary role. Second, continue to encourage well-known universities of the two places to set up branch schools in each other’s areas to strengthen cooperation in fundamental research and learn from each other’s strengths. Set up a special government fund to encourage college students to innovate and start businesses, and set up a number of 0-1 scientific and technological innovation enterprises. Third, further increase the convenience of the flow of scientific research factors, such as building a cross-border sharing platform of scientific research data between the two places, intelligent research personnel cross-border work identity verification, attracting overseas high-end skilled immigration, simplifying the entry procedures of scientific research equipment, etc. Fourth, explore the establishment of a “Science and Innovation Special Zone” in the northern metropolitan area of Hong Kong, which will be jointly planned, invested and built by the Hong Kong and Shenzhen governments. The goal is to attract overseas science and innovation enterprises to settle in Hong Kong and share the fruits of science and innovation between the two places.

## **2. Build financial cooperation mode in which rules and systems are fully aligned**

**At present, the financial cooperation between Hong Kong and Shenzhen is mainly through some specific channels.** According to the 33rd Edition of the Global Financial Centers Index (GFCI) released by the British think tank Z/Yen Group and the Shenzhen General Development Institute in April 2023, Hong Kong and Shenzhen ranked 4th and 12th respectively among the world’s financial centers. As a world-renowned financial center, Hong Kong outperformed Shenzhen in five overall indicators: business environment, financial system, infrastructure, human capital, reputation and comprehensive factors. Shenzhen’s advantage in the financial sector is mainly reflected in the fintech subdivision index, ranking the 4th in the world, significantly higher than Hong Kong’s 14th. In the past, Shenzhen has been the main pilot site for linking the rules and mechanisms of Hong Kong’s financial market. From mutual recognition of funds in 2015, to the Hong Kong-Shenzhen Stock Connect, Bond Connect and Wealth Management Connect later, to the ETF Connect and Swap Connect in 2022, Shenzhen has provided increasingly rich channels for overseas investors from Hong Kong to invest in the Mainland, and the Mainland ones to invest in overseas markets. It has also accumulated a lot of valuable experience for the high-quality opening up of the Mainland’s financial market.

**In the future, Hong Kong and Shenzhen should strive to develop a financial cooperation mode with fully integrated rules and systems.** First, further expand the range of connectivity products between the two places. In terms of breadth, it is possible to further expand the categories of stocks, funds, bonds and other products covered by the financial market connectivity. In terms of depth, gradually bring insurance, spot commodities, options and green asset trading into the scope of connectivity. Second, promote the cross-border use of RMB in a coordinated manner. To explore expanding the range of RMB-denominated products in Hong Kong, enrich RMB financial instruments, and encourage the Mainland governments and enterprises at all levels to issue RMB-denominated bonds in Hong Kong; Third, propose to set up a Hong Kong-Shenzhen or GBA financial regulatory coordination body. To meet regularly or irregularly for consultation, and promote effective cooperation between Hong Kong and Shenzhen under different legal, tax, monetary and financial systems in an orderly manner from the regulatory level.

## **3. Transform cooperation mode on people’s livelihood from “hard connectivity” to “soft connectivity” & “heart connectivity”**

**At present, the “hard connectivity” between Hong Kong and Shenzhen in the area of people’s livelihood has achieved initial results.** People’s livelihood is a key area of bilateral cooperation, and great progress has been made in infrastructure construction. In terms of transportation, Hong Kong and Shenzhen have seven land ports, two railway routes, and two water terminals in Shenzhen that are accessible to Hong Kong. In terms of medical care, the University of Hong Kong Shenzhen Hospital was constructed in 2012. Hong Kong residents living and working in Shenzhen can choose to seek medical treatment here, and 13 kinds of drugs and 9 kinds of devices from overseas have been approved through the pilot program of “Hong Kong and Macao Drug and Equipment Connect”. In terms of education, schools for Hong Kong children were established in Shenzhen in 2001 and recognized by the Hong Kong Education Bureau. Their graduates are eligible to for the Hong Kong secondary school places allocation. In terms of daily life, electronic payment tools commonly used by Hong Kong people (such as Alipay Hong Kong, Wechat Pay Hong Kong, etc.) can be used in some scenes in Shenzhen.

**In the future, Hong Kong and Shenzhen should strive to develop a mode of livelihood cooperation featuring “soft connectivity” and “heart connectivity”.** First, migrant workers in Hong Kong and Shenzhen should be treated equally. Eliminate discriminatory or obstructive measures against non-local workers and achieve equal treatment in terms of working



conditions and social benefits. The right of family members of workers to reside freely in another city and the right of their children to receive education in another city on the same basis as that of local residents. Second, reasonably balance the level of tax and subsidy for cross-border workers in GBA. Many Mainland cities in GBA, such as Shenzhen, have encouraged Hong Kong and Macao residents to work on the Mainland, and started to have the local governments subsidize the difference over the Hong Kong and Macao individual income tax. However, Mainland residents who reside in the Mainland but work in Hong Kong and Macao are considered mainland taxpayers and are required to pay the tax difference. Propose to consider an amendment to enable mainlanders to pay tax according to Hong Kong tax standards while working in Hong Kong. Third, explore the “one trial” approach in some professional fields. Collaborate with Hong Kong and Shenzhen professional institutions to explore the appropriate addition of some Mainland examination content in the Hong Kong professional certification examination, so that candidates can obtain the qualification in both places after passing the examination.

#### **4. Transform advanced manufacturing cooperation mode from financial service provider to strategic partner**

**At present, the main mode of cooperation between Hong Kong and Shenzhen in the field of advanced manufacturing is that Hong Kong provides financial services to related industries in Shenzhen.** Shenzhen has established a sound and highly competitive industrial ecosystem, of which four industrial clusters (new-generation information and communications, advanced battery materials, high-end medical instruments and intelligent equipment) have entered the list of national advanced manufacturing clusters. By the end of 2022, Shenzhen has over 23,000 national high-tech enterprises, ranking second in total and first in density in China. The number of PCT international patent applications has ranked first in China for 18 consecutive years, and the number of domestic and foreign listed enterprises has exceeded 500. As an important bridge for overseas investment in China, Hong Kong’s financial sector has also taken an active part in the development of Shenzhen’s advanced manufacturing industry, providing financial services in the form of loans, cash management, IPO and bond issuance.

**In the future, Hong Kong and Shenzhen should strive to develop a cooperation mode of “industry plus finance” strategic partnership.** First, make full use of the advantages of the two places to explore overseas market together. Financial institutions in Hong Kong and industrial enterprises in Shenzhen have concluded strategic alliances to jointly develop markets in Southeast Asia and other countries along the Belt and Road, and participate in the construction and restructuring of the global industrial chain. Second, focus on supporting key industrial parks in Shenzhen. Encourage quality enterprises to list and issue bonds in Hong Kong, explore the gradual expansion of the QFLP pilot program, and guide Hong Kong investors to conduct equity, private equity and venture capital businesses in Shenzhen. Third, jointly promote the green development of Shenzhen’s industries. To leverage Hong Kong’s advantages in green finance and support the sustainable transformation and development of relevant enterprises in Shenzhen based on the double carbon targets.

### **IV. Role and Opportunity of Financial Sector in Collaborative Development of Hong Kong and Shenzhen**

To sum up, future cooperation between Hong Kong and Shenzhen requires breakthroughs in the four fields of science and technology, finance, people’s livelihood and advanced manufacturing, to cope with competition from other regions. As the foundation of social development, the financial sector should also play its role, seize new opportunities in cross-border business, and help promote the development of synergy between Hong Kong and Shenzhen.

#### **1. Seize financial opportunities for people’s livelihood, and promote the facilitation of services for people’s livelihood in Hong Kong and Shenzhen**

Hong Kong and Shenzhen enjoy coordinated development and frequent exchanges between their residents. The financial sector should actively promote the development of financial services to facilitate people’s livelihood. **First, it is insurance.** The Hong Kong insurance industry, with its comparative advantages of low premium rates, high returns and comprehensive insurance coverage, has attracted more residents from Shenzhen and other cities in Guangdong Province to buy insurance in Hong Kong, and promoted the increase of cross-border living and working personnel from Hong Kong to buy local insurance. **Second, it is cross-border financial services.** Cross-border Wealth Management Connect has opened a huge market of mainland wealth management customers. In the future, the Hong Kong banking industry should put forward opinions on cross-border sales, expand the scope of pilot projects and increase product categories, strive for policy breakthroughs, and further deepen the scope of services. **Third, it is cross-border e-payment services.** In the post-COVID-19 era, the demand for digital financial services is further increasing. The financial sector of Hong Kong should give full play to the advantages of its good local customer base, actively expand more local and cross-border service scenarios, and increase the right to speak when the e-payment standards of the two places are unified. **Fourth, it is cross-border mortgage business.** With the deepening integration of Hong Kong and Shenzhen, Hong Kong people are in great demand for mortgage business. The Hong Kong banking industry should further expand the coverage of real estate in the Mainland, take advantage of the advantages of the group in both places, simplify customer identity authentication, asset authentication and other aspects of the business, and optimize customer experience.

## **2. Seize financial opportunities in science and technology, and promote the complementary development of Hong Kong and Shenzhen in science and innovation**

The level of science and technology determines the future driving force of local economic development. The governments of Hong Kong and Shenzhen have placed scientific and technological innovation as the priority of their administration. Shenzhen enjoys a good momentum of development in science and technology. It has cultivated several world-renowned technology companies such as Huawei, Tencent and DJI. In 2021, the city's R&D investment accounted for 5.5% of its GDP. The Hong Kong SAR government also put forward the development plan of the northern metropolitan area in October 2021, with science and innovation as the main industry, which has received positive responses from Shenzhen and other mainland governments at all levels. **Large financial institutions should also actively participate in the discussion and construction of cooperation programs between the two places, and provide corresponding suggestions on supporting financial services.** In addition, given the construction of the "Shenzhen-Hong Kong Innovation and Technology Park" in Lok Ma Chau, the financial sector can play a role in linking Hong Kong's strengths in fundamental research with the well-developed manufacturing, marketing and service industrial chains in GBA, such as Shenzhen, so as to achieve the integration of scientific research and product application, promote the synergic development of scientific innovation industries in both places, and seize the opportunities of technological financial services.

## **3. Seize the opportunities of RMB internationalization, and promote the development of the offshore market**

In March 2023, the use of RMB in cross-border trade on the Mainland surpassed the US dollar for the first time. As more and more countries seek to reduce their dependence on the US dollar, the internationalization of RMB has ushered in a new round of development opportunities. As the world's largest offshore RMB center, **Hong Kong can cooperate with Shenzhen in cross-border trade, cross-border bond issuance, cross-border investment and other areas,** to continuously improve the use of RMB and serve the various needs of Shenzhen enterprises in "going global". On the other hand, Hong Kong can leverage the advantages of abundant capital in the local market, **continue to improve the RMB-denominated product system,** and serve the financing and fund management needs of Shenzhen enterprises. In addition, the financial sector of Hong Kong can also make use of Shenzhen's experience in the field of digital RMB, **to jointly study the cross-border issuance, payment, settlement and other scenarios of digital RMB,** so as to get involved in the scenario design in advance and strive for business opportunities.

## **4. Seize the opportunities of green finance, and promote the integration of Hong Kong and Shenzhen into the overall development of global ESGs**

Shenzhen is one of the first low-carbon pilot cities, carbon trading pilot cities and sustainable agenda innovation demonstration zone. It has made a series of achievements in green and sustainable development, and is in a leading position in China. However, due to the relatively late start of green finance in the Mainland, there are still some problems, such as the lack of internationally recognized green standards, the low level of carbon market development, and the lack of effective connection between domestic and foreign green capital. Therefore, the Hong Kong financial sector can take advantage of its leading advantages in the field of green finance, seize relevant opportunities, and join hands with Shenzhen and other mainland governments to actively serve relevant needs. **First, Hong Kong and Shenzhen will be encouraged to take the lead in introducing and implementing the China-Europe Common Ground Taxonomy of Sustainable Finance,** to open up the Hong Kong-Shenzhen green financial service channel. **Second, strengthen cross-border cooperation among green finance rating agencies,** provide third-party certification for green finance in Shenzhen, and improve market credit. **Third, encourage the Shenzhen government and enterprises to issue green bonds in Hong Kong and introduce green QFLP funds,** to invest in green projects in GBA and other areas through Qianhai Free Trade Zone.

## **5. Seize opportunities presented by the implementation of the RCEP, and promote Hong Kong and Shenzhen's joint efforts to develop Southeast Asian market**

Hong Kong has been acting as a bridge for investment and trade between the Mainland and ASEAN. In terms of investment, by the end of 2019, ASEAN's investment in the Mainland via Hong Kong accounted for about 20 percent, while mainland investment in ASEAN via Hong Kong accounted for about 42 percent. In terms of trade, the cumulative rules of origin among member states have been implemented, since the RCEP took full effect in January 2022. Economic and trade relations between the Mainland and ASEAN have remained close, with the two sides being each other's largest trading partner in goods for more than three years. As a bridge of bilateral trade, Hong Kong and ASEAN remain among the top 5 in terms of trade volume. Therefore, in the future, Hong Kong can leverage its advantages in professional services, such as finance, law, accounting and risk management, as well as its advantages in history, culture and legal system similarity with ASEAN, and Shenzhen can leverage its advantages in real industries and scientific and technological innovation. **The financial sectors of the two places should make full use of the benefits of the two systems, and explore the building of cross-border cooperation platforms.** Encourage enterprises and institutions of the two places to use Hong Kong as a base to explore markets in Southeast Asia and other countries along the Belt and Road, and seize opportunities brought about by the restructuring of the global industrial chain.

## Disclaimer & Important Notes

This document is published by Bank of China (Hong Kong) Limited (“BOCHK”) for reference only.

The contents contained in this document have not been reviewed by the Securities and Futures Commission of Hong Kong.

This document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution would be contrary to laws or regulations.

This document is for reference only. It does not constitute, nor is it intended to be, nor should it be construed as any investment recommendation or professional advice, or any offer, solicitation, recommendation, comment or any guarantee to the purchase or sale, subscription or transaction of any investment products or services stated herein. You should not make any investment decision based upon the information provided in this document.

The information provided is based on sources which BOCHK believes to be reliable but has not been independently verified, therefore BOCHK does not make any representation, warranty or undertaking as to the accuracy, completeness or correctness of the information or opinions provided in this document. The forecasts and opinions contained in this document is only provided as general market commentary and is not an independent investment research report and is not to provide any investment advice or return guarantee and should not be relied upon as such. All views, forecasts and estimates are the judgments of the analysts made before the publication date, and are subject to change without further notice. No liability or responsibility is accepted by BOCHK and related information providers in relation to the use of or reliance on any such information, projections and/or opinions whatsoever contained in this document. Investors must make their own assessment of the relevance, accuracy and adequacy of the information, projections and/or opinions contained in this document and make such independent investigations as they may consider necessary or appropriate for the purpose of such assessment.

The securities, commodities, foreign exchanges, derivatives or investments referred to in this document may not be suitable for all investors. No consideration has been given to any particular investment objectives or experience, financial situation or other needs of any recipient. Accordingly, no representation or recommendation is made and no liability is accepted with regard to the suitability or appropriateness of any of the securities and/or investments referred to herein for any particular person’s circumstances. Investors should understand the nature and risks of the relevant product and make investment decision(s) based on his/her own financial situation, investment objectives and experiences, willingness and ability to bear risks and specific needs and if necessary, should seek independent professional advice before making any investment decision(s). This document is not intended to provide any professional advice and should not be relied upon in that regard.

BOCHK is a subsidiary of Bank of China Limited Bank of China Limited the subsidiaries and/or their officers, directors and employees may have positions in and may trade for their own account in all or any of the securities, commodities, foreign exchanges, derivatives or investments mentioned in this document. Bank of China Limited the subsidiaries may have provided investment services (whether investment banking or non investment banking related), may have underwritten, or may act as market maker in relation to these securities, commodities, foreign exchanges, derivatives or investments. Commission or other fees may be earned by Bank of China Limited the subsidiaries in respect of the services provided by them relating to these securities, commodities, foreign exchanges, derivatives or other investments.

No part of this document may be edited, reproduced, extracted, or transferred or transmitted to the public or other unapproved person in any form or by any means (including electronic, mechanical, photocopying, recording or otherwise), or stored in a retrieval system, without the prior written permission of the Bank.

### “Hong Kong Financial Research Institute of Bank of China”

“Hong Kong Financial Research Institute of Bank of China” (“the Institute”) is the core research and strategic planning centre within the Bank of China (Hong Kong) Group. Rooted in Hong Kong, setting our sights on the Greater Bay Area, Southeast Asia, Asia-Pacific and the world, the Institute focuses on macro-economics and policies, financial markets, RMB internationalization and digital currencies, financial sector reforms and innovation, green and sustainable finance development. The Institute, as the knowledge center of BOC, combines original macro, meso and micro researches with real-world practices to provide unique insights and advices to the community. With the core mission of serving the country and Hong Kong, the Institute advises the government agencies, and has built extensive collaborations and joint research with prestigious universities, think tanks and industry leaders in Hong Kong and Mainland China. The Institute has 50 professional researchers and produces close to 1,000 internal and external research papers annually.

---

If you have any suggestions or want to publish your research papers in this journal, please contact us by [espadmin@bochk.com](mailto:espadmin@bochk.com) or directly contact the author(s).



Please follow BOCHK Research on WeChat for the latest economic and financial markets analyses

# 主要經濟指標 (Key Economic Indicators)

	2021	2022	2022/Q4	2023/Q1
<b>一. 本地生產總值 GDP</b>				
總量 (億元) GDP(\$100 Million)	28,677	28,180	7,347	7,166
升幅 (%) Change(%)	6.4	-3.5	-4.1	2.7
<b>二. 對外貿易 External Trade</b>			<b>2023/03</b>	<b>2023/01-03</b>
外貿總值 (億元) Total trade(\$100 Million)				
總出口 Total exports	52,360	48,138	3,672	9,435
進口 Total imports	52,113	48,586	4,078	10,551
貿易差額 Trade balance	247	-448	-406	-1,116
年增長率 (%) YOY Growth(%)				
總出口 Total exports	18.7	-13.9	-1.5	-17.7
進口 Imports	17.2	-13.2	-0.6	-12.7
<b>三. 消費物價 Consumer Price</b>				
綜合消費物價升幅 (%) Change in Composite CPI(%)	1.6	1.9	1.8	1.9
<b>四. 樓宇買賣 Sale &amp; Purchase of Building Units</b>			<b>2023/04</b>	<b>2023/01-04</b>
合約宗數 (宗) No. of agreements	96,133	59,619	5,755	24,761
年升幅 (%) Change(%)	31.1	-38.0	18.6	33.2
<b>五. 勞動就業 Employment</b>			<b>2023/01-2023/03</b>	<b>2023/02-2023/04</b>
失業人數 (萬人) Unemployed(ten thousands)	20.3	16.3	11.5	11.4
失業率 (%) Unemployment rate(%)	5.2	4.3	3.1	3.0
就業不足率 (%) Underemployment rate(%)	2.6	2.3	1.2	1.2
<b>六. 零售市場 Retail Market</b>			<b>2023/03</b>	<b>2023/01-03</b>
零售額升幅 (%) Change in value of total sales(%)	8.1	-0.9	40.9	34.1
零售量升幅 (%) Change in volume of total sales(%)	6.5	-3.4	39.4	22.3
<b>七. 訪港遊客 Visitors</b>				
總人數 (萬人次) arrivals (ten thousands)	9.1	60.5	245.4	441.5
年升幅 (%) Change(%)	-97.4	561.5	136,238.5	38,322.6
<b>八. 金融市場 Financial Market</b>			<b>2023/03</b>	<b>2023/04</b>
港幣匯價 (US\$100=HK\$)	779.8	780.8	785.2	785
H.K. Dollar Exchange Rate (US\$100 = HK\$)				
貨幣供應量升幅 (%) change in Money Supply(%)			<b>2023/02</b>	<b>2023/03</b>
M1	8.0	-20.7	-25.1	-24.0
M2	4.3	1.6	0.0	1.4
M3	4.3	1.6	0.0	1.4
存款升幅 (%) Change in deposits(%)				
總存款 Total deposits	4.6	1.7	-0.1	1.1
港元存款 In HK\$	1.4	0.7	0.3	1.1
外幣存款 In foreign currency	7.9	2.6	-0.5	1.1
放款升幅 (%) in loans & advances(%)				
總放款 Total loans & advances	3.8	-3.0	-3.3	-3.4
當地放款 use in HK	4.7	-0.2	1.3	0.8
海外放款 use outside HK	1.7	-10.0	-10.8	-9.9
貿易有關放款 Trade financing	14.2	-13.5	-21.2	-21.9
最優惠貸款利率 (%) Best lending rate (%)	5.0000	5.6250	5.6250	5.6250
恒生指數 Hang Seng index	23,398	19,781	19,786	20,400