



# Analysis and Countermeasures on the Development Trend of Guangdong-Hong Kong Trade

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**Abstract.** By analyzing Guangdong-Hong Kong trade data from 2014 to 2023, this paper reveals that despite a decline in the proportion of Guangdong's foreign trade against the backdrop of global economic shifts and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, the role of Guangdong-Hong Kong trade as a key link in regional cooperation remains significant. In the face of challenges, this paper proposes four strategies to promote the development of Guangdong-Hong Kong trade: market diversification, collaborative optimization of industrial chains, development of cross-border e-commerce, and innovation and upgrading of service trade. Through technological advancement, industrial structure adjustment, and strengthening connections with emerging markets, Guangdong and Hong Kong together enhance industry docking, create an efficient and convenient e-commerce environment, and achieve deep integration and cross-border linkage in the modern service industry. This paper has certain reference value for promoting the development of Guangdong-Hong Kong trade and deepening cooperation and exchanges between the two places.

**Keywords:** Guangdong-Hong Kong Trade; Guangdong-Hong Kong-Macao Greater Bay Area; Collaborative Optimization of Industrial Chains

## 1 INTRODUCTION

As an important bridge connecting the mainland and Hong Kong, the development trend and countermeasure research of Guangdong-Hong Kong trade have profound theoretical and practical significance. Guangdong-Hong Kong trade is an important part of economic cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area and even the entire Southern China region. However, faced with changes in the global economic landscape, reshaping of international trade rules, and opportunities and challenges brought by the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, the development of Guangdong-Hong Kong trade presents new characteristics and issues.

In recent years, scholars have conducted in-depth studies from various perspectives on the issues and challenges faced by Guangdong's foreign trade and Guangdong-Hong

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Kong trade development. Peng Siping<sup>1</sup>, in the context of the new international trade situation, have utilized complexity index methods, Solow residual methods, and regression analysis to explore the contribution rate of technological progress to the growth of Guangdong's foreign trade. They propose strategies for industry upgrading transformation through "learning by doing" and independent research and development, aiming for product upgrading, production technology enhancement, and industrial chain improvement. Meng Lingyu<sup>2</sup> have conducted a thorough analysis of the driving factors behind the transformation of Guangdong's foreign trade structure, using macroeconomic data from 2001 to 2019 to empirically analyze the driving factors behind the change in commodity structure and mode of Guangdong's foreign trade, emphasizing the role of scientific and technological level improvements in building Guangdong's competitive advantages. Shi Zhangyu<sup>3</sup>, leveraging coupling models and exploratory spatial data analysis methods, have revealed the spatiotemporal differentiation characteristics of the coupling and coordination between Hong Kong's inbound tourism and goods trade, indicating that high-value areas should drive the coordinated development of low-value areas. Song Zhouying<sup>4</sup>, based on the position of the Guangdong-Hong Kong-Macao Greater Bay Area in the global trade pattern, have explored the competitive and cooperative relationships in trade among the three regions through textual analysis, advocating for the construction of deep cooperation zones in Shenzhen-Hong Kong and Hengqin-Macao to promote synergistic trade development in the Greater Bay Area. Zhang Lizhen<sup>5</sup> have macro-analyzed the economic situation of Hong Kong and Macao in 2020, highlighting the recession under the influence of the larger environment, and emphasizing the need for strengthening patriotic education, accelerating the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and promoting the integration of Hong Kong and Macao into the national development strategy.

In addition, some researchers<sup>6-9</sup> have discussed multiple topics such as international trade, factor flows, value-added distribution, and export growth drivers from different countries and regions, and these international experiences have also provided new reference for understanding the development of Guangdong-Hong Kong trade and.

The above research shows that the trade between Guangdong and Hong Kong and the broader regional economic development issues cover multiple aspects such as technological progress, changes in the external environment, industrial restructuring, international competition strategy, regional integration, etc., and provide important theoretical reference and practical guidance for the long-term development of Guangdong and the entire Guangdong-Hong Kong-Macao Greater Bay Area. This paper, based on Guangdong-Hong Kong trade data from 2014 to 2023, analyzes the foreign trade situation of Guangdong Province and its subordinate cities, summarizes the main characteristics and issues in the development trend of Guangdong-Hong Kong trade, and proposes countermeasures.

## 2 ANALYSIS OF GUANGDONG-HONG KONG TRADE TRENDS

### 2.1 Data Sources

Based on the data of Guangdong Province's foreign trade and Guangdong-Hong Kong trade from 2014 to 2023, this paper analyzes the overall situation of Guangdong's foreign trade and the foreign trade of major cities in Guangdong Province, and then extracts the main characteristics and problems of the development trend of Guangdong-Hong Kong trade. The data in this article are obtained from the website of the General Administration of Customs of the People's Republic of China and the online query platform of customs statistics (<http://stats.customs.gov.cn/>).

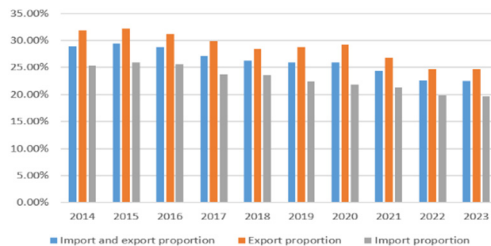
### 2.2 Overall Situation of Foreign Trade in Guangdong Province

In recent years, the growth rate of import and export volumes in Guangdong Province has been lower than the overall growth rate on the mainland, and the province's position (proportion) in mainland China's imports and exports has shown a declining trend.

According to customs statistics, from 2014 to 2023, the total import and export volume of mainland China increased from 26.43 trillion yuan to 41.76 trillion yuan, with an annual growth rate of 4.68%. Among these, the total export volume grew from 14.39 trillion yuan to 23.77 trillion yuan, with an annual growth rate of 5.15%. The total import volume rose from 12.04 trillion yuan to 17.98 trillion yuan, with an annual growth rate of 4.09%.

Meanwhile, Guangdong Province's import and export volume increased from 7.63 trillion yuan to 9.41 trillion yuan, with an annual growth rate of 2.12%. The export volume grew from 4.58 trillion yuan to 5.88 trillion yuan, with an annual growth rate of 2.53%. The import volume increased from 3.05 trillion yuan to 3.54 trillion yuan, with an annual growth rate of 1.49%.

Looking at the proportion of Guangdong Province's import and export volume to the total volume of mainland China, from 2014 to 2023, the proportion of import and export volume decreased from nearly 30% to 22.54%. The proportion of export volume decreased from nearly 32% to 24.72%. The proportion of import volume dropped from nearly 26% to 19.67%. As show in figure 1 and 2.



**Fig. 1.** The proportion of Guangdong Province's imports and exports in Chinese mainland's imports and exports

Analyzing by origin/destination, from 2015 to 2023, in the ranking of import and export amounts among cities in Guangdong Province, Shenzhen ranks first, accounting for more than 40% of the province's total, followed by Dongguan with over 15%, and Guangzhou ranking third, its proportion declining from 16% to 13%. These three cities constitute the first tier; Foshan, Huizhou, Zhongshan, Zhuhai, and Jiangmen form the second tier, with respective shares of about 7%, 5%, 3%, 3%, and 2%. Foshan shows a significant growth trend, while Huizhou displays a notable decline. Regarding exports, Shenzhen leads with 40% of the province's total, followed by Dongguan and Guangzhou, with the latter's share decreasing from 17% to 13%. The second-tier cities' shares are roughly 8.7%, 4.6%, 4.2%, 3.4%, and 2.7%.

### 2.3 Characteristics and Issues in Guangdong-Hong Kong Trade Development

The development trend of Guangdong-Hong Kong trade exhibits three major characteristics.

Firstly, the proportion of Guangdong-Hong Kong trade in Guangdong's foreign trade has shown a declining trend.

Customs statistics reveal that from 2017 to 2023, the proportion of imports and exports between mainland China and Hong Kong out of mainland China's total imports and exports generally showed a downward trend, with the proportion of Guangdong-Hong Kong trade in Guangdong's total imports and exports decreasing from 15.44% in 2017 to 11.01% in 2023, almost exhibiting a yearly decline.

The proportion of Guangdong-Hong Kong exports in Guangdong's total export volume decreased from 24.80% to 17.25%. Between 2017 and 2020, the proportion of Guangdong-Hong Kong exports showed a downward trend, with the largest declines occurring from 2018 to 2020, averaging over a 2.5% decrease annually. The proportion of Guangdong-Hong Kong imports in Guangdong's total import trade has generally shown a declining trend, decreasing from 0.96% in 2017 to 0.65% in 2023.

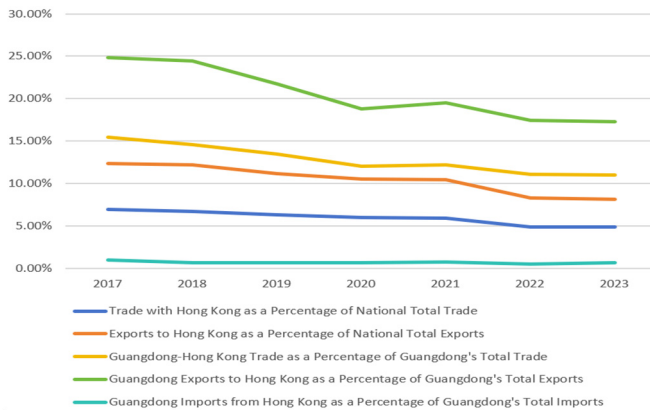


Fig. 2. Changes in the proportion of imports and exports between Guangdong and Hong Kong from 2017 to 2023

Secondly, the import and export activities between Guangdong and Hong Kong predominantly involve transshipment trade via the eight prefecture-level cities in the Guangdong Pearl River Delta region. Although there is a certain downward trend, Hong Kong, China still plays an important role as an entrepot hub in the export trade of the Guangdong-Hong Kong-Macao Greater Bay Area.

Customs statistics indicate that from 2017 to 2023, the total trade volume between Guangdong Province and Hong Kong decreased from 1.16 trillion yuan to 1.04 trillion yuan. Specifically, the export volume declined from 1.13 trillion yuan to 1.01 trillion yuan, and the import volume dropped from approximately 28.4 billion yuan to nearly 23 billion yuan, with the export proportion consistently exceeding 97.5%.

In 2023, Guangdong Province's total foreign trade volume reached 8.30 trillion yuan, of which trade with the Hong Kong region amounted to 1.04 trillion yuan, accounting for 18.64% and making Hong Kong the second-largest trade partner of Guangdong Province. Regarding exports, Guangdong's foreign trade export volume stood at 5.44 trillion yuan in 2023, with exports to the Hong Kong region totaling 1.01 trillion yuan, representing 18.83% of the total.

In the same year, the export volume from the eight prefecture-level cities in the Guangdong Pearl River Delta region accounted for nearly 93% of the province's total, with exports to Hong Kong and Macao comprising nearly one-fourth of the total exports from these eight cities. This proportion is higher than the average level of exports to Hong Kong and Macao from the entire province and significantly exceeds the proportion of exports to Hong Kong and Macao from the mainland (approximately 12%).

Despite the downward trend in trade between Guangdong and Hong Kong, the trade and logistics industry is still the first of the four pillars of Hong Kong, China, with the added value of industries accounting for more than 20% of Hong Kong's GDP and employing more than 700,000 people. As the world's largest cargo hub, Hong Kong International Airport has world-class logistics facilities, nearly 200 airlines enter the airport to operate, and logistics services cover the world, with an air cargo volume of more than 4.74 million tons in 2023, and a foreign trade import and export volume of nearly 400 billion US dollars, accounting for about 40% of Hong Kong's total foreign trade import and export. According to statistics, the value of trade in goods transported by air and land in Hong Kong, China accounts for more than 80% of Hong Kong's total import and export value. Therefore, Hong Kong, China still plays an important role as an entrepot hub in the export trade of the Guangdong-Hong Kong-Macao Greater Bay Area.

Thirdly, Guangdong-Hong Kong export trade has exhibited a characteristic pattern of "declining shares in processing trade and general trade, with rising shares in bonded zone and bonded warehouse trade."

Customs statistics indicate that from 2017 to 2022, Guangdong Province's exports to Hong Kong were primarily dominated by processing trade and general trade, maintaining a combined share of over 70%, but showing a slight downward trend. In 2023, their shares reached 42.23% and 25.52%, respectively.

In recent years, the proportion of logistics goods within China's customs special supervision areas has gradually increased, growing from 10.06% in 2017 to 22.32% in 2023. Goods entering and exiting bonded supervision locations have maintained steady

growth, with the share of logistics goods in customs special supervision areas rapidly increasing from 10% to nearly 20%.

### **3 STRATEGIES FOR PROMOTING THE DEVELOPMENT OF GUANGDONG-HONG KONG TRADE**

First, actively explore emerging markets to promote diversified market development. On one hand, it is essential to continuously consolidate close cooperative relationships with traditional markets such as Japan, South Korea, and the European Union, leveraging existing advantages to guide processing trade enterprises in Guangdong to enhance the level of the industrial chain, extending from low-end to high-end to ensure steady growth in export volume and mitigate international market risks. On the other hand, efforts should be intensified to develop new emerging markets with broad potential and opportunities, such as Russia, India, South America, and the Middle East, employing various flexible methods like import trade, compensation trade, and investment trade to achieve a virtuous cycle of using imports to drive exports and comprehensive expansion. It is recommended that the government collaborates with industry associations and enterprises to conduct overseas market research, understand the demand and entry regulations of target markets, and accurately position products and services. Additionally, strengthening policy communication and coordination with emerging market countries or regions to secure more tariff preferences and market access opportunities is crucial for creating broader market development spaces for enterprises in both Guangdong and Hong Kong. Furthermore, utilizing the international cooperation platform provided by the "Belt and Road" initiative, promoting deep cooperation between Guangdong-Hong Kong enterprises and countries along the route in areas such as infrastructure construction, capacity cooperation, and financial support to further expand the development paths of Guangdong-Hong Kong trade.

Second, promote the collaborative optimization and high-end development of the industrial chain. Guide processing trade enterprises to gradually climb from the low end to the high end of the value chain by enhancing product added value and technological content through technological innovation, brand building, and design and development, thereby strengthening global industrial chain competitiveness. Encourage close industry alignment between Guangdong and Hong Kong, strengthen upstream and downstream cooperation in the industrial chain, and jointly build internationally competitive industrial clusters. Leverage the science and technology innovation resources of the Guangdong-Hong Kong-Macao Greater Bay Area, support Guangdong-Hong Kong enterprises in jointly building technology R&D platforms, and jointly tackle key core technologies. Through policy support and financial guidance, encourage enterprises to invest and deploy capacities in high-technology and high-value-added areas. Additionally, adjust and optimize the import and export commodity structure, reduce dependence on low-value-added, labor-intensive products, and vigorously develop knowledge-intensive, capital and technology-intensive high-end manufacturing and modern services. Concurrently, the government needs to further refine relevant

regulations and policies, simplify approval processes, reduce transaction costs, create a favorable business environment for enterprise transformation and upgrading, and enhance the region's overall innovation capacity through talent development, introduction, and industry-academia-research cooperation. In this process, Guangdong and Hong Kong should share resources and support each other, forming a development pattern of complementary advantages and mutual benefit, aiming to secure a favorable position in global economic competition and continuously elevate Guangdong-Hong Kong trade to a new level.

Third, vigorously develop cross-border e-commerce. Promote the perfection of the regulatory system for cross-border e-commerce, including optimizing customs clearance processes, establishing tax systems and quality standard systems adapted to e-commerce characteristics, and creating a fair, transparent, efficient, and convenient cross-border e-commerce business environment. At the same time, through a series of specific and attractive support policies, such as tax incentives, special subsidies, and financing support, encourage enterprises to establish operational centers or logistics bases in Guangdong and Hong Kong, achieving effective aggregation of the cross-border e-commerce industrial chain. On this basis, Guangdong and Hong Kong should actively explore innovative cross-border e-commerce service models, such as using blockchain and big data technologies to enhance transaction transparency, protect consumer rights, and build a global intelligent supply chain service system, further enhancing the position of Guangdong-Hong Kong trade in the global value chain.

## 4 CONCLUSION

This paper, based on Guangdong-Hong Kong trade data from 2014 to 2023, delves deeply into the development trends of Guangdong-Hong Kong trade, revealing the significant characteristics and challenges of Guangdong Province's foreign trade amid the changing global economic landscape, reshaping of international trade rules, and construction of the Guangdong-Hong Kong-Macao Greater Bay Area among multiple influencing factors. Although the growth rate of imports and exports in Guangdong Province is lower than the mainland average and its share in national imports and exports has been declining annually, the economic and trade ties between Guangdong and Hong Kong remain crucial as the core engine of economic development in the Southern China region. The paper proposes targeted countermeasures, emphasizing addressing global competitive pressures through technological advancement, industrial structure optimization, diversified market strategies, and deepening regional integration cooperation to strengthen the position of the Guangdong-Hong Kong-Macao Greater Bay Area in the global value chain.

The study has certain limitations, lacking quantitative models to assess the impact of various factors on Guangdong-Hong Kong trade and to predict future trends. Future research could further explore these aspects, providing more robust support for policy makers from a quantitative perspective.

## ACKNOWLEDGMENT

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