



Discussion on the status and prospect of the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN

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Abstract. This paper aims to conduct an in-depth analysis of the interactive connection between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN, and discuss its current situation and future development trend. As a product of China's new era of deepening reform, the Guangdong-Hong Kong-Macao Greater Bay Area has demonstrated a brand-new economic development model. It not only takes the lead in trying the economic development of the Bay Area in Chinese mainland, but also is an important promoter of the global economic integration of the Bay Area. ASEAN, as the largest economic and trade organization in Southeast Asia, has played an important role in promoting the construction of the Guangdong-Hong Kong-Macao Greater Bay Area. The interaction between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN is of great significance to deepening regional economic cooperation. There are rich and deep possibilities for cooperation in diversified fields. This interactive connection will greatly improve the overall economic and trade efficiency of the region, further promote the development of China-Asean Free Trade Area and regional economic integration, and thus provide a strong boost for the construction of a community of shared future in Southeast Asia and the Asia-Pacific region.

Keywords: Guangdong-Hong Kong-Macao Greater Bay Area; Alliance of Southeast Asian Countries; Bay Area economy; interactive connection; regional economic integration.

1 Introduction

1.1 Research Background

In 2019, the 2019 Outline of the Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area was officially issued by the CPC Central Committee and The State Council. This is of great historical significance to the development of Guangdong Province, Hong Kong and Macao Special Administrative Regions, the Pan-Pearl River Delta region and the whole Lingnan region. It not only creates favorable conditions for the development of coastal urban agglomerations in southern China, but also provides valuable development opportunities for the whole Southeast Asian region. The Greater

Bay Area consists of nine cities of Guangdong province (Guangzhou, Shenzhen, Foshan, Huizhou, Zhuhai, Zhongshan, Dongguan, Jiangmen, and Zhaoqing), as well as the Hong Kong and Macao Special Administrative Regions. According to the economic and trade research statistics of the Hong Kong Trade Development Council, as of 2022, the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) has 86.62 million permanent residents, with a gross domestic product (GDP) of us \$1,943.54 billion, covering an area of 56,000 square kilometers and a per capita GDP of US \$22,585.

According to the outline of the development plan, the Guangdong-Hong Kong-Macao Greater Bay Area aims to build the fourth largest Bay Area city cluster in the world, comparable to the San Francisco Bay Area, the Greater Bay Area of New York and the Greater Bay Area of Tokyo. With the economic development of the Bay Area and the construction of the economic model of opening to the outside world, the Guangdong-Hong Kong-Macao Greater Bay Area is faced with a series of problems, including internal overcapacity, imbalance between supply and demand, difficulties in optimizing industrial structure, and unbalanced coordinated development among regions. To address these problems, the Greater Bay Area needs to strengthen its interaction and connectivity with ASEAN, deepen economic cooperation and promote common development. The League of Southeast Asian Nations (Association of Southeast Asian Nations) is a huge organization with a total area of about 4.49 million square kilometers and a population of 662 million. Its member states include 10 countries, including Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, which basically cover the whole major economies of Southeast Asia. ASEAN has become an important partner to help GBA achieve its strategic planning goals. It not only has innate geographical advantages, but also has strong development potential and economic resilience.

1.2 Study significance

The in-depth research and analysis of the current situation and prospects of the interactive connection between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN is of important milestone significance for promoting the economic and trade development in Southeast Asia and the construction of the world's fourth largest Bay Area city cluster.

(1) In line with the strategic positioning and realizing the strategic goal of the Guangdong-Hong Kong-Macao Greater Bay Area: it aims to build the Greater Bay Area into an international science and technology innovation center with global influence and a demonstration area for in-depth cooperation between the mainland and Hong Kong and Macao.

(2) To foster the "triple" power of regional economic growth: aims to extend the economic radiation of the Greater Bay Area to the inland economic hinterland; to promote the "chemical effect" of regional economic and trade between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN, and to integrate the Bay Area economic and trade model with Chinese characteristics[1]; With the Guangdong-Hong Kong-Macao Greater Bay Area as a fulcrum bridge and transit hub connecting the mainland and ASEAN, we will promote the development of the "Belt and Road"

initiative and contribute to the regional economic integration process in Southeast Asia and East Asia.

(3) Promoting multicultural exchanges and resolving national disputes: studying the interaction between the two can promote the flow of personnel and talent exchange, and enhance mutual understanding and cooperation between the two sides. As an important part of the Asia-Pacific region, exploring bilateral economic and trade relations will help ease regional tensions and create a favorable environment for consultation in the peaceful settlement of international disputes.

(4) Improve the research of cooperation mechanism and policy system and provide useful experience.

2 The Current Situation of The Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN

2.1 Economic Complementarity Between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN Countries

The Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN countries have significant economic complementarity in the economic and trade fields. Since 2013, trade between China and ASEAN has grown at an annual rate of 8.8 percent, 3.8% higher than China's overall trade growth in the same period. By 2023, bilateral trade will continue to grow to 6.41 trillion yuan. Asean has been China's largest trading partner for four consecutive years, and China has been ASEAN's largest trading partner for many consecutive years.

First of all, from the perspective of industrial structure and layout, Chinese mainland and China, Hong Kong and Macao show an obvious gradient in industrial transfer and undertaking between ASEAN countries[2]. Southeast Asia is rich in labor resources and has low cost, and its industries are mainly raw material export, labor-intensive and light and heavy processing industries. In contrast, Chinese mainland has a certain technological advantage and a huge consumer market, while Hong Kong can provide efficient financial services. This industrial difference makes there is huge space for cooperation and development among the three parties in the industrial chain and supply and demand chain.

Second, GBA has a huge consumer market and a strong economic strength, while ASEAN is an emerging market with a large population. Through the cooperation with ASEAN countries, GBA enterprises can further introduce high-quality products and services to the ASEAN market to meet the growing consumer demand. In addition, in the field of technology, GBA has a number of powerful scientific and technological innovation industrial parks and scientific research universities, which can continue to launch innovation achievements and transform them into the driving force for economic development.

Although ASEAN countries have made some progress in infrastructure construction, there is still a certain gap compared with the Guangdong-Hong Kong-Macao Greater Bay Area. This is not only reflected in the capital needs, the financial situation of

ASEAN countries can not meet the capital needs of new infrastructure, but also reflected in the construction efficiency, project quality and other problems. The Guangdong-Hong Kong-Macao Greater Bay Area can give full play to Hong Kong's central advantages in the global financial field, build an international financial hub, and build a solid financial operation platform for Southeast Asia and even the Asia-Pacific region, so as to improve the overall efficiency of GBA in the cross-border financial services field[3].

2.2 Political Mutual Trust Between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN Countries

The political mutual trust between the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and ASEAN countries is deeply rooted in the frequent historical, political and business exchanges between the two sides. This mutual trust not only provides a solid foundation for the cooperation between the two sides, but also promotes the development and prosperity of the region in multiple dimensions.

First, political mutual trust plays a key role in the total export and value-added export trade between countries. Take the China-ASEAN Free Trade Area as an example, this region provides deep market space and rich cooperation opportunities for both sides. As an important economic engine in southern China, the Guangdong-Hong Kong-Macao Greater Bay Area has conducted in-depth exchanges and cooperation with ASEAN countries in goods, services and investment, and jointly promoted regional economic prosperity.

The promotion effect of political mutual trust on intermediate goods trade is stronger than that on final goods trade. With the deepening development of China-ASEAN Free Trade Area, bilateral cooperation in the field of infrastructure has been increasingly strengthened. The Guangdong-Hong Kong-Macao Greater Bay Area has carried out a large number of infrastructure construction in transportation, energy and communications fields, which has not only improved the quality of life of local residents, but also provided strong support for bilateral economic development.

The promotion effect of political mutual trust on manufacturing trade exceeds that of service trade. This is further evidence of the positive impact of political mutual trust in global value chain cooperation. The two sides have also achieved remarkable results in security cooperation in counter-terrorism, drug control and disaster prevention and mitigation. Through strengthening information sharing and joint law enforcement, the two sides have jointly addressed security challenges in the region and maintained regional peace and stability. In international affairs, the two sides have also maintained close cooperation and jointly made positive contributions to the reform and improvement of the global governance system.

2.3 Cultural Exchanges Between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN Countries

In international economic and trade exchanges, culture, as an embodiment of soft power, is not only the internal engine to promote regional economic development, but

also the spiritual pillar to maintain regional development. As an important partner of the Guangdong-Hong Kong-Macao Greater Bay Area to realize the "Belt and Road" strategic plan, the ASEAN region is not only the main settlement of overseas Chinese, but also has a dense Chinese interaction network. This close cultural connection has a high degree of similarity and fit with Lingnan culture, which provides valuable soft resources for GBA.

In order to give full play to this advantage, we need to dig deep and use the cultural resource potential of GBA, so as to build a "psychological bridge" with ASEAN. Through active contact with Chinese chambers of commerce, trade unions and other non-governmental organizations in ASEAN, we will give full play to the communication role of the private sector in the "third diplomacy", and further consolidate the trust and understanding between the people and the governments of the two places.

At the same time, the Bay Area in terms of immigrant culture. Although the San Francisco Bay Area has a limited area, it brings together the global core technology industries, and many world-renowned technology innovation enterprises take root here. Behind its success is the attraction of the unique immigrant culture to all kinds of enterprises and talents. It is this inclusive, open and innovative cultural atmosphere that makes Silicon Valley an important base for global high-tech research and development.

For GBA, the deep development of its immigrant culture has been transformed into the advantage of regional culture[4]. Take Shenzhen as an example, its development process is quite similar to that of the San Francisco Bay Area. It has become the scientific and technological innovation capital of their respective countries with the cultural foundation of inclusiveness and innovation. GBA should continue to absorb and accept immigrants and industries from ASEAN, and even attract top enterprises from Southeast Asia to set up headquarters in the region, so as to form industrial agglomeration effect and headquarters economic model. This will help improve China's independent innovation capacity, promote the transformation and upgrading of urban economy, accelerate the development of regional cooperation, and further enhance the status of GBA in the ASEAN and even the global value chain system.

3 Difficulties of the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN

3.1 Institutional obstacles to the interaction between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN

Since 2003, the Mainland and the Hong Kong and Macao Special Administrative Regions have signed the CEPA (Arrangement with Hong Kong and Macao)[5]. However, several revisions of CEPA have not fully adapted to the needs of GBA planning. There are significant differences between the two design concepts and goals, and both of them are restricted by the changing situation at home and abroad. At present, CEPA is faced with problems such as single consultation mechanism, lack of diversified dispute resolution mechanism, lack of effectiveness of courts in different places, and changes in trade environment. Therefore, in order to promote the legalization and standardization

of GBA and the formation of diversified Bay Area economic models, it is urgent to establish trade agreements that meet the current and future development needs.

The establishment of the ASEAN-Hong Kong, China Free Trade Area (AHKFTA) has reduced the technical barriers to trade between ASEAN and Hong Kong, and further expanded the market access for the construction, engineering, education and environmental services industries. AHKFTA CEPA can be considered as applicable to the "reduction version" scheme of GBA and the Framework Agreement. In terms of dispute settlement and trade policy formulation, AHKFTA should be the model, and the framework agreement should be used to build a FTA and "friendly consultation mechanism" applicable to ASEAN and GBA. In addition, multi-recognized dispute resolution mechanisms and arbitration centers need to be established to remove the main institutional barriers between GBA and ASEAN.

3.2 Legal Obstacles to Interaction Between the Guangdong-Hong Kong-Macao Greater Bay Area And ASEAN

The legal obstacles in the interactive connection between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN are the fundamental issues of consistency and cooperation that need to be addressed in their development process. In terms of trade barriers, although the China-ASEAN Free Trade Area has been established, there are still some differences between the two sides in tariff and non-tariff barriers. These trade barriers may affect the convenience of bilateral economic and trade cooperation and the amount of import and export, and restrict the process of regional economic integration.

In addition, the legal systems and judicial practices may vary in different countries, which will partly affect the legitimacy and risk assessment of cross-border transactions. There are some differences between the ipr protection systems and laws of ASEAN countries and China in terms of application.

This may lead to the risk of IPR infringement in transnational transactions. Therefore, how to seek consistency and formulate solutions after the alleged infringement is an important content of in-depth discussion between the Greater Bay Area and ASEAN at the level of IPR protection.

The selection of appropriate resolution mechanisms is crucial in the handling of disputes and ensuring transparency. At present, the international community commonly uses the settlement methods including arbitration and litigation, which have their own characteristics and may lead to different results. At the same time, openness and transparency are also important principles in international exchanges. Governments need to ensure that their policies and regulations are open and transparent to avoid discrimination and unfair treatment in other countries and regions.

In order to reduce the negative impact of these legal obstacles on regional economic integration, all parties should strengthen communication and coordination, jointly promote the improvement and implementation of relevant laws and regulations, and provide a better legal guarantee for deepening regional cooperation.

3.3 Non-economic barriers to Connecting the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN

Political stability and the policy environment may create non-economic barriers. Political factors in different regions may have an impact on the stability and sustainability of cross-border cooperation, especially when sensitive issues and political interests are involved. Therefore, all parties need to pay attention to establishing a good communication mechanism, strengthening information exchange, and removing language barriers to promote closer cooperation. There may be some differences in social awareness and awareness between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN member states. Therefore, mutual understanding and recognition should be strengthened through education, media and cultural exchanges.

In addition, legal and institutional differences may also pose some problems for cross-border cooperation. The Greater Bay Area and ASEAN member states have different legal systems and administrative systems, which may lead to legal and institutional differences in business cooperation, investment and trade, thus increasing the complexity of cross-border cooperation. Take the Guangdong-Hong Kong-Macao Greater Bay Area as an example, which is characterized by "one country, two systems, three customs zones and three currencies", and the identity authentication of legal persons and other cross-border organizations has become an important issue[6]; In cross-border economic and trade activities, problems such as information identity asymmetry, cumbersome identification and data sharing are also prominent.

4 The Prospect of The Interactive Connection Between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN

4.1 Advantages of the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN

The Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN have a superior geographical location, with port clusters and a long coastline, providing broad sea coverage and development space for both sides. In the field of science and technology, a large bay area of Guangdong has formed multiple industrial clusters, including communication electronic information industry, new energy automobile industry, drone industry, robot industry and petrochemical industry, clothing, shoes, toys, food, beverage processing, which with the asean countries in advanced manufacturing, strategic emerging industries and high-end industry complementary advantages provides a solid foundation.

From the international level, with the growth of the economic aggregate and trade aggregate of RCEP members in the world, GBA and ASEAN enterprises will usher in a broader cooperation market. This interactive connection will not only help to play the leading effect of core enterprises in the industrial chain, but also continuously optimize the cooperation environment and policy facilities for enterprise development, and encourage globally competitive industries or enterprises to increase their investment in

the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN countries. The cooperation mode between the two parties can include the acquisition of high-tech projects with core technologies, joint development and the re-planning of industrial layout, so as to realize the coordinated development of the industrial chain, focus on innovation resources, and promote the deeper regional innovation cooperation between the Greater Bay Area and ASEAN countries.

In the context of deepening economic globalization and sharing of science and technology, in order to maintain the competitive advantages between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN countries, both sides need to jointly build a global scientific and technological innovation highland through open innovation and integrating global resources, so as to realize regional interactive connectivity.

4.2 Challenges between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN

(1) Infrastructure plays a crucial role in regional interactive connectivity. However, due to the combined influence of multiple factors, such as geography, climate and economic development, the level of infrastructure construction among different regions shows significant differences. Therefore, it is particularly important to take advantage of Hong Kong's position as an international shipping center to build a three-dimensional transportation system covering the Greater Bay Area (GBA).

(2) Trade facilitation is an important means to promote cross-border trade and investment. Due to the differences in trade rules and standards between countries, this undoubtedly brings great obstacles to trade. Therefore, it is particularly important to deepen bilateral or multilateral cooperation and coordination.

(3) Financial cooperation is an important guarantee for realizing regional economic integration. There are also differences in the financial systems and regulatory mechanisms among countries, which pose challenges to financial cooperation. Hong Kong should actively play to provide a sound financial flow platform. In addition, the government and the private sector should be helped to ease financial difficulties, and policy communication and coordination should be strengthened to promote the opening and integration of financial markets.

(4) Cultural exchanges and regional mobility are important ways to enhance mutual understanding and trust. Strengthening people-to-people exchanges and enhancing friendship and understanding among the people are crucial to building a new model of a peaceful, inclusive, open and friendly regional economy and creating a favorable environment for innovative development[7].

(5) On geopolitical and security issues, there may be some bilateral relations and historical issues left over between the Greater Bay Area and ASEAN members, such as territorial disputes and historical disputes. These problems can plague cooperation and interaction. In addition, the two sides should strengthen security cooperation and jointly respond to non-traditional security threats such as terrorism and cyber security, so as to maintain the economic and trade environment and peaceful development in Southeast Asia and even the Asia-Pacific region.

4.3 Future prospects of the Interactive connection between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN

Over the years, the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and ASEAN have shown a trend of mutual promotion in economic development, and local development will further promote the overall regional cooperation between China and ASEAN and deepen cultural exchanges. In November 2023, an event called "2023 Greater Bay Area Forum" was successfully held in Hong Kong, China. The goal of the Forum is to promote closer and deeper relations between GBA and ASEAN countries in exchanges and cooperation. BBS issued a "big bay area-asean economic cooperation joint initiative", the initiative put forward a series of measures, including building economic cooperation dialogue platform, deepening industry and investment cooperation, promote scientific and technological innovation and technological achievements, cooperation, strengthen regional chamber of commerce exchanges and cooperation, encourage regional talent and cultural exchanges, and further deepen the large bay area and asean economic and trade cooperation, aims to promote hearts and minds.

With its unique geographical, economic and cultural advantages, the Guangdong-Hong Kong-Macao Greater Bay Area has become a representative of the Bay Area in China, a leader of the Bay Area in Asia, and even a model of the Bay Area in the world. Both GBA and ASEAN, their cooperation is an important strategic layout in the context of asia-Pacific economic and trade integration of building a community with a shared future for mankind, Belt and Road and RCEP (Regional Comprehensive Economic Partnership)[8]. With the world undergoing profound changes unseen in a century, many countries are facing complex economic situations and the challenges of traditional and non-traditional threats. The cooperation between the Greater Bay Area and ASEAN requires not only economic and technological support, but also cultural and spiritual support. Such cooperation should be deepened and expanded from multiple dimensions, provide a clear direction for global exchanges and mutual learning among global civilizations, provide valuable experience for transnational development in local regions of the world, and jointly consolidate the good momentum of cooperation and development between China and ASEAN.

5 Conclusion

The Greater Bay Area has established close ties with ASEAN countries in terms of political mutual trust, economic complementarity and cultural exchanges. The Guangdong-Hong Kong-Macao Greater Bay Area has an important economic influence on ASEAN countries. One of the largest economies in Asia, ASEAN shares a common vision with the Guangdong-Hong Kong-Macao Greater Bay Area for economic cooperation and regional integration. The two sides have signed a number of free trade agreements and cooperation mechanisms, providing broader business opportunities and market access opportunities for enterprises.

In the long run, with the deepening of the Belt and Road initiative, the cooperation between the Greater Bay Area and ASEAN countries will be further enhanced. The two sides will pay more attention to infrastructure construction and financial services to

achieve regional interactive connectivity and trade facilitation. In addition, the two sides will also set up a dispute resolution mechanism and arbitration center to resolve trade disputes, stimulate the activity of market production factors, and improve the overall regional economic benefits of GBA and ASEAN.

To sum up, the cooperation between the Guangdong-Hong Kong-Macao Greater Bay Area and ASEAN countries has achieved remarkable results, and the future development prospects are also very optimistic. Through deepening cooperation and exchanges, the two sides are expected to jointly achieve economic prosperity and sustainable development.

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