

Hong Kong Needs a Larger Population Base to Remain in Competition

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By Stephen Chung BS BBIg(HKU) MS in Real Estate Development(MIT) ARICS AHKIS MAACE PQS RPS
Zeppelin Property Consultants Ltd - Phone(852)24016388 / 6619 Fax (852)24013084
Real Estate Development, Investment, Asset Management, Marketing, and Operational Analysis

If Hong Kong is to maintain its position as an international financial and service center for China, Asia and the Globe, then its population base would have to be enlarged in the long run, possibly to 12,000,000. This can be done in two ways :

(1) Allowing more immigration into Hong Kong (yet keeping the “boundary” status quo) = this ideally should not be limited to Chinese nationals and foreigners should be welcomed as well as long as they have the skills, experience and knowledge Hong Kong (then) requires. However, there is limitation to this approach as jumping from the current 6,500,000 to 12,000,000 within say the next 25 years will be extremely difficult (bearing in mind that from 1970 to 1997 the population grew from 4,000,000 to 6,500,000 and this was considered quite a feat in itself already), if not impossible, given limited resources.

(2) Extending the “boundary” (technically the Standard Metropolitan Statistical Area) of Hong Kong into nearby regions = this may be the more viable solution and undue intensity on land use and infrastructure would be lessened. Nonetheless, this requires proper and timely assimilation between Hong Kong and the prospective regions whether economically, socially, or administratively.

Some of the reasons for expansion are :

(A) To Maintain a Competitive Financial Capacity and Momentum = Currently for instance, Shanghai has double the population yet enjoys only a fraction of Hong Kong’s GDP/capita. Hence, its total GDP is still small compared to that of Hong Kong. However, IF and WHEN China/Shanghai develops (on the right path) and matches closer to Hong Kong (bearing in mind that the economic growth of Hong Kong may also be smaller in years to come as its economy is more “mature” thereby helping to close the current gap faster), the “cutting edge” and economic significance of Hong Kong would be reduced IF its population base remains comparatively small (again bearing in mind that Shanghai’s population is likely to grow further still in years to come). Moreover, the typical “quality” i.e. degree of skills and attributes of the Hong Kong population is also important.

(B) Major International Financial Centers such as New York City, London, and Tokyo typically have population over 10,000,000 = While a large population alone may not create a major center, a center whose population is significantly smaller and yet aspires to be a major international city implies its workers would need to be twice or thrice as productive as their counterparts elsewhere in order to be on par, and this is difficult to maintain for a long period of time as committed competitors may catch up fast especially on the technological and financial fronts.