



Research Office
Legislative Council Secretariat

Fact Sheet

Northern Metropolis

FS03/2022

1. Overview

- **The 2021 Policy Address** proposed developing the northern part of New Territories into the Northern Metropolis, providing a vision for the positioning, plans and directions for northern New Territories over the next 20 years:
 - For Hong Kong, developing the Northern Metropolis can reshape the land use planning in the northern district (including increasing housing supply), and **inject new impetus to economic development** through establishing a new “South-North dual engine (finance-innovation and technology)” development paradigm;
 - From national and regional levels, developing the Northern Metropolis is coherent with national strategy and can **promote closer, deeper and more thorough cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area**, pave the way for Hong Kong to **better integrate into the country’s overall development** and leverage Hong Kong’s unique roles, thereby achieving the **designated roles for Hong Kong as underlined in the National 14th Five-Year Plan, especially as an international innovation and technology (“I&T”) hub**;
 - The Northern Metropolis covers an area of 300 square kilometres (accounting for a quarter of land in Hong Kong), and the Government estimates that the Northern Metropolis can contribute to further developing about 600 hectares of housing and economic land, thereby bringing about:
 - As many as **190 000 additional residential units**¹;
 - An increase in population from the current level of around 1 million to eventually accommodate a residential population as high as 2.5 million; and
 - A surge in job opportunities from the current 120 000 positions to about 650 000 positions, among which include **150 000 I&T jobs**.

¹ The Government further estimates that after taking into account current/planned/on-going projects, the Northern Metropolis will eventually accommodate close to 930 000 residential units.

- To support the development of the Northern Metropolis, the **2022-2023 Budget** proposes setting aside \$100 billion from the cumulative return of the Future Fund to establish a dedicated fund under the Capital Works Reserve Fund in order to expedite the **implementation of infrastructure works relating to land, housing and transportation** within the Northern Metropolis. As regards development areas including San Tin Technopole, Lo Wu/Man Kam To Comprehensive Development Node, Ma Tso Lung, as well as Lau Fau Shan, Tsim Bei Tsui and Pak Nai, the Budget further pledges to formulate development plans for the four land formation projects within two to three years.
- After commencement of the current-term government in July, the Chief Executive Mr John LEE meet with leaders of Guangzhou and Shenzhen via video conferencing in September and reached consensus on the following:
 - **Guangdong-Hong Kong cooperation mechanism** —— The Guangdong Provincial Government and the Special Administrative Region Government will set up 13 working groups to cover major areas of cooperation, including the Northern Metropolis and I&T;
 - **Shenzhen-Hong Kong cooperation** —— Upon consolidation of the current cooperation framework, 19 working groups will be set up to push forward the collaboration in various key areas including I&T, finance, and Qianhai. On the Hong Kong front, these working groups will be led by specific Secretaries of Departments or Directors of Bureaux, and will start their work soon; and
 - **Cooperation with Qianhai** —— Expediting the development of the northern New Territories, with a view to seizing the opportunities brought about by Qianhai as a modern service industry hub.
- This *Fact Sheet* will provide an overview of planning concept of the Northern Metropolis and the challenges, followed by developmental and collaborative measures for boundary areas in Shenzhen, Zhuhai and European Union.

2. Planning concept of the Northern Metropolis

- **Planning concept** (conceptual site plan at **Appendix**): Northern Metropolis put forward the planning concept of “Twin Cities, Three Circles” and formulated a development project from a cross-boundary perspective for the first time, with elements from West to East along the boundary area ——
 - **Shenzhen Bay Quality Development Circle**: Upgrading the Hung Shui Kiu/Ha Tsuen and Tin Shui Wai areas located in Western North Territories into a central business district, and interfaces with Qianhai, Shekou, Nanshan and Bao’an of Shenzhen (the Circle also includes vital wetlands near by);

- **Hong Kong-Shenzhen Close Interaction Circle:** Comprising areas around Lok Ma Chau Loop, San Tin and a number of New Development Areas in Northern New Territories (Fanling North and Kwu Tung North) and new towns, plus a number of Boundary Control Points (“BCPs”), these areas interface with Futian and Luohu in Shenzhen and serve as the core cluster of I&T sector in Hong Kong and Shenzhen; and
- **Mirs Bay/Yan Chau Tong Eco-recreation/tourism Circle:** Located in Northeast of Hong Kong, it comprises Sha Tau Kok, Lin Ma Hang and geoparks, offers rich natural landscape and culture, ecology and habitat resources, and interfaces with Sha Tau Kok, Yantian and the Dapeng Peninsula of Shenzhen.
- **Land use planning related to I&T sector:** About 240 hectares of land is expected to be assigned for I&T-related uses, comprising about 90 hectares earmarked for the Hong Kong-Shenzhen Innovation and Technology Park (“HSITP”) in the Lok Ma Chau Loop together with the areas around Lok Ma Chau/San Tin (to be consolidated to form the San Tin Technopole)². It is worth noting that in September last year, the governments of Hong Kong and Shenzhen signed the “Co-operation Arrangement on the Establishment of ‘One Zone, Two Parks’ in the Shenzhen-Hong Kong Innovation and Technology Co-operation Zone at the Lok Ma Chau Loop” (“Cooperation Arrangement”)³ at the High-level Meeting cum Hong Kong/Shenzhen Co-operation Meeting 2021. In addition to agreeing to establish the HSITP, the Cooperation Arrangement agreed to support development of the Shenzhen Innovation and Technology Zone along the north side of Shenzhen River and adjacent to the Loop, with a view to enhancing the clustering effect and promoting the synergistic development of the Co-operation Zone.
- **Transport planning:** The Government plans to pursue infrastructure-led development by building 5 new and extended railway lines (including cross-boundary projects)——
 - New cross-boundary railway line linking Qianhai in Shenzhen and Hung Shui Kiu/Ha Tsuen;

² The study to formulate a detailed development plan for the San Tin Technopole at Lok Ma Chau/San Tin (including land uses, infrastructure, ancillary facilities, etc.) is expected to be completed in the second half of 2023.

³ Back in 2017, the governments of Hong Kong and Shenzhen signed the “Memorandum of Understanding on Jointly Developing the Lok Ma Chau Loop by Hong Kong and Shenzhen” regarding jointly developing the HSITP. The same year also saw the establishment of the Joint Task Force on the Development of the Hong Kong-Shenzhen Innovation and Technology Park in the Loop, which is jointly led by the Secretary for Innovation and Technology and Vice Mayor of Shenzhen Municipality, to provide views to the subsidiary company set up by the Hong Kong Science and Technology Parks Corporation which is responsible for the construction, operation and management of the project.

- East Rail Line extension to Luohu and construction of Lo Wu South Station;
 - Northward extension of the Northern Link Spur Line⁴ to the new Huanggang BCP;
 - Eastward extension of the Northern Link Spur Line to Ta Kwu Ling; and
 - New automated people mover system in Lau Fau Shan and Pak Nai.
- **Conservation Policy:** The development of Northern Metropolis will give due consideration to nature conservation, thus have identified three Wetland Conservation zones (including the fish ponds therein), namely, the vicinities of Nam Sang Wai (with a total area of about 400 hectares), Sam Po Shue (520 hectares) and Hoo Hok Wai (300 hectares), to establish a Conservation Park spanning across 1 220 hectares. For this purpose, about 700 hectares of private wetlands/fish ponds need to be resumed.

3. Challenges for pushing forward the development of Northern Metropolis

- Stakeholders raised a number of issues that require attention regarding the development of Northern Metropolis:
 - **Review current planning** — Current development in the Northern New Territories is often considered fragmented and lagging, and obnoxious facilities that are in operation or under construction (such as columbaria and landfills) in the area may be incompatible with the new development objectives pursued in the Northern Metropolis;
 - **Streamline development processes** — The Government is tackling the relevant issues, including preparing for legislative amendment work relating to development-related procedures (such as Town Planning Ordinance and Lands Resumption Ordinance), so as to streamline and expedite statutory processes of town planning applications, land resumption and gazettal of road works, etc., and reviewing legislation regarding environmental impact assessment and restrictions on the sale of Tso/Tong lands in the New Territories; and
 - **Strengthening coordination and fiscal considerations** — There are views that a dedicated department to coordinate among relevant departments may help expedite the administrative processes; on fiscal support, as mentioned in Section 1, \$100 billion from the cumulative return of the Future Fund has been set aside for establishing a dedicated fund under the Capital Works Reserve Fund in order to push forward infrastructure works relating to land, housing and transportation in the Northern Metropolis.

⁴ The Northern Link connects the East Rail Line and the Tuen Ma Line, and links up Kwu Tung and Kam Sheung Road with three intermediate stations at Ngau Tam Mei, San Tin and Au Tau.

- Coordination between Hong Kong and Shenzhen is another vital point, given each has respective development plans for the boundary area. How the complementary development of the Northern Metropolis and BCP Economic Belt on the Shenzhen side (See Section 4 for details) can bring about mutual benefits has been a focal point. There are comments that Hong Kong and Shenzhen need to further strengthen the “software and hardware” linkages and the alignment of planning and infrastructure, thereby achieving even smoother flow of people, goods, capital and information.

4. Relevant development experience in other places

Shenzhen-Hong Kong BCP Economic Belt

- Experience of developing the land along BCPs of the Shenzhen side adjoining the Northern Metropolis, generally known as the “Shenzhen-Hong Kong BCP Economic Belt”,⁵ may provide certain reference value regarding policy and measures.
- Regarding **planning**, Shenzhen-Hong Kong BCP Economic Belt is covered by the “Outline of the 14th Five-year Plans” of both the Guangdong Province and Shenzhen Municipality. More specifically, the Outline of the 14th Five-year Plan of Shenzhen Municipality put forward an objective of “**facilitating the synergistic development of the Shenzhen-Hong Kong BCP Economic Belt**” through “**encompassing innovation and technology, high-end manufacturing, cultural and tourism consumption, medical and education services, etc., and creating a new platform for Shenzhen-Hong Kong cooperation, with Shenzhen-Hong Kong checkpoints, their neighbouring areas and cross-boundary land being the core**”. Relevant policies include:
 - Promoting the development of “**Luohu Pilot Area**” and “**Shatoujiao Shenzhen-Hong Kong International Tourism and Consumption Cooperation Zone**” as well as building a synergistic development paradigm;
 - **Enhancing the convenience in customs clearance** and progressively implement the “East in East out, West in West out” strategy for cross-boundary goods traffic;⁶ and

⁵ While no specific geographic coverage of the “Shenzhen-Hong Kong BCP Economic Belt” has been stipulated, it generally covers the four administrative districts of the Municipality of Shenzhen bordering Hong Kong in which land boundary crossings are located, namely Yantian, Luohu, Futian and Nanshan Districts from East to West (with a total area of 418 square kilometres). This four districts combined account for 30% of the “usual residents” population and 57% of the gross domestic product in the Shenzhen Municipality.

⁶ More specifically, encouraging using Western Corridor/Shenzhen Bay and Liantang/Heung Yuen Wai BCPs for boundary crossing.

- **Constructing new checkpoints** such as Qianhai and Dapeng.⁷
- For **reviewing existing development planning**, using **Luohu District** as an example, apart from conversion of BCP, Luohu now mainly relies on financial and other service industries. Given Shenzhen’s westward development shift to Nanshan and Futian Districts with strong efforts to develop the innovation and technology industry, Luohu is challenged by “declining attractiveness, influence and competitiveness”. In response, a portion of Luohu will be **transformed into “Luohu Pilot Area of the Shenzhen-Hong Kong BCP Economic Belt”** (“Pilot Area”) to deepen intensive cooperation with Hong Kong in social and livelihood areas and facilitate integrated social development; the District will also develop into an **international and cross-border consumption centre** through establishing a centre for duty-free consumer goods in bid to channel consumption back to the Mainland market. It is noteworthy that the Pilot Area will “focus on Hong Kong youth development, livelihood-related regulatory interface and commuter-oriented development integration, and improve the mechanism for communication, collaboration and interconnection”.

Establishing entities with executive power and/or financial resources

- For administrating the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (“Cooperation Zone”), the **“Management Committee of Guangdong-Macao In-Depth Cooperation Zone in Hengqin”** (“Management Committee”) was established to **coordinate decisions on major plans, policies, projects, and personnel appointments and removals relating to the Cooperation Zone**. At the same time, Guangdong and Macao may form development and investment companies as needed and share profits. **All investment income before 2024 shall be left to the Management Committee** for the development and construction of the Cooperation Zone.
- For the European Commission, it created a mechanism known as **“European Grouping of Territorial Cooperation”** (“EGTC”). EGTC is an entity (and must be composed of at least two Member States, or one Member State plus at least one non-EU country) that has a **legal personality** and an **annual budget** towards the goals of the EGTC⁸. With its bottom-up approach, EGTC can flexibly define its cooperation tasks or arrangements, and thereby allow diversity in types of cooperation.

⁷ Certain BCPs such as Huanggang and Luohu will make provision for connection points for interchange and related connection with Hong Kong railway links in the future; for passengers crossing, co-location arrangement for clearance procedures or even “joint boundary control system” could be adopted to facilitate people flow between Hong Kong and Shenzhen.

⁸ It is worth noting that EGTC has not been conferred with regulatory powers or power to amend laws.

Conceptual site plan for Hong Kong-Shenzhen BCP belt and “3 Circles” in Northern Metropolis



Source: Compiled by Research Office.

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Note: ^ Internet resources listed in this section were accessed in October 2022.

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