The end of "Made in Hong Kong"? De-industrialisation and industrial promotion policy in Hong Kong

Autor(en): **Breitung, Werner**

Objekttyp: **Article**

Zeitschrift: **Geographica Helvetica : schweizerische Zeitschrift für Geographie = Swiss journal of geography = revue suisse de géographie = rivista svizzera di geografia**

Band (Jahr): **54 (1999)**

Heft 4

PDF erstellt am: **22.07.2024**

Persistenter Link: https://doi.org/10.5169/seals-872424

The End of «Made in Hong Kong»? – De-Industrialisation and Industrial Promotion Policy in Hong Kong

Werner Breitung, Basel

1 Introduction

Not long ago the label «made in Hong Kong» was omnipresent in many countries around the world. In the 1960s through to the 1980s, Hong Kong was among the *Newly Industrialised Economies* of Asia supplying textiles, plastic products and toys to the world market (BUCHHOLZ 1986: 513ff). Now it would be more appropriate to refer to Hong Kong as a Newly *De*-industrialised Economy, a place where manufacturing decline is seen as a problem. The objective of this article is to describe the process of *de-industrialisation* in Hong Kong and the policies of *industrial promotion,* taking changes in political and economic conditions into consideration.

The process of de-industrialisation is documented using the official industrial employment statistics on the levels of both *board districts* and *tertiary planning units.* The analysis of the statistics refers to figures from Hong Kong and from a part of the Cheung Sha Wan district, an area greatly affected by de-industrialisation. The current debate in Hong Kong on appropriate counter-measures focuses on the role of the state in the economy. However, the spatial integration of Hong Kong into its Chinese hinterland is a crucial element of Hong Kong's economic policies and should not be forgotten. Both aspects are discussed in the last chapter.

2 De-industrialisation in Hong Kong

The extent of de-industrialisation in Hong Kong is reflected in the share of manufacturing in employment dropped from 42% in 1980 to 8% in 1997 (INFORMATION SERVICES DEPARTMENT 1998). Since 1986, the absolute number of people employed in manufacturing has also declined (Tab. 1). Despite the negative employment trends, manufacturing has not lost its importance for Hong Kong: From «made *in* Hong Kong», business has turned to «made *by* Hong Kong» (BERGER & LESTER 1997). While workers in the manufacturing industries in Hong Kong have been retrenched over the last 15 years, new jobs have been created by Hong Kong companies in mainland China, in particular just across the border in Shenzhen (TAUBMANN 1996: 688ff). The number of jobs created by investors from Hong Kong in the Pearl River Delta Region nearby are estimated at 3 to 5 million (SHEN 1995: 63; ENRIGHT et al. 1997: 19). Primarily labour intensive production has been transferred across the border. Known as *outward processing,* indus-

	1961	1971	1976	1981	1986	1991	1996
Tertiärer Sektor Tertiary sector Secteur tertiaire	494 757	639 053	842 380	1 134 430	1 456 419	1 703 363	2 176 947
Sekundärer Sektor Secondary sector Secteur secondaire	583 264	820 123	942 620	1 191 033	1 128 645	982 380	820 307*
Primärer Sektor Primary sector Secteur primaire	96 450	64 976	48 590	48 560	48 514	21 721	– *
Unklassifizierbar Unclassifiable Inclassificable	16 628	22 835	13 220	30 044	9695	7152	46 444*
Insgesamt Total Totale	1 191 099	1 546 987	1 846 810	2 404 067	2 643 273	2 715 103	3 043 698

* 1996 «Unclassifiable» also includes agriculture/fishery, mining/quarrying and electricity/gas/water.

Tab. 1: Working population by economic sector in Hong Kong 1961 - 1996
Erwerbstätige nach Wirtschaftssektoren in Hongkong 1961 bis 1996
Population employée par secteur économique à Hongkong de 1961 à 1996
(Sources: VAN DER KNAAP & SMITS 1997: 5; CENSUS & STATISTICS DEPARTMENT 1996: Tab. 20)

tries make the best of both worlds: low labour and property costs in mainland China and established management, marketing and finance in Hong Kong (SIT 1989, 1995: 172ff).

LI et al. (1995: 9) investigated 20 electronics and 28 plastic manufacturing firms with regard to outward processing. Once these companies had built a total of 61 factories in mainland China, their overall number of staff expanded by a factor of 4 and 4.6 respectively. The number of staff in Hong Kong on the other hand shrunk to 18% and 11% respectively. AMSDEN (1997: 336ff) in a similar study of 23 electronics firms makes the observation that in 1996, out of an average of 6260 jobs, 460 were located in Hong Kong and 5800 in the mainland. Those located in Hong Kong covered predominantly the fields of development, marketing, controlling and accounting. From the example above, it appears as if electronics, as a largely knowledge-based industry, is less affected by de-industrialisation through outward processing than plastic manufacturing. In fact, the latter is next to the garment industry among those suffering most from retrenchment processes in Hong Kong (Tab. 2).
The development to-date clearly indicates two trends: a greater *specialisation* on business services at the expense of the less productive manufacturing industries, and a closer *integration* with industrial development in the surrounding Pearl River Delta Region of China.

3 Spatial effects in Hong Kong

3.1 Employment

The spatial impact of the current de-industrialisation process is geographically unevenly distributed. It is most acute in the traditional industrial areas of New Kowloon, which from 1991 to 1997 lost nearly two thirds of its workforce in manufacturing (Fig. 1). For example, in Sham Shui Po, the number of people employed in this sector fell from 69 700 to 25 062 and in Kwun Tong from 123 330 to 46 800 (CENSUS & STATISTICS DEPARTMENT 1991, 1997). Strongholds of industrial employment are still to be found in the vicinity of the port and airport. However, airport operations having been shifted to Chek Lap Kok in 1998, one of the last strongholds is bound to disintegrate as well.
A more detailed study in the area with the most marked drop in employment, Cheung Sha Wan in Sham Shui Po district, shows the following trends for five selected industries (Fig. 2):

- *Wearing apparel (garment):* The industry which was traditionally the strongest in the area, is being hit the hardest by employment losses.
- *Metal products:* The decrease in employment is within the range of the other manufacturing industries, but less than in the garment and textile industries.
- *Printing and publishing:* Due to this segment's close association with the tertiary sector, this is the only industry in the secondary sector with a positive employment balance.
- *Import and export:* Employment in foreign trade shows the most marked increase – widely through companies which have moved their manufacturing lines to the mainland, and are now in fact importing and exporting their own products.
- *Business services and banking:* Although not expanding as fast as in the rest of Hong Kong, this segment is the second strongest growth industry in the area.

On the whole it may be said that any gains in employment are a long way from compensating the losses in the study area.

	1991	1997	change
Textile and wearing apparel	294 586	100 682	- 65.8%
Machinery	64 821	34 381	- 47.0%
Electronics	53 176	27 790	- 47.7%
Metal and metal products	48 621	20 623	- 57.6%
Rubber and plastic products	42 736	12 404	- 71.0%
Printing and publishing	39 120	45 844	+ 17.2%
Precision mechanics	29 036	10 935	- 62.3%
Food, beverages and tobacco	24 011	22 188	- 7.6%
Chemicals and chemical products	8 293	6 511	- 21.5%

Tab. 2: People employed in selected manufacturing industries in Hong Kong 1991 and 1997
Beschäftigte in ausgewählten Industriezweigen Hongkongs 1991 und 1997
Employés par industrie particulière à Hongkong 1991 et 1997
(Sources: CENSUS & STATISTICS DEPARTMENT 1991, 1997)

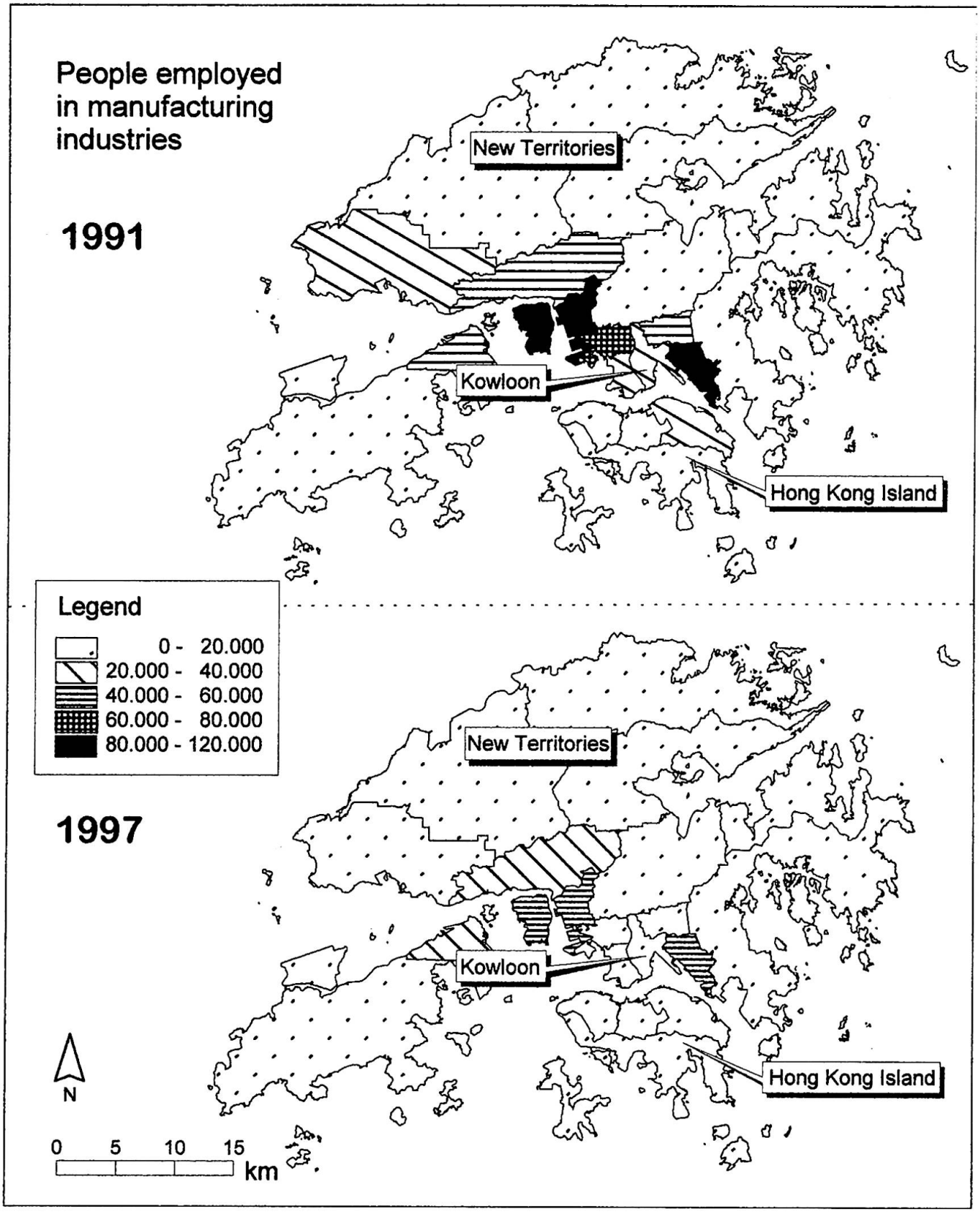

Fig. 1: People employed in the manufacturing industry in Hong Kong 1991 and 1997
Beschäftigte in der Industrie in Hongkong 1991 und 1997
Employés dans l'industrie à Hongkong 1991 et 1997
(Data: CENSUS & STATISTICS DEPARTMENT 1991, 1997; base map: LANDS DEPARTMENT)

3.2 Industrial property

Demand for industrial property has been affected quantitatively as well as qualitatively by de-industrialisation. The *quantitative* effect is again most striking in New Kowloon. The number of businesses in the manufacturing sector dropped from 4907 (1991) to 2304 (1997) in Sham Shui Po and from 7343 (1991) to 4046 (1997) in Kwun Tong. Although the number of businesses dropped rapidly, the figures are not in relation to the decrease in employment. This can be explained by many companies having moved only part of their operations to the mainland and not disposing of all their premises in Hong Kong. The buildings are now underused or to large extent used as storage or office space. This is particularly so in the traditionally high-density industrial areas with their high-rise buildings (Fig. 4). De-industrialisation has also led to dwindling property prices an high vacancy rates, averaging over 10% for industrial premises in Hong Kong (Ko 1998).

The *qualitative* effect of outward processing on the demand structure for industrial property can be summarised as follows (Li et al. 1995: 12):

- more demand for property comprising storage, exhibition and office space

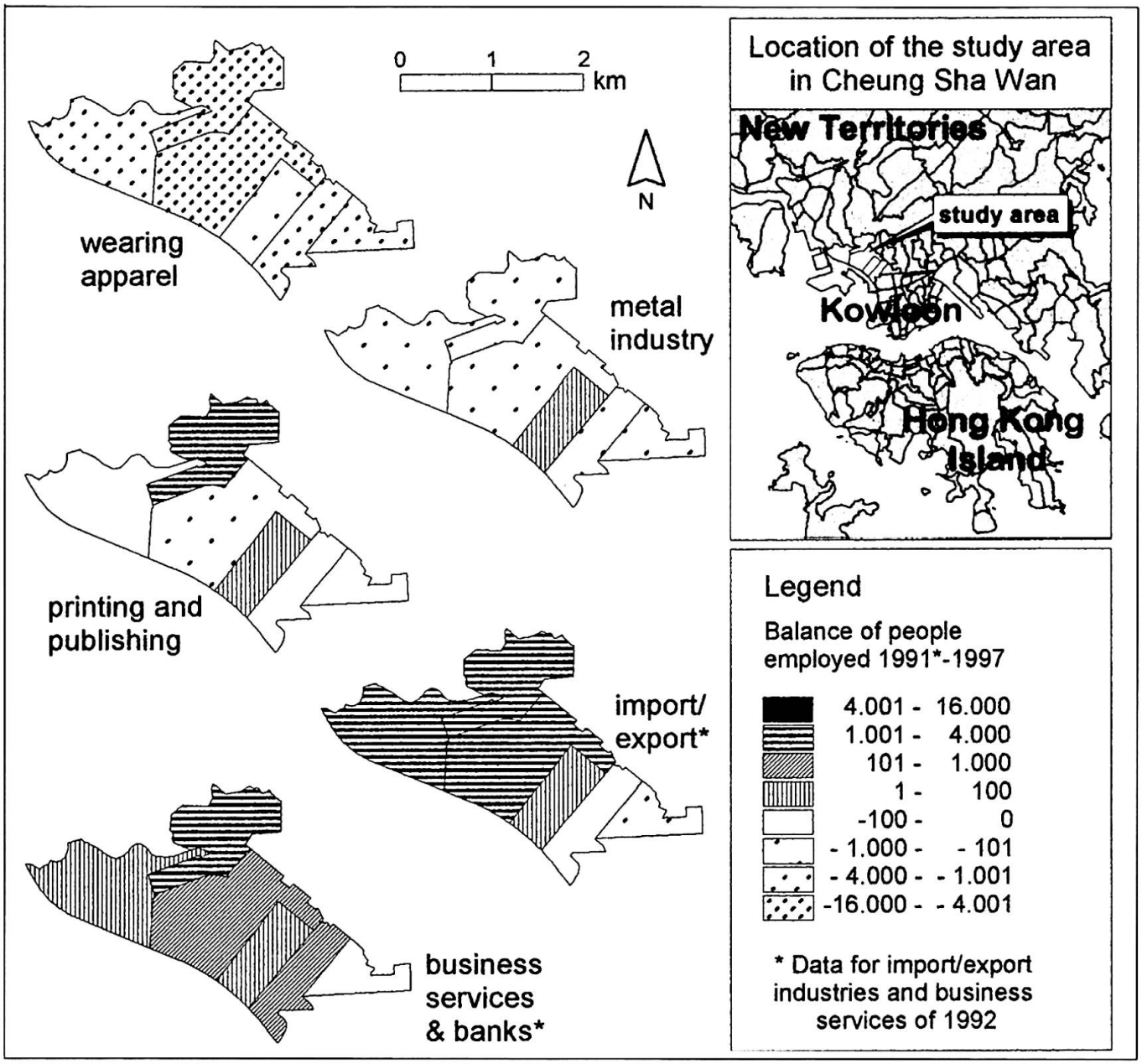

Fig. 2: Changes in the number of people employed in selected industries in Cheung Sha Wan 1991-1997
Veränderung der Beschäftigtenzahl ausgewählter Wirtschaftszweige 1991-1997 in Cheung Sha Wan
Chenage de nombre d'employés dans quelques branches industrielles 1991-1997 in Cheung Sha Wan
(Data: Census & Statistics Department 1991, 1997; base map: Lands Department)

- greater importance given to connectivity because of cross-border production structures
- greater importance given to centrality of location due to increasing management functions.

Despite the developments to date, *planning authorities* prefer not to re-zone redundant industrial areas for residential or office use in order to keep space for possible re-industrialisation. Instead they have introduced «I/O» (industrial/office) as a new land use category. I/O buildings are required to have an industrial layout, but may be used for office space (YEH 1997: 36ff; KAYE 1997). Since 1997, even industrial buildings are allowed a greater share of office and exhibition space (KO 1997). Rezoning is still limited to exceptional cases, such as on Tsing Yi Island, upgraded by the new airport railway (LI 1996). A comprehensive concept for the redevelopment of old industrial areas is still pending, but the continuos decline of industrial activity makes it clear that swift action is necessary, if the areas concerned are not to fall apart.

3.3 Resulting problems

Unlike the process of urban de-industrialisation in Europe and America, de-industrialisation in Hong Kong has not caused a considerable increase in unemployment. Despite a growing population, losses were compensated for, at least until 1997, by economic growth and the ascent of Hong Kong to global city status with regional as well as global command and control functions (VAN DER KNAAP & SMITS 1997: 3ff). Employment in finance and business services expanded between 1992 and 1997 by just under 115 000 jobs (from 334 161 to 448 938 people employed), an increase of about 34%.

However, 41 207 of these jobs – or over one third – were concentrated in the Central and Western Districts (CENSUS & STATISTICS DEPARTMENT 1992, 1997). The result was a greater traffic chaos and exploding property prices in the CBD due to the already high *centralisation of jobs* in Hong Kong. De-industrialisation intensified intra-urban disparities on two spatial scales, on the one hand between a highly concentrated CBD and potential-

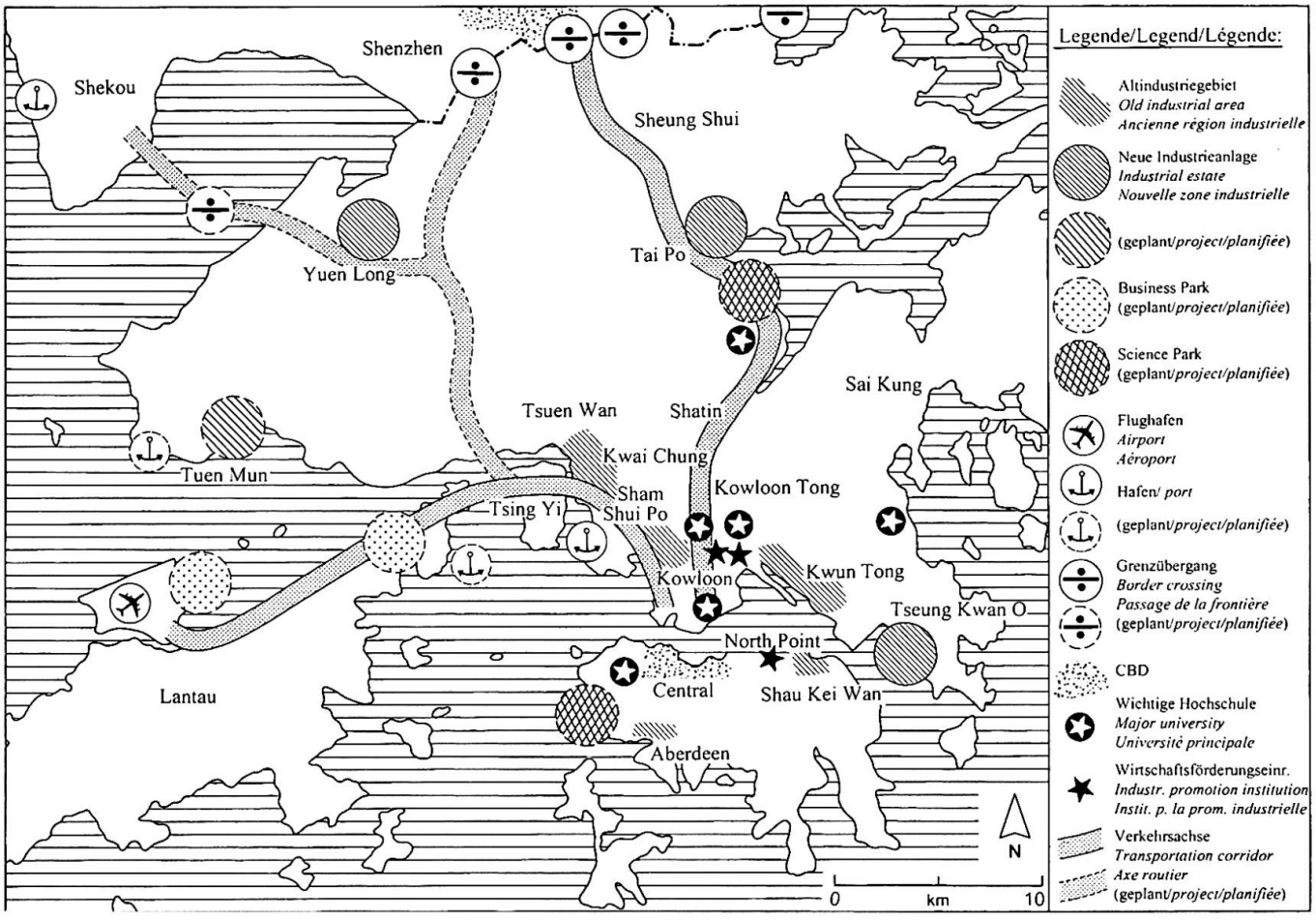

Fig. 3: Locations of manufacturing industries and industrial promotion institutions in Hong Kong
Standorte der Industrie und Industrieförderereinrichtungen in Hong Kong
Endroit d'industries et d'institutions pour la promotion industrielle à Hongkong
(Layout: W. BREITUNG, cartography: L. BAUMANN)

ly decaying areas in Kowloon, on the other hand between Hong Kong with the front offices and Guangdong with sweat shops and back offices. These disparities, typical for global cities, are aggravated by the mainland border doubling as a wealth-barrier.
Other negative consequences of economic specialisation are a higher dependence on *external trade* and a greater vulnerability to *regional* and *sectoral crises.* Furthermore, the *qualifications* demanded by the labour market are changing quickly, making flexibility and a readiness to be retrained essential for the people affected. For these reasons, voices from the political, economic and academic fields are calling for governmental action to counteract prevailing tendencies.

4 Industrial promotion policy

4.1 «Positive Non-Intervention» until 1997

The colonial government, contrary to the governments of other newly industrialised countries in Asia, largely refrained from promoting businesses by loans or subsidies or from raising taxes. The responsibility of the state was in theory restricted to providing an infrastructural framework, an efficient civil service and keeping law and order. Although in reality Hong Kong's government played a more active role (YEH & NG 1994: 460ff, BISWAS 1997: 1977ff, HAMER 1997: 288), the colony was frequently described as having one of the least restrictive economies in the world (O'DRISCOLL, JR. et al. 1999).

Fig. 4: Industrial area in Cheung Sha Wan
Industriegebiet in Cheung Sha Wan
Région industrielle à Cheung Sha Wan
(Photo: W. BREITUNG März 1998)

The policy of «*Positive Non-Intervention*» already included many aspects directed at promoting industries in Hong Kong (Fig. 3):

- The *Industry Department* monitors the adequacy of industrial infrastructure, addressing constraints for industrial investment. It works together with local trade and industrial organisations and the *Industrial and Technology Development Council,* with representatives from business, governmental and academic spheres (YEH & NG 1994: 461ff).
- For over 25 years, the government-funded *Productivity Council* in Kowloon Tong (Fig. 5) has sought to enhance the productivity of Hong Kong's companies (YEH & NG 1994: 460ff).
- Since 1977, a public body has been setting up *industrial estates* in the New Territories. The three estates situated next to the new towns of Tai Po, Yuen Long and Tseung Kwan O hosted in 1997, 147 businesses providing more than 33 000 jobs (SOUTH CHINA MORNING POST 1997). A fourth industrial estate is currently under construction near Tuen Mun.
- Since 1994, the *Hong Kong Industrial Technology Centre,* located in Kowloon Tong next to two universities and the *Productivity Council* (Fig. 5), have been giving start-up aid to high tech firms. In 1998, they received governmental subsidies of HK$ 250m. (CHF 50m). A second industrial technology centre is planned (GOVERNMENT OF THE HONG KONG SAR 1998, § 21).
- Also planned before 1997 were various business and science parks. While industrial estates are built specifically for factories, both *business parks* and *business estates* provide for a mix of office, factory, exhibition and storage space as well as hotels and apartments. The first location has been chosen next to the new airport (SITO 1997). The first *science park* aimed at high tech companies is planned next to the *Chinese University* near Shatin. It will be built between 2001 and 2013 to eventually host about 6000 jobs on an area of 22 ha. HK$ 3.64bn (CHF 700m) of public funds have been granted for the first stage (KAN 1998).
- The government's above mentioned policy towards industrial areas not used to their full capacity can also be considered as a measure directed at promoting industries.

4.2 Development after 1997

When in 1997, the hand-over of Hong Kong coincided with a general regional economic crisis, there was a qualitative increase in *state intervention.* In August 1998, the government spent HK$ 100bn (CHF 19bn)

at the stock exchange to protect the currency against speculators (YIU 1998), and in June 1998, a HK$ 44bn (CHF 8.5bn) rescue package comprising tax reductions, loans and a temporary freeze of land sales was passed (SAUNDERS & YEUNG 1998). These governmental interventions have been interpreted in the context of Hong Kong's political integration into China. While China's declared aim is to turn its socialist planned economy into a «socialist market economy», Hong Kong has been seen by some to be on the way to a «capitalist planned economy» like Singapore or Malaysia (a fact that could help the integration anyway). However, the change cannot be explained solely by this factor. Other reasons lie in Hong Kong's business-friendly new elite, in the abolishment of colonial type decision-making processes and, above all, in the exceptional challenges posed by the economic crisis.

The new economic policy has boosted industrial promotion, with special focus on the *high tech sector*. In 1998, this sector was directly subsidised by three funds with together more than HK$ 6bn (CHF 1.1bn). Additionally, HK$ 630m (CHF 120m) were allocated for promoting information science at schools (GOVERNMENT OF THE HONG KONG SAR 1998, § 101). In 1999, the proposals made by a government-appointed commission added further momentum to these promotion policies (CHIEF EXECUTIVE'S COMMISSION ON INNOVATION AND TECHNOLOGY 1999). New projects have been unveiled: A HK$ 13bn (SFr 2.5bn) «*Cyberport*» telecommunications and media park next to the *University of Hong Kong* on Hong Kong Island has been designed to start operation in 2002. They will eventually provide up to 12 000 new jobs (GOVERNMENT OF THE HONG KONG SAR 1999, § 57ff); a «*Silicon Harbour*» production site for micro chips is planned for the New Territories (HUI 1999), and an «*Incubator*» in North Point has begun to offer premises for shares to start-up high tech companies (SUN HUNG KAI PROPERTIES LTD. 1999). These projects are partly initiated, partly subsidised, by the government. Of interest is the involvement of Hong Kong's traditionally strong real estate industry, aiming to diversify its portfolio.

Fig. 5: Industrial promotion institutions in the university environment (Kowloon Tong) (Photo: W. BREITUNG März 1998)
Hochschulnahe Wirtschaftsfördereinrichtungen in Kowloon Tong
Institutions pour la promotion économique situées près de l'université à Kowloon Tong

4.3 Discussion about the industrial promotion policy

In Hong Kong the discussion concentrates on promoting promising new industries, not supporting old and unprofitable ones. Hong Kong's *research and development* (R&D) lags far behind regional competitors, such as Singapore, Taiwan or South Korea, with more proactive industrial and technological promotion policies (YEH & NG 1994, AMSDEN 1997: 343ff, RÖPKE 1997: 101ff). Yet it is in particular the capital-intensive, innovative and high value-added industries which are best suited for a re-industrialisation of places like Hong Kong with its high wage levels. Studies propose the promotion of, for example, the fashion industry, electronics, information and communication technology as well as manufacturing of traditional Chinese medicine (BERGER & LESTER 1997). The government takes such advice very seriously (GOVERNMENT OF THE HONG KONG SAR 1998, § 19ff).

Chief executive TUNG CHEE HWA places high expectations on information technology and on a co-operation with America's *Silicon Valley*. In California, in 1999, a business association named *HongKong-SV.com* was founded to promote this co-operation. The background of this is that about 25% of all high-tech firms founded in Silicon Valley between 1980 and 1998 are run by Asian immigrants, the majority of them being Chinese (SAXENIAN 1999: 23). There is much hope that a considerable number of the American Chinese executives and engineers might thus be induced to renew ties with their home country and invest in Hong Kong.

However, the government's industrial promotion policy is challenged on several grounds:

- Objections to «picking winners and losers» and to giving special attention to supposedly promising industries are raised. Examples of failed international projects are quoted publicly, for example the highly subsidised high speed aircraft «Concorde» (VAN DER KAMP 1999).
- Others stress the costs for public coffers and emphasise Hong Kong's good experience with the Positive Non-Intervention policy (ENRIGHT et al.: 231ff).
- Warnings dampening the hopes set in the high tech industry are also expressed. This industry segment faces world-wide aggressive competition and Hong Kong has not much experience to offer in this particular field.
- Another issue being raised is Hong Kong's increase of productivity in the past, which was much higher than in countries solely backing the high tech sector. In 1993, the value added per employed person in business services and finance in Hong Kong was about three times higher than in manufacturing, although the latter had quadrupled between 1983 and 1993 (AMSDEN 1997: 321). On the basis of the above, it is argued that Hong Kong would do better to concentrate on the service sector, i.e. to invest in the most efficient application of telephones and ATMs, and not in their development (DAVIES 1996: 685).

More attention in this debate should be paid to Hong Kong's *regional set-up*. According to the Sino-British Joint Declaration, the border between the Hong Kong SAR and mainland China will remain unchanged until 2047. Nevertheless, the city must be seen as part of an emerging cross-border conurbation: *Pearl City*. Against this backdrop, the development from a manufacturing to a service economy looks rather like the transformation of an enclave into a metropolis with a hinterland (ENRIGHT et al. 1997: 25). The question «made *in* Hong Kong» or «made *by* Hong Kong» turns into «made in *Hong Kong*» or «made in *Pearl City*», with the conurbation as a whole being far from de-industrialised. In fact, Pearl River Delta Region has taken over the lead in the high tech segment in China. This sector, accounting for about one third of both the region's manufacturing production and its total GNP (MILLER 1999, YAU 1999), has profited greatly from Chinese and foreign investment, the interrelation with Hong Kong remaining weak. The developments in the Pearl River Delta Region should be taken into consideration when drafting an industrial promotion policy for Hong Kong. It can be argued, that analogous to *Silicon Valley's* location in Santa Clara County outside the City of San Francisco, Hong Kong's new *Silicon Harbour* might be better located in Shenzhen, if Hong Kong were in a position to benefit from cross-border co-operation.

5 Conclusion

This article has shown the extent and spatial distribution of de-industrialisation in Hong Kong. The main *reason* for the radical change of the economic structure has been outward processing by Hong Kong companies in mainland China. Despite positive *consequences* like economic specialisation enhancing productivity, there are also several negative aspects. Good reasons to diversify Hong Kong's economy exist. The government is ready to take a *more proactive role* than in the past, focusing primarily on the high-tech sector. This seems to be the only viable strategy, as the high wages in Hong Kong rule out re-introducing traditional manufacturing.

Yet it is important to reconsider Hong Kong's comparative advantages in the light of its *regional integration*. Hong Kong's new spatial pattern, a financial, business and service centre with a highly industrialised hinterland, promises to be of financial benefit for the whole region. Cross-border interactions are also smoothing the path for integration with the rest of China. In terms of spatial, economic and political effects it would be

wise for both Hong Kong and the new high-tech region in the Pearl River Delta to foster regional co-operation. When designing projects such as «Science Park», «Cyberport» and «Silicon Harbour», the proximity of the Pearl River Delta Region should be kept in mind, as Hong Kong can benefit from a clear definition of operational fields instead of competing in sectors where its new hinterland has the upper hand. Such operational fields are selected links of the value added chain (e.g. R&D, production, marketing).

Using Hong Kong as an example, this article highlights the influence *local factors* may have on a viable industrial promotion policy. In the case of Hong Kong, the policy has been affected by political changes as well as economic crises, local political and economic traditions, a broad field of actors (including academics) and last but not least, the geographical situation i.e. Hong Kong's location directly on the border to the mainland. Because of Hong Kong' complex situation, policies planning future development will have to be revised continuously, with little help to be expected from models derived from other places. Hong Kong's border location, for example, contains new and to some extent unique problems, but also opens up exciting perspectives, which should be given the utmost attention when drafting new industrial policies.

Literature Cited

AMSDEN, A.H. (1997): Manufacturing capabilities: Hong Kong's new engine of growth? – In: BERGER, S. & R. LESTER: Made by Hong Kong. – Hong Kong: 320-366.

BERGER, S. & R. LESTER (1997): Made by Hong Kong. – Hong Kong: Oxford University Press.

BISWAS, R.K. (1997): Suzie Wongs Rache. Politischer und privater Raum in der Stadt der Illusionen. – In: StadtBauwelt 135: 1977-1983.

BUCHHOLZ, H.J. (1986): Hong Kong. Industriekolonie – Transferzentrum für China. – In: Geographische Rundschau 38: 510-516.

CENSUS & STATISTICS DEPARTMENT (1991, 1992, 1997): Quarterly Survey of Employment and Vacancies. – Hong Kong.

CENSUS & STATISTICS DEPARTMENT (1996): Population By-Census, Summary Results. – Hong Kong: Government Printer.

CHIEF EXECUTIVE'S COMMISSION ON INNOVATION AND TECHNOLOGY (1999): Second and Final Report. – http://www.info.gov.hk/tib/roles/index_main.htm 24.2.1999.

DAVIES, H. (1996): High IQ and Low Technology: The Key to Hong Kong's Success. – In: Long Range Planning 29/5: 685-691.

ENRIGHT, M.J., SCOTT, E.E. & D. DODWELL (1997): The Hong Kong Advantage. – Hong Kong: Oxford University Press.

GOVERNMENT OF THE HONG KONG SAR (1998): The 1998 policy address. – Hong Kong, http://www.info.gov.hk/pa98/english/speech.htm 7.10.1999.

GOVERNMENT OF THE HONG KONG SAR (1999): Onward with new strength. The 1999-2000 budget speech. – Hong Kong, http://www.info.gov.hk/bdgt1999-2000/english/eindex.htm 3.3.1999.

HAMER, A.M. (1997): Planning urban development with a change of sovereignty in mind: A Hong Kong case study. – In: Cities 14/5: 287-294.

HUI, Y.-M. (1999): SAR eyes US$1b hi-tech push. – In: South China Morning Post, 5.7.1999.

INFORMATION SERVICES DEPARTMENT (Hrsg.) (1998): Hong Kong 1998. – Hong Kong: Government Printer.

KAN, W. (1998): Hi-tech hub role held up to light. – In: South China Morning Post 4.3.1998.

KAYE, M. (1997): Industrial-office market booms after a «battering». – In: South China Morning Post 5.11.1997.

KO, K. (1997): Review to give lift to composite building sector. – In: South China Morning Post 17.9.1997.

KO, K. (1998): New Supply to put I/O Sector under pressure. – In: South China Morning Post 19.8.1998.

LI, S. (1996): Railway brings developers to Tsing Yi Island. – In: South China Morning Post 4.9.1996.

LI, S.M. et al. (1995): Economic integration between Hong Kong and Mainland China and its implications for industrial relocation in Hong Kong. – In: Bulletin of the Geographical Society of China (Taipei) 23: 1-24.

MILLER, M. (1999): Shenzhen perfect spot for cyberpark dreams. – In: South China Morning Post 31.3. 1999.

O'DRISCOLL, JC, G.P. et al. (1999): 2000 Index of Economic Freedom. – Washington D. C.: The Heritage Foundation/ The Wall Street Journal, http://www.heritage.org/index/ 30.11.1999.

RÖPKE, J. (1997): Hongkong. – In: DRAGUHN, W. (Hrsg.): Asiens Schwellenländer: Dritte Wirtschaftsregion? Wirtschaftsentwicklung und Politik der «vier kleinen Tiger» sowie Thailands, Malaysias und Indonesiens. – = Mitteilungen des Instituts für Asienkunde 195, Hamburg: 82-115.

SAUNDERS, D. & C. YEUNG (1998): $44b rescue bid for economy. – In South China Morning Post, 23.6.1998.

SAXENIAN, A. (1999): Silicon Valley's New Immigrant Entrepreneurs. – San Francisco: Public Policy Institute of California.

SHEN, G. (1995): A Challenging Decade for the Business Community: A Productivity Perspective. – In: WANG, G.W. & S.L. WONG: Hong Kong's transition. A Decade after the Deal. – Hong Kong: 46-71.

SIT, V. (1989): Hong Kong's new industrial partnership with the Pearl River Delta. – In: Asian Geographer 8/1-2: 103-115.

SIT, V. (1995): Industrial Transformation of Hong Kong. – In: KWOK, Y.W. & A. SO (Hrsg.): The Hong Kong-Guangdong Link. Partnership in Flux. – Hong Kong: 163-187.

SITO, P. (1997): Large business park plan for North-Lantau. – In: South China Morning Post 21.5.1997.
SOUTH CHINA MORNING POST (1997): Hong Kong Industrial Estates Corporation 20th Anniversary. – Hong Kong, Special am 14.10.1997.
SUN HUNG KAI PROPERTIES LTD. (1999): The Tech Centre and SHKP Join Hands To Launch the First CyberIncubator. – Press release August, 10. 1999, http://www.shkp.com.hk/press/f_990810a.htm
TAUBMANN, W. (1996): Greater China oder Greater Hong Kong? – In: Geographische Rundschau 48: 688-695.
VAN DER KAMP, J. (1999): Cyberport plan points to issues of Concorde. – South China Morning Post 5.3. 1999.
VAN DER KNAAP, B. & G.-J. SMITS (1997): Hong Kong's industrial structure and growth of advanced business services. – In: Tijdschrift voor Economische en Sociale Geografie 88/1: 3-14.
YAU, W. (1999): SEZ takes hi-tech lead. – In: South China Morning Post 14.10.1999 (China Business Review).
YEH, A. & M.K. NG (1994): The changing role of the state in high-tech industrial development: the experience of Hong Kong. – In: Environment and Planning C: Government and Policy 12: 449-472.
YEH, A. (1997): Economic restructuring and land use planning in Hong Kong. – In: Land Use Policy 14: 25-39.
YIU, E. (1998): HKMA spee tops US$ 8b. – In: South China Morning Post 22.9.1998.

Summary: The End of «Made in Hong Kong»? – De-Industrialisation and Industrial Promotion Policy in Hong Kong
This article explores spatial aspects of Hong Kong's deindustrialisation, related both to the development of closer cross-border ties and to Hong Kong's evolution as a global city. Industrial promotion has always had its place in the generally non-interventionist economic policy of the government. However, under the new political and economical conditions industrial promotion has moved up on the agenda. In particular, the promotion of high-tech industries is given special governmental attention. The author warns that the plans for re-industrialising Hong Kong may be based on an obsolete view of the city: the city as an isolated entity rather than as the cross-border economic agglomeration that it is growing into. The aim should be to develop a strong and productive industrial base with intra-regional co-operation for the whole agglomeration instead of just for Hong Kong.

Zusammenfassung: Das Ende von „Made in Hong Kong"? – Deindustrialisierung und neue Industrieförderpolitik in Hongkong
In diesem Beitrag werden räumliche Aspekte der Deindustrialisierung in Hongkong dokumentiert und in Bezug zu engeren grenzüberschreitenden Verflechtungen sowie Hongkongs Entwicklung als *Global City* gestellt. Industriefördermaßnahmen, die es auch im Rahmen der bisherigen non-interventionalistischen Wirtschaftspolitik gab, haben unter gewandelten politischen und wirtschaftlichen Bedingungen eine neue Dynamik erhalten. Speziell die Ansiedlung von High-Tech-Industrien wird staatlich stark propagiert. Der Autor relativiert die Zielvorstellung einer Reindustrialisierung, die von Hongkong als isolierter Stadt ausgeht. Das Ziel sollte eine starke und produktive Industrie mit sinnvoller intraregionaler Arbeitsteilung in der neuen grenzübergreifenden Agglomeration sein.

Résumé : La fin de «made in Hong Kong» ? – La désindustrialisation et l'encouragement de l'industrie à Hongkong
Dans cet article sont mis en évidence les aspects spatiaux de la désindustrialisation à Hongkong ainsi que les interactions croissantes avec l'arrière-pays chinois et l'évolution économique de Hongkong vers une *Global City*. Dans le cadre de la politique économique non-interventionniste il existait déjà des mesures de régulation. Cependant, le changement des conditions politiques et économiques a favorisé, un débat sur le soutien de l'industrie. Ainsi, l'implantation d'industries de haute-technologie est largement encouragée par l'état. L'auteur constate que la réindustrialisation de Hongkong ne doit pas considérer cette ville comme une unité isolée et il propose d'englober l'agglomération entière, en y incluant l'arrière-pays chinois. L'objectif est de construire une industrie puissante et productive en s'appuyant sur une division du travail à l'échelle intrarégionale dans la nouvelle agglomération transfrontalier.

Dipl.-Geogr. **Werner Breitung,** Abteilung Humangeographie/Stadt- und Regionalforschung, Departement Geographie, Universität Basel, Klingelbergstrasse 16, CH-4056 Basel.
e-mail: breitung@hotmail.com

Manuskripteingang/received/rentrée du manuscrit: 29.10.1999
Annahme zum Druck/Accepted for publication/ acceptation à l'impression: 15.1.2000