Aims and Objectives

1. To provide students with a sound and contemporary knowledge on the economies of Hong Kong and Mainland China;
2. To understand and learn the economic systems and development process of the two economies; and
3. To use economic tools to analyze the interaction between the two economies.

Teaching materials can be found in:

http://fbstaff.cityu.edu.hk/efkwli/

Essential Readings:


OR


Sung, Yun-Wing, 2004, Hong Kong's Economic Integration with the Pearl River Delta: Quantifying the Benefits and Costs.


Lectures and Syllabus

The syllabus is grouped into three parts: Hong Kong economy, Mainland China economy and economic integration.

1. Economic performance since the 1980s
   - Hong Kong in pre-1984
   - The Sino-Britain negotiation and the Basic Law
   - Economic features: income, consumption and investment behavior
   - Performance running up to 1997: economic bubble
   - Asian financial crisis and post-1997 setback: dilemma and strategies
   - The freest economy

Suggested readings:

1. Li, Kui Wai, 2006, Chapter 2.
5. Hong Kong SAR government website for freest economy:
   http://www.freeconomy.org/freeconomy/
2. Business, productivity and competitiveness
   - Demand- versus supply-driven business environment
   - Total factor productivity, labor productivity and unit cost analysis
   - Competitiveness and the Producer services sector

Suggested readings:

1. Li, Kui Wai, 2006, Chapter 3.

3. Fiscal policy
   - Fiscal performances: trends, prudence, elasticity
   - The fiscal dilemma: concessions, burden and deficit
   - Fiscal strategies, social cost and benefits

Suggested readings:

1. Li, Kui Wai, 2006, Chapter 4.

4. Monetary and finance sector
   - Hong Kong as a financial centre
   - Currency board
   - Banking
   - Renminbi offshore centre

Suggested readings:

1. Li, Kui Wai 2006, Chapter 5
5. Real estate and property
   - The derived demand nature of property
   - Investment vs speculations in property
   - The need for housing and property development
   - Real estate sector, construction and infrastructure

Suggested readings:


6. Chinese economic reform
   - The pre-1978 China
   - Basis of Chinese economic reform in 1978
   - Pillars in economic reform
   - The state sector
   - Trends and performances

Suggested readings:


7. Financial sector development
   - Monetary policy
   - Banking reform
   - Financial sector development
   - Challenges and problems

Suggested readings:


8. Trade and changes in comparative advantage
   - The performance of exports: Hong Kong, Mainland and the region
   - Changes in comparative advantage
   - Trade, productivity and innovation

Suggested readings:


9. Trade and WTO Accession
   - China trade and investment
   - WTO access and implications

Suggested readings:

10. The Hong Kong-Mainland Integration
   - Hong Kong’s role in China’s economic reform
   - The changing China status and the rise of Shanghai
   - Complement vs substitute relationship
   - Re-exports and logistics industry

Suggested readings:

1. Li, Kui Wai, 2006, Chapter 8.
2. Sung, Yun-Wing, 1998, Hong Kong and South China: The Economic Synergy, Hong Kong: City University of Hong Kong Press, Chapters 1, 2, 3, 4 and 5. (HF3836.5.S87 1998)

11. Guangdong and southern China development
   - Economics of Guangdong province
   - Industries and trade
   - The greater China
   - Guangdong, Shanghai and Rest of China

Suggested readings:

1. Li Kui Wai, 2006, Chapter 8.
2. Fung, K. C., 1997, Trade and Investment: Mainland China, Hong Kong and Taiwan, Hong Kong: City University of Hong Kong Press, Chapters 2 and 3. (HF3836.5.F86 1997)

12. Hong Kong and China’s economy and policy
   - Where is Hong Kong heading?
   - Macroeconomic trend and growth
   - Political business cycles
   - Achieving a world status

Suggested readings:


13. Revision.