

**CHINA EMBARKS ON AMBITIOUS
MEGACITY PLANS
IN GUANGDONG**

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Executive Summary

1. Wang Yang, Party Secretary of Guangdong, has plans to integrate cities within the province since his assumption of office. The creation of Guangzhou-Foshan megacity is one of his great initiatives.
2. The rapid industrialization and economic development of Guangzhou and Foshan during the past three decades have made Guangzhou-Foshan one of the most prosperous regions in the nation. The Guangdong government hopes that the development of Guangzhou-Foshan megacity could generate spillovers to surrounding areas.
3. In December 2009, the Chinese central government approved the “Development Outline for Guangzhou-Foshan Integration (2009-2020),” to guide the development of the Guangzhou-Foshan megacity and the overall socio-economic integration between these two cities.
4. Since then, many initiatives have been implemented to promote inter-city integration as well as speed up the urbanization process of the sub-urban and rural areas of Foshan and Guangzhou.
5. The possibility of a megacity has its basis in the existence of close historical relations and cultural links between the two cities. The industrial complementarity of the Guangzhou-Foshan area has also laid the foundation for the development of an integrated regional market.
6. By capitalizing on each other’s industrial competitiveness and by coordinating inter-city industrial development, Guangzhou and Foshan could effectively eliminate duplications. The Guangdong government also intends to accelerate local industrial upgrading and economic restructuring by promoting integration between these two cities.

7. Moves to integrate Guangzhou and Foshan have already taken place especially in the two cities' transportation system and other physical infrastructure. The authorities are working towards providing residents of both cities with access to the same premium public services and public goods by 2020.
8. The integration is likely to benefit the residents, bringing down living costs in transportation, health care and education. It will also help boost inter-city business and leisure interchange.
9. For a fully integrated megacity to be successful, Guangzhou and Foshan have to not only develop a coordinated and complementary industrial structure, but also standardize the provision of public services and distribute them more equally. Close cooperation to cross administrative and bureaucratic barriers, as well as gaining the acceptance and support of the grass-roots, will also be needed.
10. Government departments will have to merge and downsize, leading to retrenchment and cut-back in government employment in the two cities. There will also be a need to redistribute local public finance and government revenue which will involve much bargaining, argument and conflict.
11. As the two cities are already paying a high environmental cost for the massive development in the past few decades, Guangzhou and Foshan may not be ready to cope with the additional strains posed by the new megacity.