

As Hong Kong Adopts China's Five-Year Planning, NewSpace Must Not Be Left Behind

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Hong Kong is entering a new era of governance. For the first time, the city is expected to align its priorities with China's 15th Five-Year Plan—a shift that demands far more than policy adjustments. It requires a fundamental change in how Hong Kong thinks about comparative advantages, time, strategy, market adaptation, and economic transformation. The change will likely be messy, but necessary.

In this crowded and complex policy environment, emerging sectors risk being overshadowed. Many existing ones may be marginalised. NewSpace, a baby compared to others, is one of them. That would be a mistake.

The risk is not that NewSpace lacks relevance. The risk is that it gets lost amid the administrative complexity of Hong Kong's transition to medium-term planning.

To avoid that sigway, policymakers should embed NewSpace within the city's broader economic strategy—linking it to finance, maritime services, climate initiatives, and cross-border innovation. They should treat space-enabled applications as infrastructure for the next decade, not as a scientific and academic curiosity. And they should ensure that Hong Kong's first five-year plan includes clear, measurable objectives for space-related commercialisation and applications.

Space-enabled technologies are no longer niche. Proper positioning will not only put Hong Kong in an enviable position to springboard the commercialisation of Space for China, but will also help pull the rest of the industries into the next industrial cycle. This is because NewSpace cuts across all sectors and underpins climate monitoring, maritime navigation, insurance modelling, logistics optimisation, and global communications; everything that Hong Kong needs to move to the next stage of paradigm shift in innovation. These innovations are central to China's national strategy, which places aerospace and satellite applications among the engines of

“new quality productive forces.” And they align naturally with Hong Kong’s strengths in finance, trade, maritime services, and common law.

From annual planning to long-term planning

For decades, Hong Kong’s public administration has been built around an annual budget cycle. Each year stands alone: revenue is tallied, one-off relief measures are announced, and new initiatives are launched in near isolation. Sweeteners are offered to the loudest squeaks. Over time, square pegs are eventually forced into round holes, and the cycle continues next year. This sort of rhymic dance has shaped and grown the city’s political culture—short-term, incremental, and very cautious.

Five-year planning brings about a different mindset and habits. It requires trade-offs, continuity, prioritisation, and the discipline to invest in long-term outcomes even when immediate returns are not visible. It demands cross-bureau coordination, data-driven modelling and data sharing, and a willingness to choose strategic sectors rather than spreading resources thinly across many. This transition will not be easy. Hong Kong’s institutions are not yet designed for medium-term planning, and firewalls among departments are purposely set up to enhance privacy. The old planning process carries a fiscal philosophy that prioritises prudence over investment. Its public expectations are shaped by annual “sweeteners” rather than multi-year commitments. Over the next few years, Hong Kong’s SAR bureaucracy will have to learn how to interpret national strategic intent and translate that into local action.

In the past, the rhythm of the GBA has been set to a different tune. Going forward, Hong Kong needs to be more in tune with the GBA, which is historically grounded in China’s five-year plan. Hong Kong needs to be competitive with our neighbours, such as Singapore, which has, incidentally, established a new Space Agency called NSAS just last month, and at the same time, complementary to those of the GBA. This author and many others, from academics to trade bodies, for over two years, have been calling for the establishment of a Space Commerce Office for Hong Kong to coordinate the growing list of NewSpace activities in this neighbourhood. OASA, a local space academy, has counted more than 83 NewSpace companies in the GBA and Hong Kong, of which 24 are space tech and engineering companies in Shenzhen and Guangzhou.

Nobody likes change. When wars, markets and AI are moving at cyberspeed these days, can the Hong Kong government move just as quickly? The arrival of NewSpace in Hong Kong has caught our government by surprise, with vocabulary and systems of thought that are foreign to everyday government. This year in Hong Kong, we are beginning to see listings of Chinese space companies. More will be coming. If Starlink can be

valued at US1 trillion, how much would their counterparts from China be worth?

Cross-Industry Enabler of NewSpace

NewSpace is not a standalone industry, and policymakers should instead recognise it as a cross-industry enabler.

Satellite-derived climate data can strengthen Hong Kong's ambitions in green and transition finance. Remote-sensing technologies can support green shipping corridors and the integration of GBA logistics. Space-verified ESG data can enhance the credibility of Hong Kong's financial markets. Advanced positioning and timing systems can improve aviation and maritime safety. And as China expands its aerospace capabilities, Hong Kong can serve as the preferred platform for capital markets, IP protection, and international dispute resolution. Despite entering the national planning game late, Hong Kong can, in fact, jump the queue if we leverage the NewSpace economy. In other words, NewSpace is not a distraction from Hong Kong's priorities—it is a multiplier of them.

As Hong Kong begins to adopt a five-year planning mindset, the city needs to identify sectors that deliver compounding benefits across multiple domains. NewSpace fits that profile. It strengthens finance, supports climate resilience, enhances logistics, and deepens integration with the Greater Bay Area. It also positions Hong Kong as a global node in a rapidly growing, strategically important industry. In fact, Hong Kong should focus on the commercial sector of Space, and not on the militarisation of space. Dual-use technologies may need to be downplayed while consumer and business applications are promoted worldwide from Hong Kong.

Hong Kong's government bureaucracy is founded on annual budgets, departmental silos, risk-averse decision-making, and a preference for incrementalism over transformation, while giving itself sufficient slack to move in a most chaotic world. Conversely, a five-year plan demands cross-departmental coordination (and data sharing), multi-year commitments, clear KPIs and accountability, and a willingness to prioritise and deprioritise. A deep behavioural shift is expected and will drive change.

Hong Kong is learning to think in five-year terms. As it does, it must not overlook the industries that will define the next five. NewSpace is one of them—and it deserves a place at the centre of the city's long-term vision and innovation.

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