

1. Niche Strategically: Focus on Downstream, Midstream, and Value-Added Services

Hong Kong should not attempt to build rockets, satellites, or upstream manufacturing. Instead, Hong Kong should specialise in downstream applications and value-added services – the part of the space economy where raw signals, imagery, and satellite capacity are transformed into customer-ready solutions.

Hong Kong's Niche Areas

- Maritime & Logistics VAS:
 - Vessel detection, AIS+SAR fusion
 - Port optimisation dashboards
 - Space-enabled supply chain visibility
 - Drone logistics and low-altitude operations
- Insurance & Reinsurance VAS:
 - Parametric insurance using EO data
 - Orbital debris risk scoring
 - Cat Bonds and ILS backed by satellite-derived risk models
- Finance VAS:
 - Space ETFs, securitised satellite assets
 - Space credit ratings
 - ESG verification using satellite data
- Professional Services VAS:
 - Space law, arbitration, compliance
 - Smart contracts for satellite leasing, data rights, and SSA
- Trade VAS:
 - Satellite-based customs optimisation
 - Space-enabled ESG verification
- Education VAS:
 - AI-in-Space programmes
 - CubeSat training
 - BRI scholarships and certification
- Health & Medical VAS:
 - Microgravity research
 - Tiangong access for BRI researchers

These niches align with Hong Kong's strengths and China's 15th FYP priorities – and they sit exactly where value-added services create recurring revenue.

2. Build Hong Kong's Space Value-Added Services Layer

The attached VAS document makes clear: Value-added services are where raw space capability becomes practical economic value.

Hong Kong should build a VAS ecosystem that includes:

Earth Observation VAS

- Crop-health indices
- Flood and wildfire mapping
- Infrastructure risk scoring
- ESG verification
- Disaster-response dashboards
- Maritime vessel detection
- Insurance damage assessment

Communications VAS

- Managed satellite broadband
- Maritime and aviation connectivity
- Emergency communications
- IoT and asset tracking
- Cybersecurity layers for satellite networks

Navigation & Timing VAS

- Precision agriculture
- Drone navigation
- Timing services for finance and telecom
- Anti-spoofing and authentication
- Fleet optimisation

Space Domain Awareness VAS

- Collision-risk alerts
- Debris tracking
- Maneuver planning
- Regulatory compliance support

Ground & Cloud VAS

- Ground-station-as-a-service
- Cloud-native EO processing
- Mission operations support
- Data fusion platforms

These VAS categories directly map onto Hong Kong's existing industries – creating a new economic pillar without requiring upstream investment.

3. Belt and Road: Give Developing Nations a Role in Space Through Hong Kong

Most Belt and Road countries cannot build satellites or space agencies. But they do not want to be left behind.

Hong Kong can give them meaningful participation through:

- NewSpace education pathways (FOMO effect)
- BRI Space Scholarships
- BRI Space Accelerator Track
- Access to Hong Kong's VAS platforms
- Satellite-enabled agriculture, climate, and disaster tools
- Training and certification via SEA and universities

Hong Kong becomes the BRI Space Education and Commercialisation Hub, supporting China's Belt and Road strategy while expanding Hong Kong's international relevance.

4. Establish a SEA Office in the Northern Metropolis

SEA already exists. Hong Kong should fund and establish a SEA Office in the Northern Metropolis to anchor:

- Downstream space-AI industries
- Space value-added services companies
- BRI education programmes
- Talent pipelines
- Space Accelerator operations
- Cross-border collaboration with Shenzhen

This office becomes the physical centre of Hong Kong's NewSpace ecosystem.

5. Establish a Space Commerce Office (SCO)

Hong Kong should create a Space Commerce Office (SCO) under ITIB or the Commerce Bureau.

SCO Responsibilities

- Coordinate Hong Kong's NewSpace strategy
- Oversee government procurement of space services
- Manage pilots, sandboxes, and innovation funds

- Support SEA and industry clustering
- Interface with Mainland space authorities
- Oversee BRI space education and commercialisation
- Build Hong Kong's VAS ecosystem

SCO becomes the policy and regulatory backbone of Hong Kong's space economy.

6. Create a Council of NewSpace Advisors

To ensure SCO is guided by global expertise, Hong Kong should establish a Council of NewSpace Advisors, including:

- SEA leadership
- Mainland commercial space experts
- International NewSpace entrepreneurs
- Satellite data and AI specialists
- Maritime, insurance, logistics innovators
- Space law and arbitration professionals
- BRI country representatives

This Council ensures Hong Kong's strategy remains globally relevant and commercially grounded.

7. Task SEA to Build a Space Accelerator

Hong Kong should task SEA to establish a Space Accelerator focused on downstream and VAS startups.

Key Features

- Funded by China Resources, CITIC, CK Hutchison, Sino Group, and family offices
- Provides access to satellite data, AI tools, and regulatory sandboxes
- Connects startups to Mainland space companies
- Includes a BRI NewSpace Track
- Produces commercial pilots for Hong Kong industries
- Builds Hong Kong's VAS export capability

This accelerator becomes the engine of commercialisation for China's NewSpace sector.

8. Mobilise Universities: Launch AI-in-Space Programmes

Hong Kong's universities should establish:

- AI-in-Space degrees
- Joint labs with Mainland satellite companies

- CubeSat and drone-satellite integration courses
- Space law and arbitration modules
- Space sustainability research centres
- BRI NewSpace scholarships

This builds the talent infrastructure for Hong Kong's VAS ecosystem.

9. Mobilise Family Offices: Invest in Space Financial Instruments

Family offices should be encouraged to invest in:

- Cat Bonds
- Insurance-Linked Securities (ILS)
- Orbital insurance vehicles
- Space ETFs
- Securitised satellite assets
- Space-focused venture funds

These instruments directly support Hong Kong's finance and insurance VAS strategy.

10. Government Must Act as a Buyer

Hong Kong's space ecosystem will not grow without government demand.

Procurement Priorities

- EO data
- AI-enabled remote sensing
- Satellite PNT augmentation
- Space Situational Awareness (SSA)

Government procurement:

- Creates anchor demand
- Reduces commercial risk
- Attracts Mainland and global players
- Provides immediate employment for talent

11. Reduce Industry Risk: Pilots, Sandboxes, and Innovation Funds

Industries will not adopt space technologies unless risks are reduced.

Recommended Actions

- Expand sandboxes for space-finance, space-insurance, space-data
- Establish pilot zones for drones and low-altitude economy
- Create a dedicated Space & AI Innovation Fund
- Co-fund EO data trials for maritime, logistics, insurance, and ESG
- Provide risk-sharing mechanisms for startups

12. Strategic Positioning for Hong Kong

Hong Kong should adopt a clear, nationally aligned positioning:

Hong Kong will become China's AI-enabled Space Finance & Data Capital – the commercial gateway for the nation's NewSpace and Belt and Road space economy.

This positioning:

- Strengthens Hong Kong's own industries
- Aligns with China's 15th FYP
- Supports the CE's priorities
- Positions Hong Kong globally
- Gives BRI countries a role in Space

Conclusion

Hong Kong has a narrow window—2026 to 2030—to secure its role in China's NewSpace strategy. Hong Kong must niche, not diversify; strengthen, not reinvent; align, not compete.

With decisive action, Hong Kong can become the commercial, legal, financial, educational, and AI-enabled gateway for China's space economy – and give Belt and Road countries a meaningful role in Space through Hong Kong.