

Hong Kong's Plan B - Home of Future Astropreneurial Talents

By Gregg Li

There's a prevailing message that Hong Kong is, and shall continue to be, a super-connector. This soundbite, however, is increasingly passe and can be dangerously misplaced. Sorry. Are we still putting petrol in your car? Are we still using feet to shop? Are we still not separating our garbage? Are we still deluded into thinking that any conflict between China and Taiwan will have no impact on Hong Kong? Are we connected to new business dialogues about space debris and space commerce? We are not.

As old markets and supply chains are disappearing rapidly, and our connectors are retiring at a similar pace with our demographics, where should we begin to look for new markets? When we still lack the understanding or language to describe the new markets, shouldn't we be concerned? As the variety of wars continues to expand and engulf us into their pull – from trade war to cyberwar to AI war and now into Space war and the war for talents – how should Hong Kong formulate our Plan B?

While Hong Kong sits at the edge of chaos, the sooner we are connected to the evolving space dialogues and new business paradigms, the better placed we are to make forward decisions. But what is this new commercial world that some economists in the US, and even our CNSA, are reportedly forecasting will reach a staggering \$ 10 trillion market by 2050? Annual estimates of the contribution by the space economy continue to rise, as even the Low Altitude Economy could easily surpass the \$1.8 trillion 2035 estimates projected by the WEF. And why does China have a 2050 Space Blueprint? What is this Space economy that utilises new terms such as NewSpace, cadence, utility elemental tokens (UETs), and stablecoins backed by platinum-group elements, all of which are needed for interplanetary commerce? Why does the NewSpace economy need to be

circular? Such stellar estimates exist because space underpins and cuts across virtually all terrestrial sectors.

The elephant-in-the-room question for many forward-looking businesses is how to get our talents and new talents connected to NewSpace.

Suppose by the time our children graduate from schooling and begin to earn, but still do not understand the power and ubiquity of GPS and IOT, how far can they really see and prepare for their own future? Many punters want to invest in SpaceX and Starlink, and some even invested through tokenisation. But they probably do not know that the reason for the popularity of SpaceX rides on its ability to lower the cost of sending anything to the LEO orbit from US\$15K per kilogram down to potentially US\$2K. Re-using our resources is fundamental because Space is expensive. A few might understand that the principle of circularity is such an essential concept for space businesses if they had been exposed to ESG, SDG, and carbon credit by their professors.

The NewSpace markets require a massive mindset shift, and for many caught in yesteryear's operating system, this realisation has been painful. First, we need to break free from our linear thinking. One doesn't need a degree in Physics or Math to understand connectivity or circularity. The world we need to understand and navigate properly is now "circular." This new market is known as NewSpace, and it connects with IoT, autonomous driving, and the Low Altitude Economy, including drone deliveries and air taxis. NewSpace is a new term because Space is no longer owned and operated by just governments. Space has been open for business since 2009, and for China, since 2014. We now have more than 500 such companies, and over 50 of them are already in the Greater Bay. OASA, a locally founded educational academy, recognised the trend and began preparing entrepreneurs as early as 2019. Last month, a few entrepreneurial students mapped out the GBA ecosystem of NewSpace and identified more than 50 such companies. (See map).

Mine an asteroid full of gold, and the next Elon might just become a trillionaire. The NewSpace ecosystem is so vast and overwhelmingly large

because it underpins everything and spans all high-tech verticals, from AI to biotech, to quantum, to advanced materials, to in-space servicing and assembly. NewSpace attracts talent and draws them like magnets. Re-using talents from abroad is also within the realm of the circular economy. Granted, all things new will have their own Hype Cycle, and NewSpace is no exception. Now estimated annually at \$600 billion and growing at a double-digit rate, the NewSpace economy deserves attention now. This should be Hong Kong's Plan B.

Hong Kong can begin to embrace this new world and connect new nodes of possibilities. Or Hong Kong can bury its head in the sand and convince itself that the old world of commerce will still dominate trade for at least another decade. Talents won't want to work in Hong Kong and on yesterday's technologies and innovation.

This new world of space commerce trades in digital assets, which likely utilise new stablecoins that possess actual, timeless value. This NewSpace ecosystem, however, is vastly more complex, expensive, risky, and unpredictable. It requires loads of talents, a strong insurance and reinsurance sector, and above all, a connectivity in the shift of mindset. Space is best approached with a circular approach because we can't be throwing away a functioning spacecraft every time we are done with it. NewSpace is best approached with a mindset of repurposing, reusing, and recovering and doing so with purpose. Can we seriously entertain such a mindset shift when many of us can't even separate our own garbage at source?

Key topics in Hong Kong's NewSpace would include commercialisation, investment and financing; insurance for lift-offs, satellite commissioning, on-orbit servicing; in-situ resource utilisation, advanced robotics for manufacturing and repair, and space situational awareness and space debris removals. Additionally, technology-agnostic approaches for developing, testing, and deploying applications in space would help Hong Kong gain a deeper understanding of the future of space-based infrastructure and its interoperability requirements.

What can a small place like Hong Kong do? Hong Kong can be much more prepared and expand our learning into Space, as we have quickly learnt about AI, stablecoin, and e-commerce. As education is an essential key to prosperity, we need to educate our teachers, our planners, and our youth. They must be able to see and sense this oncoming reality. We need to start measuring the impact of NewSpace businesses. Hong Kong's Plan B will need to be grounded in education because NewSpace has its own language and reality.

Our business associates along the Belt and Road are seeking to learn about NewSpace that is being powered technically by China and tested by the markets through Hong Kong. Ignorance of the business of space is the new Digital Divide, and many BRI countries do not want to be excluded. They may wish to send their talents here. They want their youth to be a part of the new narrative. They want their own GPS. They want their own say on the lunar landscape. They want to be connected to China's Space, which has become a safe and reliable partner for Space. This is what Hong Kong's Plan B can be about.

By way of an example, China made a groundbreaking leap in internet technology by launching the world's first commercial 10G broadband network in Hebei last month. It aims to deliver download speeds up to 9,834 Mbps, upload speeds of 1,008 Mbps, and latency as low as 3 milliseconds. Remote surgeries, autonomous driving, and immersive virtual and augmented reality now would underpin the next level of commerce. Introduction of such technologies would accelerate digital transformation and innovation in various industries, including healthcare, education and transportation. Wouldn't any BRI countries want to be a part? This is what Plan B is about.

Space is hard. Just adopting Plan B is only the start. The new world of business will require extensive market testing and outreach, and that can be through Hong Kong's entrepreneurial and professional firms. Governments along the BRI, including Hong Kong, need to coordinate and reinforce with the proper policy and tax incentives. Sovereign wealth funds and wealthy families would need to provide patient capital. And

astropreneurs would need to build solutions to new problems.

Astropreneurship, or growing entrepreneurs for this new landscape, is now afoot. That reality of NewSpace has now been recognised.

This version of Hong Kong's Plan B should allow Hong Kong to become a true gateway of innovation, entrepreneurship, and talent. Such an ecosystem would attract the world's best talents to call Hong Kong their home. The home of future talents, that's the essence of Plan B.

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