

Leveraging Hong Kong as China's Strategic Gateway for Commercial Space Under the Fifteenth Five-Year Plan (2026–2030)

Policy Paper | 2026



Executive Summary

China's Fifteenth Five-Year Plan (2026–2030) (15th FYP) has elevated aerospace within the cluster of strategic emerging industries, and official statements for the Plan period describe commercial space as a driver of new quality productive forces rather than only a symbol of national prestige. Publicly reported Plan priorities include reusable launch systems, mass production of intelligent satellites, a national satellite internet constellation, space-resource-development rules, space-traffic-management and debris-governance capabilities, and wider international deployment of Chinese commercial space services.^{1,2,3}

These are extraordinarily ambitious objectives. Achieving them requires not only technological acceleration and regulatory modernisation on the Mainland but also the deliberate deployment of a uniquely Chinese institutional asset that no competitor—including the USA—possesses: **a world-class international financial centre, common-law jurisdiction and connectivity hub, operating within the sovereign framework of the People's Republic of China (PRC), namely the Hong Kong Special Administrative Region (HKSAR).**

The central argument in this paper is that mainland China should provide the technology, manufacturing, licensing, and sovereign capability, while Hong Kong provides the capital markets, legal infrastructure, global connectivity, and international credibility to fund, structure, contract, and dispute-resolve China's commercial space transactions at scale.

The paper makes six integrated recommendations:

1. **Designate Hong Kong as China's 'Space Finance Capital'**, with Hong Kong Exchanges and Clearing Limited (HKEX) providing the preferred offshore listing platform for

¹ Xinhua, 'Key recommendations document outlines priorities in China's next five-year blueprint', State Council of the People's Republic of China, 25 October 2025, available at https://english.www.gov.cn/news/202510/25/content_WS68fc10abc6d00ca5f9a0703e.html

² CGTN, 'China maps out ambitious space plans in 15th Five-Year Plan', CGTN, 15 March 2026, available at https://news.cgtn.com/news/2026-03-15/China-maps-out-ambitious-space-plans-in-15th-Five-Year-Plan-1Lxv6byvqxi/share_amp.html

³ Xinhua, 'China advances space industry to new stage of high-quality development', Xinhua, 24 April 2026, available at <https://english.news.cn/20260424/eb4a69effa2e447d9aa15037d86f9b67/c.html>

commercial space champions and Hong Kong funding structures in the fixed-income and structured-finance capital markets serving as the international capital gateway.

2. **Establish Hong Kong as the default governing law and dispute-resolution jurisdiction** for all cross-border commercial space contracts linked to Chinese entities.
3. **Anchor the ‘Space Silk Road’ international standards and cooperation initiative in Hong Kong**, leveraging its Belt and Road connectivity and neutral institutional credibility.
4. **Create a dedicated Hong Kong–Mainland Commercial Space Interface** in the forthcoming national space legislation, embedding legal recognition of Hong Kong's complementary role.
5. **Implement a phased Greater Bay Area (GBA)–Hainan Space Economy Cluster** that integrates Hainan launch capability, Guangdong–Shenzhen manufacturing excellence, and Hong Kong’s professional services and finance into a unified commercial ecosystem.
6. **Create a Belt and Road Space Connectivity Programme**, modelled on the GalaxySpace–PCCW Global collaboration, to deliver LEO connectivity, EO analytics, satellite finance and insurance, and space-law capacity building through Hong Kong-structured platforms.

I. Strategic Context: China’s Commercial Space Ambitions and the Global Race

A. The Global Space Economy at Inflection

The global space economy is projected to grow from approximately USD 630 billion in 2023 to around USD 1.8 trillion by 2035, implying annual growth of roughly 8–9%, nearly double expected global GDP growth. This expansion is driven principally by space-enabled services—satellite communications, positioning, navigation and timing (PNT), Earth observation (EO) analytics, and emerging applications in logistics, agriculture, finance, environmental monitoring, and digital

infrastructure—rather than launch revenues per se. The commercial sector accounted for approximately 78% of the global space economy in 2024.^{4,5}

The United States of America (USA) remains a leading national commercial space ecosystem, supported by vertically integrated private champions (SpaceX, Blue Origin, United Launch Alliance, Maxar and Planet), deep and risk-tolerant private capital markets, large government anchor contracts through the National Aeronautics and Space Administration (NASA) and the USA Department of Defense, and structural regulatory centrality through which USA preferences on spectrum, debris mitigation, data standards and export controls influence global norms and practices.⁶

China's commercial space sector has entered a phase of rapid transformation. With over 600 commercial space companies, approximately CNY 18.6 billion (approximately USD 2.6 billion) in private financing in 2025, and commercial launches accounting for 54% of China's total launch count in 2025, the sector's momentum is undeniable. Chinese commercial missions also placed 311 commercial satellites in orbit in 2025, representing 84% of the country's total satellites launched that year. Yet the sector is still building closed-loop commercial models at scale, and critical capability gaps—particularly in routine operational reusable launch—persist.⁷

B. The Fifteenth Five-Year Plan: Aerospace as a Strategic Emerging Industry

The 15th FYP represents a decisive elevation of China's space ambitions. The Communist Party of China (CPC)'s October 2025 recommendations identified aerospace and the low-altitude economy among the strategic emerging industries to be accelerated during the Plan period, alongside new energy, new materials, quantum technology and sixth-generation communications. China National Space Administration (CNSA) Administrator Shan Zhongde said in April 2026 that, during the Plan

⁴ World Economic Forum and McKinsey & Company, 'Space: The \$1.8 Trillion Opportunity for Global Economic Growth', World Economic Forum, 8 April 2024, available at <https://www.weforum.org/publications/space-the-1-8-trillion-opportunity-for-global-economic-growth/>

⁵ Space Foundation Editorial Team, 'The Space Report 2025 Q2 Highlights Record \$613 Billion Global Space Economy for 2024, Driven by Strong Commercial Sector Growth', Space Foundation, 22 July 2025, available at <https://www.spacefoundation.org/2025/07/22/the-space-report-2025-q2/>

⁶ U.S. Bureau of Economic Analysis, 'Space Economy', U.S. Bureau of Economic Analysis, accessed 13 June 2026, available at <https://www.bea.gov/data/special-topics/space-economy>

⁷ Xinhua, 'China's commercial space industry hits high gear, expanding beyond launches', People's Daily Online, 26 January 2026, available at <https://en.people.cn/n3/2026/0126/c90000-20418642.html>

period, China will foster new quality productive forces in the space industry, speed up construction of space-related legal frameworks, develop reusable heavy-lift launch vehicles, and implement the national satellite internet programme, while expanding international cooperation.^{8,9}

Specific industrial targets cited in public reporting include Beijing E-Town’s commitment to supporting a commercial space cluster of 1,000 enterprises, 1,000 satellites in orbit and over CNY 100 billion in revenue, and Shanghai’s target of around CNY 100 billion (approximately USD 14.39 billion) in commercial aerospace industry value by 2027. Shanghai’s plan also identifies China Aerospace Science and Technology Corporation (CASC) as the leading enterprise in China’s commercial spacecraft and application industry chain, with a central co-ordinating role in the commercial aerospace ecosystem.^{10,11}

The November 2025 CNSA Action Plan for Promoting High-Quality and Safe Development of Commercial Spaceflight (2025–2027) established the institutional scaffolding: a national commercial space development fund, broadened government procurement to integrate commercial capabilities, opening of state test facilities to private firms, and an explicit call for Chinese commercial space enterprises to ‘go global’ and help developing countries build satellite-application industries.^{12,13}

C. The Structural Challenge: Why Incremental Measures Are Insufficient

Despite this momentum, the Asian Academy of International Law (AAIL)’s assessment is that incremental measures under the current mainland policy architecture will not, on their own, deliver leadership of the global commercial space economy within the Plan period. Four structural constraints must be addressed:

⁸ Xinhua, ‘Key recommendations document’.

⁹ Xinhua, ‘China advances space industry’.

¹⁰ Bastille Post, ‘Beijing’s “rocket street” project advances commercial space development’, Bastille Post, 2026, available at <https://www.bastillepost.com/global/article/5711031-beijings-rocket-street-project-advances-commercial-space-development>

¹¹ Shanghai Municipal People’s Government, ‘Shanghai builds “rocket city” to boost commercial space economy’, Shanghai Municipal People’s Government, 30 January 2026, available at <https://english.shanghai.gov.cn/en-Latest-WhatsNew/20260130/31352ad97ae84b64b7299c1ddfd3c2e3.html>

¹² CNSA, ‘关于印发《国家航天局推进商业航天高质量发展安全发展行动计划（2025—2027年）》的通知’, China National Space Administration, 25 November 2025, available at <https://www.cnsa.gov.cn/n6758823/n6758839/c10719382/content.html>

¹³ Xinhua, ‘22 项举措推进商业航天高质量发展’, Xinhua, 26 November 2025, available at <https://www.news.cn/fortune/20251126/ee0b10f47c2749b1a5bc424d05248572/c.html>

Capital depth and risk tolerance. Annual commercial space financing in China grew to CNY 18.6 billion (approximately USD 2.6 billion) in 2025, up 32% year-on-year, but remains a fraction of total USA flows. Early-stage, high-risk deep-tech financing is thin, political priorities can override commercial logic, and regulatory uncertainty deters both foreign capital and domestic risk-taking.¹⁴

Regulatory clarity and speed. China still lacks a consolidated national space law clearly covering commercial activities, liability allocation and licensing procedures. The sector operates under a patchwork of notices, regulations and case-specific approvals across CNSA, the State Administration of Science, Technology and Industry for National Defence (SASTIND), the Ministry of Industry and Information Technology (MIIT), and People’s Liberation Army (PLA)-related bodies, creating legal uncertainty for private and foreign partners.¹⁵

International market access and credibility. Chinese commercial space firms seeking global customers, partners and investors face structural disadvantages: USA-influenced export controls, the widespread use of USA- and English-law templates in international contracts, and a perception among many international counterparties that Chinese commercial activities lack the independent legal and governance frameworks that global investors and users require.

Global regulatory influence. The USA wields significant ‘astro-regulatory power’, shaping international norms through export controls, International Telecommunication Union (ITU) co-ordination practices, debris mitigation guidelines and data-sharing standards. China’s regulatory influence remains more regional, and Chinese actors must often adapt to USA-influenced standards, facing higher compliance costs and fewer opportunities to shape global rules.

The solution to each of these constraints lies, to a significant degree, not in further mainland-only policy action but in deploying an underused institutional asset within China's constitutional order: Hong Kong.

¹⁴ Xinhua, ‘China’s commercial space industry hits high gear’.

¹⁵ CNSA, ‘Action Plan to Promote High-Quality and Safe Development of Commercial Spaceflight’.

II. Hong Kong's Distinctive Advantages for the Space Economy

A. Why Hong Kong Is Uniquely Positioned

Hong Kong occupies a unique position in the global commercial system: it is simultaneously a common-law jurisdiction with deep institutional roots in English legal practice, one of the world's top-three international financial centres, a premier international arbitration seat, a Belt and Road connectivity hub, and a special administrative region (SAR) of the People's Republic of China operating under 'One Country, Two Systems'. This combination is available to no other jurisdiction on earth.¹⁶

The Hong Kong Chief Executive's Policy Unit has recognised this explicitly, describing Hong Kong as both a 'superconnector' and a 'super value-adder' capable of harnessing its strengths in research, finance and professional services to play a pivotal role in space development. The 2026–27 Hong Kong Budget has directed Hong Kong Exchanges and Clearing Limited (HKEX) to review its listing requirements to facilitate and attract the listing of aerospace enterprises, and has confirmed that the Office for Attracting Strategic Enterprises (OASES) will take the lead in identifying aerospace enterprises to develop in Hong Kong.^{17,18}

GalaxySpace and PCCW Global have demonstrated the concept in practice: completing low Earth orbit (LEO) satellite tests in Hong Kong in April 2025 and signing a strategic collaboration agreement to expand LEO satellite services in Hong Kong and Belt and Road countries, using PCCW Global's network infrastructure spanning the Americas, Europe, Africa, the Middle East and Asia-Pacific as the international distribution backbone for mainland Chinese satellite technology.¹⁹

B. Capital Markets: HKEX as the Space Finance Capital

¹⁶ Hong Kong Government, 'Hong Kong records higher rating in Global Financial Centres Index and maintains third place globally', Hong Kong Government, 26 March 2026, available at <https://www.info.gov.hk/gia/general/202603/26/P2026032600501.htm>

¹⁷ China Daily Hong Kong, 'HKSAR to align with State plans for space economy', China Daily Hong Kong, 19 January 2026, available at <https://www.chinadailyhk.com/hk/article/627300>

¹⁸ HKSAR Government, 'The 2026–27 Budget: Budget Speech', HKSAR Government, 25 February 2026, available at <https://www.budget.gov.hk/2026/eng/budget11.html>

¹⁹ Console Connect, 'PCCW Global and GalaxySpace complete LEO satellite tests in Hong Kong', Console Connect, 29 April 2025, available at <https://www.consoleconnect.com/2025/04/pccw-global-and-galaxyspace-complete-leo-satellite-tests-in-hong-kong/>

Hong Kong ended 2025 as the world’s top initial public offering (IPO) fundraising hub, with 119 new listings representing a 68% increase from 2024, including major A-to-H listings, specialist technology companies and some of the world’s largest IPOs of the year. Chapter 18C of the HKEX Listing Rules provides a dedicated listing pathway for Specialist Technology Companies across five industries—next-generation information technology, advanced hardware and software, advanced materials, new energy and environmental protection, and new food and agriculture technologies—with commercial and pre-commercial listing pathways subject to minimum market capitalisation and other eligibility thresholds. The May 2025 launch of the Technology Enterprises Channel (TECH) provides early, tailored guidance for these companies, including a confidential filing option and facilitation of weighted voting rights (WVR) structures.^{20, 21, 22}

Aerospace enterprises straddle multiple categories covered by Chapter 18C—advanced hardware, next-generation information technology and new energy—but the HKSAR Financial Secretary has specifically called for listing-rule revisions to pave the way for aerospace enterprises to list in Hong Kong, and market consultation on broader listing-rule revisions was announced for the first quarter of 2026. This creates a critical policy window for the 15th FYP architecture to designate HKEX as the preferred offshore listing venue for China’s leading commercial space champions.²³

The capital market architecture that AAIL recommends for the Plan period is a dual-layer model:

- **Offshore equity layer (HKEX):** Primary listings for commercial space champions seeking global institutional capital, with H-share access for international investors and dual-primary or secondary listings to complement STAR Market or ChiNext onshore listings. WVR structures to preserve founder and state control while opening capital to global markets.
- **Fund layer (Hong Kong fund structures):** Establishment of one or more feeder funds and co-investment vehicles in Hong Kong under Hong Kong fund law, investing into onshore

²⁰ HKEX, ‘Exchange Publishes Listing Committee Report 2025’, HKEX, 16 March 2026, available at https://www.hkex.com.hk/News/Regulatory-Announcements/2026/260316news?sc_lang=en

²¹ HKEX, ‘Listing of Specialist Technology Companies’, HKEX, accessed 13 June 2026, available at https://www.hkex.com.hk/Listing/Rules-and-Guidance/Listing-of-Specialist-Technology-Companies?sc_lang=en

²² Securities and Futures Commission and HKEX, ‘Joint Announcement on Launch of Technology Enterprises Channel’, HKEX, 6 May 2025, available at https://www.hkex.com.hk/News/Regulatory-Announcements/2025/250506news?sc_lang=en

²³ China Daily Hong Kong, ‘Chan urges HKEX to pave way for aerospace firms in listing reform’, China Daily Hong Kong, 25 February 2026, available at <https://www.chinadailyhk.com/hk/article/629426>

renminbi (RMB) vehicles that back mainland space companies. This structure enables non-PRC limited partners—including sovereign wealth funds, international pension funds, and family offices across the Belt and Road—to participate in China's commercial space boom through a legally familiar, tax-efficient, and transparent Hong Kong structure, while RMB capital is deployed and controlled onshore.

The space insurance market, valued at USD 4.43 billion in 2026 and projected to reach USD 6.23 billion by 2030 at an 8.9% compound annual growth rate (CAGR), represents a further capital markets opportunity. Hong Kong's insurance hub already includes providers with direct satellite-insurance issuance capability in Hong Kong and facultative reinsurance across Asia, positioning it to become the preferred risk-placement venue for China's expanding constellation and launch programmes, reducing dependence on London and New York markets and strengthening Chinese pricing power in global space risk.^{24,25}

C. Legal Infrastructure: Hong Kong as the Default Governing Law Jurisdiction

The choice of governing law and dispute resolution forum is not a technical formality but a determinant of whether international counterparties—investors, customers and partners—will engage with Chinese commercial space enterprises at all. USA- and English-law templates are widely used in international space commerce because they provide the legal certainty, enforceability and judicial independence that global capital requires.

Hong Kong's common-law system, judicial independence and adherence to international arbitration standards provide an effective alternative that is simultaneously consistent with PRC constitutional sovereignty and acceptable to international counterparties. The Hong Kong International Arbitration Centre (HKIAC) is one of the world's leading arbitral institutions, with strong 2025 case statistics and continued growth in global reach. Public arbitration commentary in 2026 also noted several

²⁴ Research and Markets, 'Space Insurance Market Report 2026', Research and Markets, January 2026, available at <https://www.researchandmarkets.com/reports/6167144/space-insurance-market-report>

²⁵ Newline Group, 'Space', Newline Group, accessed 13 June 2026, available at <https://newlinegroup.com/products/space>

HKIAC developments aimed at enhancing user experience and maintaining Hong Kong’s position as a leading arbitration centre.^{26, 27}

AAIL recommends that the 15th FYP architecture adopt a formal policy that all commercial space contracts involving Chinese entities and non-mainland counterparties—including launch services, satellite supply, data licensing, in-orbit servicing and downstream application partnerships—should designate Hong Kong law as the governing law and HKIAC, the Hong Kong courts, or another appropriate arbitral institution operating in Hong Kong as the dispute-resolution forum, except where a clear national security rationale requires alternative arrangements. This policy should be operationalised through:

- Development of **standardised Hong Kong-law contract documentation**—analogous to Loan Market Association (LMA) loan market templates—for the most common commercial space transaction types (launch services agreements, satellite purchase and lease agreements, data licence agreements, orbital-slot access agreements and in-orbit servicing contracts). These templates should be developed by Hong Kong law firms in consultation with AAIL, HKIAC and mainland commercial space enterprises and then promoted through the Space Silk Road initiative as an alternative to USA- and English-law precedents.
- An explicit **HKIAC Space Arbitration Track** with specialist panellists trained in space law, satellite finance, export-control issues and PRC regulatory frameworks, so that disputes do not default to fora in the USA or United Kingdom. Given the rapid growth of the sector, AAIL recommends that this track be formally launched by the end of 2026, building on HKIAC’s existing international reputation.
- A **Hong Kong Space Intellectual Property (IP) Registry** to complement existing mainland protections, providing an internationally recognised vehicle for the registration, licensing and protection of space-related intellectual property that could help manage cross-border IP and technology-control risks in international transactions.

²⁶ Morrison & Foerster, ‘HKIAC’s 2025 Statistics Highlight Record Caseload’, Morrison & Foerster, 4 March 2026, available at <https://www.mofo.com/resources/insights/260304-hkiac-s-2025-statistics-highlight-record-caseload>

²⁷ Pinsent Masons, ‘HKIAC statistics reveal “record breaking” 2025 for international arbitration’, Out-Law, 24 February 2026, available at <https://www.pinsentmasons.com/out-law/news/hkiac-2025-statistics>

- A **Hong Kong Space Title Registry for Spacecraft**. AAIL has a separate paper on this.

D. Connectivity and the ‘Space Silk Road’

Hong Kong’s role as an international business hub—with its free port status, logistics infrastructure, double taxation agreement network and concentration of international professional services firms—makes it a natural coordination centre for China’s international commercial space ambitions.

Under the 15th FYP, CNSA has called for Chinese commercial space enterprises to ‘go global’ and help developing countries build satellite-application industries. The Belt and Road Initiative (BRI) encompasses approximately 146–150 countries, including China, with particularly significant coverage in Sub-Saharan Africa, the Middle East, Latin America, Southeast Asia and Central Asia—regions where satellite-based connectivity, Earth observation, navigation and remote sensing services have transformative economic potential and where Chinese commercial space enterprises have competitive advantages.^{28, 29}

AAIL recommends establishing the ‘Space Silk Road’ Secretariat in Hong Kong, with the following mandate:

- **Standards and regulatory diplomacy:** coordinate China's positions in international fora on space traffic management, debris mitigation, orbital resource governance, and spectrum coordination, using Hong Kong's international credibility to engage neutral and Western-aligned parties who may be reluctant to engage Beijing directly. Partner nations adopting Chinese-aligned technical standards should be encouraged to use Hong Kong-law framework agreements as the contractual basis.
- **Annual Belt and Road Space Finance and Law Forum in Hong Kong:** bringing together mainland agencies, BRI governments, sovereign wealth funds, international banks, insurers, and legal practitioners to facilitate commercial transactions and deepen the network effects that make Chinese space solutions the default infrastructure choice for emerging economies.

²⁸ CNSA, ‘Action Plan to Promote High-Quality and Safe Development of Commercial Spaceflight’.

²⁹ Christoph Nedopil, ‘Countries of the Belt and Road Initiative’, Green Finance & Development Center, updated May 2025, available at <https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/>

- **Project structuring hub:** using Hong Kong entities—incorporated under Hong Kong law, with HKEX-listed or Hong Kong-fund-backed equity, Hong Kong-law master agreements and HKIAC arbitration clauses—as the project vehicles for multi-jurisdictional joint ventures (satellites designed and manufactured on the Mainland; financed, insured and legally structured in Hong Kong; serving BRI markets). This model, pioneered by the GalaxySpace–PCCW Global collaboration, should become the standard template for Chinese commercial space internationalisation.³⁰

III. The Integrated Policy Architecture: Mainland and Hong Kong Working Together

A. The Division of Labour

The optimal model is neither a purely mainland architecture nor a purely Hong Kong one. It is a deliberate and complementary division of labour, anchored in the constitutional framework of ‘One Country, Two Systems’, and designed to extract maximum value from the distinct advantages of each:

Function	Mainland Responsibility	Hong Kong Responsibility
Technology development	National reusability programme, satellite research and development (R&D), propulsion and constellations	University R&D participation (InnoHK Space Robotics and Energy Centre, Chang’E-8 mission), testing support
Licensing and sovereignty	CNSA launch licensing, orbital registration, national security review and competent mainland regulatory supervision	Recognition of mainland licences as regulatory base; no parallel licensing for commercial operations
Manufacturing and operations	Rocket manufacturing, satellite production, launch sites, and telemetry, tracking and command (TT&C) networks	Quality standards, logistics and GBA cross-boundary supply-chain coordination

³⁰ Console Connect, ‘PCCW Global and GalaxySpace complete LEO satellite tests in Hong Kong’, Console Connect, 29 April 2025, available at <https://www.consoleconnect.com/2025/04/pccw-global-and-galaxyspace-complete-leo-satellite-tests-in-hong-kong/>

Function	Mainland Responsibility	Hong Kong Responsibility
Capital raising (domestic)	STAR Market and ChiNext listings, state guidance funds, policy bank lending, national commercial space fund	Feeder fund structures, co-investment vehicles and cross-border bond issuance (dim sum bonds for space special purpose vehicles (SPVs))
Capital raising (international)	Strategic foreign investment in non-sensitive segments	HKEX listings (H-shares, Chapter 18C, dual-primary), Global Depositary Receipts (GDRs), international fund structures and satellite insurance placement
Contract governance	PRC regulatory compliance clauses, national security annexes	Default governing law (Hong Kong law) for cross-border commercial contracts
Dispute resolution	Administrative review and domestic commercial courts for purely domestic matters	HKIAC arbitration, Hong Kong courts and other arbitral institutions operating in Hong Kong as defaults for international disputes
International standards	China's technical positions in the United Nations Committee on the Peaceful Uses of Outer Space (UN COPUOS), ITU and the Inter-Agency Space Debris Coordination Committee (IADC)	Space Silk Road Secretariat, BRI space law and finance forum, and Hong Kong-law template documentation
Downstream applications	Government EO and data procurement, domestic constellation services	Cross-border data governance, international service delivery and GBA integrated applications platform

B. Project-Type Differentiation

AAIL recommends differentiating the Hong Kong interface according to project sensitivity:

Category A: Strictly sovereign and sensitive (military, strategic dual-use constellations and classified national security infrastructure): Hong Kong plays no structural role. All corporate,

financing and contracting structures remain onshore. This boundary must be clearly defined in the national space law to provide certainty to both mainland and Hong Kong actors.

Category B: Commercial launch, satellite supply and constellation deployment with international customers (PRC-controlled technology, non-sensitive commercial operations):

Hong Kong is used for special purpose vehicles (SPVs) holding commercial IP and contracts; HKEX listings or Hong Kong fund structures for international capital; Hong Kong insurance and reinsurance placement; and Hong Kong governing law and HKIAC arbitration for customer contracts. Mainland licensing and physical asset ownership remain onshore. This is the core category where Hong Kong adds the most value.

Category C: Downstream services and data applications (EO analytics, broadband, Internet of Things (IoT) and navigation-based services):

Hong Kong is the primary platform. Hong Kong-incorporated service providers, Hong Kong governing law, HKIAC arbitration, HKEX-listed holding companies, and Hong Kong as the international business-development and marketing base. Data infrastructure and processing can remain onshore or in the GBA as operationally required.

Category D: BRI and Global South projects:

Mainland entities provide technology, launch and operations; Hong Kong entities hold joint venture (JV) equity, project finance, insurance and master commercial contracts. The Space Silk Road Secretariat in Hong Kong provides legal, finance and standards support. This model provides international counterparties with institutional comfort in a Chinese-anchored structure.

C. The National Space Law: Embedding the Hong Kong Interface

The forthcoming national space-law framework—which the CNSA Action Plan expressly calls to accelerate—should include explicit provisions establishing the Hong Kong interface. AAIL recommends that the Law contain:³¹

- A provision recognising that commercial space entities incorporated in the HKSAR may carry out prescribed non-sensitive commercial activities in support of national space objectives

³¹ CNSA, 'Action Plan to Promote High-Quality and Safe Development of Commercial Spaceflight'.

under a light-touch notification regime, without requiring separate mainland operating licences for the commercial aspects of their activities.

- A provision permitting HKSAR-law commercial contracts to serve as the governing framework for international transactions involving mainland-licensed launch and satellite services, provided national security compliance annexes are incorporated in a form approved by the competent authority.
- A provision recognising HKIAC awards as enforceable in respect of commercial space disputes arising from international transactions, consistent with the application of the New York Convention to Hong Kong through the PRC and Hong Kong’s arbitration-enforcement framework.³²
- A provision establishing a mandatory annual regulatory interface between CNSA and other competent mainland authorities and the relevant HKSAR authorities (including the Innovation, Technology and Industry Bureau) to coordinate implementation and resolve cross-boundary regulatory questions.

These provisions would make the ‘One Country, Two Systems’ framework a structural competitive advantage for China’s commercial space sector—unavailable to any USA, European or other competitor—rather than a constitutional complexity to be managed around.^{33,34}

³² New York Arbitration Convention, ‘Hong Kong’, New York Arbitration Convention, accessed 13 June 2026, available at https://newyorkconvention1958.org/index.php?lvl=cmspage&menu=579&opac_view=-1&pageid=11

³³ China Daily Hong Kong, ‘HKSAR to align with State plans for space economy’.

³⁴ HKSAR Government, ‘The 2026–27 Budget: Budget Speech’.

IV. Specific Recommendations for the Fifteenth Five-Year Plan

A. Recommendation 1: Establish the Hong Kong Space Economy Development Office (HKSEDO)

The HKSAR Government should establish a dedicated **Hong Kong Space Economy Development Office (HKSEDO)** under the Innovation, Technology and Industry Bureau, with a mandate to:

- Act as the primary interface between mainland commercial space enterprises and Hong Kong's capital markets, legal community, and professional services sector.
- Coordinate with OASES on the attraction of aerospace enterprises to establish Hong Kong presences.
- Develop and promote standardised Hong Kong-law documentation for space transactions in consultation with HKIAC, the Law Society of Hong Kong, and leading commercial law firms.
- Organise the annual Belt and Road Space Finance and Law Forum and serve as the institutional base for the Space Silk Road Secretariat.
- Interface with HKEX on the further development of an aerospace listing framework under Chapter 18C.

HKSEDO should be operational by the end of 2026, with a clear mandate and adequate resources.

Milestone: HKSEDO operational and first set of a refined Hong Kong-law space contract templates as soon as practicable.

B. Recommendation 2: HKEX Aerospace Listing Framework

Following the Financial Secretary's February 2026 direction, HKEX may consider finalising and implementing a dedicated aerospace listing framework by Q3 2026. The framework might be designed to:³⁵

³⁵ China Daily Hong Kong, 'Chan urges HKEX to pave way for aerospace firms'.

- Further develop a listing pathway for space hardware, launch services, satellite operators, and space-enabled services companies under an expanded Chapter 18C.
- Permit pre-commercial listings for companies with demonstrated technology readiness and credible commercialisation plans, subject to minimum capitalisation and disclosure requirements.
- Allow WVR structures for aerospace companies with founder-innovator leadership.
- Establish disclosure standards specifically calibrated for the space sector, including appropriate treatment of government contracts, launch schedules, orbital parameters, and national security-adjacent activities.
- Coordinate with STAR Market and ChiNext to facilitate dual-primary or A+H listing structures for leading mainland space champions.

Milestone: HKEX aerospace listing framework finalised and first aerospace IPO launched under the new framework by H2 2027.

C. Recommendation 3: Long March Capital Fund: Hong Kong Feeder Structure

The national commercial space development fund announced in the 2025–2027 CNSA Action Plan should be structured to include one or more Hong Kong-domiciled feeder fund vehicles. These vehicles should:³⁶

- Be established under Hong Kong's Limited Partnership Fund regime or the Hong Kong Open-ended Fund Company structure.
- Accept commitments from non-PRC limited partners, including sovereign wealth funds, international institutional investors, and family offices across the Belt and Road.
- Invest into onshore RMB vehicles that directly back mainland commercial space companies, using existing cross-border investment channels.

³⁶ CNSA, 'Action Plan to Promote High-Quality and Safe Development of Commercial Spaceflight'.

- Benefit from Hong Kong's double taxation agreement network to minimise withholding tax leakage and improve after-tax returns for international investors.

AAIL estimates that a well-structured Hong Kong feeder architecture could attract between USD 3 billion and USD 5 billion of additional international institutional capital into China's commercial space ecosystem over the 15th FYP period, complementing but not substituting for the core mainland policy bank and guidance fund allocations.

Milestone: At least one Hong Kong-domiciled feeder vehicle for the national commercial space fund established and making investments by end of 2027.

D. Recommendation 4: HKIAC Space Arbitration Track

HKIAC, in consultation with HKSEDO, leading commercial law firms and CNSA, should establish a dedicated Space Arbitration and Mediation Track by Q2 2027. This track should feature:³⁷

- A roster of specialist arbitrators with expertise in space law, satellite finance, export-control compliance, and PRC regulatory frameworks, drawn from Hong Kong, the Mainland, and international jurisdictions.
- Expedited procedures for time-sensitive space contract disputes (e.g., launch delay, in-orbit anomaly, data delivery failure) given the operational criticality of space assets.
- Optional emergency arbitrator procedures for urgent interim relief.
- A model space arbitration clause for incorporation into the standardised Hong Kong-law contract templates developed by HKSEDO.

This track, combined with the template documentation programme, will create a coherent, self-reinforcing legal ecosystem for Chinese commercial space transactions that is globally competitive with London, Paris, and New York arbitration options.

Milestone: HKIAC Space Track operational with first published specialist panel by Q2 2027.

³⁷ Morrison & Foerster, 'HKIAC's 2025 Statistics Highlight Record Caseload'.

E. Recommendation 5: The GBA–Hainan Integrated Space Economy Cluster

The Greater Bay Area (GBA) and Hainan, taken together, provide a uniquely capable regional ecosystem for an integrated commercial space value chain. AAIL recommends formal designation of a GBA–Hainan Space Economy Cluster with the following geographic and functional architecture:

- **Hainan Free Trade Port:** primary spaceport operations, dedicated commercial launch infrastructure, and an international space commerce free zone with one-stop licensing, partial foreign ownership liberalisation in non-sensitive activities, and preferential tax treatment for space enterprises. Hainan's geography (tropical latitude, proximity to international shipping lanes, free port status) makes it the natural launch hub for international commercial missions.
- **Shenzhen and Guangdong:** satellite and rocket component manufacturing, advanced materials, semiconductor supply chain for intelligent satellite platforms, and R&D integration with Hong Kong universities through the Hetao Shenzhen–Hong Kong Science and Technology Innovation Cooperation Zone.
- **Hong Kong:** professional services (finance, legal, insurance, accounting and management consulting), HKEX listing venue, HKIAC dispute resolution, HKSEDO coordination and the Space Silk Road Secretariat. University research and development (R&D) through the InnoHK Space Robotics and Energy Centre, Chang'E-8 mission participation and Chinese University of Hong Kong (CUHK) satellite development.³⁸

Cross-boundary integration should be facilitated by the Mainland–Hong Kong Closer Economic Partnership Arrangement (CEPA), applicable GBA cross-boundary data-transfer mechanisms, and specific provisions in the national space law establishing a GBA–Hainan Space Economy Zone with streamlined cross-boundary movement of space equipment, personnel and data.

³⁸ HKSAR Government, 'The 2026–27 Budget: Budget Speech'.

Milestone: GBA–Hainan Space Economy Cluster formally designated and cross-boundary integration framework established by end of 2027; first international commercial launch from Hainan using Hong Kong-structured project finance by 2029.

F. Recommendation 6: Belt and Road Space Connectivity Programme

Building on the GalaxySpace–PCCW Global model, AAIL recommends a formal Belt and Road Space Connectivity Programme coordinated by HKSEDO with the following components:³⁹

- **LEO Connectivity for BRI:** Hong Kong telecommunications companies and international network operators co-marketing mainland commercial satellite broadband services to BRI markets, using Hong Kong entities as the commercial and legal front-end and mainland entities as the technology and operations back-end.
- **EO and Analytics Partnerships:** structured joint ventures between mainland EO operators (satellite data) and Hong Kong-based data analytics and artificial intelligence (AI) firms (downstream processing and applications), serving agriculture, environment, infrastructure and finance sectors in BRI countries.
- **Satellite Finance and Insurance for BRI:** Hong Kong as the hub for project finance, export credit, political risk insurance, and satellite insurance for Chinese-technology satellite deployments in developing markets.
- **Space Law Capacity Building:** a Hong Kong-based programme offering technical assistance to BRI nations developing national space legislation, using Chinese-aligned but internationally credible Hong Kong-law frameworks as the template, staffed by HKSEDO, Hong Kong law firms, and HKIAC in partnership with relevant mainland agencies.

Milestone: Five BRI-country connectivity or EO projects structured through Hong Kong with Hong Kong-law documentation by 2030; at least three BRI nations receiving Hong Kong-based space law capacity-building assistance by 2030.

³⁹ Console Connect, 'PCCW Global and GalaxySpace complete LEO satellite tests in Hong Kong'.

V. Implementation Roadmap

A. Phase 1 (2026–2027): Legal and Institutional Foundation

Initiative	Lead	Timeline
Establish HKSEDO	HKSAR Innovation, Technology and Industry Bureau	Q4 2026
HKEX aerospace listing framework finalised	HKEX, Securities and Futures Commission (SFC), HKSAR Financial Secretary	Q3 2026
First standardised Hong Kong-law space contract templates published	HKSEDO, Law Society, HKIAC and other arbitral institutions operating in Hong Kong	Q4 2026
Long March Capital Fund: Hong Kong feeder vehicle established	HKSEDO, relevant mainland fund administrator	Q4 2027
HKIAC Space Arbitration Track launched	HKIAC, other arbitral institutions operating in Hong Kong, HKSEDO	Q2 2027
National space law enacted with Hong Kong interface provisions	National People’s Congress (NPC) Standing Committee, CNSA	Q4 2027
First Belt and Road Space Finance Forum in Hong Kong	HKSEDO	2027

B. Phase 2 (2027–2029): Market Activation

Initiative	Lead	Timeline
First HKEX aerospace IPO under new framework	HKEX, leading space champion	H2 2027

Initiative	Lead	Timeline
GBA–Hainan Space Economy Cluster formally designated	National Development and Reform Commission (NDRC), HKSAR, Guangdong, Hainan	2027–2028
Hong Kong feeder making first investments	Long March Capital Fund Hong Kong vehicle	2028
First international launch from Hainan using Hong Kong project finance	HKSEDO, Hainan Free Trade Port, commercial operator	2029
Five BRI projects structured through Hong Kong	HKSEDO, mainland operators	By 2030

C. Phase 3 (2029–2035): Scaling and Global Influence

During this phase, the integrated mainland–Hong Kong architecture should enable China to:

- Deploy globally competitive satellite constellations financed through HKEX-listed vehicles and serviced under HKIAC-arbitrated international contracts.
- Establish Chinese commercial space enterprises as preferred providers to BRI and Global South markets, with Hong Kong as the commercial gateway.
- Exercise meaningful influence over international space governance through the Space Silk Road Secretariat and standards-setting work conducted through Hong Kong's neutral institutional platform.
- Position the integrated PRC–Hong Kong commercial space model as one of the world's most complete end-to-end commercial space ecosystems: mainland sovereignty and technology leadership combined with world-class international capital, legal and connectivity infrastructure.

VI. Risk Assessment and Mitigation

A. Geopolitical Risk

Risk: Intensifying USA–China strategic competition, including further export controls, sanctions and pressure on third countries not to engage with Chinese space technology, could reduce the addressable international market for Chinese commercial space services and constrain Hong Kong’s role as an international hub.

Mitigation: The deliberate use of Hong Kong's common-law framework, internationally credible institutions (HKIAC, HKEX, Hong Kong law firms), and neutral Belt and Road focus reduces the risk that Chinese commercial space offerings are perceived purely as instruments of strategic competition. A clear public distinction between sensitive national security space activities (handled entirely onshore, opaque to non-PRC parties) and commercial space activities (structured through transparent, internationally credible Hong Kong frameworks) is essential to maintaining Hong Kong's institutional credibility and commercial utility.

B. ‘One Country, Two Systems’ Boundary Risk

Risk: Ambiguity about the scope of national security review in the commercial space context, or an overly broad application of mainland security frameworks to Hong Kong-structured commercial transactions, could undermine investor confidence and reduce the effectiveness of the Hong Kong interface.

Mitigation: The national space law must draw clear, publicly articulated distinctions between Category A (fully sensitive, mainland-only) and Categories B, C, and D (commercial, Hong Kong-interfaced) activities. Legal certainty on the applicable boundary, with transparent review procedures and statutory timelines for national security assessments, is a prerequisite for Hong Kong's utility as an international capital and legal hub.

C. Hong Kong Institutional Capacity Risk

Risk: Hong Kong’s dedicated institutional infrastructure for the space economy remains nascent: there is not yet a public space-specialist arbitration track or aerospace-specific HKEX listing chapter, and OASES is a general investment-attraction body rather than a space-only agency. The window of opportunity may close if first-mover positioning is not secured.⁴⁰

Mitigation: The establishment of HKSEDO with a clear mandate and adequate resources, the HKEX listing framework reform and the HKIAC Space Track are immediate-term actions that must be completed within the first two years of the Plan. Hong Kong Arbitration Week 2025 provides an existing international platform on which a specialised space-arbitration track could be promoted, and this foundation can be built upon rapidly with focused institutional investment.⁴¹

D. Talent and Ecosystem Depth

Risk: Hong Kong’s current space economy ecosystem is nascent. Much of Hong Kong’s visible space-related activity currently resides in universities and publicly supported research initiatives rather than commercial enterprises, and the city still lacks the density of space-specialist legal, financial and technical advisers that mature space hubs such as Washington, DC, Luxembourg and Singapore possess.⁴²

Mitigation: The InnoHK Space Robotics and Energy Centre, the Innovation and Technology Fund (ITF) allocation of more than HKD 100 million to six R&D projects, and the successful CUHK satellite launch provide a foundation for ecosystem development. HKSEDO should actively recruit mainland and international space enterprises to establish Hong Kong offices, creating commercial demand that will build ecosystem depth.⁴³

⁴⁰ Laboratory for Space Research, The University of Hong Kong, ‘Hong Kong eyes slice of booming “NewSpace” economy as professional services hub’, HKU LSR, 21 January 2026, available at <https://www.lsr.hku.hk/hong-kong-eyes-slice-of-booming-newspace-economy-as-professional-services-hub/>

⁴¹ Meetings and Exhibitions Hong Kong, ‘Hong Kong Arbitration Week 2025’, MEHK, 2025, available at <https://www.mehongkong.com/eng/home/planning/events/detail/2025-10-19-83127-Hong-Kong-Arbitration-Week-2025.html>

⁴² Laboratory for Space Research, The University of Hong Kong, ‘Hong Kong eyes slice of booming “NewSpace” economy as professional services hub’.

⁴³ HKSAR Government, ‘The 2026–27 Budget: Budget Speech’.

VII. Conclusion: A Unique Structural Advantage

China possesses a structural advantage in the global commercial space race that no competitor can replicate: a world-class international city—fully within Chinese constitutional sovereignty, operating under a proven common-law legal system, hosting one of the world's top capital markets, and connected to every major economy through Belt and Road infrastructure—that can serve as the international face of China's commercial space ambitions.

The 15th FYP has identified aerospace as a strategic emerging industry and the period 2026–2030 as decisive for China's transition from a hardware-centric, state-directed model to a globally competitive, services-rich commercial space power. This transition requires not just better rockets and more satellites, but deeper capital markets, more credible legal infrastructure, and greater international influence over the norms that will govern space commerce for decades to come.⁴⁴

Hong Kong, deployed deliberately and with clear policy intent, can deliver all three. AAIL is ready to work with mainland and HKSAR authorities, commercial space enterprises, investors and international partners to make this vision a reality within the Plan period.

VIII. AAIL's Role as Strategic Adviser

AAIL can support implementation of this policy architecture through its legal-policy, research, convening and capacity-building functions.⁴⁵

Transaction and Market-Readiness Support: AAIL can convene issuers, investors, exchanges, insurers and professional advisers to develop market-readiness checklists and due-diligence expectations for Hong Kong space listings and fund structures.

Regulatory and Policy Advisory: AAIL can support mainland and HKSAR authorities through comparative legal research, draft policy options and expert consultation on the Hong Kong interface, HKSEDO and aerospace listing framework.

⁴⁴ Xinhua, 'Key recommendations document'.

⁴⁵ Asian Academy of International Law, 'Vision & Mission', Asian Academy of International Law, accessed 13 June 2026, available at <https://aail.org/vision-mission/>

Risk Management and Governance: AAIL can help design governance, compliance and audit principles for Hong Kong-domiciled feeder vehicles and HKEX candidates, working with appropriately licensed professional advisers where implementation requires regulated services.

International Connectivity: AAIL can use its convening platform to connect mainland space enterprises, BRI stakeholders, financial institutions, insurers, lawyers and arbitration specialists.

Space Law and Arbitration Support: AAIL can co-ordinate with Hong Kong law firms, HKIAC and other arbitral institutions in Hong Kong to support contract-template development, specialist training and arbitration-capacity building.