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ESTABLISHING HONG KONG AS THE GLOBAL ISRU FINANCE HUB – A STRATEGIC VISION FOR THE SPACE ECONOMY

Abstract

This paper presents a strategic plan to position Hong Kong as the world's leading In-Situ Resource Utilization (ISRU) finance hub, leveraging its robust financial infrastructure, business-friendly legal system, and unique geopolitical neutrality. As ISRU technologies—critical for sustainable space exploration—transition from experimental to operational phases, Hong Kong is poised to bridge East and West, fostering collaboration amid global tensions. Central to this vision is the growth of local startups and the attraction of overseas space ventures through tailored incubators, accelerators, and funding opportunities, creating a vibrant ecosystem for innovation.

A key focus is the commercialization of dual-use ISRU technologies—such as advanced filtration for space habitats and terrestrial water harvesting, or water-based propulsion for lunar surface mobility and LEO smallsat maneuvering. These innovations, applicable in both space and on Earth, deliver short-term returns, transforming ISRU into a commercially viable sector. To accelerate investment, a regulatory sandbox will test novel financing tools, including tokenized investment funds for fractional ownership, decentralized insurance to mitigate risks, and pre-sold resource contracts to secure early revenue. These Web3-powered solutions, paired with traditional finance, will enhance liquidity and democratize access to space investments.

The Hong Kong ISRU Finance Consortium (HIFC) will unite financial institutions, space agencies (e.g., CNSA, NASA, ESA), venture capitalists, and tech innovators, fostering public-private partnerships with China and neutral nations. Through joint projects and resource-sharing, the HIFC will drive ISRU development while navigating geopolitical risks. In sensitive regions, Hong Kong will prioritize academic collaboration in neutral fields like planetary science or space sustainability and commercial ventures in civilian applications such as commercial satellite technology, ensuring stability and progress.

Drawing on case studies from Luxembourg, Singapore, and the UAE—jurisdictions that have successfully carved niches in the space economy—we highlight the importance of supportive legal frameworks, public-private partnerships, and specialized financial products. Key recommendations include creating innovation hubs for startups and investors, aligning policies with global space trends, and fostering closer ties with international space agencies.

By integrating startup growth, dual-use commercialization, innovative financing, and geopolitical sensitivity, Hong Kong can overcome competition and US-China tensions to emerge as the global hub for ISRU finance. Furthermore, this strategic blueprint can guide other emerging cities or nations in shaping space-supportive technology and financial ecosystems, paving the way for more widespread growth and innovation in the space economy. These strategies not only mitigate risks but also position Hong Kong to lead in financing humanity's next frontier: sustainable space exploration.