

**Solidifying Hong Kong's Digital Future: Policy Address on
Smart City, Global Connectivity & Data Center Leadership**

CAHK's recommendations to the HKSAR Government's 2025 Policy Address

(Hong Kong, 30 July 2025) In July 2025, the Communications Association of Hong Kong (CAHK) attended and expressed our views at the 2025 Policy Address Consultation Session [International Innovation and Technology Centre] organised by the Chief Executive's Policy Unit. On behalf of CAHK and its members, we share recommendations on some key areas that require strategic focus to drive Hong Kong's information, communications and technology sectors towards a new digital era. These recommendations are:

1. Access to Government Sites for Installation of Mobile Base Station for Smart City & E-Government
2. Charting Hong Kong 6G Development Blueprint
3. International Submarine Cables to Secure Hong Kong's Digital Hub Status
4. Reinforce Hong Kong's Global AI Data Centre Leadership
5. Specific Critical Infrastructure Guidance

We believe it is crucial to advance Hong Kong's position as a regional communications hub and to further the advancement and competitiveness of our digital economy.

Access to Government Sites for Installation of Mobile Base Stations for Smart City

& E-Government

Achieving Hong Kong's Smart City and e-Government goals require further progress in city's 5G/6G coverages development. While CAHK welcomes the recent regulatory initiatives for access to new buildings and rural subsidies, we believe further initiatives are required urgently to address the issue mobile network operators (MNOs) facing in relation to establishment of Mobile Base Stations (MBS) which had become the following stumbling blocks:

- **Statutory Access to Existing Building:** The existing policy treats mobile network operators (MNOs) unfairly and does not give them the same treatment as public utility or fixed line telecommunication network operator (FNO). This makes it challenging for MNOs to expand/ improve their network coverage in these areas when MNOs encounter rejections and / or unreasonable commercial terms in MBS establishment, resulting in almost coverage void in certain areas (e.g. LOHAS Park in Tseung Kwan O).
- **Government Fees:** Government lands waiver fee for installation of MBS adds to already higher costs and operations which dilutes MNOs' limited resource to invest further and hence delays the deployment of new and advanced technologies.

We recommend the following:

- **Treat MNOs as Utilities or FNOs:** Amend relevant legislation to facilitate access by MNOs for the establishment of MBS to existing buildings, aligning with other public utilities and FNOs. We recognize that space may be an issue with existing buildings, as well as recognizing the fact that the MBS established on a building may not solely serve the users / residents of the building in concern due to the nature of mobile preparation (which is simply unavoidable), however without any legislative backings, it is impossible for MNOs to negotiate for sites access.

- **Exempt Lands Waiver Fees:** Suggest that Lands Department remove requirement for waiver fees for MBS, accelerate 5G deployment, and ensure fair treatment and delivery of essential services like other public utilities.
- **Access to Government Premises and Public Infrastructure:** Allow MNOs to install equipment at government premises and public infrastructures that are not directly owned by the Government (such as public housing and facilities), but are essential to Hong Kong citizens' daily lives. Good mobile coverage at these locations is necessary, and access, or license fees should not be imposed.

In summary, we believe granting utility status and waiving fees on government premises will accelerate network coverage to support Smart City and e-Government in Hong Kong.

Charting Hong Kong 6G Development Blueprint

Following the first Asia-Pacific 6G Global Summit held in Hong Kong in May 2025, the path towards 6G standardisation is clearer. With 5G now covering over 90% of the population and service providers are actively deploying 5G-Advanced services, we believe strong foundations for 6G are being laid.

In order to meet the 2029 6G standardisation timeline, CAHK urges the Government to lead by developing a "Hong Kong 6G Development Blueprint" and include 6G technical standards in the "Hong Kong Innovation and Technology Blueprints" and "Hong Kong Smart City Blueprint 2.0". This will provide the industry with a clear understanding on the development of 6G standardisation.

International Submarine Cables to Secure Hong Kong's Digital Hub Status

Hong Kong has long been a key hub in the Asian submarine cable networks, with systems distributed across eight landing stations. These submarine cables are the bedrock of the city's digital economy and data centre industry. However, this vital position faces unprecedented challenges.

Aggressive **regional competition**, exemplified by Singapore's *Digital Connectivity Blueprint (2023)* which prioritizes doubling its cable landings within a decade, challenges Hong Kong's connectivity leadership. Furthermore, **geopolitical complexities** such as the US government blocking the Pacific Light Cable Network (PLCN) project landing in Hong Kong citing national security concerns, added to further setbacks. All these setbacks affect investments in new cables, expansion of data centres, and Hong Kong's attractiveness to international technology firms and skilled professionals.

In order to ensure Hong Kong's position as a global connectivity hub, CAHK conducted an industry survey in early July 2025 to gather industry views on international submarine-cable development. We believe the 2025 Policy Address should consider introducing the following effective measures to address the following barriers as identified by the industry:

- **Establish a Dedicated Coordination Office:** Centralize and streamline the complex regulatory and permitting processes for cable landing, maintenance, and repair. This single point of contact is essential to provide predictability, minimise delays, and enhance Hong Kong's competitiveness and responsiveness.
- **Introduce Financial Incentives:** Implement appropriate tax breaks for submarine cable and provide subsidies for new cable system investments and deployments. These incentives are crucial to offset high capital costs and improve Hong Kong's competitiveness for attracting new cable infrastructure.
- **Prioritize Strategic Regional Partnerships:** Actively foster and prioritize partnerships with regions identified by the industry (e.g., Southeast Asia, Middle East). Proactive diplomacy and collaboration are needed to expand Hong Kong's connectivity footprint.
- **Enhance Clarity and Competitiveness:** Monitor and address key risks to Hong Kong's hub status with targeted policy measures as appropriate. This includes

ensuring the regulatory environment for cables and data flows remains globally competitive, stable, and attractive to international investors amidst geopolitical uncertainties.

We believe these proposals would address key challenges affecting investment, strengthen Hong Kong's competitiveness as a regional hub, and provide guidance for navigating geopolitical uncertainties. This would support the growth of Hong Kong's submarine cable and data centre sectors.

Reinforce Hong Kong's Global AI Data Centre Leadership

CAHK industry survey conducted in early July 2025 concluded that urgent policy interventions are required to maintain Hong Kong's data centre competitiveness. Findings reveal three priority areas requiring immediate government action: resolving land scarcity, addressing energy costs and sustainability gaps, and harmonizing regulations while bolstering talent pipelines. These reforms are essential to counter rising regional threats and solidify Hong Kong's role as Asia's premier data gateway.

- Accelerating Land and Infrastructure Supply

Industry respondents identified land scarcity as the top barrier to growth. More supporting facilities over the new and suitable land are needed for scalable, campus-style developments. The survey reflects the need to optimize land supply mechanisms for rock caverns and industrial building repurposing. Streamlining land policies will help keep Hong Kong competitive with regional hubs like Singapore.

- Enabling Affordable and Sustainable Energy

Introduce phased power contracts and Power Purchase Agreement (PPA), including integration with Daya Bay nuclear and other renewable sources. Aligning data center standards with global best practices by broadening the acceptable range for temperature and humidity can reduce energy consumption, while incentives for adopting green

initiatives such as liquid cooling or AI-driven optimization, will further support sustainability. Lastly, expanding renewable energy infrastructure and encouraging government and enterprise investment in efficient technologies will lower costs of data centers and will be more environmentally friendly.

- Future-Proofing Regulations and Talent Pipelines

Cross-border data fragmentation and talent gaps may affect long-term resilience. Differences in privacy regulations between Hong Kong and mainland China present challenges for certain sectors such as finance and healthcare. Industry participants suggest positioning Hong Kong as a secure cross-border data exchange hub through more streamlined regulations. Simultaneously, typhoon vulnerability necessitates mandatory disaster recovery frameworks. On the talent side, it is recommended to strengthen local training through relevant data centre courses and also consider overseas recruitment, thus responding to industry concerns on skills shortages.

Hong Kong must also actively promote and sponsor the full AI data centre ecosystem, including the deployment of ultra-low latency, high-bandwidth networks, high power density and energy capabilities, and advanced cooling systems. Together, these reforms will help Hong Kong to stay competitive and further strengthen its position as a leading digital gateway in Asia.

Specific Critical Infrastructure Guidance

With the Protection of Critical Infrastructures (Computer Systems) Ordinance taking effect on 1 January 2026, CAHK urges the Government to provide sector-specific guidance for telecommunications/digital infrastructure providers. We believe technical standards covering central infrastructure protection will provide greater clarity and ensure compliance. Timely consultation and release are essential for a smooth transition and strengthened cyber resilience. CAHK will collaborate with the HKSAR Government in developing these practical guidance.

Conclusion

We believe the above recommendations provide a clear and actionable roadmap for securing Hong Kong's future as a world-leading digital and communications hub. By embracing an end-to-end vision from 5G, 6G standards and submarine-cable corridors to data-centre, critical-infrastructure security, it is the opportune time for us to unlock new waves of innovation, investments and high-value employment. CAHK recommends that these measures be considered and included in the 2025 Policy Address.

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About Communications Association of Hong Kong (CAHK)

CAHK is a non-profit organisation incorporated in Hong Kong on 27 May 1983 following the announcement of deregulation of local communication products and services. It is the association for Hong Kong's communications industries, with responsibilities across broadcasting, wireline and wireless communications, and other sectors in information communications technology.

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