



Hong Kong is an international financial, trading and logistics hub and home to regional offices and headquarters of many global corporations. High-performance and secure data centre services are crucial for their operation and continuous growth. With exponential increase in online data and the advent of cloud computing, the demand for data centre facilities and services is surging, creating tremendous opportunities for the data centre sector.

## Why Hong Kong?

For global enterprises, Hong Kong is an ideal location for developing data centres, with its robust telecommunications infrastructure, reliable power supply with comparatively low tariff, pro-business environment, proximity to the Mainland of China market, effective protection of data privacy and information security, knowledgeable professionals and government support.



### Robust Telecommunications Infrastructure

Hong Kong's telecommunications infrastructure is one of the world's most sophisticated and advanced, with a wide range of innovative services available at low cost. Our fully liberalised regime fosters a vibrant market of Internet transit, exchange, hosting and content providers. High speed fibre connectivity is available to data centres throughout the territory with ample choices of providers. There were 334<sup>1</sup> Internet service providers licensed to provide broadband services as at December 2024. Our household broadband penetration rate of 96.8%<sup>1</sup> (as at September 2024) and mobile subscriber penetration rate of 330.3%<sup>1</sup> (as at September 2024), which are among the highest in the world.

### Reliable Power Supply with Comparatively Low Tariff

Our power supply is highly stable, with reliability exceeding 99.999%. Our two power companies use various fuels for power generation with extra capacity and robustness of supply, as well as emergency support to each other during generator failure. In addition, Hong Kong enjoys a relatively low electricity tariff in comparison with other cities in the Asia Pacific Region.

Our power supply meets the Uptime Institute Data Centre Site Infrastructure Tier Standard and TIA Telecommunications Infrastructure Standard for Data Centres (TIA-942).



### Pro-Business Environment

Hong Kong is one of the world's freest economies, characterised by free trade, a free market system, free flow of capital, simple and predictable tax regime and low tax rate.

### Proximity to the Mainland of China

The Mainland is a significant market as well as a provider of information and communications technology (ICT) products and services. Policies and measures have been set to drive its overall ICT development, in particular in cloud computing, e-business, Internet of Things and logistics. With our proximity to the Mainland of China, Hong Kong business is well-positioned to benefit from the growing demand for secure data centre services in China.

### Free Flow of Information

Hong Kong enjoys free flow of information. There is no law or administrative arrangement allowing the Government to interfere with data centre operations or exercise content censorship.

<sup>1</sup> Data comes from the Office of the Communications Authority website

### ***Protection of Data Privacy***

Effective data protection provides a conducive and trustworthy environment for regional data centres. Our Personal Data (Privacy) Ordinance, which has been in force since 1996, provides the legislative framework for the protection of personal data in terms of collection, use and transfer.

### ***ICT Talent***

Hong Kong has a large pool of mobile, agile, skilled and multi-lingual ICT professionals. Our local immigration policies also facilitate professional expatriates from around the world to work here.

### ***Land Supply***

In Hong Kong, there are several ways to source land / premises to develop data centres, as follows —

#### ***Conversion from Existing Industrial Buildings***

Many existing industrial buildings in Hong Kong, with high ceiling height, strong floor loading and flexible floor layouts, can be converted into data centres.



#### ***Greenfield Sites Available for Sale from the Government***

The Government makes available land for different types of developments including data centres. Information on latest land disposal arrangements can be found on the Coming Land Sale and Tender Forecast lists posted at [www.landsd.gov.hk/en/whats-new/on-going-tenders/land-sale-programme.html](http://www.landsd.gov.hk/en/whats-new/on-going-tenders/land-sale-programme.html).

#### ***Commercial Buildings and Sites Available in the Open Market***

Commercial buildings and premises available in the open market are also possible locations for data centres. They can be rented or acquired through private commercial deals.

### ***Facilitation Measures***

The Government is committed to making Hong Kong a prime location for data centres in Asia Pacific. The Government has introduced and implemented a number of facilitation measures, including —

### ***Conversion of Industrial Buildings for Data Centre Use***

The Government encourages the use of industrial buildings for data centres and has put in place incentive measures to facilitate redevelopment and conversion, in whole or in part, of industrial buildings into data centres. These measures include —

- (a) exemption of waiver fee for changing eligible industrial buildings into data centre use; and
- (b) assessment of the premium for lease modification of industrial lots for development of high-tier data centres on the basis of actual development intensity and high-tier data centre use.



#### ***Land Earmarked for Data Centres***

The Government had set aside about three hectares of land in Tseung Kwan O for establishing high-tier data centres. All sites were sold in October 2013 and December 2018 through open tender respectively. The high-tier data centre on the first site of about one hectare was developed and put into operation in October 2017.

#### ***Data Centre Facilitation Unit and Thematic Portal***

The Digital Policy Office set up the Data Centre Facilitation Unit to provide one-stop support to overseas and local enterprises interested in setting up data centres in Hong Kong. It liaises with government departments on matters such as statutory processes and compliance requirements. We have also put in place a thematic portal, [www.datacentre.gov.hk](http://www.datacentre.gov.hk), to provide information related to data centre development.

### ***Contact For Further Assistance***

For further enquiry or assistance, please visit our thematic portal or contact us at:

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