

European Space Industry declaration following the “Space Council” of May, 23rd

The European Space Industry takes note of the Conclusions of the Council of the EU/Resolution of ESA Council, endorsed in parallel to the meeting of the “Space Council” of June 23rd.

Industry welcomes the fact that European ministers recognises that space is supporting the overall competitiveness of Europe and strongly supports the European priorities and policies. However, Industry regrets that the current challenges of the European space sector are not seriously assessed, nor addressed: despite a very strong position in the global market and an expertise acclaimed globally, the whole European space value chain is disrupted and its sustainability is threatened.

European Member States have achieved a remarkable feat by setting up a space industry within Europe renowned for its unparalleled delivery of capabilities (with the exception of human spaceflight), at exceptional quality and often at significantly reduced costs compared to counterparts in the US. Nevertheless, the current pace of global transformation demands more than disjointed supranational, intergovernmental, and national industrial strategies. Other space power like the US has set up commensurate programmes to support innovation and the sustainability of their industrial base. The time has come for decisive action to equip Europe with the necessary tools to ascend as a true “space power”, commensurate with its envisioned global stature.

At numerous occasions, EU institutions and the Council in particular have indeed recognised that space is key for Europe’s freedom of action and autonomous decision-making, and that space technology, data and services have become indispensable for European societies and economies. This is today strongly at risk.

Given that the entities which, ultimately, deliver the necessary infrastructures to provide data and services to public (civil and military) users are private industrial companies, and given the economic situation of the space sector in Europe and the disruptions happening for instance in the USA or China, **there is a vital and urgent need for Europe to devise and implement a coherent, European-wide, industrial strategy for space.**

Current threats on the European space sector

- The issue of the fragmentation of the demand and of the offer, the low volume of the European institutional markets, the rapid disappearance of a significant part of our traditional commercial market and the constant decrease of Industry’s profitability are threatening the sustainability of the supply chains, the retainment of expertise and, ultimately, Europe sovereignty;
- The acceleration of the innovation cycles that requires new mechanisms to deliver, de-risk and develop faster;
- In addition, the institutional markets of our competitors are several times larger than the European one, and mostly captive (i.e., non-accessible to non-domestic players);
- In parallel, SpaceX is now currently completely disrupting the satellite industry, after having contributed to disrupt the launch service market.



The necessity of a space industrial strategy at European level

There is an ever growing need to ensure that the public authorities have an unrestricted access to the space-based capabilities they need in order to implement public policies and enable the expected services, with the required level of independence; meaning that these critical capabilities can be consistently sourced in Europe and under the control of European entities.

An **industrial strategy for space** strategy shall aim first at tackling the issues of the fragmentation of the demand and of the offer, the dependence on critical technologies and systems, and the drop of industry's profitability. Based on large world-class space programmes, the Strategy will contribute to guarantee the robustness and the excellence of European space industrial supply chains.

In parallel, European institutional actors also need to recognise the need to structure their ambitions for Space Research, Development and Innovation to maintain the technological readiness of the European infrastructure, support technological non-dependence and foster innovation. In addition, this will help maintain the high-level of expertise within industry while attracting new talents. Following the recommendations of the recent "Space Strategy for Security and Defence", there is a real necessity to leverage the complementarity between defence and civil capabilities to develop new technologies to be used for both commercial and defence needs.

The European space Industry also highlights the necessity for Europe to reinforce the demand, and be able to establish long-term purchase commitments or recurrent procurement through innovative processes. A future space industrial strategy shall also encourage the commercialisation of new services, in areas where credible viable markets have been identified.

In order to remain competitive on the international scene, Industry also insists that a future dedicated industrial strategy will need to help Europe keep a level playing field with other partners. Such industrial strategy for space will therefore be instrumental to reinforce European positions on the international scene and to promote European standards and rules of behaviour, in particular for sustainability and environmental impact mitigation.

Finally, Industry emphasises the necessity to better coordinate efforts among European space stakeholders – EU, ESA, their respective Member States and industry – in order to reinforce and leverage their contributions.

It is more than time, for the European Union and ESA and their Member States, based on their respective competences, to devise key common principles for a future industrial strategy for space and to identify and reflect about the most efficient instruments they have at their disposal to implement it.

There is no "space power" in the world without an industrial strategy to implement its space policy.