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FOR INTERNAL MARKET, INDUSTRY, ENTREPRENEURSHIP AND  
SMEs**

Good morning, ladies and gentlemen!

First of all, please allow me to thank the organisers for inviting the Commission to participate into this roundtable.

Also, I would like to apologise on behalf of Mr Augusto Gonzalez, the Head of Unit Policy and Space Research, who could not join you today due to an unforeseen meeting in Brussels.

Ladies and gentlemen,

space is has become essential for Europe's competitiveness, growth and prosperity. It is not just a re-curing rhetoric, but a fact.

The **potential benefits from space** are indeed considerable. According to a latest study, taking all space segments into account, the overall European space industry revenues are currently estimated at more than 50 Bln euros per year, out of a global market estimated at around 150 Bln

euros. Translated into jobs, this represents more than 320 thousand jobs in Europe.

This study only confirms in more precise terms what has been the driving force for Europe to engage in space activities. It is the widespread positive impacts of space activities on the economy and society. Again, in terms of jobs, space activities generate 7,500 jobs among European and national space institutions, 36,000 highly qualified jobs in the space industry, and including more than 200,000 jobs in the Satcom downstream alone, as well as at least 72,000 indirect jobs across Europe.

Another key message from the study has been the high **dependence of the space sector on public funding**. In Europe, it is around 7 Bln euros per year, and increasing. Given the dependence of the sector on public funding, it illustrates the high leverage of public investment in space activities. This is particularly important in the current challenging economic times.

We can see that the **public and private sectors in space are dependent on each other** – more so than in many other sectors. This only comes to confirm how relevant the public sector's involvement is in space, particularly when supporting the space industry.

The European space industry today holds a strong competitive position on the global markets. Europe hosts some of the world's largest satellite operators; Europe produces more than 40% of commercial satellites in the world. Europe also has a global leadership position in commercial launches, launching about 50%, representing more than 30 clients from around the world.

But competition is building up from both established and **emerging space powers**. Our collective action must ensure that European industry not only preserves its good positions, but continues to grow and seize new markets and business opportunities.

We have three main instruments through which we support European space industry, and which are constitutive of EU space policy so far:

**Firstly, our space programmes - Copernicus and Galileo.**

More than 10 Bln euro investments will be made by 2020 in these flagship programmes, which will stimulate innovation and research, reinforce Europe's technological leadership and contribute to our autonomy in this strategic industrial sector.

**Secondly, space and security** have always been linked, but this link has not always been exploited to bring about

benefits. It is time that we do so now. Space has an intrinsic **dual, civil and military nature** and both flagship programmes account for this duality. Moreover, given the strategic importance of our space infrastructure, the **protection of space infrastructure** is not a choice, but a necessity.

Therefore, a decision establishing a **Space Surveillance and Tracking Support (SST) Framework** was put in place last year with the strong political support both from Council and Parliament.

The aim of the SST Support Framework is to have a **network of the existing SST assets owned by the Member States** in order to deliver SST services.

By the end of this month interested Member States will apply to join the **SST consortium**. Those meeting the criteria will be selected and a coordination plan will be then established to deliver the SST services.

Governmental satellite communications – **GovSatcom** - is another area where synergies are possible in developing future capacities which can address **civil, security and defence needs**. We are now mapping the civil security user requirements for the next generation of governmental satcom, including by big infrastructures, such as the Single

European Sky Air Traffic Management, Eurosur or Galileo for which satcom links are critical.

**And third**, we have tools to facilitate the flagships' objectives and EU space policy as a whole. The most important **support tools** in this context are **space research and technology** and **space industrial policy**. Space R&D is the foundation to any space endeavour and the means to guaranteeing a leadership position and non-dependence in cutting-edge space technologies. Under the framework programme for research, **Horizon 2020**, and with a budget of more than **1.4 Bln euros**, space R&D priorities reflect EU space policy priorities and thus the overall Commission agenda to which they are linked. They are:

- the future technological developments necessary for our flagship programmes as well as the development of Copernicus and Galileo-based applications;
- the technological non-dependence
- autonomous access to space (launchers);
- the solutions necessary to the protection of space infrastructure and the need for synergies between the civil and military dimensions of space;

**Through the second tool – EU space industrial policy –** we can design measures to strengthen the EU industrial base, improve the business environment and open up international market opportunities for European companies.

**Space industrial policy** is an important instrument to exploit these opportunities by an active involvement of the public sector in the space market. In Europe, the public sector comprises three main players, the EU, the European Space Agency, EUMETSAT and the Member States.

The Commission has defined the essential features of EU space industrial policy in 2013 Communication, laying down the ground for EU action, and proposing a series of actions for implementation.

To implement these actions, a number **of studies** were carried out last year to examine issues, such as space public procurement, trade, environmental issues and space law issues, to see how they affect the development of space industry and markets and whether action needs to be taken.

Two key messages have emerged from this preparatory work.

First, it is essential for policy and industrial planning to have **a clear picture of what the EU and Member States spend**

**or plan to spend in space**, such as on procurement (including launches) and research. Currently there is no mechanism to collect such information on a structural basis and to aggregate it at EU level. Such a mechanism would allow better policy and industrial planning through the provision of strategic and forward-looking information on European space programmes.

And second, we need to **create the right market conditions** in the space sector, and to promote the competitiveness of the space sector as a whole. Therefore we are currently examining policy proposals in areas, such as space procurement (including launchers), technological non-dependence and export support measures in the space sector.

An important part of the export market are today are assured by **launches**. Launch capabilities are Europe's formidable commercial and technological success, with hundreds of satellites lofted for international commercial and institutional clients.

Launchers have also a highly **strategic dimension**. They provide Europe with independent access to space. Therefore, EU space policy supports an independent access to space that is reliable, secure, available and cost-effective.

The EU support ranges from funding launcher adaptations to fit the launch of its satellites, such as Galileo satellites, to supporting launcher-related breakthrough technologies through the EU research and development programme Horizon 2020.

Beyond policy considerations for independent access to space, the EU is also an important institutional client of the European launcher industry for the launches of satellites under the Galileo and Copernicus programmes. More than 30 satellites should be launched into space under these programmes in the next 10-15 years. It is therefore also from this standpoint that we are concerned with launchers availability, reliability and cost-effectiveness.

It is no secret that as our competitors do, Europe is also laying the ground for decisions on its future launchers capabilities. As you know, the first such decisions were taken by ESA member states last December.

The EU is playing its part in these reflections, and in addition to the support activities I have already mentioned, we are currently examining on whether and what kind of further intervention would be necessary to support launcher activities and industry in Europe.



As you can see, the **public-private relationship** in the space sector is important. The space industry, in its entire value chain, is essential for Europe's competitiveness, jobs and economic growth. It is one of the main pillars of the smart economy.

Therefore, it is essential us to engage closely with the space industry on key space policy activities, be it in relation to the flagship programmes Galileo and Copernicus, or in EU space industrial policy and space research.

We should strengthen this relationship by having a more **structured dialogue**, which would allow for a more open and regular exchanges among all actors on key space policy topics.

Such a structured dialogue would also allow bridging the industry's views and the high-level policy agenda of the Commission. This is important, because space policy can make an important contribution to the further development of a strong industrial base in Europe, boosting jobs, growth and investment. Smart public spending on space projects should also be seen as part of the ambitious **€315 billion investment package** for jobs, growth and competitiveness, as proposed by Commission President Junker.

This is an opportunity to seize for all of us.

Thank you for your attention.