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NOTE

From: Presidency
To: Permanent Representatives Committee/Council

Subject: *Preparation of the Competitiveness Council on 30 November and
1 December 2017*

EU Space Programmes : the way forward
- *Exchange of views*

I. INTRODUCTION

The Commission adopted its Communication on "A Space Strategy for Europe" on 26 October 2016 and signed a joint declaration with the European Space Agency on the same, following the political endorsement of the declaration by the Council on 17 October 2016. Taking stock of the implementation of the strategy one year after its adoption, and building on the work of previous and current Presidencies, including the recent EU-ESA Informal Space Ministerial Meeting on the future perspectives of the Copernicus programme in the years 2020+ on 7 November 2017 in Tallinn, the Estonian Presidency aims to maintain and broaden discussions on the future of the EU Space programmes.

The EU's role in Space has evolved in the last decade with a responsibility for delivering large-scale infrastructure programmes and a shared competence concerning Space in order to promote scientific and technical progress, industrial competitiveness and the implementation of Union policies.

At the same time, the global context is evolving fast and competition is building up. The market is increasingly driven by the private sector. European companies need a market large enough to sell their products, yet this is not always the case. The Space sector is undergoing transformation, evolving from purely government-funded activities to a domain relying more on private investments motivated by commercial interests.

Looking ahead to the next decades, the key challenge of the EU, as well as its Member States is to unleash the economic opportunity gradually unfolding for Space as an industrial sector on its own and as an enabler for growth and jobs.

II. STATE OF PLAY

A. Copernicus

The EU Earth Observation programme Copernicus has just received a mid-term evaluation after three years of operation. According to the Report adopted by the Commission on 23 October 2017, all objectives of the programme have been achieved to a large extent. The programme has managed to ensure autonomous access for the EU to Earth observation, enabling independent decision-making and action.

However, the environment in which the programme operates has been changing fast over the past years. The digital revolution is opening up new possibilities. Europe, like the rest of the world, is facing more complex challenges – from climate change to security and migration flows – to which Copernicus can make a contribution.

B. Galileo and EGNOS

According to the Report, adopted by the Commission on 23 October 2017, the overall implementation of the GNSS Regulation and of the GSA Regulation has shown good results in light of the general evaluation criteria and specific requirements for the European GNSS programmes. The Galileo and EGNOS programmes have achieved all the milestones that were set for the period 2014-2016, and progress is being made towards delivering on all the implementation objectives set for 2020.

The growing demand for precise location information, in combination with the ongoing evolution of satellite navigation technology, means that the European market for users of Galileo and EGNOS will expand. Therefore the Commission aims to provide a long-term vision for the programmes.

C. Access to Space

The Union is the first European institutional customer of European launchers, thus being an instrumental industrial policy player in relation to the envisaged business models. In the next 10-15 years, the EU plans to launch more than 30 satellites for its Galileo and Copernicus programmes, notably in the class of the future European-built launchers such as Ariane 6 and Vega C. Launch services already now constitute a critical element for the implementation of Copernicus and Galileo.

In line with the Council Conclusions adopted under the Maltese Presidency, the Commission has launched a study to assess the impact of the Space Strategy for Europe actions for aggregation of launch services demand, research and innovation, European launch infrastructures and the development of commercial markets.

D. Space Research

A significant part of the Horizon 2020 Work Programme 2018-2020 is dedicated to Space activities, amounting to an EU funding of 709 million euros. It promotes business development and entrepreneurship, supports the evolution needs of the Space programmes and underpins competitiveness in technological development.

The Horizon 2020 interim evaluation of LEIT-Space indicated strong relevance for EU policies and for industrial competitiveness with well over 50% of the funding going to industry (including 26% to SMEs). In line with the recommendations stemming from this evaluation, there is a high expectation by stakeholders for continuity of a dedicated thematic priority to ensure technological readiness for the Space programmes while also considering possible new tools.

E. Space Situational Awareness

Security in Space and from Space is of growing importance to protect the Space infrastructure deployed through EU programmes from risks linked to the proliferation of Space debris. The EU has started addressing this issue through the implementation of the EU Space Surveillance and Tracking (SST) support framework, which is now delivering operational services based on a pool of Member States' capacities.

In line with the political orientations provided by the Council, the EU needs to prepare a transition towards all-encompassing Space Situational Awareness (SSA). Beyond the evolution of the EU SST toward a higher level of European autonomy, such SSA capacity could address a possible extension to Space weather and Near-Earth Objects (NEOs) services.

F. Governmental satellite communications

The EU Governmental Satellite Communications (GOVSATCOM) is an initiative at the interface between Space, security and defence, featuring as an action both in the Space Strategy for Europe and the Defence Action Plan. This initiative is expected to provide crucial capabilities – guaranteed access to secure satellite communications – to security actors in the EU and Member States in their national policies and during crises.

III. SPACE IN THE EU ECONOMY

Recent analyses show that those Space-enabled economic activities represent about 800 billion euros of annual Gross Value Added (GVA). This means that between 6 and 9 percent of the overall EU economy is in some form dependent on and enabled by Space, including numerous economic sectors ranging from the public sector, businesses, and individuals.

The European Space industry accounts for more than 20% of the global Space economy (45-54 B€ out of 215-249 B€) with 400,000 to 1 Million jobs. Space excellence in Europe is achieved at very effective budgetary conditions: European public Space budgets represents less than 0.05% of GDP, against 0.25% for US and Russia.

IV. QUESTIONS FOR THE POLICY DEBATE:

Member States are invited to exchange views on the following two questions with regard to the future of the EU Space programmes:

- *How do Member States envisage the impact of EU Space programmes as enablers for the EU's broader industrial policy and digital agenda?*
- *Which actions do Member States envisage at national/regional level to complement the EU Space programmes in order to ensure a multiplier effect for the Space economy?*