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THE EUROPEAN UNION**

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Subject:	Draft Council Conclusions on "EU Space Industrial Policy - Releasing the potential for economic growth in the space sector "

1. On 28 February 2013, the Commission released a Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on "EU Space Industrial Policy – Releasing the Potential for Economic Growth in the Space Sector"¹.

¹ Doc. 6950/13

2. On 8 March 2013, the Presidency presented draft conclusions on this Communication to the Space Working Party. The Working Party discussed the draft conclusions on 8 March, 5, 18 and 25 April. Discussions resulted in general consensus on the text with only one issue remaining open.
 3. At its meeting of 24 May 2013, the Permanent Representatives Committee agreed on the text as set out in Annex to this document.
 4. The Council ("Competitiveness"), at its session on 29-30 May 2013, is therefore called upon to adopt the conclusions.
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Draft COUNCIL CONCLUSIONS on
"EU Space Industrial Policy -
Releasing the potential for economic growth in the space sector"

THE COUNCIL OF THE EUROPEAN UNION

RECOGNIZING that the entry into force on 1 December 2009 of the Treaty on the Functioning of the European Union (TFEU)² establishes an EU competence in space, which strengthens the political dimension of space in Europe;

HAVING REGARD to the Framework Agreement between the EU and European Space Agency (ESA)³;

HAVING REGARD to the Council Conclusions on “An integrated industrial policy for the globalisation era – Putting competitiveness and sustainability at centre stage”⁴ of 10 December 2010 which underlined the role of the space sector in EU competitiveness and innovation and noted the Commission's intention to pursue a space industrial policy covering the whole supply chain in collaboration with the ESA and Member States with a view to further developing a solid industrial base and to promoting a healthy commercial space sector, as a key factor for a sustainable European space industry;

² In particular Articles 4 and 189.

³ OJ L 261, 6.8.2004, p. 64

⁴ Doc. 17838/10

RECALLING the Council Conclusions on Innovation Union for Europe⁵ of 26 November 2010, which recognised the contribution of key technologies, including space technology, to the overall competitiveness and innovation potential of the European economy, as well as the importance of sustainable and operational space and other infrastructures serving as platforms for the development of innovative applications and services for the benefit of European citizens;

HAVING REGARD to the Council resolutions and orientations adopted and those of the "Space Councils" and in particular the Council Conclusions on "Towards a space strategy for the European Union that benefits its citizens" of 31 May 2011⁶ which supported the need for a space industrial policy to be drawn up, in close cooperation with the ESA and the Member States, to promote a competitive space industry in Europe;

RECALLING the Communication from the Commission on Industrial Policy - A Stronger European Industry for Growth and Economic Recovery⁷, which, *inter alia*, outlined the Commission's intention to bring forward additional initiatives to foster internal market integration in the fields of security and space;

RECALLING the Council Conclusions adopted on 18 February 2013 on "Establishing appropriate relations between the EU and the European Space Agency"⁸;

⁵ Doc. 17165/10

⁶ Doc. 10901/11

⁷ Doc. 15168/12

⁸ Doc. 6571/13

1. RECOGNISES the pivotal and growing role of space-based systems, services and applications in modern society, the importance of the space industry and its contribution to economic growth and job creation, and EMPHASISES that space contributes directly to the objectives of the Europe 2020 strategy⁹. STRESSES the need for a coherent EU space industrial policy to be developed in close collaboration with ESA and Member States that recognises the specificities of the space sector and supports the competitiveness of the European space industry at a global level for the benefit of European citizens. CONSIDERS that efficient cooperation between the EU, ESA and their respective Member States is essential for an effective EU space industrial policy.

2. WELCOMES as a useful basis for discussion the Communication from the Commission entitled “EU Space Industrial Policy: releasing the potential for economic growth in the space sector¹⁰” and TAKES NOTE of the five objectives upon which the Commission considers the EU space industrial policy should be centred. ACKNOWLEDGES these objectives as representing areas of significance for the space sector, certain elements of which require additional assessment.

3. RECOGNISES the strategic importance of space for Europe as a key element for independent decision-making and action. WELCOMES the success of the European space industry in the global commercial market and the achievements of ESA and Member States in the development of a strong space sector in Europe. RECOGNISES, however, that there are challenges which need to be addressed in the context of the development of a world-class, globally competitive European space industry.

⁹ Doc. 7110/10

¹⁰ Doc. 6950/13

4. RECOGNISES the need to examine existing legal frameworks with a view to ensuring the security, safety, sustainability and economic development of space activities. INVITES the Commission to assess the need for the development of a space legislative framework in the context of ensuring the proper functioning of the internal market, respecting the principle of subsidiarity.
5. NOTES the Commission's intention to monitor the dual-use export control and intra-EU transfer frameworks and assess their impact on the space sector. SUPPORTS Commission and Member State actions to strengthen the competitiveness of the satellite communications sector, including ensuring the availability of radio spectrum. ENCOURAGES the Commission to finalise its assessment of the market potential of suborbital spaceflights to determine without delay whether the development of a European regulatory approach is warranted. RECOGNISES the important role standardisation plays in boosting the competitive position of the European space industry and in helping SMEs enter relevant segments of the space market and SUPPORTS the work that is being undertaken in this area.
6. RECOGNISES that challenges exist in maintaining, developing and attracting appropriately skilled personnel to enhance the capacity of the European space industry and INVITES the Commission to take measures supporting Member States policies addressing such challenges, with due regard to their respective competences.
7. EMPHASISES the importance for the European space industry of maintaining and strengthening its position with regard to access to international markets. STRESSES the need to ensure that the specificities of the space sector are given particular consideration in any measures to support access of European industry to international markets, including through trade negotiations, relevant commercial agreements and export facilitation mechanisms.

8. RECOGNISES the importance of investment in research and technology development in fostering a competitive and innovative space industry for the benefit of European jobs, growth and society. WELCOMES the measures outlined in the Communication to support advances in space technologies, particularly in relation to breakthrough and alternative technologies and cross-fertilisation of technologies. RECOGNISES the importance of non-dependence and security of supply in critical technologies. ENCOURAGES the development of European capacities in this area, ACKNOWLEDGES the efforts of the Commission, ESA and the European Defence Agency (EDA) in this regard and URGES continued actions in pursuit of this objective, having regard to available financial resources.

9. WELCOMES that the new Horizon 2020 programme will support space research and innovation and CALLS ON the Commission to ensure that concrete and strategic measures are developed under this programme to foster a globally competitive and innovative European space sector. STRESSES that the Commission, the Member States and ESA should together ensure that space research, innovation and technology development activities aim at building complementarity, exploiting potential synergies and avoiding unnecessary duplication.

10. WELCOMES the Commission's intention to assess whether incentives to boost the use of satellite-enabled products and services can be provided to European industry. ENCOURAGES the Commission and the Member States to promote the use of space-based applications in EU and national policies where appropriate, and to support measures to stimulate the development and deployment of space-based applications across public and private users, in particular in regional and local authorities and the SME sector, together with associated innovation support measures. In the context of fostering the development and adoption of satellite navigation applications, INVITES the Commission to review the effectiveness of the GNSS Action Plan and to consider developing similar appropriate measures for Copernicus.

11. STRESSES that, in the interest of a broad and balanced industrial base, the participation of SMEs and non-prime contractors in the supply chain is an essential component of the competitiveness of the European space industry. EMPHASISES, in the context of facilitating access to finance, especially by SMEs, the need to optimise the use of EU financial instruments appropriate to the space sector.
12. RECOGNISES the role that public procurement plays in the development of the European space sector. CONSIDERS that there is merit in examining whether the space procurement approach could be improved, taking into account the specificities of the sector and the effectiveness of existing procurement policy instruments. TAKES NOTE of the Commission's intention to analyse the impact of the implementation of the EU Directives on public procurement and defence procurement on the national and European space markets.
13. HAVING REGARD to the objective of independent access to space as outlined in the Communication, CALLS ON the Commission, in close cooperation with ESA and the Member States, to examine further the issues relating to this objective, in order that the Council may return to this matter in due course. REITERATES its invitation to all European institutional actors, in order to maintain an independent, reliable and cost effective access to space at affordable conditions, to consider as a high priority the use of launchers developed in Europe and to explore issues relating to their possible participation in launcher-related exploitation activities.

14. REAFFIRMS the commitment to ensuring an effective Space Situational Awareness capability at European level and NOTES the adoption by the Commission of a proposal for a Decision establishing a Space Surveillance and Tracking support programme.¹¹
15. RECOMMENDS that the EU, ESA and their respective Member States should elaborate a strategic vision of the requirements of the institutional market for the benefit of the future competitiveness of the space industry, with the contribution, as appropriate, of other institutional actors, namely EDA and EUMETSAT, while reiterating that the participation of all EU Member States in the latter, should be encouraged or facilitated.
16. RECOGNISES the linkages between the development of the EU space industrial policy and the process of establishing appropriate relations between the EU and ESA. INVITES the Commission to report to the Council on a regular basis its progress in relation to the EU space industrial policy and ENCOURAGES the Commission to develop, in close cooperation with Member States, appropriate performance indicators against which progress can be assessed.

¹¹ Doc. 6952/13 + ADD1 + ADD 2