



Council of the
European Union

Brussels, 22 November 2018
(OR. en)

14618/18

ESPACE 70

NOTE

From: Presidency
To: Council

Subject: Evolution of Europe's space activities: Long-term perspective : (Space conference) (Graz, 5-6 November 2018)
- Information from the Presidency

Delegations will find in the annex an information note from the Presidency on the above mentioned subject with a view to the Competitiveness Council on 30 November 2018.

#EUSPACE for Business Conference, 5-6 November 2018, Graz, Austria

The Austrian Presidency of the Council of the European Union jointly organized with the European Commission and with the support of the European Space Policy Institute (ESPI), a high-level space conference (#EUSPACE for Business) on 5-6 November 2018 in Graz. The event, which was attended by more than 270 participants, was one of the major contributions of the Austrian Presidency of the European Council to the space agenda of the European Union.

Resolutely business-oriented, the conference was structured around five thematic sessions¹ and involved panels of high-level representatives from European institutions and space industry as well as keynote speeches from U.S. officials.² The thought-provoking presentations and discussions shed light on a rapidly evolving space sector and international scene presenting Europe with a number of opportunities and challenges. Participants underlined, in this context, a pressing need to revisit the European space policy to better support the successful transformation and development of the European space sector for the benefits of economy and society at large.

Space, a European success story facing new opportunities and challenges

With an outstanding track record of programmatic, scientific and commercial successes, a highly capable, competitive and innovative industry and a European added-value that is no longer questioned, space stands out as a “European success story”. This has been achieved as the result of a determined policy and consistent investment of member states to support the development of space activities in Europe. It has also been achieved in a highly cost-effective manner since Europe devotes somewhat limited public budgets to this sector as compared to other major space powers.

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Session 1: “Towards a Union Space Programme: Europe’s Ambitions for Space”

Session 2: “Return of Experience on New Space Concrete Achievements”

Session 3: “Fostering Business Development in a Global Context”

Session 4: “Stimulating Investment for Space: Challenges and Opportunities”

Session 5: “Criticality of European Space Infrastructure as Space Economy Assets”

² Including representatives from the European Commission, EU Agencies, European Space Agency, Member States Ministries, National Space Agencies and Research Organisations, Space Industry (large companies, SMEs and start-ups), European Investment Bank, European Investment Fund, U.S. Department of Commerce, U.S. Department of State.

Europe now benefits from a complete space infrastructure, including cutting-edge systems such as Galileo, EGNOS and Copernicus, which provides a range of key capabilities supporting economic growth, societal progress and scientific advancement across the European Union. The uptake of space services in numerous vital sectors and in important areas of development (e.g. 5G Networks, Internet of Things, Autonomous Vehicles, Defence & Security, Climate Change) is a major opportunity for the European space industry to flourish. As a matter of fact, the space sector is already undergoing a profound transformation, usually referred to as ‘New Space’, which is driving the sector towards a more innovation- and business-oriented step. Characterised by growing private investment and entrepreneurship, disruptive business models and concepts as well as new entrants and markets, this sectorial dynamic is the result of successful public policies to foster the emergence of commercial space and of a favourable business ecosystem. In this rapidly evolving context, the European space industry faces promising opportunities of development but also serious challenges to remain competitive and at the forefront of global innovation.

The benefits brought by the development of the space sector also come along with new risks. Indeed, as the use of space services becomes more pervasive and part of business-as-usual for governments, companies and citizens, the dependence of economy and society on the space infrastructure becomes critical. Today, at least 10% of the European Union GDP depends to some extent on the space infrastructure. A disruption of space systems could lead to a substantial economic loss of up to €50 billion per year, would put up to 1 million jobs at risk in the Union and would have other dramatic consequences in the fields of environmental protection or security and defence. Yet, experts routinely caution governments and operators about the rising threats to space infrastructure security, underlining that space is increasingly congested and contested, which poses an intensifying challenge to safely launching, operating and exploiting space assets. There is therefore a growing need to protect the European space infrastructure from rising security challenges such as space debris or cyberattacks.

Important milestones ahead for the European space policy

The ‘#EUSPACE for Business’ conference was a particularly timely and relevant event to support a substantive dialogue among public and private stakeholders at a time where European member states are actively discussing the future of Europe in space as part of the negotiation of the proposed regulation establishing the space programme of the European Union for the Multiannual Financial Framework 2021-2027 as well as in preparation of the Council at Ministerial Level of the European Space Agency in 2019.

Throughout the conference, speakers consensually recalled that, as a highly strategic sector for Europe, space must be properly supported by public investments to ensure Europe's autonomy in accessing and using space in a secure and safe manner. From this standpoint, participants welcomed the budget proposed for the space programme of the EU (i.e. 16 Billion Euro) which, consistently with the growing importance of space for Europe, ensures the long-term stability of the programme and the introduction of new, necessary, initiatives. Participants however stressed the need to complement this envelop with a suitable funding for space research and innovation as part of Horizon Europe and with a support from the European Defence Fund to foster synergies with the defence sector and develop adequate capabilities to protect critical European space infrastructures from harm or intrusion.

With the emergence of a new space ecosystem, speakers also shared the opinion that current trends and changes must urgently be reflected in the development of an adapted European space policy providing a suitable framework to seize the new opportunities offered by the so-called New Space transformation while consolidating the European approach to rising economic and security challenges. This necessity is made even more pressing by the strong ambitions of the U.S. administration, presented during striking keynote speeches of invited high-level U.S. officials, to progress quickly across the spectrum of rising issues.

Future developments of the European space policy should aim at optimising the current European framework, impaired by fragmentation and inefficiencies, and at reinforcing cooperation between public institutions and with private actors from basic research to market. Preparing the European space sector for a more innovation- and business-oriented ecosystem also calls for a change of mindset, starting with a more open, speedy and less risk averse public policy and with the introduction of new instruments to support entrepreneurship and private investment in the European space sector. Here also, participants welcomed recent initiatives of the European Commission in cooperation with the European Investment Fund and European Investment Bank. It was however recalled at various occasions that a suitable framework should support the development of both large and small enterprises as well as both well-established and new businesses. Finally, it will also be a matter of offering more business opportunities, including public funded ones. This is the objective pursued at European level at large in the field of access to space for example with the proposition to aggregate launch demand and use European launch services.

After two days of dense discussions, it appeared quite clearly that Europe has made substantial steps forward in space but is now presented with new stakes with far-reaching implications, beyond the space sector. The situation requires an adequate policy response driven by a long-term vision, beyond immediate financial and political concerns, for Europe in space and space in Europe.