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From: General Secretariat of the Council  
To: Permanent Representatives Committee/Council

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Subject: *Preparation of the Council (Competitiveness (Internal Market, Industry, Research and Space)) on 28-29 May 2026*  
Space for economic security  
- *Exchange of views*

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Delegations will find attached a Presidency background note on “Space for economic security” with a view to an exchange of views at the Competitiveness Council on 29 May 2026.

## **Space for Economic Security**

Space is a very strategic domain for Europe's economic security, competitiveness and resilience. Space-based infrastructures, data and services underpin the functioning of critical sectors of the European economy, including telecommunications, transport, energy, agriculture, finance, maritime activities, emergency response, climate monitoring, public administration and security. Positioning, navigation and timing, Earth observation, secure connectivity, satellite communications, space situational awareness and autonomous access to space are no longer only sectoral capabilities. They are increasingly essential enablers of economic activity, public governance, crisis response and Europe's ability to act.

This growing dependence on space is taking place in a more contested geopolitical and geoeconomic environment. Strategic dependencies are increasingly being used as instruments of pressure. Critical technologies, supply chains, digital infrastructures and industrial capacities are becoming central to economic security. At the same time, global competition in space is accelerating, driven by major public and private investment, rapid technological innovation and the growing convergence between civil, commercial and security-related uses of space.

Against this background, space should be considered not only as a high-technology sector, but also as a strategic layer of Europe's economic security architecture. The ability of the Union and its Member States to design, manufacture, launch, operate, protect and replace critical space systems and services is becoming directly linked to Europe's resilience, technological sovereignty, industrial competitiveness and strategic autonomy.

The Union already possesses major strengths. Galileo, EGNOS, Copernicus, GOVSATCOM and IRIS<sup>2</sup> constitute strategic European assets. European industry, research organisations, SMEs, start-ups and scale-ups provide important capabilities across the space value chain. Member States also have significant national assets, industrial capacities and expertise. However, Europe's position cannot be taken for granted. Global competitors are investing heavily, moving rapidly in areas such as launch, satellite communications, Earth observation, quantum, artificial intelligence, in-orbit services and dual-use capabilities.

Despite our robust foundation, Europe also faces vulnerabilities linked to critical components, raw and advanced materials, semiconductors, supply chains, launch capacity, cybersecurity and market fragmentation. Addressing these bottlenecks is a prerequisite for safeguarding the EU's freedom of action and preventing external actors from leveraging European dependencies during periods of crisis.

The Joint Communication on Strengthening EU Economic Security underlines the growing use of economic tools and strategic dependencies in the geopolitical arena, highlighting the need for the Union to strengthen resilience, reduce excessive dependencies and preserve leadership in critical technologies and strategic sectors. The Communication identifies defence and space industrial base among the high-risk sectors requiring particular attention in order to preserve strategic capabilities, strengthen industrial resilience and secure critical supply chains. In parallel, the EU Space Strategy for Security and Defence recognises space as a strategic domain essential for the Union's strategic autonomy, resilience and security. The Strategy highlights the increasing importance of protecting space infrastructures and strengthening Europe's technological sovereignty, resilience of supply chains and autonomous access to space.

Ensuring Europe's long-term competitiveness increasingly requires the Union to strengthen its capacity to innovate, invest, industrialise and operate across the full space value chain. This includes enhancing Europe's industrial and technological base, securing access to critical technologies and components, reinforcing resilient supply chains, fostering innovation ecosystems and improving the commercial uptake of space-based services and applications.

At the same time, the growing convergence between civil, commercial and security dimensions of space policy is reshaping the strategic importance of the sector. Many space technologies and infrastructures are inherently dual-use in nature, supporting both economic activity and security-related functions. This includes secure satellite communications, Earth observation systems, positioning and timing services, launch capabilities, cybersecurity and space situational awareness. In this context, strengthening Europe's economic security requires a balanced approach that preserves the Union's openness and international cooperation, while at the same time reducing excessive strategic dependencies and reinforcing Europe's technological and industrial capacities in critical areas.

The increasing integration of space services into critical sectors also creates new resilience and preparedness requirements. Disruptions affecting space infrastructures or related supply chains may have significant cross-sectoral consequences for Europe's economy, public services and security. In this regard, resilient space infrastructures and services contribute not only to Europe's technological leadership, but also to the continuity and robustness of essential economic and societal functions.

Moreover, strengthening Europe's position in the global space economy requires mobilising both public and private investment, promoting innovation-friendly regulatory and procurement approaches, and supporting the emergence of a competitive and dynamic European space ecosystem capable of competing globally. The Union's broader policy objectives related to competitiveness, preparedness, resilience, digital transformation and strategic autonomy therefore increasingly intersect with space policy. Space capabilities are becoming key enablers of Europe's economic strength, technological leadership and ability to act in an increasingly complex geopolitical environment.

Against this background, Ministers are invited to address the following questions:

- 1. How do Ministers assess the role of space capabilities, data and services in strengthening Europe's economic security, resilience and competitiveness, in light of increasing geopolitical and geoeconomic risks?**
- 2. How can the Union and its Member States best ensure that civil, commercial and security-related dimensions of space policy contribute coherently to Europe's economic security, while preserving openness, innovation and international cooperation?**