

EU Space Policy Conference 2017

Welcome speech – Jean-Loic Galle

Mr. the Representative of the Council of European Union, Mr Parliamentary Secretary,

Ms High Representative,

Ms. Commissioner,

Director General of ESA,

Distinguished guests,

Ladies and Gentlemen,

This is a real pleasure and an honour for me to welcome and address you at this EU Space policy conference, and for the first time as President of Eurospace

I. Intro : our European industry is consolidating its leadership !

And I am more than ready to move from this, starting by giving you a very brief “health check ” on the

European space industry, as emerging from the latest Eurospace “facts & figures” report issued last summer:

The European space sector is facing indeed an **unprecedented long series of growing sales**.

- Sales to European institutions (ESA, EU and national agencies) worth **4,1 B€** supported most of the growth in 2015; with **the two EU-funded programmes, Copernicus and Galileo**, that represent an increasing proportion of the industry turnover.
- Exports of European systems for commercial and institutional customers outside Europe, worth **2 B€ and 26% of the overall sales**, have also contributed to this increase.
- As in previous years, the improvement of sales has also supported the growth of employment in the sector, even if not in proportion, and this thanks to a constant improvement of our efficiency, which is at the basis of our reinforced competitiveness, at a point that in the last decade the average value of final sales per worker has improved by **32%**.

As regards now **commercial markets**: they **represented about 45%(!) of industry sales in 2015** (worth 3.3 B€), and include mainly:

- **First, the commercial satellite systems segment (around 2 B€)**, mostly composed of telecommunications systems and, to a lesser extent, of Earth observation and scientific systems; and we are noting that Earth observation systems are now providing increasing opportunities for export, mostly for security and/or military applications.
- **Second, the operational launch system segment (almost 1 B€)**: the high proportion of non-European customers of Arianespace (around two thirds) marks for this market segment an outstanding international component, sign of competitiveness, but as such also requiring constant improvement efforts to remain competitive.

European institutions in this context, needless to say, are therefore not only of crucial importance for industry as customers, **they are also of paramount importance**

as they enable and ensure the sector readiness at the state of the art, paving the way to a successful performance in commercial applications.

II. Our industry is facing new Challenges

Our sector delivers, and is able to support several EU policies, but at the same time it also definitely needs opportunities to remain at the top of the EU political agenda, as other space powers' aggressive strategies and massive investments are challenging Europe's positions in space. The challenges concern not only technologies or costs, but also production methods and business models; let me give you a couple of examples to illustrate this challenging trend:

- **In the US, new private actors coming from the Silicon Valley** target radical optimisation of their supply chain and pursue cost-killing objectives. In addition, they also take advantage of the radical redefinition of the US public authorities' role, with a growing shift towards the long-term commitment to the utilization of space-based infrastructure and services, which in turn results in a much greater

degree of freedom provided to the private sector in the design and implementation of space programmes.

- **In addition, in China:** the White Paper on China's space activities – published by Chinese authorities last December – is very clear about their national goals: China caught up with its technological weaknesses, and is now equipped and **determined to targeting major frontier areas of space science and technology**, while also starting looking at commercial opportunities.

We all know that, even though **European space budgets are 6 times lower than the US ones, and Europe represents only 4% of the global industrial workforce in space**, we still achieve a remarkable positioning on global markets, such as being manufacturer of more than 20% of the overall mass put in orbit in 2015!

But it is undeniable, and a strategic myopia not to admit it: this position is increasingly fragile. I have no intention whatsoever to be a doom prophet: the European space

sector is in a good position to meet these and future challenges, but **only if concretely backed by a strong political support equivalent to the ones of its competitor.**

III. Some Messages & priorities from Industry

In such a competitive context, the publication last October of the “Space Strategy for Europe” has been particularly timely. The EC Communication eventually states without ambiguity that **space is of strategic importance for Europe** and recognizes that space, therefore, deserves a dedicated, all-encompassing strategy.

Industry fully shares the Space Strategy objectives proposed by the Commission, and welcomes the commonality of objectives in the Joint Statement EU-ESA. I will not detail all our priorities here, also because they were entirely taken into account in the Space Strategy for Europe, and I am once again pleased to thank the Commission not only for the conclusions reached, but also for the inclusive and

effective consultation process which has led to these conclusions.

Today I'd like to make a step forward, and insist on two urgent priorities – besides, of course, the successful deployment and exploitation of Copernicus and Galileo:

1) First priority: the necessary increased focus in EU R&D programmes in order to fuel industry competitiveness

With such a pressure on competitiveness, and with the limited funding available for space technology development in Europe, more and more efforts must be undertaken to **ensure maximum effectiveness of public and private investments in space technology.**

We do need to quickly address evolving and new space markets, to better anticipate critical technology evolutions, to further reduce dependence situations and to implement more IOD/IOV projects.

A way forward that we are ready to contribute concretely to - and strongly recommend to the EU to support in partnership with industry - is the establishment also for space of focused initiatives – such as the so-called Joint Technology Initiative, or

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JTI. A JTI dedicated to support competitiveness-related space R&D would allow technology suppliers, promoters and users to maximise the impact of developments and would then **strongly improve the link between research and market expectations.** I am therefore very grateful to the members of the European Parliament, which very recently promoted the launch of a pilot project aiming at providing the grounds for the future establishment of a JTI for Space.

2) Second priority: develop synergies between space and security/defence

Europe faces a unique situation: in all other space powers, mass investments from defence programmes in the space sector are largely driving the competitiveness of the domestic industrial base. In Europe, these investments have so far been comparatively very weak. And yet, in an increasingly challenging security environment, space has a key role to play to support the EU “Global Strategy”. We see for this year two main axes of action: security from space and security in space.

- **Security from space**

Of course within “Security in space” there is the **GOVSATCOM** initiative. The development of a future Govsatcom capability at EU level will have to address two different major challenges on a rapidly evolving market: **ensure that European institutional actors have access to secure, efficient and cost-effective secure communication services**, and at the same time **stimulate growth, competitiveness and innovation throughout the whole European SATCOM sector**, from satellite and receiver manufacturers to service providers and users.

Another key issue is the one of **Maritime surveillance**, since satellites can offer a global, permanent and cost-effective coverage. We know that the Commission plans to expand Copernicus capabilities to address this subject and, especially, to support a maritime security research agenda and interoperable maritime surveillance capabilities: **Eurospace insists that space has to be part of it.**

- **Security in space & making space safe to operate**

Moving now to “Security in space”, given the increasing political and economic importance of space systems, we had already last year the opportunity in our position paper on the Space Strategy to recommend the EU to **reinforce the existing SST support framework and to complement it with a better understanding of space weather and its impact, with actions aiming at securing the cyber-protection of space assets and, in a longer term, In-Orbit servicing capabilities including in active debris removal**; these are issues that need preparation now to allow European industry to position itself timely with respect to this type of emerging market demand.

IV. Conclusions

We are convinced – as Eurospace community as well as European citizens - that the publication and implementation of the Space Strategy can mark the beginning of a new era for our society. And these bold political ambitions deserve, need, and need to gain and stabilize, a strong democratic backing!

In this regard, I would also like to thank the Members of the Parliament who are constantly and proactively

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supporting Europe's role in space and our Industry – in the relevant committees, in the Sky & Space Intergroup and beyond. This support is and will continue to be precious.

Ms vice-President of the Commission, Ms Commissioner, Honourable Members of the Parliament, the European space industry is fully committed to support the Space Strategy and EU's efforts to ensure that space may effectively contribute to growth in Europe and to the efficient implementation of EU public policies. And in this respect Ms Commissioner Bienkowska, let me finally conclude congratulating you for the launch, last month, of the Galileo Initial Services, a valuable milestone which can contribute concretely, better than words, to make space more useful, accessible and acceptable to our citizens!

Thank you.