

ENTREPRENEURSHIP & INVESTMENT SYMPOSIUM (E6)
Synergy of Entrepreneurship, Investment, Government, and Industry (3)

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WHAT PERSPECTIVES FOR PUBLIC-PRIVATE PARTNERSHIPS IN THE CURRENT ECONOMIC
CONTEXT?

Abstract

The public-private partnership (PPP) is defined as an economic model where governments share with the private sector, development and operational costs of infrastructure and use the private sector management skills to improve program efficiency.

Because each partner concentrates on its core capabilities while relying on the other when more efficient, a PPP is supposed to bring better value for money all along the steps of the program: from the definition of its objectives and scope to service delivery.

In the space sector, increasing budget constraints and optimization of project managements have pushed several government agencies to look to PP/PFI models to finance incoming projects for Satcom (Skynet 5, Alphasat...) and Earth observation (Radarsat-2, RapidEye).

However, the recent financial crunch has made access to private capital more difficult and while government projects still seem to eye on private investors, their ability to raise adequate financing and to commit to projects is more difficult than ever. .

The first part of this article will analyze the rationale for the applicability of PPPs in the space sector. In a second part, it will analyse the various forms of PPP/PFI projects that have been applied and their consequence for both public and private partners. Finally, the third part will assess if and how the financing crisis may affect future projects and what this could mean for both private and public stakeholders.