

23rd SYMPOSIUM ON SPACE POLICY, REGULATIONS AND ECONOMICS (E3)
The Space Economy in Figures (3)

Author: Dr. Giacomo Primo Sciortino
Italian Space Agency (ASI), Italy, giacomo.sciortino@asi.it

THE ROLE OF “INTEGRATED” FINANCING IN THE DEVELOPMENT OF ITALY’S SPACE
SECTOR

Abstract

Italy’s space sector is third in the UE and therefore remarkable, also for the side-effect that it can have on the national productive system, struggling to expand high technologies. According to ASI’s index, turnover in 2007 was about 1300M with 4500 workers, a highest concentration and an extreme preponderance of large enterprises. SMEs’ share was 57M with 551 employees. On the other hand there is a highest RD intensity, both in terms of enterprises’ investment and the turnover itself, which is influenced strongly by public spending on RD contracts. Thanks to this, Italy possesses a wide array of competencies.

Public budget restraints threaten the space sector in its capacity to keep the pace. That’s why the “Integrated” financing approach becomes important. It means aggregating outside resources (also in kind) from partners on cooperative projects. This practice is valuable, apart from its economic purpose, for its “multi-stakeholder” procedure, ensuring better control and project outcome. There are no restrictions as to subjects that can interface the Agency, even if public entities largely prevail. Only, these projects have to be tracked into a web “pipeline”.

The type of negotiable resource is variable: direct financing, parallel financing, third parties’ equity in purpose companies (as well as corresponding debt finance within PPP schemes). Dating from 2000, the yearly average of “integration” is 30M. Just to mention, provisional data on 2009 concern two initiatives: 23M in equity obtained from a business partner into the Cosmo SkyMed data company E-Geos and 2M obtained from the EU as leader of a Sea Security System.

These figures are on the increase, also related to the rising demand of technologies and services from space for terrestrial applications: for example satellite images for environmental protection, agronomy, geology, pollution detection, archaeology, tourism, satellite positioning for sea, land and air transportation. There is in fact an interest from the 21 Italian “Regioni” and their powers to develop their own productive competencies – the so-said “Distretti” (made up mainly by SMEs). The “Regioni” see co-financing an opportunity to strengthen the texture of their SMEs in a hi-tech. An evidence of ASI’s respective good intentions is a long list of Agreements signed with the Regioni, and the allocation of 20M to cover 4 RD tenders reserved to SMEs (the first has already been let) in 2010, implying a contribution from the bidder on a 50/50 basis, that is an expected “integrated” financing of 20M.