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NEW ISRAELI CIVIL SPACE POLICY TO BOOST R&D AND COMMERCIAL SPACE INDUSTRIAL  
BASE**Abstract**

Israel's space industry emerged of defense necessity, having its first launch in 1988. State budget was always low and mostly defense related (lately US\$ 76M of which only 3 for the Israeli Space Agency (ISA)), highly leveraged as 80% of the investment in space related R&D in Israel so far came from foreign governments interested in cooperation and joint projects, resulting in agreements with 10 space agencies. Nonetheless, achievements so far are remarkable: Israel is ranked no. 1 in terms of publication per capita on space engineering and has demonstrated capabilities and products in space infrastructure, products and services, with leading optical equipment and small satellites. Israeli space industry is highly advanced technologically, with around 20 corporations and 2,000-2500 workers driving annual sales of US\$ 800M, eighth largest. Following a thorough study on the impact of the space industry on the Israeli economy, Israel adopted a new Civil Space Program, increasing civil budgets 8 times (!) to a yearly US\$ 24M. The goal is ambitious – with the new cash injection, and capitalizing on its lucrative defense, communications and IT industries as a solid base, Israel plans on boosting its civil space industry, placing it among the top 5 leading nations in space (!), with yearly sales of US\$ 6-10 billion representing 3-5% of the global space market. Success of the new policy will make the space industry a driving force for economic growth in Israel, as the hi-tech industry serves today. ISA is not planning on in-house projects, and instead will direct the budget to international cooperation and joint projects (42%) and supporting basic, applied and industrial research (15%, 8% and 25%, respectively). A key element already launched in December 2012 is a targeted program by which state financial support will be provided to innovative commercial R&D, considering mainly the novelty and uniqueness of the product / technology, their expected achievements and capacity to enhance and upgrade satellites' utility and performance, their market and the working team. Support will amount to 50-85% of the project's budget, not exceeding US\$ 5.3M, unless in exceptional cases, such as groundbreaking projects. This may not seem much but is in fact a lot considering what was achieved so far with small budgets. Successful projects will pay the state royalties as percentage from profits until full repayment of the grant, thus having the state bearing most of the risk of the project.