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AN EVALUATION OF THE CHINESE PRIVATE SATELLITE SECTOR

Abstract

In 2014, China's State Council announced support for private companies—companies with primarily non-governmental investors—to engage in certain space activities, such as those related to remote sensing satellites. The State Council has since continued to encourage private investment and participation in the historically State-dominated space industry. This policy support has led to a growth in the number of private companies, the majority of which have focused on satellite manufacturing and operations. Despite the rapid growth in this industrial sector over the past four years, China's private space sector is still smaller than those of other major spacefaring nations.

In this paper, we present the results of a market analysis of Chinese private satellite companies by examining the motivations, challenges, customer base, leadership and employees, and finances of these companies. We identify four main satellite market sectors: manufacturing, launch, Earth Observations, communications, and downstream applications of satellite data. Our findings draw from in-person interviews with private space companies and state-owned enterprises in China, and a review of news articles, investment data, and incorporation certificates. We observe that most of these private satellite companies have the technical support of certain space state-owned enterprises and the Chinese Academy of Sciences, as well as the financial and social support of the provincial governments. These findings help illuminate the viability of the private satellite companies against the large state-owned enterprises in the commercial market, allowing for projections on the future outlook of China's entire commercial satellite sector, which includes the private companies and state-owned enterprises.