

IAF BUSINESS INNOVATION SYMPOSIUM (E6)
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Author: Mr. Madis Võõras
Estonian Business Innovation Agency, Estonia

Mr. Tõnis Eerme
University of Tartu, Estonia

Ms. Karoli Kahn
Estonian Business Innovation Agency, Estonia

CREATION OF THE CROSS-BORDER SPACE BUSINESS SUPPORTIVE ECOSYSTEM - THE
BALTIC STATES CASE STUDY**Abstract**

This paper focuses on the challenges that entrepreneurs in the Baltic states Estonia, Latvia and Lithuania need to address while integrating to the international space community. The countries have actively contributed to the Soviet space programs during the Cold War and have been reinstating their place in the international space community since the mid-2000s. Estonia is a full member of the European Space Agency since 2015, while Latvia and Lithuania aspire to become associated members of the European Space Agency in 2020. Compared to old space nations whose companies have established firm positions in European and global space value chains, the New Space companies in the Baltics are still finding their appropriate role in the space ecosystem. The primary option for a Baltic company to be included in space activities is by solving a problem or providing competence where others are lacking. The European Space Agency has identified such gaps and procured upstream activities mainly related to electronics and digital signal processing from Latvia, material sciences and IT from Estonia and photonics from Lithuania. These competences in different key technology domains provide obvious opportunities for cross-border cooperation along the value chain. On the other hand, European Space Agency funded activities in the space downstream segment tend to duplicate activities in other countries. This results in the regional oversupply of very similar solutions targeting the same potential end-user groups. Ultimately, it means suboptimal allocation of public space funds at European level. At the same time cultural, political and economic barriers between three neighboring countries hinder effective cooperation. There is a well-articulated need for a package of active cross-country space governance measures to avoid the 'cannibalization effect' of new European Space Agency funded activities. The three countries have developed a multi-layer approach to address this challenge. This approach has a soft political element - Baltic Space Roundtables - involving space ministries and space offices in three countries that gather to discuss political issues. It also includes an industrial element manifested in regular Baltic Industry Days, a platform for conceiving regional value chains and leveraging prospects to become partners of global space groups. Further research for finding coherences of the Baltic space entrepreneurial ecosystem will be carried out by qualitative studies during 2020. The results of the study will be presented in the paper and could serve as valuable input to policy makers and entrepreneurs in Baltic states as well to small emerging (neighboring) space countries all over the world.