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Economics of Procurement in Space Contracting (6)

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EMERGING PROGRAM : ENCOURAGES STARTUPS AND SMES TO PARTICIPATE IN NATIONAL
SPACE TECHNOLOGY PROJECT WHICH PROMISES ADAPTION INTO NATIONAL SPACE
SYSTEM IN ORBIT

Abstract

Mature technological level and space heritage are required of in Korea, one of space-faring countries' national space program, but domestic market size is not big enough for sustainability of every participant in private sector. The limited volume of procurement is critical for startups, as it is very hard for them to participate in domestic space activities, including national space program or subcontracting to prime contractor because lack of experience; nor international cooperation including export activities because of lack of funding and heritage. The limited volume of procurement also seems to prevent private prime contractors from developing essentials part or components, which requires huge investment but returns limited. Those imported parts or components sometimes make whole system integration delayed due to their delivery schedules or unpredictable problems, and lead to certain lack of implementation of national space needs. So, recently, Korea launched new startups and SMEs support program with an option of procurement in order to prevent program delay resulted from overseas parts, encourage startups and SMEs' technical competitiveness and let them take their share in domestic/international market with space experience.