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DEVELOPING A NEW GENERATION OF SPACE ENTREPRENEURS: ESA'S ACTION SUPPORTING THE GROWTH OF THE EUROPEAN COMMERCIAL SPACE ECOSYSTEM

Abstract

The space sector is undergoing massive technological changes, alongside a governance and procurement revolution via new business models, where competitiveness and commercial investment have become key for space development today. Commercialisation is moving fast, and while governments still act as pathfinder and anchor customers, 11 billion private capital have been invested in space ventures in 2021, an increase of more than 60Europe has an increasing number of start-ups (300 start-ups in Europe have raised 1.2 billion already), however the challenge remains to help them cross the valley of death and overcome the lack in risk capital funds with the capacity to sustain the growth of unicorns. Indeed, in this race to commercialisation, Europe is still lagging behind the US and China, and while in space, like in other sectors, Europe has the tools and knowhow the main issue remains to "turn brains into business". Or else, the continent risks losing its tech (including space) champions to foreign investors. European Space Agency's vision is "To make Europe a space commercialisation hub, where to launch and grow global space companies that make sense for our future". To implement this vision, three lines of actions have been identified, namely: Talents, Access to Capital and Speed. This paper describes the new approach proposed for commercialisation by ESA. This implies a change of culture within the Agency and a different approach to risk-sharing with industry. In particular, ESA may embody the roles of an (i) enabler, of a (ii) partner or of a (iii) customer, alongside the traditional role of an RD procurement agent. In this way, industry is allowed to take more risks and to introduce more innovation, to hit the market faster and ensure breakeven for private investors, without putting at stake the success of ESA institutional missions or tax-payers money nor endangering the reputation of the Agency. The last ESA Ministerial Council held in Paris in November 2022 saw 1.3 Beuro of subscriptions for commercialisation-related programmes, including the new programme ScaleUp which has been launched to accompany European space industry in the journey to commercialisation. The two overarching objectives of the ScaleUp Programme are: (i) to introduce business innovation at an accelerated pace in new and emerging space markets, and (ii) to connect with the investment ecosystem.