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Space Entrepreneurship and Investment: The Practitioners' Perspectives (1)

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FUTURE OF INVESTMENT IN A SPACE-BASED ECONOMY: A FINANCIER'S EXPECTATIONS

Abstract

The paper explains how a financier would expect a space-based economy to evolve globally over the next 15 years. A special focus is put on the topics of investment and financing, technology, sustainability and legal frame in order to understand an economy framework for Space.

Space is integrating into the society and the economy and it is developing both. From today's environment of recession to a medium-long term, what are the enablers of an investment worthy space-based economy and which opportunities may such an economy bring along with societal benefits?

In 2021 the space industry was valued at \$469bn (+9% vs 2020), with a potential projection to \$1tn in 2040. How does this get developed? The current trends are diverse and complex: decoupling politics in a 'multipolar' world, export control restrictions, higher security cyber, investment in the environment, upcoming deep recessions, development of more communication infrastructure, more affordable launchers, political and societal pressure on sustainability, militarization of space and increasing investment in space activities worldwide, among others.

The financier will be a key enabler. Today private investment in space ventures is at all-time high with the expectation for profitability and a subsequent growing VC market, with more actors, more revenues, development of commercial activities at global level in new fields, all of it further developing NewSpace worldwide. The environment is volatile, uncertain, complex and ambiguous (aka VUCA), where the economy can have a stitching role with financing as the thread.

The paper focuses on the following key pillars which are key to the development of the economy:

- Investment and Financing sources, needed in order to develop an ecosystem and comes mainly from investors, public agencies, private-sector funding, and entrepreneurship. There is a zoom-in on how VC's position themselves, how they approach deep tech and build their portfolio strategy;
- Technology, where innovation is the fuel to a space economy;
- Sustainability, as it is becoming a pervasive topic;
- Space Treaty and Space Law, where a clear order and set of rules is vital.