

36th IAA SYMPOSIUM ON SPACE POLICY, REGULATIONS AND ECONOMICS (E3)
Interactive Presentations - 36th IAA SYMPOSIUM ON SPACE POLICY, REGULATIONS AND
ECONOMICS (IP)

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SOCIOECONOMIC POLICY: A TRANSFORMATIONAL TOOL FOR DEVELOPING EMERGING
SPACE MARKETS. CASE STUDY: AFRICA.

Abstract

Government support is critical to the success of developing space programs in emerging space countries, which often lack socio-economic investment, access to space, and aeronautic-related partnerships with other nations. The support from the government exceeds providing grants and sponsorships or establishing institutions, agencies, as this is not a long-term sustainable approach. For the growth and development of emerging space countries, governments need to implement policies that create an enabling environment for space professionals, businesses and investors to thrive.

The African space sector, undoubtedly one of the fastest-growing in the world, has progressed more in the last five years than the continent witnessed in the previous 16 years. The African space industry is worth USD 19.49 billion and is projected to grow to over USD 22.64 billion by 2026. A major industry segment is the NewSpace sector, which has been cited as a major contributor to this enormous growth. Over 274 private and public companies operate in the African space industry, providing various services within the upstream and downstream segments. Although the NewSpace segment in Africa has enjoyed some great successes over the past few years, it is still largely considered an emerging market. This is partly because of the slow progression of this market, attributed to a myriad of difficulties, most notably financial and political woes, market reach, access to funding, and lack of human capital.

When developing a space policy and strategy, it is expedient to consider policies that could aid the development of the market and its players and consider minority groups, as these have strong implications for the development of the industry. Two major types of these policies that could highly impact the African space market include fiscal policy and gender inclusion targeted policies. These policies can stimulate investment and savings, leading to capital formation, thereby enhancing industrial growth and economic development, and also bridging the talent gap.

In this paper, I will elaborate on the present provisions of socioeconomic-related policies in both space policy and strategy documents and country regulations within Africa, how these policies can be better structured to capture the space and satellite industry, the benefits of these policies on the global and African NewSpace ecosystem, capacity development and fast-tracking the growth of the African space industry as a whole, how these policies can be enforced, i.e. as requirements in bid/tender application etc. and the impact of the AfCFTA on the African NewSpace industry.