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Growing the EO Services Sector: An Industrial Policy.

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Overview

Reflection on the EC proposal for an EU Space Programme and the Evolution of Copernicus

- Evolving industry policy for the EO Services Industry
- Partnership with the European Stakeholders

Copernicus

- Public programme to ensure non-dependent access to critical global information linked to environment and security policies.
- Goal also to help develop the downstream sector in Europe
- Free and Open data policy provides stimulus for new businesses and start-ups in Europe and globally
- But
- As Copernicus evolves, what are the measures necessary to help the industry in Europe develop?
- How to ensure that the benefits of these investments lead to business and jobs in Europe?

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EU Space Programme

- Overall, industry very positive about the proposal and the re-stated commitment to the downstream industry.
- Overall budget of €16b is ambitious but given the importance of the various parts could perhaps be more ambitious
- Introduction of a new Agency or enhanced responsibilities for the GSA in relation to security is OK
- But if this extends to Copernicus Services and/or Market Development causes some concern as a disturbance to a system delivering Copernicus Services which is still being established.

Budget Considerations

€5.8b out of €16b is earmarked for Copernicus

Up to now, Copernicus spent around €800m out of €4.3b (EC spend) on services.

Over a 7 year period:

- Estimate €300m (€44m p.a) on contributing missions; €500m on Copernicus Services
- Estimate 20% of the budget for Copernicus Services is spent with industry ie €100m or €13m p.a (compared to around €500m in the sector)

For next period, consider that €5.8b is a minimum as Copernicus develops

30%-35% should be for downstream services including data procurement, Copernicus Services and in-situ data could be more if there is a strong data-as-a-service element.

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An Industry Voice

Even if the growth of the downstream sector is a confirmed policy objective, no formal arrangements exist for an industry view to be heard.

- Optimisation of partnership arrangements for data and VA services.
- Evolution of Copernicus into the next decade;
    - what would be industrial priorities,
    - how much private investment could be foreseen etc.
- Addition of new products and services for Copernicus public needs
    - Commercial supply as default
- Optimisation of services definitions to enable exploitation.

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Research to Business

- The Free and Open Data policy is stimulating innovation and new products and services.
- An effective ecosystem must do more to enable the results of R&D to lead to commercial exploitation.
- Support the transition : a conveyor belt providing appropriate support during the R&D journey
- Support to business initiatives coming from industry experts

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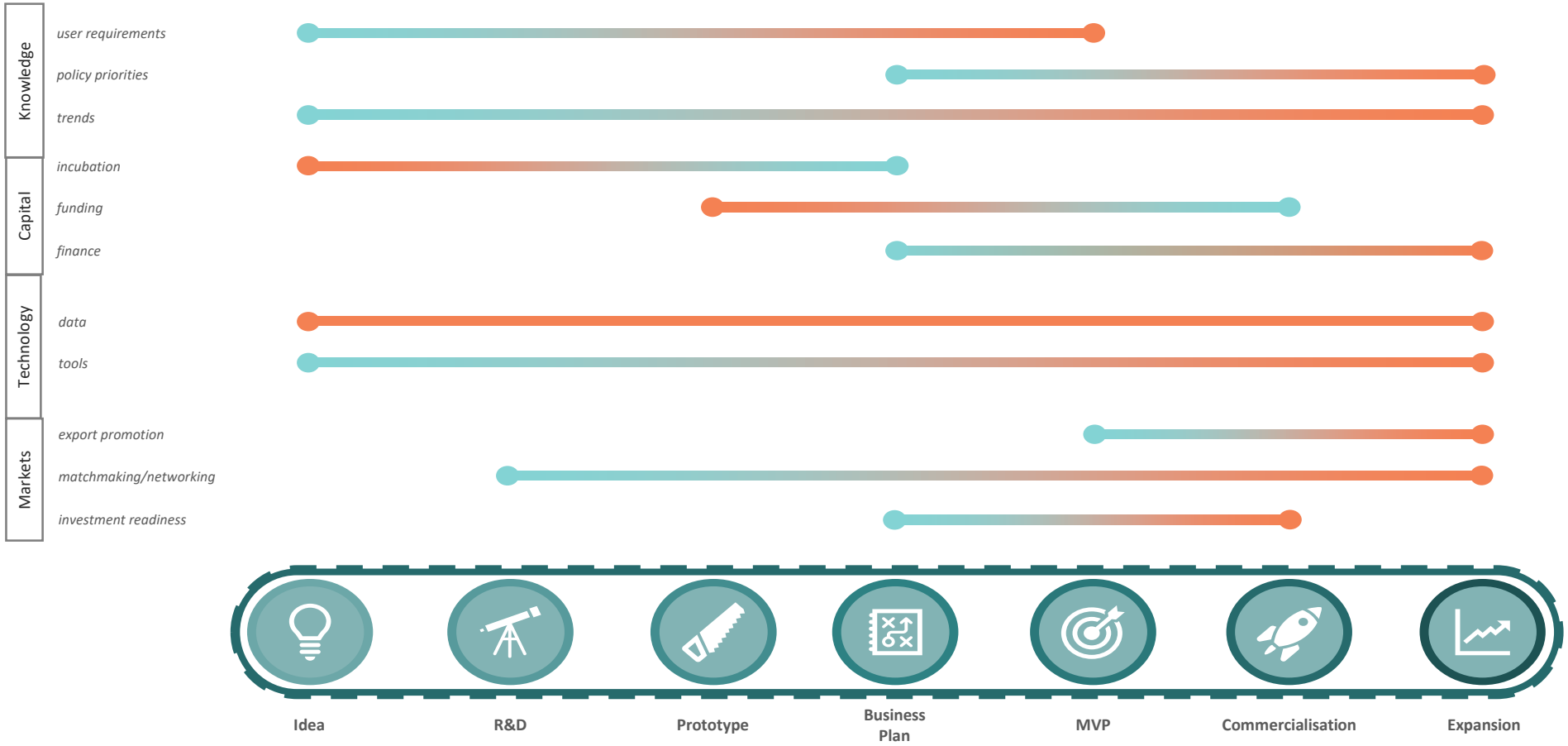
Support Conveyor Belt



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Services not Infrastructure

- Public sector as an anchor customer helps private investment to meet public needs
  - Where a clear market exists, industry will compete to invest; e.g. very high resolution optical and radar. Government procure the data as a service.
  - Where the only market is research or public sector, no private sector interest to invest, satellite procurement offers most efficient approach
  - Where there may be a market; partnership PPP approach allows public sector needs to be met whilst enabling commercial market to develop. Government and industry explore PPP's.

Favour data as a service and anchor tenancy to maximise private investment

Public-Private Boundary

- Issue of clarity on roles of public and private sectors still exists although is much improved over earlier situation.
- Process for market testing of new Copernicus products must be applied more rigorously
    - Terrain movement, land cover degradation, etc
    - Intermediate (analysis ready) products supplied commercially should be incorporated progressively into the processing chains
- Consultation with industry is essential and should be on-going and routine process.

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Market Development

- Free and Open data policy is successful stimulation of the supply-side for EO services
- Stimulate the demand side and ensure that the benefits of European investment remains in Europe

1. Support to develop markets – reminder that public sector is 50% of the market,
2. Procurement measures to help in the uptake of new services (new procurement processes including pre-commercial procurement)
3. Internationalisation; EC, EEAS (External Action Service) and soft support,
4. Financial mechanisms; European space fund to avoid fund raiaing in the US.

Conclusions

Partnerships are key

Industrial policy for Copernicus should be established covering all parts of the Value chain

Copernicus is a great European success story

- (Baveno 20 years on; amplitude of what we started was not foreseen)

Entering its 3rd decade, as the whole sector goes through a digital revolution, lets ensure the continued success of the European Services industry.

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