



Council of the
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From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: *Preparation of the Council (Competitiveness (Internal Market, Industry, Research and Space) on 23-24 May 2024*
- European Space Policy - Preparation of the Space Council

Delegations will find in the Annex an orientation paper in view of the policy debate in the Space Council on 23 May 2024.

**ESA-EU Joint Meeting
Brussels, 23 May 2024****Policy debate on
“Strengthening Europe’s Competitiveness Through Space”***Orientation paper and guiding questions*

In recent years, space has played an increasingly vital role for Europe’s economic growth and prosperity. Space capabilities at the level of the EU, ESA and the respective member states shape Europe’s ability to implement strategic actions across a variety of policy domains. For example, space-based services and solutions, such as optical and future quantum communication, act as enabler for the digital transition and allow European industries to be at the forefront of technological developments. Likewise, they help cut production costs while also reducing industry’s environmental footprint through emission monitoring and effective natural resource management. In a similar vein, space-based data, as provided by the Copernicus satellite fleet, has become indispensable in supporting climate action, advancing the green transition and responding to crises and disasters, thereby assisting in the protection of both lives and livelihoods. Furthermore, in-space research missions, as illustrated by the Earth Explorer missions, contribute significantly to scientific discovery in knowledge-based societies. Such space-based systems serve as essential building blocks in a multi-sectoral market and must increasingly be integrated into non-space sectors, and vice-versa.

The space sector also contributes to Europe's overall competitiveness. The European space sector's strength lies in its heterogeneous space industry, as well as in its global excellency, delivering world-class space programmes with tangible benefits for decision-makers, citizens, and international partners. The recent emergence of new actors has already diversified the space sector across Europe, with small and medium-size enterprises contributing significantly to Europe's innovative potential and competitiveness. However, there is room for further growth, particularly regarding the level of private sector investments. At the same time, rapid commercialisation, increasing global competition, as well as attracting and retaining a skilled workforce, present increasingly pressing challenges.

In order to remain competitive and become more resilient in the future, Europe's space sector will have to adapt to these new challenges. ESA, the EU and the respective Member States are looking to find ways to guide and support the appropriate transformative processes. To further advance the development of commercially-driven and sustainable space businesses and boost the competitiveness of the space sector, several paradigm shifts are needed, including a stronger focus on user-uptake, on the needs of non-space users and of commercial markets. Equally, opting for open, fair and transparent procurement processes, anchor customer models and a transfer of mission design authority and implementation to private enterprises where appropriate could drive innovation and cut costs through greater competition. These transformations require a new culture of risk-taking and risk-sharing, including tailored approaches towards risks and requirements, coupled with targeted public and private space investments and co-funding models.

A thriving European space sector not only strengthens the position of Europe's economy on the global stage, but also serves as a backbone for European global action. Space data, services and applications enhance European independence with regard to security, safety, and resilience in a globalised world, for example by establishing secure communication networks in space, serving both European public authorities and industry. At the same time, Europe's global competitiveness can be reinforced by an expansion towards international markets and by deepening trusted partnerships. A strong European impact on progressive global rules and best practices, thereby shaping the development of a sustainable space environment, is also key to sustaining trade and economic growth over time.

Guiding questions:

- What are the next steps and concrete actions needed to boost the excellence and competitiveness of the European space sector?
 - What would be the best way to support a thriving European space industry in an increasingly competitive and diversified international market environment?
 - How could the added value of space-based services and solutions be maximised in order to boost the competitiveness of non-space sectors?
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