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PUBLIC FINANCING INSTRUMENTS FOR SPACE INVESTMENT IN BRAZIL

Abstract

The space sector is part of the innovation-intensive segments and its investments are at the frontier of knowledge. In this scenario, space projects are characterized by long lead times, high costs and high risk. These particularities make the Government, historically, the leader of the major projects carried out in the space sector, being for a long time the only one capable of withstanding the risk and with the ability to finance them. However, large changes in the space environment, attributed to the decrease in government participation and the increasing participation of the private sector, have transformed the way the public sector operates. The New Space tends to reduce the bureaucracy of access to space, with the predominance of commercial markets and private investments. However, this reality has not been observed in Brazil, which still faces difficulties in private financing and is therefore still very dependent on government investments, which, in recent years, have been reduced considerably. These reductions in budget allocation impact on projects executed by the public sector and on resources transferred to industry. Considering the restrictions imposed by the public budget focused on the space area in Brazil, the incentive to private participation in the space sector ends up becoming dependent on existing instruments. Currently, there are several instruments available, such as government funds, for example the FNDCT and the CT-Espacial. Meanwhile, over the years, such funds ended up being contingent and consequently could not be used to finance projects. Another instrument that has already been consolidated is the use of public funders as a way of directing the focus to the space area through public edicts. A further important initiative was the edition of the regulation of the Innovation Law, which among several instruments brought the possibility of carrying out a 'Technological Request', already used by the Brazilian Space Agency itself in a project to develop an Inertial Navigation System (INS). Although the Law creates or regulates numerous instruments, these are still dependent on the public budget, which has become scarce. In summary, although there are efforts to encourage private participation, they are still insufficient to foster space innovation in the country. Therefore, the objective of this article was to analyze how public financing instruments are applied in the Brazilian space sector based on research data and on the study of the current execution of projects under development in the country.