

IAF BUSINESS INNOVATION SYMPOSIUM (E6)
Finance and Investment: The Practitioners' Perspectives (2)

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A GROWING GLOBAL SPACE ECONOMY... BUT WHERE EXACTLY?

Abstract

The notion of space economy is featured in many papers and statements to illustrate the economic dimension of the space sector and its dynamics which motivate an ever-growing number of governments and private investors to fund space programmes or projects, attracted by the promising return on investment they could generate. Indeed, the global space economy is estimated by Euroconsult at a total value of \$370 billion in 2021 and is expected to grow by 74% by 2030 to reach \$642 billion. While these multiple references to the space economy are often supported by quotations of estimates or studies, they often lack precision or suffer from misinterpretation which may create confusion on the true economic dynamics of the space sector. Drawing on our proprietary methodology we will present the structure and trends of the space economy at three levels:

-The commercial space value chain which includes revenues generated from commercial satellite systems. The largest revenue drivers remain satellite navigation and communications driven by B2C applications (in comparison to EO).

-The space market, which includes revenues generated above plus those related to government space activities estimated at each step of the value chain. They correspond to the portion of government funding contracted to the industry.

-The space economy, which includes revenues generated above, plus remaining government funding used for internal operations of agencies or used for RD.

This presentation will aim at providing a detailed review of the space economy, its value chain and associated trends with the underlying goal of clarifying methodology for valuation and typical misunderstanding that shall be avoided when looking at those numbers.