Cooperation -v- Competition in the Space Sector

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Both cooperation & competition are very strong in the space sector.

Different entities involved:
- **Public** sector - European Institutions/ European space agency/ national space agencies & governments
- **Private** sector - manufacturers/ operators

The European space sector **benefits from and faces competition** within Europe / from different parts of the world:
- Satellite operators compete to sell services
- Satellite manufacturers compete to sell satellites (Europe/ US/ China/ others)
- Launch service providers compete to sell launchers to operators

**Particularities of the US market** impact global competition:
- ITAR rules
- Rules to buy US products
Examples for in-orbit testing of new technologies & the roll-out of new services:

- **On-board processing**: ESA-EUT - Skyplex (2002)
- **Spot beam satellite**: ESA-Avanti - Hylas
- **Hosted payloads**:  
  - EC-SES - EGNOS  
  - ESA-EUT-Astrium - EDRS  
  - New ‘bus’ & technology payloads: ESA-INM - Alphasat  
- **Electric propulsion platform**: ESA-SES - ‘Electra’  
- **Cooperation between operators**:  
  - SES-EUT - Solaris JV (mobile services)  
  - Space Data Association
Promoting Common Interests through Associations

- **ESOA**: The association of all European satellite operators:
  - Ensuring a level playing field for satellite (alongside other communications technologies)
  - Protecting satellite spectrum
  - Promoting benefits of satellite services - emergency communications/broadband/security/mobile services

- **Cooperation between regional associations**
  (ESOA/ SIA/ GVF/ APSCC/ others):
  - Global Satellite Spectrum Initiative to protect C-Band at ITU WRC (2007, 2015)
  - Joint presentations on key issues e.g. space security
  - Joint approaches towards national regulators on specific regulatory or market access matters

- **Cooperation between associations of different sectors**
  (ESOA (operators)/ Eurospace (manufacturers)/ Nereus (regions)):
  - Joint initiatives towards EC on matters of mutual interest
  - Raising awareness through joint events
Satellite operators ensure healthy competition in multiple markets:

- **Towards end-users:**
  - TV Broadcasting
  - Satellite Broadband
  - Essential services: government/ security/ emergency

- **Towards public sector:**
  - Competition between operators for key contracts
Satellite Broadband: 5 satellite service providers compete to serve 0.4% of the region (approx. 3000 potential customers)
Competing Interests within the Space Sector

There are sometimes competing interests between different parts of the same sector:

- **Manufacturers:** Lobby to seek public funding support for new technologies
- **Operators:** Highlight their private investments to demonstrate the cost-effectiveness of using satellite solutions (compared to terrestrial solutions)

⇒ This leads to cooperation in some areas & working independently in others
There is plenty of choice!

- **Satellite operators:**
  - Almost 70% of total FSS industry revenue comes from the top 5 FSS operators
  - approx. 40 other small regional & national satellite operators account for the remaining 30%

- **Satellite manufacturers:**
  - European/ US/ Chinese/ Indian manufacturers
  - Of the 40 ‘other’ operators above, around half are “sponsored” by China (building satellites/ launchers/ control centers)

- **Launchers:**
  - Plenty of choice with competition centering on cost -v- reliability
US rules & regulations impact global competition:

- **ITAR:**
  - Prevent the export of US technology/know-how to non-approved countries

- **Buy American!**:
  - US government agencies must buy American (satellites/launches) unless there is no suitable alternative

These rules have **Pros & Cons:**
- Affect imports into the US market
- Affect European companies who are selling satellites with US component parts on them & provides info on potential customers to the US
- “Buy American” provides a comparative, structural advantage for US space industry given the huge size of the US market
The Space Industry faces huge challenges that demand cooperation to respond to them:

- **Massive public subsidies into terrestrial communications infrastructures**: risk crowding out satellite communications in the long-term
  - ’Satcoms’ sustain the entire European space industry

- **Threats to spectrum**: Satellites operate using key spectrum bands that cannot easily be shared
  - Key satellite spectrum risks being lost to terrestrial wireless interests at the next ITU World Radio Conference
  - If lost, this will impact future growth

Cooperation is fundamental to raising awareness of **ALL essential satellite services & their role in assuring the availability & efficiency of ICT services in all corners of the globe**
THANK YOU