

Speech of F.Auque, CEO Astrium at the Space Conf at the EP on 8 Nov
Round table thematic: Industrial Policy and Innovation

This Conference comes at the right time, in the right place and it is pleasure to share with you our diagnostic and formulate some recommendations:

- 1- **Space is, as** confirmed by an OECD recent report, **a driver for economic growth**, including downstream applications and services
In times of severe crisis, Space is a high tech tool not as an objective per se, but a solution for economical problems : Space enables the development of new services and applications which will enhance the daily life of the European citizen
In addition, the dual characteristic of space also enables the delivery of key contributions for many security and defence missions.
- 2- **The entire world has understood this potential with investment in Space growing everywhere** - in the USA, Russia, China, India and also in new players such as Brazil.
All over the world, the public sector remains by far the main investor in space, shaping the Industrial landscape with precise Space Industrial policy guidelines combined with the implementation of structuring programmes. This is today's reality.
- 3- **However in Europe surprisingly, reduced public investment is leading** Europe to loose market share every day, resulting in the loss of technology competence, opportunities for economic growth and new job creation.
- 4- **Europe should engage in two types of actions : first the increase of the level of public investment** to stay competitive with the other leading space nations, **second to set up legal measures for a balanced level playing field** with symmetrical access to public markets.

- **Investment:**

Continuous innovation via R&D investment provides the differentiation factors to define new products and improve cost efficiency needed by the end customers:

Investment in R&D is the winning factor and in time of crisis, investment in innovation is a must to preserve and prepare Industry to stay within the "virtuous circle" for when the crisis has lulled .

Let me mention some suggestions for effective innovation to further position Europe as a leader worldwide :

- **Extremely high data rate Internet satellites** to answer the EU Digital agenda 2020, but also to allow huge export perspectives. A good example is the new European Data Relay Satellite network that we are setting up with ESA.
- **Navigation and positioning:** we have just launched the two In Orbit Validation Galileo satellites demonstrating that Europe now masters complex state of the art navigation technology. The added value services could now be available in time to contribute to the European new Air Traffic management system, SESAR.
- **Clean Space:** the Space Situation Awareness program should be firmly engaged to monitor the impacts of Space weather, to track near earth objects but also should be extended to be the 1st system in the world to remove space debris.
- **A permanent Earth Observation system for Environment and Security**, with a priority on the completion of the current GMES program. Please, help to push the financing of Europe's second key project back into the European Commission's budget! It is a very damaging signal of Europe's indecisiveness to stall a multi-billion European program half way down the line into a dangerous stand-still. One further step should be to give Europe the capacity of real time Earth observation monitoring anywhere and at any time.

- **I'd like to focus on Access to Space:** An independent access to space is of vital importance for Europe. This is a question of sovereignty and technological leadership. Therefore, the EU should at least involve itself in two important fields:
 - first R&D and Horizon 2020 could provide the base for the first topic..
 - and
 - second international negotiations on a level playing field for the use of launchers. It can't be that US government satellites are only allowed to be launched with US launchers and that Russians, Chinese and others do it the same way, whereas Europe has no rules for the launch of public satellites. It is a shame for Europe that we lost years in negotiating on whether to use Ariane for the launch of Galileo satellites. We should not allow this to be repeated.

In these examples, time to market is essential to establish a world leading position. Therefore, quick and future-oriented decisions are needed - or other nations will capture these markets and put Europe on the back seat of high tech scene.

- **Level Playing field:**

The European space industry composed of a few System Integrators coupled with a strong supply chain is competent and competitive: The proof is the current market share the European Space industry has acquired on accessible international markets however most international public markets are closed to the European industry by law.

Symmetrical access to public markets is absolutely mandatory because the space sector is predominantly and significantly a public market.

As a consequence, we strongly support the existing work of DG Trade and Market to define a new legal framework on the Access of Third Countries to the EU public procurement market. The objective is not to close markets, but on the contrary to encourage an open market and to have coherent and similar regulation allowing a real level playing field.

Europe can no longer remain blindly naïve in this worldwide struggle for the technological edge.

To achieve this we believe in the necessity to have a permanent, structured dialogue between European Institutions and industry because the political and budget decisions of the EU will shape the Space Industry for at least the next decade in Europe.

In conclusion: In order to overcome the crisis and to keep Europe competitive, the EU and its member states should invest more in space! At the end of the day, Europe and its citizens will reap the benefits.

I thank you for your attention.