

Paris, 1st September 2022

Subject: Moving forward in an unprecedented context: Eurospace views towards an ambitious 2022 ESA Council at Ministerial level

Dear Ministers,

Only three years ago, Space19+ concluded in Seville with the endorsement of the most ambitious plan to date for the future of the European Space Agency (ESA) and the whole European space sector. Beyond budgets, Space19+ recognised the vital role of Earth observation in addressing major challenges including climate change, the importance of connectivity and the role of space as a support for the entire economy, and the necessity to push back the frontiers of science even further with bold exploration activities.

Strengthened by ambitious programmes driven by a renewed relationship between our two main institutional European partners, ESA and the European Union, the European space industry has been able to demonstrate all its expertise and know-how on the domestic and export market. The manufacturing arm or the sector, strong of 50,000 highly qualified workers, generated 8.7B€ of consolidated sales in 2021. Beyond the contribution to European space programmes (both EU and ESA), the space sector is also a positive contributor to the European trade balance with an average net surplus of more than 1.5B\$ per year in the past decade!

Three years ago, it was hardly conceivable that the world would undergo the disasters of a global pandemic. The Covid-19 crisis, that led to a sharp economic slowdown and the dramatic reduction of international trade, had a heavy toll on the European space sector: the impact of the Covid-19 crisis on the European space industry revenues in 2020 amounted to 1B€.

Three years ago, it was hardly conceivable that one of our partners in space activities would commit aggression towards a sovereign state. The consequences of the war being felt at various levels within Europe and in its space sector: at institutional level, with diplomatic relationships with Russia at a stalemate and major space programmes being delayed and cancelled, but also economically, with major consequences on the European space systems supply chain.

If the Covid-19 crisis revealed the vital importance of critical network infrastructures, the war in Ukraine is now revealing the fragility of our dependencies, affecting a number of domains that are key for Europe's strategic autonomy. In addition, inflationist pressure, particularly tame in the past decades, surged drastically: Europe is now facing an annual inflation rate nearing 10% overall which is expected to generate costs increases within the European space industry of 500 to 750M€ as soon as 2023.

This is all the more worrisome as, today, the European space sector is indispensable to tackle some of the most pressing challenges of our times, such as understanding climate change and its effects, communicating in a reliable and secure way, assessing risks and threats... while stimulating technological innovation and scientific progresses.

Besides, more than ever in recent history, the ambitions of Europe to be stronger in the world require that it has at its disposal the necessary infrastructures for independent decision-making and action, and space infrastructures are vital assets for this, and are ultimately essential enablers for most of security-related capabilities. In other words, without the capability to access space and to operate freely in space, Europe will aggravate its perilous dependencies. European capabilities and competencies in space need to be upgraded, and their evolution prepared.

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The Space group in ASD

The new package of programmes that ESA will present in November in Paris will be instrumental in this context. A new package for which the European space industry, represented through Eurospace, is very happy to have provided open and direct feedback to ESA in the various programme proposals validation phases (i.e., notably for the Exploration programme, Terrae Novae, and for Earth Observation).

ESA programmes that will be proposed in November will be key for reinforcing the European autonomy in space, securing telecommunications, fostering the competitiveness of the European Space industry, and promoting the outreach of the sector throughout the world, while making people be inspired by the scientific wonders waiting to be discovered.

The European space industry is convinced that the renewed ambitions put forward by ESA for the next ministerial conference could significantly help Europe to move beyond recent troubled times. For this, addressing the growing inflation and defining suitable avenues to mitigate its effects and preserve the sustainability and competitiveness of the European space supply chain is urgently needed.

Encompassing all sectors of our economy, providing tangible benefits for our citizens and business, while providing the means to ensure the strategic autonomy and the resilience of Europe, space has an essential dimension to the functioning of our society that must be adequately supported, starting in November this year.

Let us collectively move forward to our renewed ambitions.

Yours sincerely,



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