

PERSPECTIVES

NOV 23

FROM DJIBOUTI AND THE NORTHERN TERRITORIES TO THE USE OF SPACE - AN OUTSIDE PERSPECTIVE

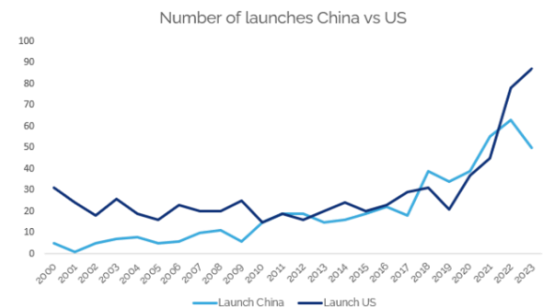


ESPI Perspectives often focus on European matters like the future of European launchers at the Sevilla Space Summit (**October Perspectives**) and look at Europe in a global context of space powers (**January** and **June Perspectives**). As we are closing 2023, it may be a moment to turn our eyes from Sevilla to what may seem distant places - and not in the U.S. or China - but in Africa and Australia. It may serve as a brief illustration of the global dynamics of space, where launchers meet demand.

It provides an outside perspective at a time when Europe enters the preparation phase of ESA CM25 and the MTR of the EU Space Programme, when EU Horizon Europe budgets, incl. for space, are under threat, when geo-return discussions surrounding ESA may put at risk Europe's most significant intergovernmental funding mechanism of member states for space.

While Sevilla led to an increase of the number of guaranteed launches for Ariane 6 by 15 to 42 by 2030, **the creation of demand for any launcher and the accelerated use of space in Europe remains to be addressed (July Perspectives)**. Following Starlink, it is now increasingly Amazon Kuipers' constellation to make the headlines. It recently contracted launches with its competitor Space-X, under the pressure of pension funds, an example of new commercial dynamics, well outside the traditional space funding mechanisms.

And China is on the rise in numbers of launches, from so far 7 locations, soon at par and may be overtaking the U.S., as Chinese satellite constellations will see the light. 94.5% of the payloads on these launches are domestic, many commercial. The Republic of Djibouti signed a MoU with a Hong Kong based Holding for the development of an international commercial spaceport, a \$1B project, which will include 7 satellite launch pads. Djibouti will provide the land with at least 35 years lease. The contract **was planned to be signed in March 2023 but is still facing legal hurdles**.



A key message here is, that a lot of the global demand is rooted in institutional and commercial markets in the U.S. and China. The 18 Ariane 6 launches for the Kuiper constellation, occupying most of the capacity of the future European launcher cannot come as a surprise, as the economical sustainability of the launcher may increasingly depend on foreign commercial markets. However, a too strong dependency on foreign markets may be dangerous for any European launcher, when faced with giants, booking whopping 80 heavy-lift launches with a portfolio of ULA, Arianespace, Blue Origin, and now SpaceX. **Commercial and political foreign priorities could shift preferences and conditions of market access. Geo-politics can be expected to increasingly impact the above dependencies**, at a time when **the technology safeguards agreement on space launches and returns**, signed last month between U.S. President and the Australian Prime Minister, will allow U.S. companies to carry out space launch activities in Australia. As outlined by ASPI, this **could open up possibilities for SpaceX Starship's including for defence and national security missions**. This happens as Starship soon will enable wider exploration goals in commercial LEO, mega GEO, space stations, on the Moon and more - all when Europe still hesitates.

Day 1 after Sevilla, Europe needs to get started on a holistic space strategy addressing the accelerated use of space in Europe (as much as access to space, which itself is only 1-2% of the space economy). **The creation of an internal market needs to be Europe's number one priority**, for institutional and commercial demand, responding to security challenges, to climate change, addressing Europe's full ambitions in exploration. This may help leverage the opportunities identified in the recent report by **ESPI/BCG "More than a Space Programme"**. The ESA 2040 Strategy may be a first step, and it is ESPI's ambition that the **ESPI2040** vision may serve as a reference.

Yours sincerely,

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Director of ESPI