

Vice-President Šefčovič at the 11th Annual Conference on European Space Policy

Speech by Vice-President Šefčovič, in charge of Energy Union, at the 11th Annual Conference on European Space Policy, in Brussels.

Ministers, Members of Parliament, colleagues from the EU institutions, and most importantly, dear members of Europe's space community,

I am delighted to join you once again at this annual conference, which has become the most important gathering on Europe's Space Policy.

In previous years when we met, we discussed the future plans. This time, as we are meeting shortly before the next EU elections, I would like to underline what we have accomplished and what remains to be done before we transition from this Commission to the next one.

As you may know, following the Commission's proposal on a new Space Programme from last year, the EU institutions are now in the midst of trilogue negotiations. I would like to congratulate the team of Commissioner **Bienkowska** who are doing an excellent job in these negotiations.

This new Regulation is quite critical as it sets the level of ambition for space for at least the next seven years' budget. I am personally convinced we need to aim as high as possible for 3 main reasons:

- First, ensuring the continuity of our existing Flagship Programmes : Galileo, Copernicus, and Egnos;
- Second, for safeguarding the competitiveness of our industry against the changing ecosystem of space;
- And third, because the European space industry is instrumental for our economy in general and the Energy Union in particular.

Copernicus and Galileo

Let me start by the strong impact of Galileo and Copernicus on our society and economy.

I am proud to see that the benefits of both these programmes are reaching more and more people.

Copernicus, which celebrated last year its 20 years since creation, consists

now of 7 operational satellites, serving almost 200,000 registered users. They have already downloaded 52 Petabyte of data! [1 petabyte=1K terabytes=1m gigabytes]

But the potential is still far greater! For example, we are now involving millions of farmers to start using Copernicus, Galileo and EGNOS applications for precise agriculture.

Galileo is also operational, with 26 satellites, serving users in Europe and all over the globe. Here we estimate the potential user base at 400 million. By 2020 it will reach its full potential and new services of extremely high accuracy of up to just a few centimetres (compared to today's GPS of 10m accuracy). Just imagine the range of new services and opportunities this technology will create! And these services will be provided free of charge!

Last but not least, EGNOS has been operational for a couple of years and is serving hundreds of airports all across Europe.

Changing of the space eco-system

I am proud of these accomplishments but the last thing I wish us is to rest on our laurels. The industry of tomorrow is going to be very different and will require us to act more decisively to preserve our leadership in the global markets.

For example, our access to space is of strategic importance that we must guarantee for years to come.

I am also convinced that we need to promote a European approach to the "New Space". I am not suggesting to copy-paste the American approach but rather create our own way to support space entrepreneurship and start-ups.

At the moment, we have a scattered and inefficient approach in Europe. This increases the risk of brain drain of talent, which could create successful start-ups, here in Europe. Instead, our start-ups often leave for the US or other third countries to expand and scale up. In order to retain the talent and offer entrepreneurs new opportunities, we must create a European ecosystem encompassing all the way from research to markets.

This requires above all a change of mindset to the way we tackle investment. Financial instruments and venture capital are likely to become more and more important. That means we need to make better use of it.

There is clear evidence that European space entrepreneurs suffer from insufficient financing sources. Both at up- and downstream sectors. There is a lack of access to finances, volume, lack of public anchor, and possibilities for scale-up.

The Commission has stepped up its efforts on that front:

Space is now explicitly included in InvestEU programme, which is the proposed

successor of the current EU Investment Plan.

We are working on a pilot programme for Space equity, addressing the early stage and growth needs of start-ups.

On Research and Development funding, Europe is already rather strong but as today's study shows, the financing problem in the space sector comes after the research phase. High risk coupled with high need of capex means the valley of death is even more difficult to cross in the space industry. We have to find smart financial vehicles to address this problem, blending various instruments, and adding advisory support from the EIB, as well as innovative procurement (EU as customer to provide first contract).

Let's use these useful recommendations of today's study in order to build an even stronger and more competitive European space industry.

This would allow further room to expand the downstream market for space-enabled services.

Energy sector use of space

The third reason for which I am a strong proponent of supporting our space industry is the Energy Union. Over the last 5 years I have witnessed time and again the necessity of space technology for practically every aspect of the energy union; for example:

Introducing Galileo time synchronization in power systems would increase resilience of the energy networks all across Europe. Galileo is able to provide microseconds accuracy for protection, metering and control of smart energy systems. We are therefore looking into concrete ways to facilitate this.

The Copernicus Climate Change Service provides information related to weather (wind, solar and hydro) and energy forecasts (capacity factors, demand, volatility) at a regional and national level across Europe.

Copernicus data even help plan and safeguard wind farms, masts and turbines by providing information on climate variability at prospective or existing sites.

While we are eager to reduce our Greenhouse Gas (GHG) emissions, Copernicus also helps us measure accurately its existing impacts on sea levels, temperatures, etc. Soon it will be able to help monitor the implementation of the Paris Agreement.

Unfortunately, despite our ongoing efforts to fight climate change, we are all witnessing its devastating effects in the form of natural disasters. Here as well, we see the tremendous contributions of both Copernicus in monitoring and managing catastrophes and Galileo in providing emergency aid.

And here I only touched the surface on energy and climate. I could go on and

on about the necessity of space tech in other sectors of the Energy Union like geolocalisation in smart mobility, satellite-enabled technology for smart city services, smart agriculture, etc. etc. I'm sure my colleagues from the various DGs will tell you more about it.

Conclusions and next Multiannual Financial Framework (MFF)

Let me conclude by reiterating that the EU Space Programme will ensure that our space industry continues to benefit a wide range of other sectors, services, and societal needs.

I also believe strongly that we need not only make people dream about space again, to ignite the spark that drives innovation in this sector, but we also need to ensure our strategic independent, and competitive.

As you might have heard, I will have to step aside from the Commission in the coming weeks but I'd like to encourage the negotiators of the three institutions to accelerate the pace and reach an agreement on the next EU budget, the EU Space Programme and Horizon Europe. These programmes are the EU at its best, showing citizens concrete and inspiring examples of our integration project. These are programmes that no single EU country could do on its own; they depend on our ability to work efficiently and effectively together. That is why I believe these are exactly the kind of examples we must showcase ahead of the next EU elections.

Thank you very much!