

EUSPA and EIB publish first Global Navigation Satellite Systems Investment Report

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The EU Agency for the Space Programme (EUSPA) and the European Investment Bank (EIB) published today, the “GNSS investment report”. The report provides a comprehensive investment analysis of the Global Navigation Satellite Systems (GNSS) market that examines and forecasts the dynamics of the sector overall. It also provides the current state-of-play of available public and private funding and identifies needs and funding gaps for GNSS companies and start-ups in the EU.

The report finds that Europe still holds a strong position in the global landscape of GNSS downstream solutions - products and services linked to navigation satellites. Europe, both at a private and public level, will need to invest up to € 42 billion in the next 10 years to remain competitive and continue to rely on domestic suppliers.

Read the report [here](#).

“Our mission at EUSPA is to foster the development of a competitive sector that transforms data and services from space into concrete benefits to users. This report is one important element to ensure that Europe stays ahead of GNSS market trends by seeking more financing opportunities and developing strategic oversight,” said EUSPA Executive Director Rodrigo da Costa. “Designing fit-for-purpose actions and financial instruments will be crucial to ensure that good ideas transform into innovative businesses, ensuring Europe’s capacity for innovation across all GNSS sectors, including our competitiveness in the rapidly growing autonomous transportation, precision agriculture, secure infrastructures, environmental monitoring and security-related technologies and services sectors,” said da Costa.

“Navigation satellite applications and services are strategic assets. They provide the future foundations for a competitive European transport and agriculture sector and help to address climate change risks” said EIB Vice-President Kris Peeters. “European companies need to be at the forefront of these technologies. If we don’t want to depend on foreign Big Tech to meet our demands we need to address funding gaps for space in the EU. As a cornerstone investor in Europe’s innovation ecosystem the EIB stands ready, together with our partners, to mobilise the private and public resources we need to remain competitive.”

Staying competitive requires significant investment

The GNSS Investment Report shows that with an approximate 25% market share, Europe currently enjoys a strong position within the global GNSS downstream market – a market that is forecasted to see revenues reach EUR 220 billion this year and up to EUR 510 billion by 2032. Already today the market is characterised by continued consolidations and the creation of global leaders with significant market share.

In 2019, 71% of all worldwide funding provided to space companies came from Venture Capital (VC) and Private Equity (PE) companies. While the former group tends to invest at relatively early stages of company development, investors in the latter are characterised by higher risk aversion and require predictable revenues, making it difficult for early-stage companies to secure funding for their expansion from such companies. It is expected that in the near future, the share of investments coming from these two sources will increase.

While several European companies are global leaders in their sectors, including in the manufacturing

of GNSS components, receivers for road and maritime applications as well as the agricultural industry, European companies hold low shares in such fast-growing sectors as consumer solutions and drones. According to the report, this, combined with increased, across-the-board competition from the downstream GNSS market, could chip away at Europe's market share and future competitiveness.

Further key findings of the report include:

- Europe benefits from increased funding such as the CASSINI initiative (up to EUR 1 billion in funding) and the forthcoming InvestEU Fund (total funding envelope of EUR 26 billion).
- Europe lags behind other global actors, in private funds invested worldwide into space start-ups between 2015 and 2020, (the US accounted for 67% of all private investment in 2020).
- European GNSS-specific R&D expenditure is lagging behind North-American and Asian-Pacific companies: Catching up would require the EU to invest between EUR 34.1 and EUR 42.7 billion in GNSS R&D over the next 10 years.

The report sets out recommendations to support the EU's future competitiveness in the GNSS downstream market. These recommendations include the need to mobilise significant investment envelopes through tailored instruments, supported by technical capacity building activities towards fund managers. Moreover, the report recommends to foster the adoption of GNSS solutions in other sectors of the economy and a continuation of GNSS market monitoring activities, with special focus on identifying European "Rising Stars" in the sector.

The GNSS Investment Report follows a 2019 Memorandum of Understanding (MoU) between EUSPA and the EIB. Through the MoU, the two organisations jointly seek to promote R&D investments and pilots within the GNSS market and to encourage the mobilisation of GNSS funding.

European Union Agency for the Space Programme (EUSPA)

The European Union Agency for the Space Programme (EUSPA) provides safe and secure European satellite navigation services, promotes the commercialization of Galileo, EGNOS, and Copernicus data and services and coordinates the EU's forthcoming governmental satellite communications programme GOVSATCOM. EUSPA is responsible for the security accreditation of all the EU Space Programme components. By fostering the development of an innovative and competitive space sector and engaging with the entire EU Space community, EUSPA contributes to the European Green Deal and digital transition, the safety and security of the Union and its citizens, while reinforcing its autonomy and resilience.

European Investment Bank Group

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investments in order to contribute towards EU policy goals. The EIB also supports investments outside the European Union.

The EIB is one of Europe's largest financiers of innovation and venture capital. In 2021, a record 20.7 billion euros of the EIB Group's financing went to support innovation, including investment in digitalisation and space technologies, as well as the promotion of skills and training for the digital world.

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