IS EUROPE READY TO MAKE BUSINESS OF GALILEO?

By Axelle Pomies

"To succeed Europe needs to boost the development of European industry that develops products and applications using Galileo and satellite navigation",* says Gard Ueland, Chairman of the European wide association Galileo Services. *"Europe is at a crossroad where it really needs to decide if it wants to do what it takes to harvest the potential of the investments made in Galileo – and the time is now!"

The global market of GNSS[1]-based products and services – called "downstream" market – was worth €200 billion in 2013. It continues to be one of the most promising markets in terms of European growth, with an annual growth rate of +7% until 2023 (see GSA's GNSS Market Report 2015). However, Europe is today in a critical situation in this market – with a share lower than 20% compared to a traditional European share of 33% in any other global high-tech sector.

In the US, Russia, China, and Japan, dedicated national strategies exist to support competitiveness of their downstream industry and enhance GNSS market take up.

The Space Strategy for Europe is crucial to restore a level playing field and "reap the economic and societal benefits of Europe's investments in space infrastructure" (see EC Space Strategy Roadmap 2015).

The socio-economic benefits of Galileo – growth and employment – are mostly expected from the success of the European industry in the global market of GNSS-based user equipment, applications and services.

CREATION OF INDUSTRIAL ACTIVITIES AND HUNDREDS OF THOUSANDS OF JOBS

This Space Strategy must support the development of a competitive GNSS downstream industry in Europe. It must include massive funding – from R&D to manufacturing capabilities, regulations, public procurement, education, etc.

"The objective is for Europe to win 33% of the global GNSS downstream market by 2025" reminds Axelle Pomies, Permanent Representative of Galileo Services.

GOAL: CAPTURE 33% OF GLOBAL MARKET BY 2025

EU's effort to gain its independence as regards GNSS by building its own infrastructure will be pointless if it is dependent on foreign applications, receivers and devices.

In the years 2014-2020, the Union will invest around €8 billion in the European GNSS infrastructure compared to around €200 million in the development of value-added applications and services which corresponds to a ratio of 40 to 1. The paradox is that it is the latter that generates jobs. In comparison – US spent similar amounts on space infrastructure and downstream development – i.e. a ratio of 1 to 1.

"Much more public incentives are needed to unleash the Satellite Navigation downstream potential and Galileo Services recommends that we start with an additional €2 billion" states Axelle Pomies. "GNSS-based applications and services development can bring about immediate benefits, namely the creation of new industrial activities in Europe and, with them, hundreds of thousands of jobs – but we have to act now" she concludes.

FURTHER READING
Galileo Services Position Paper
"Europe Must Succeed in the Global Navigation Market Race"
www.galileo-services.org

[1] GNSS : Global Navigation Satellite Systems