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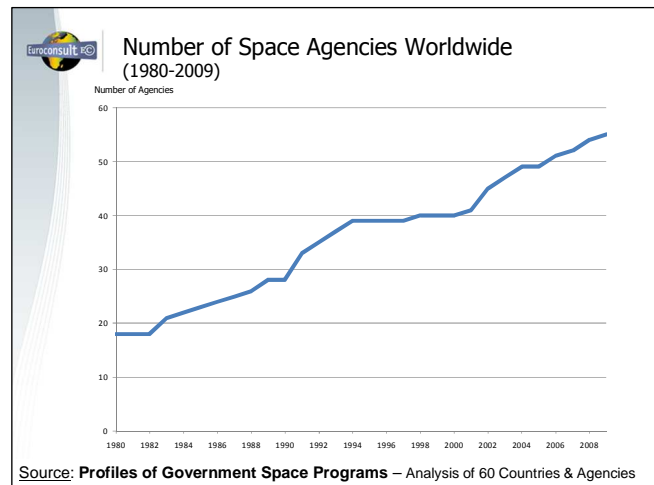
Governments Worldwide Invest a Record \$68 billion in Space Programs *Risks of significant budget erosion for the upcoming decade*

Paris & Montreal, February 23, 2010 – Euroconsult, the leading international research and analyst firm specialized in the space sector, announced today that worldwide government expenditures for space programs grew by 10% in 2009 over 2008, reaching an historical peak of \$68 billion. According to Euroconsult's new report "**Profiles of Government Space Programs: Analysis of 60 Countries & Agencies,**" over 50 countries are now investing in domestic space programs and annual budgets in six countries (the United States, Russia, Japan, China, France and Germany) were over \$1 billion in 2009. The number of space agencies has significantly increased with previously inactive countries investing in space applications/technologies and creating dedicated organizations to manage and implement the programs, as shown recently in Mexico, Vietnam, Venezuela, and Turkey, among others.

Both civil and defense spending has grown. Government expenditures for civil space programs totaled \$36 billion in 2009, a 9% increase over the previous year. Spending for defense space programs (classified and non-classified) is estimated to have climbed to \$32 billion in 2009, a 12% increase compared to 2008.

"2009 has been an excellent year for the space sector; governments increased their commitments to space applications, showing that they view space as an efficient investment in a period of tough economic conditions and tight budgets," said Steve Bochsinger, Managing Director of Euroconsult North America and editor of the report. "However, the sector should be prepared for funding to be reigned in over the next several years. Most governments will return to budget austerity after a short period of unusually massive spending to support their national economy; and we see the confirmation of what we anticipated some years ago: a period of lower investment in the coming years due to the completion of major space programs in many countries. This combination of factors could seriously impact both public and industry stakeholders."

This trend is already apparent in the US with national space expenditures culminating at \$48.8 billion in 2009 (civil and defense combined) but with a period of major uncertainties ahead. In the defense sector, the FY2011 budget foresees an 8% decrease for the Department of Defense space program due to the near completion of Satcom, Satnav and Reconnaissance programs, combined with the cancellation of major initiatives such as TSAT. In addition, the decision to terminate NASA's Constellation program and to put the





future of US-based human spaceflight on hold demonstrates more careful management of government money than what was observed during the last decade.

In Europe, space programs have benefited from a budget of \$7.9 billion in 2009 to finance national, multilateral and European civil and defense initiatives. The last Ministerial Council awarded the European Space Agency \$14.5 billion (€9.9 billion) for the period 2009-2013, though many projects remain at a preliminary stage and must get approval at the next Ministerial Council in 2011. GMES and Galileo deployments should drive European spending in the short-term but key decisions will be needed in the future to drive long-term initiatives.

The Japanese space program has been reinvigorated by the adoption of the Basic Space Plan which outlines new objectives and anticipates continuous budget increases to fund civil and security applications. In 2009, Japan's space program spending surpassed \$3 billion.

Russia has had one of the most dynamic space programs, with government expenditures growing at over 40% on average per year during the last five years. The national space budget reached an historical peak of \$2.8 billion in 2009 but should experience more modest growth in the coming years.

Chinese and Indian space programs are driven by independence and self reliance in space technologies, applications and space science. With investments exceeding \$2 billion and \$900 million respectively in 2009, these countries can now claim leadership and have become clear partners of choice for established and emerging countries.

A key trend in recent years has been the emergence of new space programs around the world. 26 countries such as Venezuela, Mexico, Algeria, Egypt, Nigeria, Indonesia, Thailand, and Vietnam, among others, have initiated a domestic program with investment usually between \$5 million and \$50 million focusing on one type of application, often in the area of Earth observation or satellite communications. Many of these countries are both investing in satellite capabilities and looking to acquire know-how through technology transfer in order to progressively build local capabilities in more advanced space technology. A key question for the next few years will be whether these newcomers in space have the political will, as well as the adequate financial resources, to sustain or increase their investments in space-based applications and technologies following the completion of first generation space programs.

Report Profile

Profiles of Government Space Programs: Analysis of 60 Countries & Agencies is the *only* complete assessment of public space programs. The report, published since 1994, is a comprehensive review of all 60 active space programs around the world, including leading countries and organizations, emerging programs, defense and civil agencies. Each program is analyzed and assessed by the same criteria, including extensive qualitative and quantitative information and analysis.

About Euroconsult

Euroconsult is the leading international research and analyst firm specialized in space applications, communications, and digital broadcasting. Euroconsult develops comprehensive research reports and forecasts; provides strategic consulting and analysis; & produces world summits. With 25 years of experience and more than 350 satellite-related consulting assignments, Euroconsult is a worldwide reference. Euroconsult has over 560 clients in 51 countries, including leaders throughout the satellite value chain: satellite operators and service providers; satellite manufacturers and launch service providers; equipment providers and integrators; governments; media and broadcasting companies; and banks and investors. For more information visit www.euroconsult-ec.com

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