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# Overview of UK Space Industry

## **Background:**

The United Kingdom is ranked as the world's 4<sup>th</sup> largest economy. A member of the European Union—but not the euro—the UK is characterized as a generally open market and a level playing field for US exporters. The US/UK trade relationship is strong with the UK ranked as the United States' largest European market and the 4<sup>th</sup> largest market worldwide. Leading US exports to the UK include aircraft and aircraft parts, aircraft engines, IT equipment, telecommunications, integrated circuits, medical equipment, pharmaceuticals, and lab equipment.

Ranked as the world's second largest aerospace industry, the UK accounted for approximately 13% of the worldwide aerospace market in 2006. The UK aerospace industry is comprised of the following sectors: aircraft systems and frames (31%); aircraft equipment (28%); aircraft engines (24%); missiles (6%); and space (3%). Most of the 200 plus firms engaged in space activity are small- to medium-sized enterprises. The UK space sector generates \$9.7 billion in revenues and employs approximately 17,500 people. The upstream space market includes satellite manufacture, sub-assemblies, components, software and instrumentation, which generated \$1.5 billion in revenues in 2005. This sector is primarily focused on space science, Earth observation, communication and navigation systems. The leading companies in this sector include EADS Astrium, Surrey Satellite Technology Limited, ComDev Europe, SciSys and LogicaCMG. The downstream sector, valued at \$8.2 billion in 2005, is dominated by satellite broadcasters, such as BSkyB.

## **Market Opportunities:**

Currently the largest space project in Europe is the Galileo European Satellite Navigation System, a constellation of 30 satellites and ground stations to serve as an alternative to the US's GPS system. UK companies participating in this program may offer good prospects for US technology suppliers. In 2007, the British National Space Center (BNSC)—a conglomeration of 10 UK government departments that coordinates UK civil space activities and represents the UK at the European Space Agency (ESA)—signed an agreement with NASA creating a framework for future collaboration on lunar science and exploration. [MoonLITE](#), a mission to deploy four penetrators to deliver scientific instruments below the Moon's surface, emerged from this agreement as a possible area of collaboration. BNSC approved in November 2008 moving forward with a technical/feasibility study for the program. NASA will support the study, and assuming the mission moves forward, it would enhance international collaboration between NASA, US scientists and engineers.

Partnering with targeted British companies, either as a technology partner or supplier/distributor, is the recommended entry strategy for US companies seeking to enter the UK space market. Participation in most European Space Agency procurements is limited to firms of member states. US companies seeking international marketing opportunities in the UK or elsewhere should be mindful of US export regulations such as ITAR. Look for the ratification of the US-UK Defense Cooperation Treaty that would ease the export control requirements for government-to-government programs.



## United Kingdom

### *Basic Statistics:*

Population: 60.7 million

Per Capita GDP: \$35,100

Unemployment: 5.4%

### **CSA-Farnborough Aerospace Consortium Memorandum of Understanding:**

California Space Authority signed in 2006 a Memorandum of Understanding (MoU) with the [Farnborough Aerospace Consortium](#), a premier aerospace trade association located in the hub of England's aerospace and defense market. The MoU seeks to increase space enterprise trade among its members and address trade barriers, promote space-related entrepreneurship and promote space enterprise cooperation.