

Space sector set to double predicts SEEDA report

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The South East England Development Agency (SEEDA) is launching its report into the importance of the Space industry to the UK economy, *The Case for Space: The Impact of Space Derived Services and Data*. The report shows the space industry's value to the UK economy is set to double over the next decade from £6.5bn to £14.2bn a year.

The report is due to be published tomorrow to coincide with the opening of the European Space Agency (ESA) research centre at Harwell, Oxfordshire. The English Regional Development Agencies along with other public and private bodies, demonstrated the UK's strong track record and future potential in space to secure the ESA centre for Harwell.

The report, produced by Oxford Economics and prepared in coordination with the British National Space Centre, demonstrates that the space industry has the potential to be one of the strongest growth sectors in the UK. The sector has already shown success by bucking the economic slowdown and continuing to expand over the past year.

The industry is expected to grow by five per cent year on year until 2020 and R&D could sustain even stronger growth at seven per cent a year. This growth could be as much as three times the rate of GDP. It currently contributes around £6.5bn to the UK economy each year and directly employs around 19,100 people nation-wide. The number of jobs rises to 68,000 if you take into account all those indirectly employed. By 2020 these figures are expected to have jumped to a contribution of up to £14.2bn and to direct and indirect employment of 115,000.

The South East sits at the heart of the UK's space industry. Harwell, bringing together the ESA and the Science and Innovation Campus, now represents the national hub for the space industry, where academic excellence meets public and private enterprise. This new facility is a unique resource for future development of knowledge and skills and will further boost the sector's growth and contribution to the economy.

Ed Metcalfe, SEEDA's Chief Scientific Advisor, said: "There is a great deal of activity and interest in the space industry at the moment. Last month saw the establishment of the government-backed Space Innovation and Growth Team and now the launch of the ESA in the UK. The evidence in our report clearly demonstrates its importance; this is a sector that will grow and the UK must continue to lead to maintain its advantage."

Pam Alexander, SEEDA Chief Executive, said: "Space is no longer a far removed concept - it impacts everyone through mobile phones, television viewing or weather forecasts and is a key component of the digital economy. SEEDA is supporting future development in this sector as the continuing rise in demand acts as a key

economic driver, creating benefits such as high quality jobs. The ESA centre is a huge boost to an already very successful industry in the South East. By focusing on emerging and high tech sectors with this sort of potential for high growth we are helping to deliver these wider economic benefits.”

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Notes to Editors

- **Digital advance copies of the Case for Space report are available from SEEDA's Press Office, Tel: 01483 501307**

Report background information:

Oxford Economics was commissioned by SEEDA to produce the Case for Space report after ministers called on the RDA to lead an investigation into the economic importance of the space industry to the UK.

The report has been prepared in full coordination with the British National Space Centre (BNSC). BNSC is at the heart of Government efforts to explore and exploit space. It is a partnership of six government departments, two research councils, the Met Office and the Technology Strategy Board. BNSC is working with several Regional Development Agencies including SEEDA to help the UK succeed in space. For more information on the UK space programme please see www.bnsc.gov.uk

Harwell Space and Innovation Campus is one of SEEDA's high priorities for support as outlined in its Regional Economic Strategy for the South East 2006-2016.

The Department for Business, Innovation and Skills-backed national Space Innovation and Growth Team, established by the Technology Strategy Board, was launched last month by Lord Drayson, Minister for Science and innovation. It will be headed up by Andy Green, Chief Executive Officer of Logica. This report was used as part-evidence to support setting up this industry-led body.

Report statistics include:

- The UK space industry is a success story and has grown three times faster than the rest of the economy since 1990
 - Current economic contribution of £6.5bn and supporting 68,000 jobs
 - Anticipated turnover of up to £14.2bn and supporting 115,000 jobs by 2020
 - GDP per worker in 2006/7 was four times that of UK average
 - Significant stimulation through R&D 'downstream' and spillover into other sectors is promoting growth outside the space industry
 - Benefiting all UK business through enhanced communications links and information transfer – transport, weather, monitoring climate change, promoting the study of science at degree level
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- **SEEDA, the South East England Development Agency**, is the Government-funded agency responsible for the sustainable economic development of the South East of England – the driving force of the UK's economy. Through supporting businesses, encouraging innovation, developing skills and engaging with public and private partners, we aim to create a successful, sustainable future for the region.
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- **SEEDA's support helped deliver the following** over the period 2005-2008:
 - o 17,500 jobs created or safeguarded
 - o 32,500 people helped to get work
 - o 10,000 businesses created or attracted to region
 - o 137,500 businesses assisted

- o £638m investment, 45% levered from private sector
 - o 200ha Brownfield land remediated
 - o 148,500 people assisted in skills development
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