

India can enhance global share in space sector with private investment

India's successful launch of a privately built launch vehicle in the space on November 18, 2022 is a landmark event in the history of our space industry and it reflects strong response of the private sector to the policy reforms introduced by the union government in 2020.

According to a report by US space agency NASA, the advancing space technologies will benefit diverse industries, ranging from weather monitoring, healthcare, transport & logistics, power generation and energy storage, recycling and waste management, advanced robotics, engineering, computing and software, to name a few.

India's space industry is set to throw remarkable business opportunities for MSMEs and start-up enterprises as the size of the industry is set to grow to USD 13 billion by 2025 from nearly USD 10 billion currently, according to a 2022 report by EY and the Indian Space Association (ISpA). Satellite services, applications and satellite manufacturing are set to be the largest segments within the space industry.

Business Opportunities

The widespread adoption of small satellites has thrown ample business opportunities for small and medium sized enterprises in manufacturing components and sub-systems for satellites, rockets and propulsion systems. Another emerging opportunity for manufacturers is the satellite ground equipment, including network equipments such as gateways and VSATs, Sat TV, radio, broadband equipment, navigation systems etc.

Service Sector Opportunities

Satellite service is a high growth segment within the space technology industry in this age of digital revolution. Some of the sub-segment in this serve are: satellite TV, radio, mobile video and data services, tracking and monitoring services for logistics industry, digital mapping service etc.

Demand for satellites is expected to grow in future with the expected growth in satellite-based services such as communications, remote sensing, defence surveillance and navigation, to name a few.

There are already around 100 start-up enterprises engaged in India's satellite launch service segment, whose size in the overall space industry is expected to grow to USD 1 billion by 2025 from USD 600 million today.

Liberalised Policy Framework

In order to attract private investment in the space sector, Government of India introduced various reforms in the sector by liberalizing satellite communication and remote sensing activities, allowing use of ISRO's manufacturing and testing facilities by private companies. More significantly, the government established an independent regulator - Indian National Space Promotion and Authorization Centre (IN-SPACe) for promoting and regulating space activities of the private sector.

In 2021, the government eased restrictive regulations for producing, acquiring and using geospatial data, including maps. The relaxed guidelines encourage industry to grow through a self-certification regime, allowing open access for publicly funded geospatial data and relaxing area restriction for mapping activities.

India's position

The size of the global space economy was estimated at USD 447 billion in 2020 and India had a miniscule share of 2% in it, far behind major players such as USA and China. India is said to rank fifth in terms of the number of spacetechnology companies after USA, UK, Canada and Germany. With the liberalized policy environment, India can attract more investment from private sector, including MSMEs and foreign companies to improve our ranking to the top 3 position in the global space economy.

Notifications

PIB

'Scale' and 'Speed' will make a difference to India's growth story

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1876636>

India's Foreign Trade October 2022

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1876131>

Conclave on Public Procurement Policy for MSEs

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1877214>

CBIC

Amendment in notification for graded BCD structure for wearable devices and its parts, sub-parts and sub-assembly

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2022/cs-tarr2022/cst-60-2022.pdf>

Amendment in notification related to customs duty

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2022/cs-tarr2022/cst-59-2022.pdf>

Amendment in notification related to exemption of customs duty

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2022/cs-tarr2022/cst-58-2022.pdf>

DGFT

Notification for revising average annual export obligation under EPCG

[https://content.dgft.gov.in/Website/dgftprod/f036296b-be91-4df7-864c-b648ac9bd80e/PC%20No.%2044%202015-20%20Relief%20in%20Average%20Export%20Obligation%20in%20terms%20of%20the%20para%205.19%20of%20Hand%20Book%20of%20Procedures%20\(HBP\)%20of%20%20FTP%202015-20%20..pdf](https://content.dgft.gov.in/Website/dgftprod/f036296b-be91-4df7-864c-b648ac9bd80e/PC%20No.%2044%202015-20%20Relief%20in%20Average%20Export%20Obligation%20in%20terms%20of%20the%20para%205.19%20of%20Hand%20Book%20of%20Procedures%20(HBP)%20of%20%20FTP%202015-20%20..pdf)

Allocation of sugar export quota to USA and EU

<https://content.dgft.gov.in/Website/dgftprod/a1efcfcc-6cca-4a66-9ba5-67cacf3a00d7/PN%2036%20Eng.pdf>

Government of Odisha allowed time till October 2023 to finalize modalities for export of Red Sanders Heart Wood

<https://content.dgft.gov.in/Website/dgftprod/6a000d45-882e-45b6-a531-d5297ebeae84/Notification%20Eng..PDF>