

Space parks on cards to turbocharge growth

SUBHAYAN CHAKRABORTY

New Delhi, 3 January

India may offer incentives and dedicated land parcels for building space gear. The government is exploring setting up dedicated industrial areas for manufacturing and developing space technology (space-tech).

The Department of Telecommunications (DoT) and the Ministry of Electronics and Information Technology (MeitY) have received industry representations and held inter-ministerial meetings on the issue, according to officials. A government-led committee may soon study it in greater detail, in consultation with the



industry, they said.

The government is keen to ramp up the production of indigenously designed satellite compo-

nents, launch vehicles, and geospatial navigation and monitoring systems. But unlike other emerging sectors, a production-linked incen-

tive scheme can't be deployed for space-tech since it would only target a specific product, officials said. "The use cases and business

GIVING THEM WING

▶ Space parks will be dedicated manufacturing and research zones for space-tech firms

▶ They may help in ramping up production of indigenously designed satellite components

▶ Global start-ups may come to India, and SMEs may get a ready ecosystem

▶ Space-tech start-ups had collected \$108.52-mn funding in 2022, according to ISpA

▶ Global space economy is expected to cross \$600 billion by 2025, said EY

worthiness of many verticals of space-tech is still being examined. As a result, pinpointing a few items would be difficult. Instead, tax benefits in line with those provided in special economic zones can be given, but tying production to exports may not be possible at this stage," a senior DoT official said.

The primary verticals in space-tech are satellite communications, earth observation, positioning and navigation, ground segment, launch vehicles, geospatial satellite services, and aerospace defence manufacturing, etc. Over the past two years, the PMO and Niti Aayog have batted for domestic manufacturing-driven value chains for many of these.

Turn to Page 6 ▶

much more productive. He also questioned if productivity needed to be seen through a new lens with models like CoPilot allowing more time for software developers.

“Do not let stories about what’s happening in the tech industry confuse the rest; because the opportunity is growing. Tech talent is getting hired across industries. I feel this is the rebalancing of the talent pool so that every sector becomes tech powered,” he added.

Space parks...

Creating a dedicated park had been a key suggestion of the Indian Space Association (ISpA), the apex industry body for space and satellite companies. Established in 2020, it represents a disparate list of corporations with growing stake in the sector such as Bharti Airtel, Larsen & Toubro, Nelco (Tata), Bharat Forge, Godrej, OneWeb India, BAE Systems, and others.

ISpA has pushed for establishing parks to bring together firms operating across the space-tech value chain.

The move will also be important for attracting global start-ups working in the space sector, provide a ready ecosystem for small and medium enterprises focused on components and sub-component of satellite manufacturing, and identify new downstream revenue-generating use cases.

ISpA was inaugurated by Prime Minister Narendra Modi and is touted to become the “single-window” agency for enabling the opening up of the space sector, and create more commercial avenues for the tech developed by Indian Space Research Organisation.

Its suggestion to run the parks on a public-private partnership (PPP) mode has been received well by the government, sources said.

Growing fast

According to a recent report

published by EY and ISpA, the space tech sector has upwards of 100 start-ups as of 2021, even though investments remain relatively low at \$68 million. By 2025, satellite manufacturing will be the second-fastest growing segment in the Indian space economy, with launch services growing the fastest, it said.

The global space economy is expected to cross \$600 billion by 2025, up from \$447 billion in 2020, according to EY. In India, the satellite services and application market was potentially worth \$4.04 billion, while the development of launch vehicle services was estimated to be worth \$722 million. These two industries have the highest number of space-tech start-ups.

There has been little precedent for setting up similar space-tech-based parks in India. In June 2022, Ananth Technologies launched India’s largest private spacecraft manufacturing facility in Bengaluru. It is a 15,000-sqm facility containing four independent modules.

The facility is located at the Aerospace Park of the Karnataka Industrial Areas Development Board. Among PPP projects, Kerala had announced setting up of a park in Thiruvananthapuram in 2019, but little work has taken place.

Maruti...

He added that for Hyundai, focusing on the domestic market is crucial as it cannot afford to cede market share. Hyundai posted its highest-ever sales in the domestic market in 2022, selling 552,500 units, up 9 per cent from 505,033 units in 2021. It has an installed capacity of roughly 750,000 units per year.

After the semiconductor chip shortage issue tapered off, carmakers briskly ramped up production. From mid-2022, capacity utilisation shot up for most players — MSIL nearly used 95 per cent of its capacity in specific months.

It has an installed capacity of 2.25 million units per annum,

