# Topic 1: Addressing the Economic Risks of Space Privatisation

*Economic and Social Council*

## I. Introduction

Space privatisation is the gradual shift of all space activities from government control to private companies. This encompasses a wide range of activities: satellite services, launch capabilities, space tourism and even the potential exploitation of extraterrestrial (as in not from Earth) resources.

Although these private industries such as SpaceX and Blue Origin bring a substantial amount of innovations and new ideas to the industry, it must also be taken into account that reliance on these companies can create risks from bankruptcy or market shifts to the consequences of increased space-debris.

The UN addresses the economic risks of space privatisation by promoting sustainable space governance, ensuring that private activity is not solely based on profit, but also to benefit all of humanity.

## II. Key Terms

*Space debris:* any dysfunctional artificially ejected object in space. This space debris is accumulating at an alarming rate, and may collide with operating satellites and missions, destroying them.

*NewSpace:* the growth of the private space industry within the spatial sector of the market.

*Space commercialisation:* the process of developing and using space for economic purposes, rather than in an altruistic manner such as research in the International Space Station.

*Public-Private partnerships:* collaborations between private companies and government space agencies.

*In-Situ Resource Utilisation (ISRU):* concept of using resources found in space such as asteroid materials, which are a fundamental area of interest for commercial development.

# III. Past International Actions

Established COPUOS: 1958 committee established to provide a forum for international co-operation in space and address other legal issues.

Outer Space Treaty: adopted by the UN in 1966, this treaty established that space is for the benefit of all mankind. Exploration and use of space are free for all nations, responsible for their own national activities, both public and private.

UNOOSA: actively promotes partnerships between private and governmental space agencies to leverage the space economy for sustainable development.

# IV. Current Situation

The current situation in space privatization is defined by the rapid rise of the private space industry, known as NewSpace, which is reshaping the global space economy. Companies such as SpaceX, Blue Origin, and numerous startups are leading innovations in reusable launch technologies, satellite mega-constellations, space tourism, and even early initiatives for lunar and asteroid resource exploitation. This expansion, which has shifted much of the industry from government dominance to commercial leadership, has resulted in an unprecedented surge in patents, private investment, and international competition. However, reliance on private firms introduces significant risks, ranging from the accumulation of hazardous space debris due to increased launches, to questions over liability and regulation in the event of accidents or environmental harm in orbit.

This surge in privately driven activity raises uncertainty about fairness of access, sustainability, and which governance frameworks will ensure that space remains a domain benefiting all humanity rather than a tool of profit and power for a few states and corporations.

Governments around the world are adjusting to this trend in different ways. The United States actively supports privatization, granting companies rights to economically exploit extraterrestrial resources while maintaining regulatory oversight, while the European Union promotes private sector inclusion but with stricter safeguards to ensure sovereignty, sustainability, and equitable growth. China's space privatization follows a state-directed path, encouraging private ventures but keeping them under strong governmental control, while India is moving swiftly toward liberalization to foster a startup-friendly space ecosystem. Russia, meanwhile, remains cautious, allowing only limited private involvement as it struggles with sanctions, outdated infrastructure, and reduced global competitiveness. Across these models, the challenge remains the same: balancing innovation and commercial growth with long-term governance, safety, and cooperative use of outer space.

## V. Major Parties Involved

United States :The United States strongly promotes the privatization of space and positions itself as a global leader in commercial space development. Through the Commercial Space Launch Competitiveness Act (SPACE Act) of 2015, U.S. companies were granted the right to explore and exploit extraterrestrial resources such as water and minerals, provided they do not assert sovereignty over celestial bodies like the Moon or other planets. The U.S. government increasingly relies on private providers, most famously SpaceX, to carry out mission objectives and supply space services once reserved for NASA. By fostering a competitive, entrepreneurial ecosystem, the United States aims to maintain its leadership in space while encouraging innovation and reducing dependence on state funding.

The EU: The European Union also supports space privatization, but with far greater emphasis on regulation, sovereignty, and sustainability than the United States. The EU Council of Ministers is advancing the EU Space Act (2025) to harmonize space regulations, promote cybersecurity, and strengthen startups through programs such as CASSINI. A flagship initiative is IRIS², a €10.5 billion satellite constellation designed to provide secure broadband access, developed through a combination of public funding and private investment. The EU also encourages private partnerships in areas such as cargo delivery to the ISS and emphasizes fostering a European Space Economy that links policy and financing to innovation and competitiveness. At the same time, the EU prioritizes developing independent launcher capabilities through the European Space Agency (ESA) to ensure sovereignty and safeguard its position against growing U.S. and Chinese dominance.

China: China has encouraged private space ventures since 2014 but continues to operate under strong state control and guidance. Private firms such as GalaxySpace, LandSpace, and Deep Blue Aerospace have emerged, supported by state funding and policies that encourage competition in the commercial sector, especially in areas like reusable launch technology. However, the dominant player remains the state-owned China Aerospace Science and Technology Corporation (CASC), which is responsible for most launches and satellite manufacturing. Although partial privatization exists, every aspect of China's expanding space sector is still closely tied to government oversight, with goals that emphasize technological self-reliance and reduced dependency on foreign systems.

India: India, in contrast, has rapidly moved toward liberalization, seeking to build a thriving private space industry within a structured regulatory framework. Recent institutional reforms have created agencies such as IN-SPACe for regulation and NSIL as a commercial arm, along with the adoption of a Space Policy in 2023, which allows private companies to develop satellites, rockets, and launch capabilities. This shift allows the Indian Space Research Organisation (ISRO) to concentrate on research and more complex missions while the private sector handles commercial activities.

With an ambitious target of building a $44 billion space economy within the next decade, India encourages startups, promotes foreign investment, and seeks strategic autonomy within global space competition.

Russia: Russia remains far more cautious about opening its space sector to private enterprise. Roscosmos, the state-run space agency, continues to dominate most space activities, with private firms permitted only limited participation under strict governmental control. Recent laws passed in 2024–25 allow for some public-private partnerships and concessions in satellite development and infrastructure management, but startups remain few in number and face restricted access to critical facilities such as launch sites. Russia hopes to attract foreign investment to sustain its prestige despite declining public budgets, yet it insists on retaining control over strategic assets. Complicating this effort are the ongoing effects of Western sanctions related to the war in Ukraine, outdated infrastructure, and a series of technical failures, including the Luna-25 crash in 2023, which have constrained its ability to compete globally against more dynamic space economies.

# VI. Key topics to Debate

- What should be done to counteract the accumulation of space debris?
- To what extent should governmental bodies restrict the rapid expansion of the private spacial sector?
- How can you limit exploitation of extraterrestrial resources?
- How to ensure safety and regulations from private companies?
- How can developing countries be assisted in setting up their own space agencies and research?
- How will access to space be regulated to ensure legitimate purposes?
- Is it legitimate to use space for defence purposes?

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