

# Industrial impact in Big Science market after one year of COVID pandemic

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Franck Germes  
Head of EO and Telecom Procurement Division

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## ❑ Direct impact on Labor and operations

- ✓ Extensive recourse to teleworking
  - ✓ Ramp up of IT infrastructure
  - ✓ Site shutdowns during Lock down ( Kourou CSG for 2 months..)
  - ✓ Critical deliveries and operations largely achieved (Juice AIT, Sentinel 6 Launch, Vega, Quantum) with some projects more affected ( Ariane 6, Orion Service Module, Science satellite operations, Exomars)
- ⇒ average delay of two months (including supply chains) +115 M€ on 20 major ESA projects

## ❑ Direct and indirect impact on business

- ✓ Loss of commercial activity in other parent sector (Aeronautics)
- ✓ Main impact: delays and cancelled orders from commercial market even if more resilient due to long duration projects
- ✓ Support measures of Public Sector not extended by private customers ( also suffering the crisis) : 14 % estimate of sales reduction ( 1.2 B€) and up to 25-30% for major actors.
- ✓ Limited impact on Satellites Operators revenues ( more structural issues for some of them)



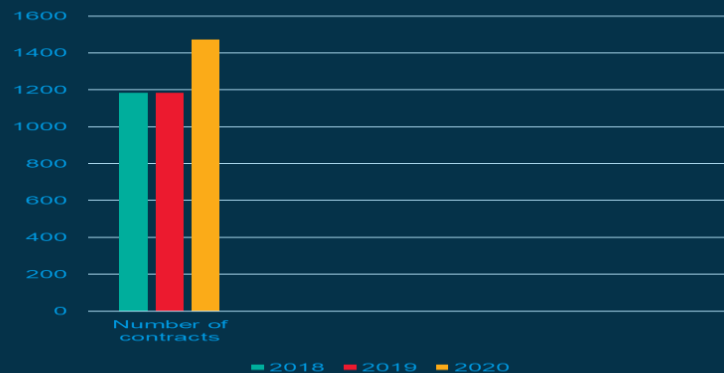
- ❑ **Investment Pause during first lockdown (March to June) then good recovery end of the year (40% in Q4)** .Mixed perception of COVID-19 crisis impact on business: Half start-ups estimate that COVID-19 had a significant impact on their business while the other half estimate the impact was limited or even negligible.
- ❑ **Impacts on the demand side** (e.g., payment delays, loss of revenues) have been more significant than on the **operation side** (e.g. operation shutdown, supply chain disruption, productivity loss), leading to cashflow issues.
- ❑ Overall deterioration of business situation and confidence: A smaller share (54%) of start-ups met or exceeded their expectations in 2020 ( was 87% in 2019) . A smaller share of start-ups (69%) expect an improvement of their business situation in 2021 .
- ❑ **Positive externalities :**
  - ✓ Increased capacity for on-line events, new opportunities for partnerships, new opportunities for innovation
  - ✓ Business continuity : dematerialisation ( electronic signature, on line meetings, travel reduction..), adjustment to contracts, special financial support

# Measures taken by ESA

## Business continuity

With Space 19+ decided in Nov 2019, a very large procurement Plan (15B€) to be implemented:

- ✓ On-line Member states Board Meetings
- ✓ Full digitalization of the procurement process (including electronic signature)
- ✓ Extension of bidding period for tender actions
- ✓ Adaptation of evaluation and award process
- ✓ Acceptance to qualify Covid 19 as a Force Majeure with ad hoc justification



## Financial measures

- ❑ **Cash management:**
  - ✓ Partial payments of 2020 and 2021 milestones
  - ✓ Additional advance payments (up to 50% for SMEs)
  - ✓ Speed up of payment process (30-> 10 days)
- ❑ **Potential compensation** for major unavoidable disruption of main 20 projects ( Manufacturing, Assembly, Integration & Testing) during first lockdown ( Mar-June) => pending ESA Council decision
- ❑ Discussion with Member States for possible ESA support in the use of EU Recovery Resilient Facility ( RRF)



# Use of Space for the COVID 19

Next to impact of Covid 19 on Space industry, it is worth underlining the benefits that Space Assets ( Satellite Imagery, Navigation and Communication.. ) have brought to the monitoring of COVID 19 :

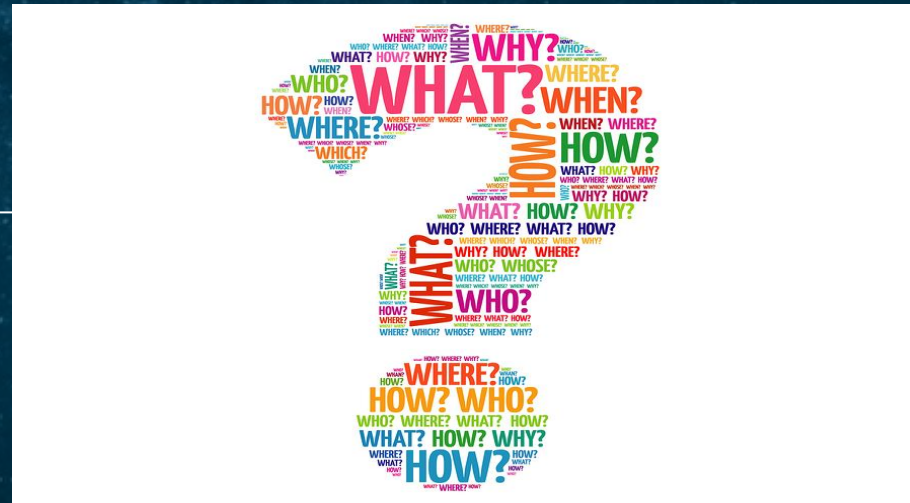
- ❑ **RACE** ( Rapid Action on Covid 19 and EO) as joint ESA-EC effort to provide key information on Covid impact (environment, economic, social, lock down disruption monitoring, traffic ...).Also collaboration with NASA and JAXA
- ❑ **Weather forecast**: palliate at reduced data from Aircraft and surface based measurements by Satellite Data (Meteo, wind data with **Aeolus** ...)
- ❑ **Dedicated ESA Call for Proposals for COVID 19**
  - ✓ With Italy for Educational or Healthcare (10 M € , 130 proposals)
  - ✓ With UK for Healthcare support ( 3 M£)
  - ✓ For all ESA Member States
- ❑ Availability of specific technology ( 3D printing, telemedicine devices....) or infrastructures to manufacture masks, fans etc.



# More information in ESPI reports

<https://espi.or.at/publications/espi-public-reports>

## Thank you for your attention ! !



Franck.Germes@esa.int