

**Follow up Written Evidence Submitted by Nicholas Smith, Lockheed Martin
Space
(SPA0094)**

I was grateful for the opportunity on Wednesday to give oral evidence to the Science and Technology Committee, as part of its inquiry on *UK space strategy and UK satellite infrastructure*. The UK space sector is at an inflection point, and its success, including meeting its launch ambitions, is reliant on key policy decisions in the near future.

During the evidence session, I reflected on the structural limitations in the UK's space industrial base, including its lack of diversity and resilience. I thought it would be helpful to expand on that point, and highlight a particular area of concern for industry.

There is a need for greater diversity in our industrial base, which will require the Government to encourage global companies to invest in, and operate at scale from, the UK. The opportunity to bid on, and participate in, large-scale government programmes is a critical incentive for inward investment. The growth that results from that investment will improve the long-term sustainability and resilience of the industrial base, which currently is recognised as being fragile.¹ It will also provide the UK with access to new export markets and supply chains, beyond those sustained by the European programmes that currently dominate the UK sector.

The Ministry of Defence (MoD) is responsible for the UK's largest national space programme, which represents the vast majority of the Government's space expenditure over the next 10 years, as part of its Defence Space Portfolio. It therefore acts as a key stimulus for the space sector, and there will be a correlation between how the MoD procures and the likelihood of the UK achieving the wider ambitions of the National Space Strategy. The National Space Strategy recognises this, noting '*the importance of Defence in...enabling wider sector growth aspirations*'.²

Industry trusts that the procurement approach adopted by the MoD will reflect this, in order to incentivise new, long-term investment in the UK's space sector. The MoD should pursue a procurement approach that makes its programmes accessible to all companies. If companies cannot compete for, or participate in, significant MoD space programmes, they could lose confidence in the UK market and look for different countries from which to manufacture, operate, and export. The UK's space sector would therefore be unlikely to grow.

I am copying this letter to the House of Commons Defence Committee, which is undertaking its own inquiry on *Space Defence*.

(November 2021)

¹ Defence Committee, *Oral evidence: Space Defence*, 7 September 2021, HC 271 2021-22, Q44.

² HM Government, *National Space Strategy*, September 2021, p. 21.