

(English version)

Question for written answer E-003361/25
to the Commission
Andi Cristea (S&D)
(2 September 2025)

Subject: Financial challenges for Europe's space industry SMEs and supporting industrialisation through prefinancing of non-recurring costs (NRC)

The space sector plays a key strategic role for the European Union and SMEs play a key role in the space industry as essential contributors to Europe's strategic autonomy and competitiveness. In an annual study by SME4SPACE, the group representing these SMEs, the financial data of approximately 2 000 SMEs were processed. The study concluded that space industry SMEs' capital requirements are very high compared to those of other industries, but that external funding is almost inaccessible. This causes major problems in financing the investments required for scale-up and industrialisation.

The study indicates that the financial sustainability of these SMEs should be a primary aim of an overall industrial policy. One proposed solution is the financing of non-recurring (engineering) costs through loans by public authorities for investment in production capacity of SMEs. These loans would be reimbursed at the time of successful commercialisation.

1. Would the Commission consider the funding of non-recurring costs, similar to NRC financing loans for Europe's aeronautics industry?
2. Does the Commission intend to propose other targeted measures to address this gap and enhance the industrialisation capacity of space industry SMEs?

Submitted: 2.9.2025

Answer given by Mr Kubilius on behalf of the European Commission
(3 November 2025)

The support to space new entrants, startup and small and medium-sized enterprises (SMEs) is a key objective of the EU Space Programme⁽¹⁾. To this end, the Commission created the CASSINI initiative⁽²⁾, with an investment capacity of up to EUR 1 billion for 2021-2027 complemented by an equivalent amount by private venture capital funds.

Since 2021, the CASSINI initiative has channeled investment capital guarantees to 16 venture capital funds and made four co-investments directly into space companies. These funds have made more than 60 investments into space companies until the second quarter of 2024.

The European Innovation Council has provided over EUR 300 million in support for space technologies. Within Horizon Europe, SMEs benefit from EUR 15.3 billion in Cluster 4 'Digital, Industry and Space' with a lump-sum cost model, where there is no need to declare non-recurring costs separately. The European Investment Bank also provides venture debt to SMEs and mid-caps developing highly innovative technologies, solutions or platforms⁽³⁾.

These financing solutions have proven to be successful in helping space SMEs accessing finance and thus also in funding their non-recurring costs.

Looking ahead, the Commission, in close coordination with the European Space Agency, the EU Agency for the Space Programme and Member States, will: (i) set-up a CASSINI Growth Investment Facility and a Debt/non-dilutive Financing Facility, also addressing the scaleup phase; (ii) set up a Manufacturing Accelerator, offering advisory services for optimising manufacturing processes, logistics and sourcing strategies; and (iii) facilitate the expansion and modernisation of manufacturing and test facilities across the EU, in line with state aid rules.

⁽¹⁾ <https://eur-lex.europa.eu/eli/reg/2021/696/oj/eng>.

⁽²⁾ with the European Investment Fund as implementing partner; <https://www.cassini.eu/cassini-initiative>.

⁽³⁾ <https://www.eib.org/en/products/equity/venture-debt/index>.