

Space Infrastructure Investment

A New Frontier

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INSIGHT PAPER

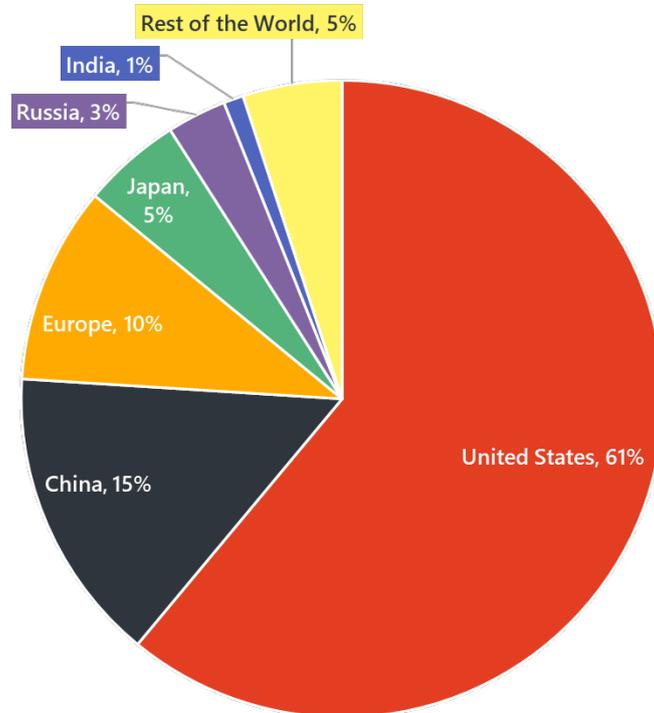
For institutional and strategic investors

Space Infrastructure Investment

GLOBAL LEADERSHIP AND REGIONAL INVESTMENT TRENDS

The global space economy was valued at around \$630 billion in 2023; with the sector expected to almost triple to \$1.8 trillion by 2035. This is driven by the growing relevance of clean energy, global logistics, weather forecasting and food security that leverage space-based technologies.

Figure - Distribution of institutional space budgets in 2024 (civil and defence)



Source: European Space Agency Report¹

The United States remains the clear leader in the global space economy, accounting for nearly half of worldwide spending. Its dominance rests on three factors: sustained public investment, a mature private capital ecosystem, and the unmatched scale of its commercial operators. NASA and the Department of Defence continue to anchor the market, with a combined budget of over \$70 billion in 2024. This is complemented by the world's deepest venture and private equity pools, which have funded the rise of SpaceX, Blue Origin, and a host of specialist satellite players.

The U.S. also benefits from a competitive edge in launch economics. SpaceX's Falcon 9 has driven launch costs down by more than 90%, creating a global benchmark that rivals struggle to match. This first-mover advantage gives the U.S. a strong hand as space transitions into a core infrastructure layer.

The global space economy is accelerating fast, with China, Japan, India, and Europe leading a new wave of investment and policy reform. In 2024, China saw record-breaking activity with \$2.17 billion raised across 24 deals, driven largely by state-backed funds keen to close the tech gap with the US. Government investors now account for more than half of all space funding in China, backing companies like SpaceSail and Deep Blue Aerospace.

Japan ranks among the top five space economies, combining steady government funding with a growing private sector. Industrial leaders like Mitsubishi, NEC, and Astroscale underpin capabilities in satellite manufacturing, launch services, and orbital debris management. The country is pursuing ambitious projects in satellite constellations, earth observation, and lunar exploration, while strategically leveraging international partnerships with NASA, Europe, and Australia. Japan's approach balances long-term public investment with fostering private innovation, positioning it as a reliable yet forward-looking player in the global space economy.

India's space sector is undergoing a transformation of its own. Once dominated by Indian Space Research Organisation, it's now a vibrant ecosystem of over 300 startups, fuelled by Prime Minister Modi's push for self-reliance and global competitiveness. Reforms to foreign investment rules and the Indian Space Policy 2023 have opened the door for more private capital. The government sees space as a strategic industry, projecting a jump from \$8.4 billion today to \$77 billion by 2030.

1 <https://space-economy.esa.int/documents/tjMabTj61KkdGVotF6SKw6wGSxicen6ajUWamCG3.pdf>

Europe is catching up fast with China and U.S. Space and defence ventures raised €1.5 billion in 2024, a 56% jump from the previous year supported by public funding and a renewed focus on strategic autonomy. The war in Ukraine and a changing global order have made space a national security priority, with companies like ICEYE and Look Up Space attracting large rounds. While deal sizes lag behind the US and Asia, Europe is investing in building its own independent space infrastructure and technologies.

KEY INVESTMENT DRIVERS AND OUTLOOK

The biggest driver of investments in this sector has been the sharp decline in launch costs. Over the past two decades, sending payloads into orbit has become over 90% cheaper, making space far more accessible. Between 2019 and 2023, satellite launches grew at over 50% annually. Private investment has responded accordingly. More than \$70 billion has flowed into the space sector in just the past few years, much of it backing commercial ventures ranging from satellite internet to space tourism and orbital maintenance services.

More than half of the OECD's most critical infrastructure like energy grids, financial systems, food supply chains, transportation networks now rely on space-based systems. Navigation satellites, for instance, synchronise power systems, track cargo shipments in real time, and guide autonomous vehicles. Energy companies use orbital imagery to scout new resource clusters. And space-based solar power is edging closer to viability, with the potential to deliver clean electricity at scale with minimal carbon output.

However, as more players launch satellites into low-Earth orbit, concerns are rising around congestion and debris. But these same challenges are also spurring innovation in space traffic management, in-orbit servicing, and AI-powered collision avoidance systems. Strategically, space is also becoming a geopolitical priority. The U.S., China, and others are ramping up investments in dual-use (commercial and defence) platforms. This is likely to drive continued public-private partnerships and backing for companies that can offer resilience at scale.

For investors, the most compelling opportunities are likely to come from companies with vertically integrated models, multi-orbit capabilities, and end-user defensibility. Whether it's moving satellites, transmitting data, or supporting global mobility, space is fast becoming the infrastructure layer of the digital age.

ABOUT STIRLING INFRASTRUCTURE PARTNERS

Stirling Infrastructure Partners is a boutique specialist corporate finance advisor. Our advanced technology teams and infrastructure group are examining space as the next frontier of critical infrastructure. Our focus is on how satellite constellations, orbital data, and space-based energy align with sectors we already cover - digital networks, renewables, and transport. By analysing deal flow, policy reforms, and operator strategies across geographies, we are building insights to help clients understand where space transitions from niche innovation to mainstream infrastructure investment.

Full Infrastructure Outlook report is available to clients of the firm upon request.

For further information please contact:

Stirling Infrastructure Partners Limited
84 Brook Street
London
W1K 5EH
Tel: +44 (0)20 7629 3030

contact@stirlinginfrastructure.com
www.stirlinginfrastructure.com

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