Commercial EO Industry:

A Media Perspective On **The Way Forward**

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Agenda

- Major players in the market
- Present scenario
- Recent developments
- Emerging scenario
- Way forward

Major Players

Present scenario

- Heavily funded and subsidised by govts
  - Radarsat-1 : Canada contributed $ 500 million
  - GeoEye-1: NGA supported the engineering, construction and launch
  - Pleiades-1: Part-funded by France, Austria, Belgium, Spain, Sweden

Present Scenario

- Driven by defence and intelligence use

Company	Defence & Intelligence Revenue-2011	Civil govt & Commercial Revenue-2011
DigitalGlobe	77%	23%
GeoEye	64%	36%

Present Scenario

- Indirect control - limited independent business decisions and/or forced business decisions
  - NGA says no to additional funding for GeoEye-2
  - Enhanced View 3rd year– DG contract renewed, GeoEye's not renewed

Present Scenario

- Increasing life of satellites in orbit – leading to excess capacity

Satellite	Launched	Expected life	If Operational
IKONOS	Sept 1999	7 years	Operational
QuickBird	Oct 2001	7 years	Operational
Radarsat-1	Nov 1995	5 years	Operational

Present Scenario

- Reduced demand for commercial players in US
  - US govt pulling out of Iraq
  - US scaling down operations in Afghanistan
  - Increased competition from Europe

Present Scenario

- Skewed business policies
  - 60% of DigitalGlobe revenue in 2011 from NGA
  - DigitalGlobe obliged to reduce the altitude of WorldView-2 at the behest of NGA limiting collection capability – possibility of negative impact on other customers

Recent Developments

- RapidEye AG filed for bankruptcy protection, later acquired by RapidEye Canada Ltd
- Radarsat mission - budget cuts by Canadian Space Agency
- European Union defers GMES funding decision
- GeoEye and DigitalGlobe merger

Emerging Scenario

- Consolidation of commercial EO industry
- Rationalising number of satellites built over mid to long term
- Increased financial and inventory capabilities to invest in new areas of growth
- Save on capital and operational costs
- Number of commercial operators shrinks further – less competition, more complacency
- Advances in low-cost, small satellite capabilities

Way Forward – Reorient strategy

- Enable industry to be driven by market principles of demand and supply
- Nurture commercial applications, increase footprint in commercial sector
  - Capture volumes at the bottom of the applications pyramid
  - Increase small and medium users serving other economic industries like water, agriculture and mining

Way Forward – Reorient Strategy

- Commercial EO operators need to come together and organize themselves as an entity
- Improve business processes; Increase efficiency of productivity cycle

Way Forward - Innovation

- Integrate with GIS, mapping and other allied geospatial technology companies to innovate solutions
- Integrate/connect with major economic industries like mining, energy, oil & as, agriculture, infrastructure, insurance, telecom
- Imagery as a service
- Opportunity in topographic mapping, map updation
- Explore data mining
- Big data solutions

Way Forward

Replace competition with 'coopetition' and create new opportunities