

Policy black holes spook space investors

Investors cite possible conflict of interest at Department of Space as a concern

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Potential foreign investors in India's space sector are unsure if their licence applications would get 'a fair consideration' and are wary of a possible conflict of interest given that the Department of Space is both the sectoral regulator and a service provider by way of its role overseeing the Indian Space Research Organisation (ISRO).

Observing that the reforms announced in June 2020 to open the sector to private investors were a significant departure from the 'virtual monopoly' of state-controlled ISRO and allied entities, the U.K. India Business Council said there was, however, a 'lack of clarity' about several aspects related



to the procedures.

Foreign Direct Investment up to 100% has been allowed under the government route in satellite-establishment and operation, subject to the sectoral guidelines of the Department of Space and ISRO. The processes for authorisation to launch a satellite, the frequency allocation mechanism and even the details of different agencies in-

involved in these clearances were not clear, the Council said, calling for the regulatory structure to be refined.

"Today, the Department of Space acts as the regulator, but since it is a major service provider through ISRO, there is scope for a conflict of interest," the UKIBC said. "Service delivery and decision making are critical challenges. ISRO is a party involved in both, thus creating doubt in the mind of investors, if their licence applications will receive fair consideration," it added.

Emphasising that the private sector was concerned about sharing its intellectual property with the government, the business group said: "If ISRO is serious about partnering with the

private sector, policymakers will have to view the industry as more than just a collection of manufacturers or service providers."

Global investors are also keenly tracking developments over the scrapped Antrix-Devas deal in the wake of the Indian government losing an international arbitration and Devas eyeing judicial enforcement of the arbitral award in overseas jurisdictions.

Indian National Space Promotion and Authorisation Centre (IN-SPACe), a newly created regulatory body, has received at least 26 applications from Indian and foreign firms that include proposals to set up ground stations and make and launch satellites.