



According to CIO, investment exposure to the space economy at this early stage is best gained via listed companies in the aerospace, satellite, communication, defense, and security industries. (UBS)

How to invest in the space economy

16 April 2024, 3:48 pm CEST, written by UBS Editorial Team

The space economy is poised for liftoff, fueled by stronger private sector funding, major advances in satellite technology, strong growth in new space applications and industries, and most importantly, significantly lower launch costs.

A broader range of applications in communication and security, as well as new industries such as space tourism and space-based solar power, is set to drive strong growth over the decades ahead.

Projections and opportunities

- **Space economy**

The space economy is reaching an inflection point and is poised to grow from USD 386bn in 2021 to around USD 1tr by 2040, in our view.

- **Space and communication**

As satellite technology continues to improve and costs fall, navigation devices, broadband, and earth observation should become more reliant on satellite services. Additionally, satellites offer entirely new possibilities surrounding big data.

- **The new space economy**

Longer term, the opening of the space economy may provide solutions to address environmental and resource scarcity issues through big data or space-based solar technology. Space tourism offers another avenue for space commercialization.

- **Potential for industry disruption**

While the satellite industry should continue to dominate the space economy due to its importance to the communication industry, we expect new space applications to offer the strongest growth, as the space economy starts to have significant spillovers across various industries.

- **Space and security**

The militarization of space is accelerating, prompting many countries to increase funding for space-based threat detection, weaponry, intelligence gathering and communications, as well as counter space technology.

- **Investment opportunities**

In our view, investment exposure at this early stage is best gained via listed companies in the aerospace, satellite, communication, defense, and security industries, and in space travel services segments. Existing private companies as well as new space startups may offer opportunities in private markets.

Some **near-term drivers of the space economy include** the first stage of reusable rocket technology , which should drive a sharp fall in satellite launch costs, the first commercial space tourism flights to low earth orbit, and NASA's PACE and ARTEMIS missions.

Main contributors - Rolf Ganter, Ashim Thakur, Michelle Laliberte, Nathaniel Gabriel

To learn more, contact your Financial Advisor or go to: ubs.com/lfi

For more, [see the one pager on the Space economy.](#)

Important information

As a firm providing wealth management services to clients, UBS Financial Services, Inc is registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser and a broker-dealer, offering both investment advisory and brokerage services. Advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate contracts. It is important that you carefully read the agreements and disclosures UBS provides to you about the products or services offered. For more information, please visit our website at www.ubs.com/workingwithus.

© UBS 2023. All rights reserved. UBS Financial Services Inc. is a subsidiary of UBS AG. Member FINRA/SIPC.

There are two sources of UBS research. Reports from the first source, UBS CIO Global Wealth Management, are designed for individual investors and are produced by UBS Global Wealth Management (which includes UBS Financial Services Inc. and UBS International Inc.). The second research source is UBS Group Research, whose primary business focus is institutional investors. The two sources operate independently and may therefore have different recommendations. The various research content provided does not take into account the unique investment objectives, financial situation or particular needs of any specific individual investor. If you have any questions, please consult your Financial Advisor. UBS Financial Services Inc. is a subsidiary of UBS AG and an affiliate of UBS International Inc.