

SUCCESS: Strategic Investments in Latvia's Space Sector to Create New Opportunities for Society and Economy



Today, December 17, the Cabinet of Ministers approved the reallocation of the flexible budget of the Ministry of Education and Science, directing funding towards the annual contribution to the European Space Agency (ESA) programs. By the end of this year, a contribution of 1,897,634 EUR for 2025 is planned to be made to ESA. Combined with the already allocated funding, this will ensure the minimum contribution required under the international agreement, thereby supporting Latvia's strategic goals in this important sector.

The reallocated funds come from budget programs where surpluses have occurred due to lower-than-expected participation from students and educators. **No existing or planned scholarships, budgeted study places, or other support forms for students and educators will be reduced.**

Since 2020, Latvia, as an associate member of ESA, has continued to strengthen its role in global space technology development, enhancing the competitiveness of national companies and research institutions and fostering youth and student interest in high-tech industries.

The funding allocated to the Ministry of Education and Science for the space sector 1,102,366 EUR to date does not meet the minimum required level of 3 million euros for Latvia to maintain ESA membership in 2025. The reallocated amount includes investments in ESA's mandatory program, national program, and four optional programs, thereby allowing Latvia to continue leveraging the opportunities provided by ESA.

The implementation of ESA projects drives economic development, ensuring a positive impact on the national economy. Latvia demonstrates above-average performance compared to Europe, achieving a return coefficient of 1.14 in the optional programs. This stable and consistently high return coefficient confirms the ability of Latvian organizations to successfully secure ESA contracts. Representatives of the World Economic Forum also affirm that the space sector is currently one of the fastest-growing economic sectors globally.

Since 2015, 34 different organizations, including research institutions, universities, and private companies, have secured contracts with ESA. **In total, 119 projects have been implemented, with a total value of 19,136,578 EUR, including non-financial support provided by ESA experts.** Each year, the number of participating organizations and projects grows, along with their readiness for commercialization in international markets, thereby strengthening the position of the Latvian space sector.

Education and skill development also play a crucial role. Students and pupils gain access to modern technologies and education, preparing them for careers in future industries.

Participation in ESA programs enhances not only Latvia's scientific and technological potential but also makes a significant contribution to societal development and the country's international recognition. The minimum funding enables Latvia to leverage the opportunities provided by ESA, fostering the creation of new high-value-added products and services and enabling Latvian companies to participate in international partnerships within the European space industry.