

New launch contingent liability under the Space Industry Act 2018

The government has bold spaceflight ambitions that we outlined in the [National Space Strategy](#) that we published last September.

The UK has a thriving satellite manufacturing industry and we excel at providing satellite-based communications and high-end navigation services. The space sector directly employs 45,000 people in the UK and satellites support at least £360 billion of UK GDP.

However, the UK is currently reliant on other launch countries to put UK built and UK operated satellites into space – including those critical for our defence and security.

Through the Space Industry Act 2018 (the 2018 Act) and the Space Industry Regulations 2021 (the 2021 Regulations), we have established the regulatory framework and appointed the Civil Aviation Authority as the spaceflight regulator, to enable the licensing of spaceflight activities from UK spaceports.

Space based technologies provide fundamental services to the daily lives of everyone in this country – from supporting defence and security, enabling faster and more efficient travel, enabling our smart phones, the provision television services and receiving better weather forecasts.

Having a UK launch capability will generate and support many additional high skilled jobs up and down the country – and give UK greater control and increased options for getting our satellites into space that can provide benefits for all.

I have therefore today (19 July 2022) laid a departmental minute describing a new contingent liability that the Department for Transport plans to undertake in respect of future launch operator licences granted under the 2018 act.

The liability arises from a combination of the UK being a party to the United Nations Convention on International Liability for Damage Caused by Space Objects 1972, powers and obligations under the 2018 act to indemnify operators and those who sustain injury or damage in the United Kingdom as a result of spaceflight activities and limits placed on a launch operator's liability by or under the 2018 act and the 2021 regulations.

The circumstances giving rise to the contingent liability are fully explained in the departmental minute.

A potential contingent liability will be created each time a launch activity is conducted under the 2018 act. The liability is unquantifiable – but we anticipate that the likelihood of any liability arising above an operator's liability limit to be very low.

The Department for Transport will keep Parliament informed of the specific indemnities entered into under this notification by reporting on them in our annual report and accounts which are laid before Parliament.

HM Treasury has approved the contingent liability in principle.

If, during the period of 14 parliamentary sitting days beginning on the date on which this minute was laid before Parliament, a member signifies an objection by giving notice of a parliamentary question or by otherwise raising the matter in Parliament, final approval to proceed with incurring the liability will be withheld pending an examination of the objection.

The action I have taken today is another step towards achieving the first small satellite launch from Europe this year. It reaffirms this government's bold commitment to establishing the UK as one of the most attractive and innovative space economies in the world and the leading provider of commercial small satellite launch in Europe.