



### 3 Key Trends Fueling the Commercial Space Industry

Space is no longer just an opportunity for deep-pocketed governments and billionaires. The sector is now accessible to a wide range of entrepreneurs and companies looking to cash in on its growth potential.

Below, we examine three key trends driving the commercial space industry this year and beyond.

**Lowered barriers of entry:** Private companies have historically encountered barriers to entering the space market due to high costs. However, advances in electronics have enabled companies to cost-effectively manufacture satellites that are more compact and powerful. Additionally, the advent of reusable rockets has significantly decreased launch costs. SpaceX's Crew-1 mission in May 2020, for example, lowered human launch costs from ~\$81 million per seat to ~\$55 million, a ~32 % decrease. These reduced equipment expenses will free up company budgets, allowing them to allocate more resources toward space-related initiatives.

**Elevated reliance on satellite infrastructure:** Whether we see them or not, satellites play a critical role for governments, companies and individuals alike. Emerging technologies like 5G, broadband internet, blockchain, cloud computing and others have captured investor interest around the globe. However, many fail to realize these technologies are entirely reliant on space-based systems. The COVID-19 pandemic has only accelerated the world's dependence on satellite infrastructure amid widespread remote work and digital adoption.



**Increased competition for international space dominance:** Space defense is becoming a must-spend area among global superpowers, which may have a profound effect on the commercial space industry as governments primarily rely on private companies to develop defense infrastructure and technology.

In 2019, the United States Space Force (USSF) was created as a new branch of the U.S. Armed Forces. China has ambitious goals to establish a moon colony by 2028 and potentially a moon military base by 2030. Russia is also putting significant resources toward space militarization and defense. As more nations augment their space military capabilities, it's likely others will stake their claim in the second "Space Race" as well.

Investors looking to get a slice of the commercial space industry can consider the Nasdaq-listed **Procure Space ETF (UFO)**, which invests in 30+ publicly traded, space-related companies from around the globe. To learn more about **UFO**, the **Procure Space ETF**, visit: <https://procureetfs.com/etfs/ufo.html>.

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