

Relaxation in Foreign Direct Investment (FDI) for space sector



- Currently, foreign investment in entities engaged in satellite establishment and operations is allowed up to 100% through government approval only.
- On February 21, 2024, the Union Cabinet approved amendments to the FDI policy to relax the FDI restrictions relating to space sector.
- According to the press release, the entry routes under the amended policy shall be as follows:

S No	Particulars	Prescribed limits
1	Satellites – Manufacturing & Operation, Satellite Data Products and Ground Segment & User Segment	Up to 74% FDI under Automatic route
2	Launch Vehicles and associated systems or subsystems, Creation of Spaceports for launching and receiving Spacecraft	Upto 49% FDI under Automatic route
3	Manufacturing of components and systems/ sub-systems for satellites, ground segment and user segment.	Upto 100% FDI under Automatic route

- The proposed reforms aim to increase the participation of the private players and to make the sector self-reliant.

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