

2. WHY THIS MATTERS TO THE CITY OF LONDON

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Why space?

‘Empty space’ is valuable. Without earth observation, positioning, and telemetry we put at risk defence, shipping, telecommunications, and clocks. Modern aviation and shipping depend heavily on satellite navigation, communications and Earth observation. People get nervous and trigger happy when they can’t see what the neighbours are doing, so blocking space observation can cause war. Space-enabled services support progress across the UN Sustainable Development Goals. If you care about human trafficking, deforestation, or the climate, you have to care about space first.

As at 9 October 2026, approximately 15,900 functioning satellites were in Earth orbit. Commercial constellations account for a substantial share of this activity. As space funding moves to the private sector, investors are increasingly questioning the risk junk poses to the assets they’re

funding. Why put all that expensive kit up there if it’s going to be shredded?

Taking the long term view

For more than three centuries, London has specialised in financing the improbable, until it becomes inevitable. Canals, railways, undersea cables, electrification, aviation, global shipping, and digital infrastructure all passed through the crucible of London’s capital markets at moments when the risks were poorly understood and the returns uncertain.

The orbital economy is not a speculative frontier in the romantic sense; it is infrastructure. Satellites are long-duration assets that underpin navigation, communications, logistics, weather forecasting, environmental monitoring, financial timing systems, and national security. They generate long-lived informational revenue streams, service contracts and subscriptions, leasing and



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access models, and derivative markets for risk transfer. These are instruments the City understands intimately. The financial logic of orbit is not alien to London; it is a familiar extension of how the City has long funded systems that quietly sustain global commerce.

In the 1990s the City realised that there was an opportunity to use emissions trading schemes to tackle climate change, leading to the 1997 COP 3 agreement in Kyoto and the launch of the EU Emissions Trading Scheme on British lines in 2005. Global emissions trading is now a \$1 trillion market, with the international element centred on London. Over a quarter of a century ago the City sought to be the preferred offshore trading centre for Renminbi. In 2014 China agreed. In 2024 London celebrated a cumulative 100 trillion yuan (\$13.8 trillion) of trading, in 2025 trading nearly 100 trillion yuan in just one year. Each time, the City provided not merely money, but the underpinning financial architecture: equity, debt, insurances, markets, governance, and rule of law. Space now fits squarely within this tradition.

Taking the outer space view

Space assets resemble classic infrastructure in several defining respects.

They are capital intensive at inception, operationally leveraged once deployed, and reliant on predictable regulatory frameworks. Their value is not exhausted at launch but accrues over time through data, services, and network effects.

Revenue is often subscription-based and geographically diversified. Risks are multifaceted – technical failure, collision, regulatory change, counterparty default – and therefore demand layered financial solutions. London's markets have evolved precisely to structure such complexity. The City's expertise in project finance, reinsurance, and capital markets provides the toolkit required to price, pool, and transfer orbital risk.

The orbital domain introduces a critical dimension that reinforces London's relevance: the governance of shared space. Earth's orbits are a finite and congestible resource. Space junk is a big problem, far from most people's minds.

In 1978, Donald Kessler and Burton Cour-Palais described how collisions between objects in orbit could generate debris and trigger further collisions. This risk has become more pressing as satellite populations and orbital debris have increased.



Finance for the common good

The accumulation of debris presents a classic tragedy of the commons. No single operator bears the full cost of congestion or collision risk, yet every operator depends on orbital sustainability. Historically, London has excelled in situations where private incentives and public goods must be aligned. From maritime insurance to environmental liability regimes, the City has repeatedly created financial mechanisms that transform diffuse risks into manageable contractual obligations.

Insurance, in particular, provides a natural bridge between orbital sustainability and market discipline. Performance bonds, liability coverage, and retrieval guarantees convert uncertain future harms into present financial commitments. In 2024 the London insurance market provided an invitation to treat for up to \$500 million per operator on the Lord Mayor's proposal for Space Debris Removal Insurance Bonds (SPADRIBs), surety bonds designed to ensure funds are available to deorbit or remove satellites and other man-made objects at the end of their life. SPADRIBs work like performance bonds in other industries (e.g., maritime decommissioning), where a guarantor (underwriter) pays for required cleanup if the primary operator fails to act. By attaching a price to debris creation and a value to debris removal, markets can reward responsible behaviour without stifling innovation. The City's insurance markets have long provided this form of governance through pricing. In space, the same principle applies: when risk is costed, behaviour changes.

London's financial ecosystem

London's comparative advantage lies not in any single capability, but in the concentration and integration of several. The City combines deep insurance markets, unparalleled foreign exchange liquidity, vast pools of pension and institutional capital, world-leading legal expertise, sovereign neutrality, and a centuries-long heritage of infrastructure finance. Few financial centres can simultaneously structure risk, mobilise capital, arbitrate disputes, and distribute securities across global investors. London can.

The City's insurance ecosystem is especially relevant to space. Long-duration assets operating in uncertain environments require sophisticated underwriting and reinsurance capacity. Spacecraft failures, launch risks, and orbital collisions are not binary events but probabilistic distributions. London's markets are adept at pricing such uncertainties and spreading them across global balance sheets. Just as maritime insurance once enabled the expansion of global trade, orbital insurance can enable sustainable space commerce.

Space is inherently international, global really: supply chains, launch providers, operators, and customers span jurisdictions. Revenue streams are denominated in multiple currencies and subject to geopolitical variability. London's role as a premier FX centre allows capital to flow efficiently across borders, reducing friction and enhancing resilience. Infrastructure thrives where capital is fluid; the City ensures that liquidity.

Equally important is the scale of long-

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term investment capital available in London. Pension funds and institutional investors seek durable, predictable returns over multi-decade horizons. Space infrastructure – constellations, servicing platforms, data networks – offers precisely such characteristics when structured appropriately. By converting orbital assets into investable securities, London can align retirement savings with the expansion of the orbital economy. This is not novelty finance; it is the continuation of a model that has long supported energy grids, transport networks, and communications systems.

Rule of law

Legal architecture underpins all of this activity. Contracts governing launch liability, orbital servicing, debris removal, and data usage must operate across jurisdictions and technologies. London's legal services sector provides arbitration, mediation, and dispute resolution trusted worldwide. Rule of law is not an abstract virtue in infrastructure finance; it is the foundation upon which capital commits. Investors require certainty that obligations will be enforced and disputes resolved fairly. The City supplies that certainty.

Sovereign neutrality further enhances London's role. Space is strategically sensitive. Operators and governments alike seek financial venues that are trusted but not politically entangled. London's long-standing position as a neutral marketplace enables cooperation among diverse actors. Infrastructure that serves the globe must be financed in a venue perceived as serving no single power exclusively. The City's reputation provides that platform.

The historical pattern is unmistakable. When new domains of economic activity emerge, London does not merely fund them; it standardises them. Insurance clauses, contractual templates, risk classifications, and market conventions developed in the City become global benchmarks. The orbital economy requires precisely such standardisation. Financing structures must be repeatable, risks comparable, and obligations enforceable. London's institutional memory – refined through centuries of infrastructure financing – equips it uniquely to perform this role.

Stewardship

There is a deeper continuity. The City has long recognised that infrastructure finance is inseparable from stewardship. Shipping demanded maritime safety regimes. Energy networks required environmental accountability. Telecommunications infrastructure necessitated spectrum governance. Orbital infrastructure now requires debris management and sustainable practices. Financial mechanisms that embed responsibility into market incentives are not innovations; they are the City's traditional method of aligning profit with preservation.

Space, therefore, is not an eccentric departure for London but a natural progression. The orbital economy extends the same principles that have guided the City for generations: risk priced transparently, capital allocated efficiently, law applied consistently, and global cooperation facilitated through markets. The instruments may be novel in form, but their logic is deeply familiar.

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No other financial centre offers this complete toolkit in one place. Some possess capital but lack legal neutrality. Others offer technological capability but limited insurance depth. A few provide regulatory scale but insufficient market liquidity. London's distinctive strength is synthesis. It convenes finance, law, insurance, and governance within a single ecosystem capable of transforming uncertain frontiers into investable infrastructure.

The question, therefore, is not whether London should lead in financing the orbital economy, but whether the global community can afford for it not to. Space infrastructure underpins economic stability, environmental monitoring, and international security. Financing its sustainable expansion requires precisely the blend of expertise the City has cultivated over centuries.

London has always financed the long duration, the capital intensive, and the globally consequential. A sustainable orbital economy simply takes that approach to the final frontier.

SuperSharp

Super-Sharp Space Systems is a UK space technology company developing high-resolution thermal infrared imaging satellites. Its systems are designed to capture detailed temperature data from orbit, supporting applications in urban energy efficiency, infrastructure monitoring, environmental analysis and security.

The company's innovation lies in deployable optics, enabling large-aperture imaging systems to be launched compactly and expanded in space. This approach improves data quality while reducing cost, expanding the commercial viability of thermal Earth observation.

SuperSharp sits at the intersection of hardware innovation and data services. Its technology supports both government missions and commercial applications, creating diversified revenue potential.

Thermal data is increasingly valuable as cities, utilities and regulators seek to monitor energy use, emissions and infrastructure performance. This positions SuperSharp within a growing market linked to climate intelligence and resource efficiency. By tracking heat, users can track activity, both infrastructure and biological, delivering a new data set for defence and security applications.

For investors, it represents exposure to advanced sensing technology underpinning long-term environmental and infrastructure monitoring demand.

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