

ALL INDIA PEOPLE'S SCIENCE NETWORK (AIPSN)

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AIPSN Statement on ISRO and Private Sector in Space in India

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Recent pronouncements by the government and [the chairman](#) of IN-SPACe, the agency set up to oversee and promote commercialization of the space sector, have added to the fears of scientists, engineers, and concerned organizations about the direction in which ISRO is being steered.

Of particular concern is the growing role envisaged for the private sector in space-related activities in India and what appears to be shrinking responsibilities for ISRO, which is now mandated to transfer all technologies pertaining to rocket launchers and satellites to private and other non-government private entities (NGPE).

Such apprehensions have also recently been expressed by serving ISRO personnel in a [letter](#) to the Chairman of ISRO. These are not knee-jerk reactions against privatization or involvement of private players in space or other strategic sectors. Rather, these concerns relate to India's place in the global space ecosystem and for self-reliant advancement of India's interests within it in an increasingly knowledge- or tech-based future. They also do not arise from misconstrued 'narratives,' as the IN-SPACe Chairman [believes](#), but from the very framework of the Indian Space [Policy](#) of 2023 and its rollout as per official [sources](#).

Transfer of rocket manufacturing technologies from ISRO has already begun with the Small Satellite Launch Vehicle (SSLV), thankfully to defense [PSU giant](#) Hindustan Aeronautics Limited (HAL). Transfer of mature technologies for the larger PSLV, ISRO's workhorse, or for the even larger GSLV LVM-3 to any private entity would entail a long learning curve and higher risks, except possibly for a few companies. PSUs like Bharat Dynamics, which already produces the Agni missile, may be a safer bet. PSUs should not be excluded from the process of technology transfer from ISRO.

The idea of shifting the manufacture of rocket launchers with proven repeatability out of ISRO for commercial purposes may be understandable if the logic is to free up ISRO for the more challenging and strategic core tasks ahead, such as expeditions to the Moon or Mars, setting up and operating an Indian space station, crewed missions, scientific collaborations with other countries, and development of related technologies. ISRO was never intended or structured to be a factory and has never been one. Even now, industry partners manufacture over 80% of rocket booster parts outside of ISRO. The private sector and PSUs would probably play important roles in all the above core tasks as well. Technology transfer by ISRO should follow usual commercial practices such as licensed production with appropriate fees and charges for tech transfer, training, hand-holding, and backup, while ISRO retains ownership and IP rights over the technology for technology upgradation and improved versions. ISRO should also retain the ability to make and use these rocket boosters and related technologies for its use when required, e.g., for defense purposes.

A few private sector entities with several decades of experience and capacity-building have indeed established themselves in advanced manufacturing and engineering and could well assist in broadening the base of the space industry. ISRO has historically worked with many such entities and SMEs. Some space sector start-ups may also independently develop innovative and viable technologies and manufacturing capabilities. But all that is a far cry from the current haste to shift manufacturing and some launch functions and related infrastructure to the private sector. The current rationale for promoting the private sector does not take a fresh look at relations between the public and private sectors but seems based on the tired ideological belief that the private sector does everything better than the public sector, an idea disproved in numerous cases in strategic sectors, especially as regards technology development. Many issues need to be considered.

ISRO launches an average of 5-7 missions per year, having struck an unusual record of 17 launches in 2018. Even current demand for public security uses is much higher, and the problem does not lie with ISRO capability but with chronic understaffing and funding by the government. Assuming that somehow launch cadence or frequency goes up substantially with private sector involvement, if not up to the rather ambitious 50 launches a year by 2030, that does not make for a booming commercial business for private rocket manufacturers spread over several different booster types.

The same issue arises in respect of launches. A recently published international [study](#) has shown that launch costs in India are several times that of the US or other countries. Exact numbers may be debated, but the main factor correctly identified is that, while recurring operational expenses for each launch may be low in India, as often cited, the low annual number of launches results in a high per-launch cost when infrastructure, manpower, and other fixed costs are taken into account. When the new SSLV spaceport in Kulasekarapattinam in Tamil Nadu is handed over to a private sector player as decided, it should be ensured that the new player bears all fixed costs as well and does not just cover operational costs alone and skim profits off the top.

In the global space market today, [about](#) 78% of the value lies in commercial user services such as broadcasting, telephony, internet data, and so-called ‘reach applications’ such as aggregators, delivery services, logistics, etc., while only about one-third of that is realized through infrastructure, launch, and payload hardware. India’s space policy emphasizes a shift from supply to demand, but this shift is currently absent. Most of the vaunted start-ups are in supply-side innovations. So are the technology and infrastructure transfers from ISRO to the private sector. The significant gap in India lies in market demand. Where are the commercial applications, the business ventures that will use all the space-based data? Until now, ISRO has been doing yeoman service for the nation by generating data for resource exploration and mapping, weather, including cyclone observation and forecasting, broadcasting, and telephony, and, except for the last mentioned, government has been the main user. Commercial operations are supposed to be the private sector’s domain, and this is the main role they should be playing in the space sector, which would drive up launch frequency and hence rocket as well as payload manufacture. Will the [forthcoming](#) Space Activities Bill address this problem with adequate protection from intrusion of inimical foreign interest and venture capital for start-ups and through FDI?

ISRO has a lot on its plate, which the nation badly needs for development. India needs a new heavy rocket for crewed and interplanetary missions, reusable rocket boosters, defense satellites that are urgently required due to recent conflicts, a complete navigation system including India’s own GPS-equivalent, advanced technologies for the space station and crewed programs, lunar exploration, and more. India’s space policies should strongly support these and provide adequate funding and support to ISRO, which has been seriously lacking over the years. Technology transfer for manufacturing to PSUs or capable private sector entities through licensed production or similar appropriate arrangements between ISRO and the private sector will then make sense. Hopefully, the private sector generates the necessary commercial applications and businesses, their supposed core competences, without waiting for government funds for that too.

AIPSN is opposed to transferring public wealth to private monopolies, shrinking regular employment while expanding contract labor, and providing public-sector technology free for private profit. Moving towards a form of privatization that gradually renders ISRO—built with the tax money of crores of people, the hard labor of generations, and a lifetime of dedication by scientists—less relevant is unacceptable, as it would be a serious loss to the country’s scientific capability and public interest. ISRO’s technology is the wealth of the nation. Its infrastructure is the creation of the people’s money. Its real strength is the collective labor of scientists, employees, and workers.

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