

Space industry**China's commercial space boom poses strategic challenge for the US**

Research warns Washington should be alarmed at military implications of the sector's rapid expansion



A rocket launches from the Jiuquan Satellite Launch Center in China. Many Chinese groups work closely with the state and are helping to create space ecosystems that benefit the People's Liberation Army © Reuters

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China's commercial space sector is growing at a "stunning" pace with security implications that should alarm the US, according to research by the Center for Strategic and International Studies.

China's commercial space industry has grown enormously since being opened to private investment in 2014, said the think-tank's [report](#), with the number of companies engaged in space activities, such as launch services and satellite communications, rising from a few dozen to 600.

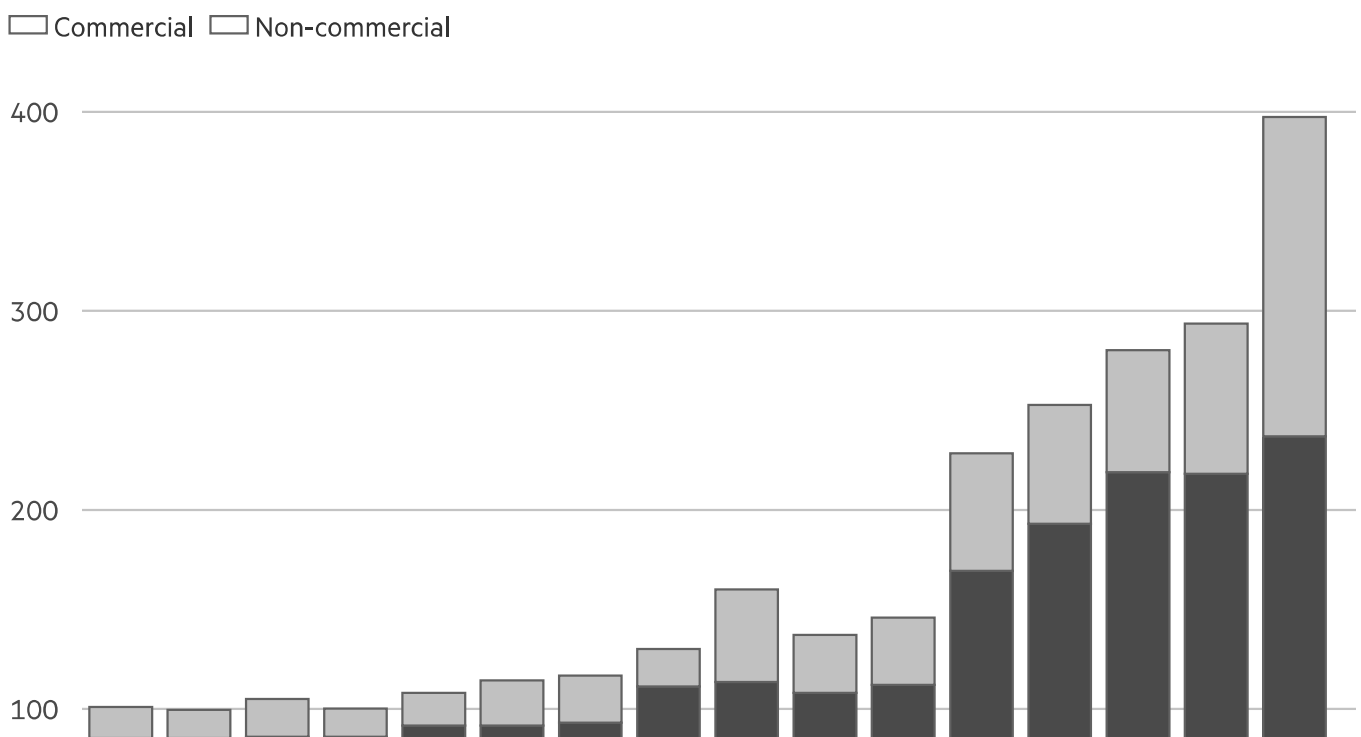
Aerospace manufacturing cities are being built across the country and the number of locations and facilities to launch rockets carrying satellites is also increasing. At least 10 start-ups have emerged as competitors to the state-run Long March rockets that previously had a monopoly on carrying Chinese satellites into space.

While many of the companies in the report are ostensibly commercial, many work closely with the Chinese state and are helping to create space ecosystems that benefit the People's Liberation Army.

"The US focuses on PLA space threats and lunar plans. We're not paying attention to China's commercial space developments, which are moving at a stunning speed and scale," said Kari Bingen, a former Pentagon official who led the report.

Commercial satellites make up nearly half of China's growing launches

Satellite launches by China by year, commercial vs all other satellites



According to the research, two companies — Guowang and Thousand Sails — are each planning to deploy more than 10,000 satellites in space, putting them in direct competition with SpaceX's Starlink constellation. This comes as China is pushing to build lower Earth orbit broadband networks with dual civilian and military applications.

The country is also creating huge automated “gigafactories” to build satellites and has an estimated capacity for the production of 4,100–5,000 satellites a year, compared to an annual rate of 500 three years ago.

“Beijing is cultivating a robust commercial space ecosystem, seeding start-ups, attracting investors, and industrialising at scale, which will benefit both its economy and military,” Bingen said.

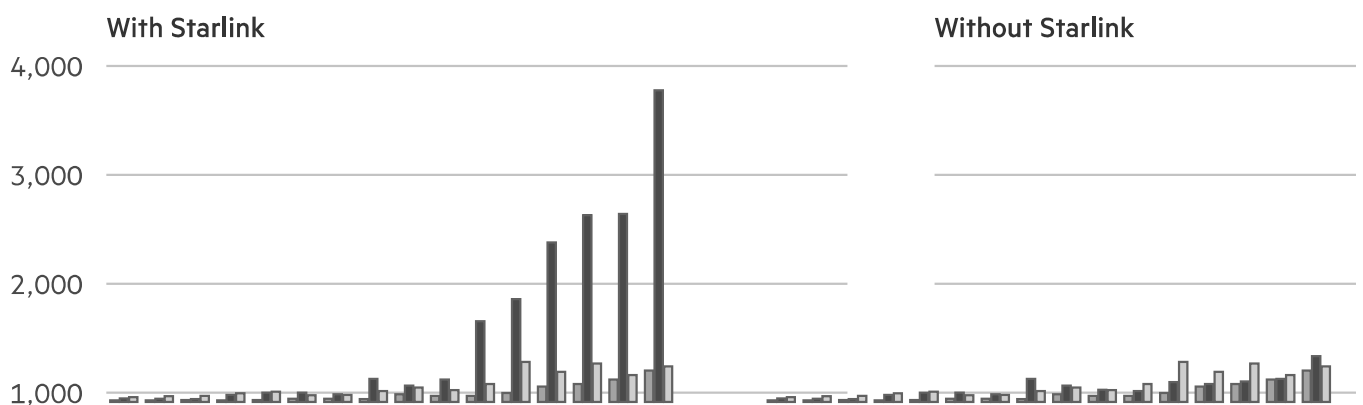
The report said China was employing the industrial playbook it used to become dominant in other industries such as electric vehicles, using central directives, local competition, industrial subsidies and selective market liberalisation to promote innovation and boost its global market share.

“The stakes extend beyond rockets and satellites,” the report said. “Commercial space systems are increasingly becoming part of the infrastructure that underpins global communications, information access, economic activity and national power. Countries that shape that ecosystem will shape the broader global strategic environment.”

Starlink satellites made up the majority of launches in 2025

Satellite launches by region per year

China US Rest of world



The FT previously reported that Chinese satellite groups had helped Iran target US military assets in the Middle East during the Iran conflict and given imagery to the Iran-backed Houthi rebels in Yemen.

CSIS said Chinese companies were incorporating space services into China's Belt and Road Initiative, creating a new "Space Silk Road" that bundled satellite communications, remote sensing and navigation services with financing, training and operational support.

Thousand Sails has signed deals with Brazil and Malaysia to expand rural broadband, and is in talks with more than 30 countries, particularly in places where Starlink "has faltered". Galaxy Space, a satellite manufacturer, has created a regional hub in Thailand and has secured deals with more than 10 countries, the report said.

"By embedding Chinese satellite networks in partner nations' digital ecosystems, Beijing is laying the foundation for a parallel internet architecture operating increasingly outside western platforms, standards and influence."

The report noted that while China has made big strides, commercial space launch was one of the few sectors where it "heavily trails" the US.

But CSIS pointed out that once Chinese groups could conduct medium- and heavy-lift launches comparable to SpaceX's reusable Falcon 9 rocket, they would likely "be able to leverage the country's manufacturing base and cost advantages to quickly scale and increase launch cadence", which could undercut US global competitiveness.

Bingen said the US needed to pay close attention to how China's commercial space model developed. "Will China's commercial space ambitions follow the path of its EV boom — bumpy at first, but now dominant in the global marketplace — or its real estate bust of the 2000s, where it invested in massive infrastructure only to see it stand hollow?"

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