



India's Private Space Race: From Sarabhai's Vision to the Commercialization of Space

by Tal Inbar and Dr. Lauren Dagan Amos

BESA Center Perspectives Paper No. 2,403, August 19, 2026

EXECUTIVE SUMMARY: India's emerging private space sector is often presented as a story of entrepreneurship and market liberalization, but there is more to it than that. It reflects a broader reorganization of national capability in which commercialization, security imperatives, industrial policy and status ambitions converge. India has evolved from Vikram Sarabhai's development-oriented vision to an increasingly dual-use space strategy, shaped by China's 2007 antisatellite test, Mission Shakti in 2019, and the institutional reforms introduced from 2020 onward. Private participation has responded to both ISRO's capacity constraints and New Delhi's pursuit of a more resilient and autonomous technological ecosystem, a transformation best understood as state-enabled commercialization: public institutions retain control over regulation, infrastructure, technology transfer and strategic priorities, while private firms assume greater responsibility for design, production, launch services and experimentation. Such a distributed architecture may strengthen redundancy, technological adaptability and resistance to foreign leverage while expanding India's commercial and diplomatic reach. There are institutional lessons here for Israel, particularly in terms of regulation, shared infrastructure, government procurement and the state's role as an anchor customer.

On July 18, 2026, Skyroot Aerospace's Vikram-1 rocket reached a 450-kilometer orbit and released four payloads, making the Hyderabad-based startup the first Indian private company to reach orbit and in turn making India only the fourth country, after the United States, China and Russia, with demonstrated private orbital-launch capability. Coverage of the launch understandably focused on Skyroot itself, a decade-old startup backed by a valuation of roughly \$1.1 billion, which succeeded where the state agency ISRO had taken decades to build comparable capability.

But Skyroot's achievement, and the more technically ambitious effort underway in parallel at Agnikul Cosmos, are best understood not as standalone entrepreneurial success stories but as the visible edge of a reorientation of Indian space policy that has been underway since the mid-2000s in which a program historically centered on civilian development has taken on a growing security and national-prestige dimension alongside it.

For most of its six-decade history, India's space program was defined by the developmental vision of Vikram Sarabhai and Homi Bhabha. Space technology existed to solve socio-economic problems and address issues involving rural communication, weather forecasting, agriculture and disaster management, not to project power or compete for status. India was, in fact, a vocal critic of the superpowers' Cold War-era antisatellite tests and of Washington's Strategic Defense Initiative, and deliberately kept its civilian space program separate from its defense establishment.

India's private space race should not be understood as a retreat of the state from the space sector. It instead represents a reorganization of national capability. The government continues to set priorities, control critical infrastructure, authorize operations, transfer mature technologies and shape demand, while private firms are assuming a greater role in design, production, service launches and technological experimentation. The emerging model is better described as state-enabled commercialization: capability is distributed across a wider ecosystem, but the strategic direction remains substantially public.

In January 2007, China destroyed one of its own aging weather satellites with a ballistic interceptor, scattering thousands of pieces of debris and demonstrating a capability no other Asian power possessed. Indian officials continued for a time

to insist publicly that India opposed the weaponization of space, but the test, in the words of Indian security scholar Rajeswari Pillai Rajagopalan, forced "a re-evaluation of India's traditional declaratory policy against the militarization of space." Twelve years later, that re-evaluation produced a demonstrated capability of its own: on March 27, 2019, Prime Minister Narendra Modi announced that a DRDO interceptor had destroyed an Indian satellite in low Earth orbit under Mission Shakti, making India the fourth country, after the Russia, United States and China, to test a kinetic antisatellite weapon (ASAT). A tri-service Defense Space Agency, approved the previous year and headquartered in Bengaluru, was built to institutionalize that capability, and by November 2024 it was running its first simulated space-warfare exercise, Antariksha Abhyas. Yet the old ambivalence has not entirely disappeared. In December 2022, India abstained rather than vote in favor of a UN resolution calling for a moratorium on destructive antisatellite testing, as it was unwilling to fully foreclose an option it had only recently exercised of its own accord.

The link between security reorientation and the decision to privatize launch-vehicle production is not merely doctrinal. It is in part a capacity issue. Rajagopalan and her co-author Dimitrios Stroikos identify "capacity crunch within the state space agencies" as one of the drivers of India's turn to the private sector, and the numbers bear this out. ISRO operates on a budget of roughly \$2 billion and a workforce of around 16,000, a fraction of what China or the United States commit to their space programs, while being asked to sustain a growing military satellite constellation, a human spaceflight program (Gaganyaan), and routine commercial launch demand. Something had to give, and what gave was ISRO's monopoly on building rockets.

The 2020 reforms and the Indian Space Policy of 2023 formalized that shift, establishing IN-SPACe as a single-window regulator and directing ISRO to transfer mature launch systems, including the Polar Satellite Launch Vehicle, to industry. The regulatory response was immediate. Some 290 companies applied for authorization in the policy's first years, and the number of registered space startups grew from a single company in 2014 to 189 by the end of 2023. The government's ambitions are stated in equally concrete terms: Officials have set a target of growing India's space economy from roughly \$8

billion today to \$44-50 billion, and from about 2 percent to closer to 9 percent of the global market, by the end of the decade.

Skyroot and Agnikul emerged as the two companies furthest along the path toward independent orbital launch, though they pursue markedly different engineering routes. Skyroot relies on conventional solid- and liquid-fueled staging; Agnikul has built a 3D-printed, semi-cryogenic engine and India's first privately built and operated launchpad, with technical support from the Department of Space. Agnikul has not yet reached orbit. Its planned Mission-02 aims to combine an orbital debut with recovery of the first-stage booster, a more ambitious sequencing that suggests the coming competition will be decided by reusable architecture as much as by who arrives first.

The strategic stakes extend well beyond who wins that competition. Retired Air Marshal R. Radhish has argued that India's security establishment needs to integrate commercial space capability into national defense planning, much as the US Department of Defense and NATO have formalized their own commercial-space strategies, precisely because dependence on foreign providers carries real operational risk. The most frequently cited case is the interruption of Starlink service to Ukrainian forces in 2022. A domestic private launch industry gives India redundancy, a faster technology-refresh cycle, and reduced exposure to foreign leverage during a crisis, a lesson India's military planners have drawn explicitly from the war in Ukraine.

The strategic implications of commercialization are not confined to defense. An internationally competitive private space sector would allow New Delhi to offer launch, satellite and data services to partners across the Indo-Pacific and the Global South, strengthening India's position as an alternative technological partner without requiring formal security alignment. Private space capability therefore serves not only domestic resilience and economic growth but also India's broader pursuit of status, strategic autonomy and influence over the emerging governance of space.

None of this should be mistaken for a mature industry. A single successful orbital flight resolves neither the capital constraints that have historically made Indian space startups harder to fund than their American or European counterparts nor the multi-year gap between a demonstrated capability and a

sustained commercial launch cadence. It is clear, however, that Skyroot's July 2026 flight was not just a commercial milestone. It was the latest and most visible marker of a policy reorientation that began not in a boardroom but in the debris field left by a Chinese missile test in January 2007.

What can Israel learn from these developments in India? First: the importance of the private sector in space. Although Israel often boasts that it is a "leading space power", a degree of modesty is required. The Israeli space ecosystem suffers from a severe lack of investment on the one hand and overregulation on the other. In a situation in which every aspect of the space sector is considered security-related, it is very difficult for Israeli companies and entrepreneurs to operate in space while also becoming exporters.

Israel can learn from the Indians how to establish simple bureaucratic channels for private space ventures, as well as how to assist this entrepreneurial activity – for example, a launch site could be government while the launcher is private. Moreover, by promising that government bodies will purchase services from private space companies, the cash flow of those private companies can be facilitated, as can the raising of investments from other countries.

Tal Inbar is an expert focusing on strategic aerospace research at GeoHorizon and a Senior Research Fellow at the Missile Defense Advocacy Alliance.

Dr. Lauren Dagan Amos is a member of the Deborah Forum, a lecturer and a researcher in the Department of Political Science and the Security Studies Program at Bar-Ilan University. She specializes in Indian foreign policy.

***BESA Center publications and research are made possible
thanks to the generosity of Saul Koschitzky and family***