September 2026. The economic and military ‘space race’

The space race in the 2020s is very different from the one which started in the 1950s. Originally, the US and the Soviet Union race to the moon was an existential competition between capitalism and communism. Now, the US and China lead the race, with Europe, India, Japan, South Korea, and Russia all competing for bit parts on the stage.

The aims now are different: all these countries want to control launch systems, lunar territory, potential resources, and implement rules which later arrivals will have to follow. First mover rules-based advantage, as such. Of course, private companies are the new players. Indeed, SpaceX, flew more than half of all the world's rocket launches in 2025. All parties are more focussed that at any point since the Apollo moon landing in 1972. For example, in April 2026, NASA sent four astronauts around the Moon in Artemis II and brought them home safely (no human had left Earth orbit since 1972) and, two months before that flight, China tested the rocket that will carry its own astronauts to the Moon before 2030.

After a 50-year gap, the importance of the Moon has ceased ‘waning’. Scientists have confirmed there is almost certainly water ice trapped in craters that never get sunlight; ice which if split, provides hydrogen and oxygen, i.e. rocket fuel and breathable air. So, if the US or China can process said lunar water, it will no longer need to haul all its propellant up from Earth and can refuel on the Moon instead. Lunar soil also holds helium-3, a possible fuel for future fusion reactors, along with rare earth elements. All of these elements can also help with deeper journeys into the solar system.

The 1967 Outer Space Treaty stopped countries claiming sovereignty over the Moon, but it is entirely ambiguous regarding mining and exploration rights and activity. Again, first mover advantage is likely to prove critical here. As an aside, today, the US and China disagree over the rules for the Moon and the region between Earth orbit and the lunar surface (cislunar). The US organized the Artemis Accords and 70 countries have signed so far. China and Russia have produced an alternative in the International Lunar Research Station, or ILRS. The debate continues with no resolution in sight.

NASA is highly dependent on private companies but China faces none of these problems. Its lunar program is funded by the state, with no commercial partners. Whilst the US program has been beset by delays and problems, the China program consistently meets its deadlines. The ‘robotic Chang'e missions' followed a clear sequence: they orbited the Moon, landed on the far side, and actually achieved what no country has ever done: brought back samples from the far side. Chang'e-6 completed the sample return in 2024 and Chang'e-7 launches in late 2026, with four robotic vehicles one of which is a hopping probe that can move into shadowed craters to look for water ice directly.

In addition to these recent achievements on the Moon, China may also soon control the only space station in orbit: its Tiangong station is fully operational and hosts rotating crews.

From a US perspective, SpaceX and Blue Origin focus on their own aims with their own money. SpaceX does not depend on NASA at all; indeed, Starship exists to deploy the next generation of Starlink satellites, with Starlink revenue entirely funding the company, independent of NASA. This independence is the reason for the company's pace and rapid development, e.g. by mid-2026,

Starship had flown about 20 test missions and deployed the first Starlink V3 satellites. This gives the US an advantage from a dynamism perspective. If one company fails, the other can try. However, tension has undoubtedly been created because Musk, Bezos and NASA all want different things. Musk wants Mars with the Moon less important to him; Bezos wants Blue Origin to move heavy industry off Earth; and NASA wants an ongoing lunar presence.

The military angle in space is arguably the most concerning from a safety perspective. The US, Russia, China, and India have all shot down their own satellites in missile tests. These tests have resulted in thousands of debris fragments floating around in orbit. A debris fragment hit China's Shenzhou-20 spacecraft in late 2025 and delayed the crew's return. Debris from these tests lasts for decades, endangering every country's spacecraft.

Militaries also depend on satellites for missile early warning, secure communications, precision targeting, and intelligence. Many of these satellites connect directly to nuclear command and control - the systems a country uses to order a nuclear launch. False signals and misreading could push a crisis toward nuclear war and prove devastating.

The commercial space economy reached an estimated >$620 billion in 2025 and projections put it past $1 trillion within a decade, with commercial activity generates about 78% of that total. Falling launch costs is driving the growth and putting a kilogram in orbit today costs a tiny fraction of what it did 10 years ago, with Starship potentially lowering the price further. With cheaper launches, mega-constellations (like the Starlink network of thousands of satellites) become very financially viable. Indeed, cheap launches now -in essence- pay for satellites, and satellite money now pays for cheaper launches. It is a symbiotic growth dream and, with SpaceX flying more than half of the world's orbital launches over the past three years and, with over 80% of launches American ones, the US seems to be in the box seat, commercially. But China's state-backed broadband constellations, Qianfan and Guowang, are fighting back. Watch this space.

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