

French and the German governments have launched initiatives aiming at buttressing Europe's capabilities in terms of satellite intelligence and reconnaissance.

In July 1995, DASA of Germany and the French Aerospatiale agreed to link up their satellite companies in a new venture worth \$1.3 billion. Despite these initial moves, the prompting by the French government for the German government to participate in the French-led programmes to develop a European arsenal of reconnaissance satellites, and the recognition by German politicians of the benefits of European satellites — not least to prevent the French from monopolising this area — German participation has been hampered due to budgetary constraints. France launched the Helios 1-A reconnaissance satellite project with input from Spain and Italy. However, as of the end of October 1999, German participation in the more advanced Helios 2 satellite project, launched by the French in December 1997, was uncertain particularly due to the German government's priority in allocating funding for the Eurofighter. As well, American companies were tempting the German government with a cheaper off-the-shelf satellite option. However, the political imperative of cementing Franco-German relations as well as the desire to equip the Common European Security and Defence Policy with military satellite capability was thought to determine Germany's support for the collaborative project. Spanish and Italian share in the project was dependent on the participation of DASA. Britain, which enjoys privileged access to American satellite intelligence, has not taken part in the collaborative effort. The projected cost for the sophisticated Helios 2 spy satellite is 11.6 billion francs.