

EU's Galileo satnav system over budget, late: report

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Europe's Galileo satellite navigation system, meant to rival the US-built Global Positioning System (GPS), is over budget, running late and will be unprofitable for years, a press report said on Thursday.

Extra costs of 1.5-1.7 billion euros (2.1-2.4 billion dollars) are expected and the project will not be ready until 2017-18, Germany's Financial Times Deutschland daily cited a [European Commission](#) report as saying.

Originally the system was meant to be up and running, rivalling the dominance of the Pentagon's GPS in satnav systems in cars, for example, 10 years earlier, the FTD said.

Last year, the European Court of Auditors criticised the project as ill-prepared and badly managed, and in January the Commission said it would be in operation in 2014.

The FTD also cited the report as saying the project will be unprofitable "over the long term", running at a annual loss of 750 million euros.

The project will cost taxpayers about 20 billion euros over the next 20 years in development, construction and operating costs, the paper said.

The 27-nation European Union has struggled to secure financing for the project, originally put at 3.4 billion euros, and has had to tap unused funds from the bloc's massive agricultural budget.

Galileo is intended to offer a superior accuracy of one metre (yard), compared to up to 10 metres for GPS. The European version would have global coverage and an encrypted, pay service for commercial clients, with extra information such as weather detail.

Russia is also developing a rival system known as Navigation Satellite System (GLONASS), while China is working on the Beidou Navigation System.

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