

OneWeb takes on Elon Musk's Starlink in £2.8 billion Eutelsat merger

British satellite firm OneWeb has agreed a [merger](#) with French firm Eutelsat in a £2.8 billion deal as the pair look to take on rival [Elon Musk](#) to provide global internet connectivity from [space](#).

Under the terms of the deal OneWeb would be wholly owned by Eutelsat, with OneWeb shareholders trading their stakes for Eutelsat shares.

OneWeb, which is part-owned by the UK government, would remain headquartered in the UK, while Paris-listed Eutelsat would seek an additional London listing.

The move means the companies would share a combined 464 satellites, giving them the muscle power to take on the likes of Elon Musk's SpaceX [Starlink](#) or Amazon's Project Kuiper satellite programme.

OneWeb was bailed out by the British government in 2020 to the tune of £400 million after it filed for bankruptcy. OneWeb reportedly secured further backing from Indian billionaire Sunil Bharti Mittal after [meetings with Boris Johnson to discuss the deal](#).

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The Department for Business, Energy and Industrial Strategy welcomed the merger decision, adding the move would help create a “single, powerful, global space company, working on the sound financial footing needed to make the most of the technological advantages it has to compete in the highly-competitive global satellite industry.”

The government held a 33% stake in the firm prior to the merger and said it would retain a stake as well as national security controls over the OneWeb network, adding the UK would remain the preferred location for future OneWeb launches.

Billionaire Elon Musk’s Starlink programme promises to deliver broadband speeds of up to 200 megabits per second, charging households £89 per month for the privilege.