Elon Musk counts on 500,000 Starlink users within the next year

SpaceX's satellite internet network, Starlink, should have roughly 500,000 users within the next 12 months, Elon Musk said at the Mobile World Congress (MWC) conference on Tuesday. SpaceX's current goal, Musk said, is to beam broadband internet to most of the planet by August.

The internet network, in the midst of an open beta phase, has launched more than 1,700 satellites to low-Earth orbit since 2018 and recently surpassed a "strategically significant" benchmark of 69,420 active users, Musk told MWC. He said Starlink is already running in 12 countries and expanding. "We're I think on our way to having a few hundred thousand users, possibly over 500,000 users within 12 months," he added.

Reaching half a million users in the next year and unlocking global internet coverage – minus Arctic regions – in the next two months is a wildly ambitious goal for Starlink. The internet service will be sold directly to consumers in the world's most rural areas and to governments looking for better military internet connections (among other customers). Many individual users are paying $99 per month for internet under the beta, using a $499 bundle of a self-aligning Starlink dish and Wi-Fi router. SpaceX is promising 100Mbps download and 20Mbps upload speeds. Reviews so far have been mixed.

Challenges abound on the path to opening up commercial service and providing global internet coverage. While the cost of each Starlink terminal is $499 for consumers, Musk admitted at the

conference that each terminal costs SpaceX double that, over $1,000. The company has already cut the terminal cost in half from $3,000 and is aiming to reduce it to the “few hundred dollar range within the next year or two,” SpaceX president Gwynne Shotwell said in April. Musk maintained a key goal for SpaceX is avoiding bankruptcy as it passes through a deep chasm of negative cash flow. Starlink’s main competitor, OneWeb, filed for – and since recovered from – bankruptcy last year.

“Filling in the gaps between 5G and fiber”
Musk said the Starlink team has signed deals with two “major country” telecom operators, but he didn’t name them. He considers Starlink to be “complementary” to existing 5G providers rather than directly competing with them. “You can think of Starlink as filling in the gaps between 5G and fiber and really getting to the parts of the world that are the hardest to reach,” he said. Asked how much he’ll have to invest in Starlink, Musk said it depends how you define investment.

“Before we go to positive cash flow, it’ll be at least $5 billion, and maybe as much as $10 [billion]. So it’s quite a lot,” he said, adding, “We’ll have to keep investing a great deal after that point” to remain relevant among competitors. The total Starlink investment will round out to $20–30 billion, he said. Once the network is fully up and running, SpaceX hopes it could generate around $30 billion in revenue with Starlink and maybe even split it off from SpaceX for an IPO.

Most of that revenue will fund SpaceX’s Starship system, the centerpiece of Musk’s ambitions to ferry humans to the Moon and Mars. Musk, known for tossing around wildly ambitious development timelines, said at the conference that the first orbital Starship test launch could come sometime in “the next few months” – a slightly different timetable than July, as Shotwell said at a conference a few days ago.

“There is the internal goal if things go right, which needs to be aggressive,” Musk clarified to one reporter on Twitter. “Obviously, some things will not go right internally & there will be external issues too.”

https://www.theverge.com/2021/6/29/22556031/elon-musk-spacex-starlink-users-next-year-telecom-5g