Growth capital for Strategic Digital Technologies

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DG CNECT together with EIB has run a several market assessment studies – result:

There exists a persistent investment gap across digital technologies in Europe & a lack of VCs investing in more complex technologies

- Investment gap in **AI & blockchain technologies**: ~ €5–10 billion per year
- Gap for **5G-related business models**: ~ €4.6 billion - €6.6 billion per year
- **CleanTech** investment gap: ~ €6 billion per year
- **Semiconductors and Photonics** - only ~14% of the EU VC funds has invested in the space with only ~2% having primary investment focus on these sectors
- **High-performance computing** – with 1/3 of the global demand for HPC comes from the EU, EU HPC provides only 5% of the HPC capabilities
Total VC Investments in Blockchain (2010-2018)

- **North America**: $5.1 billion (Canada: $623 Mill.)
- **China**: $1.5 billion
- **Europe**: $1.2 billion (CH:$414 Mill. & UK:$312 Mill.)

"Overall Europe has a yearly investment gap of Euro 1.5 billion for blockchain (2021-2027)"

**EIB Market Assessment (2021)**

Global investment: $4.1 billion (2018)
$2.8 billion (2019)

Closing the investment gap for Europe: EUR 10.5 billion (2021-2027)
AI/Blockchain Investment Fund

AI/Blockchain Fund Pilot Scheme

- Investment in VCs for start-ups, early and growth stages
- Fund-of-fund catalysed €1.3 billion in investments and reached a multiplier of 13 (seed investment: EUR100M)
- Leveraged additional investments from 13 private VC funds
Financing for digital technologies

- **EC investments should align with EU policies on green & digital**
- And should be supported by **investment flanking support** to ecosystem building in vertical sectors & technologies.

**AI & Blockchain “Fund-of-funds” Pilot**

- 2020-2021
  - €100M seed investment
  - + €150M EIB(EIF
  - €1.5B leveraged
  - 13 VCs signed

**Investment Platform for Strategic Digital Technologies**

- 2022-2027
  - €250M seed investment
  - €5 - 10B leveraged
  - AI & Blockchain / DLT
  - Microelectronics
  - 5G edge
  - IoT
  - Cloud/Edge
  - Cybersecurity
  - Quantum & supercomputing

**CleanTech Fund**

- 2022-2027
  - €14B leveraged with an initial investment by the Commission of €2 billion

DG ENV, DG CLIMAD, DG GROW, DG CNECT
Questions for discussions

• How can the Recovery and Resilience Plans of MS be leveraged?

• How to engage pension funds and sovereign wealth funds?