Innovation Ecosystem Leaders' Group

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Independent Startup Ecosystem Leaders Group
• Called upon by Commissioner Gabriel
• Startup organisations from EU27
• Initial phase: March - May 2021
• Action Plan
• EC promise: 6 months “checkpoints”
Why the time is now

- At first glance things look good ...
  - 80,000+ startups
  - $40+ billion investment in 2020
  - +12% vs. 2019
  - 51 unicorns
  - 27 new unicorns in Q1 2021
Why the time is now

• However:
  • From the 21 unicorns only 7 will remain in EU27 after investment
  • In the same period in the US: 67 new unicorns
  • US investment: $141bn
  • Asia investment: $74bn
Why the time is now

- Concrete fear about further US & Asia “mining” of EU deeptech resources

- EU cannot be the incubator for US and Asia unicorns paid by EU taxpayers

- EU recovery funds should not (only) benefit US tech giants but (also) EU startups
Our Approach

• Let’s not be intimidated by US & Asia

• Let’s get inspired by EU27 best practices and scale this through our continent

• (simplified) example:

Estonia: 7 unicorns for 1.3 million people

⇒ 400 unicorns in Germany and 300 in France
Our Ambition

10x more unicorns/year in 10 years time
Summary of the Action Plan: 4 themes

- Theme 1: Definitions and data
- Theme 2: Talent
- Theme 3: Ecosystems
- Theme 4: Policy advising to Member States
Theme 3: Ecosystems

“Strong ecosystems and strong startups go hand in hand”

• Public procurement (18% GDP)
• Fostering open innovation
• Fostering spin-offs (now: 9.7% of startups)
• Co-create flagship projects to connect startup ecosystem players
• Cross-border investment
Action 3.5: Cross-border investment

- Europe: too fragmented VC sector, cross-border investment, the capital market union etc.
- Exit opportunities in the EU are not always optimal
- Risk capital in US: ca. 5x Europe.
- VC markets and funds, as part of the single market, should be able to use all opportunities stemming from the free movement of capital
- Increased harmonisation of the regulation that investors have to deal with when investing in different countries in Europe is needed, as well as a reduction in the various kinds of taxes and legal barriers hampering cross-border investments across the EU
Startup expectations from policy makers

*(European Startup Monitor)*
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