



Innovation Ecosystem Leaders' Group  
*Jan Bormans*  
5 October 2021

# 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

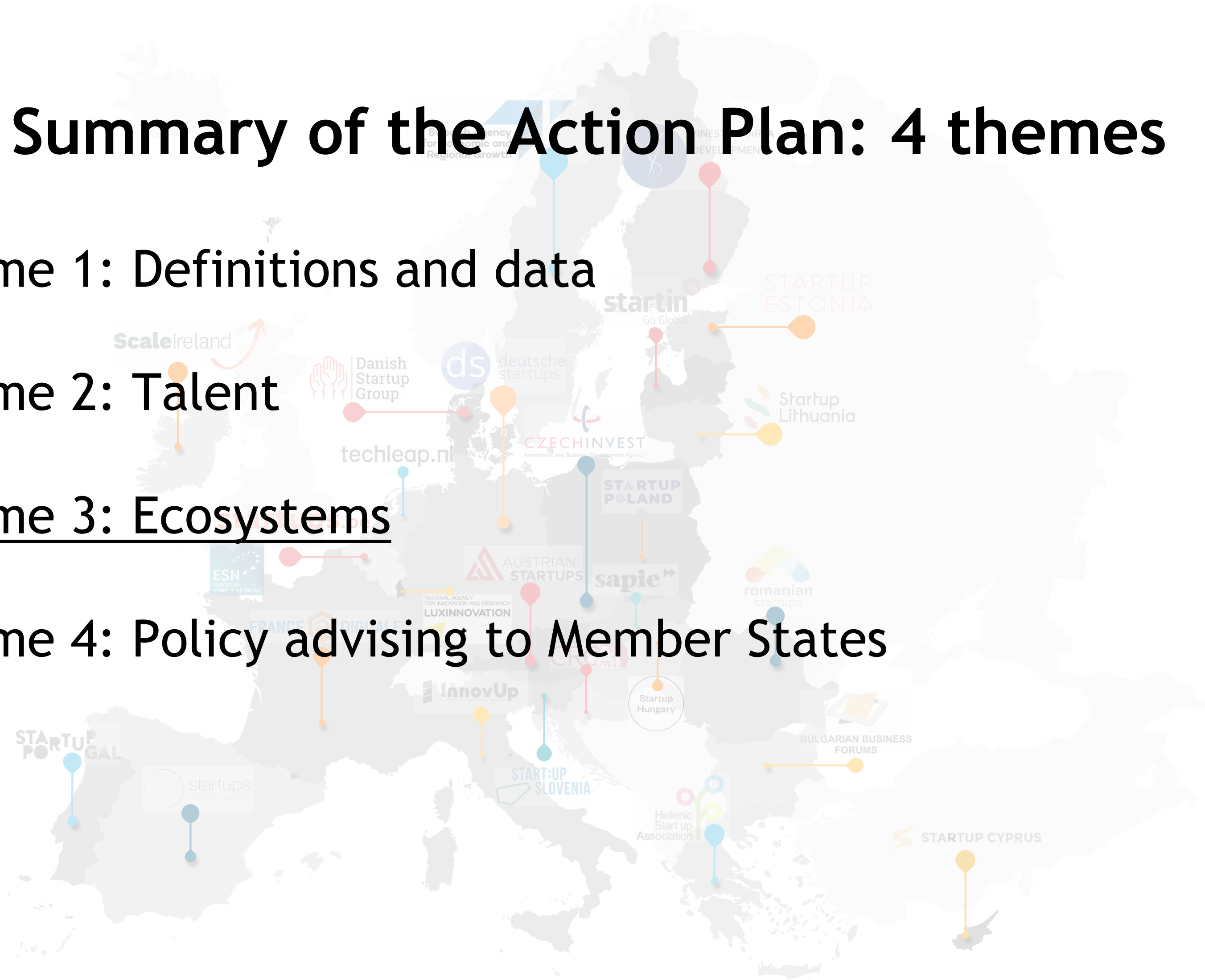
# Our Ambition

***10x more unicorns/year in 10 years time***



# Summary of the Action Plan: 4 themes

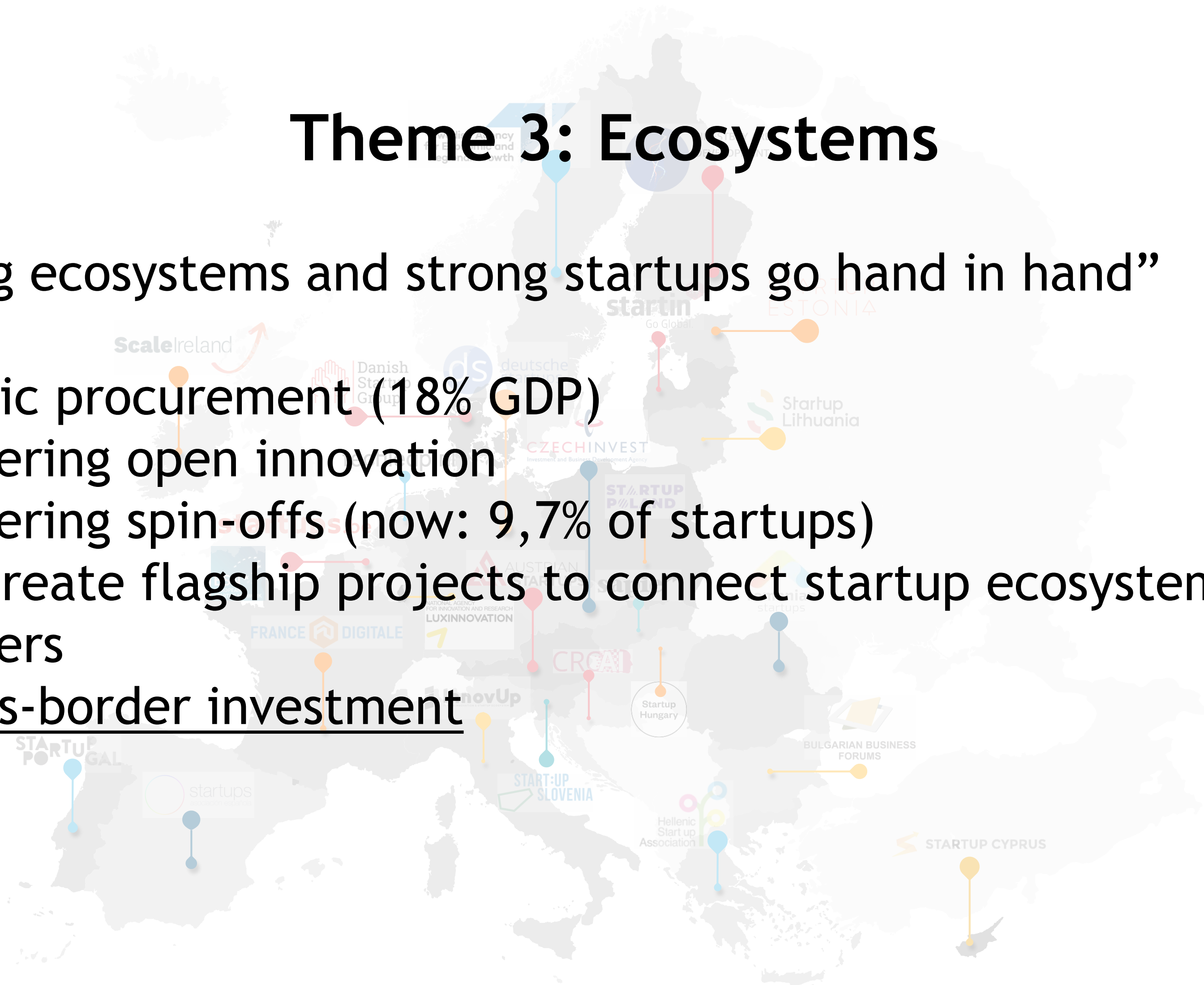
- Theme 1: Definitions and data
- Theme 2: Talent
- Theme 3: Ecosystems
- Theme 4: Policy advising to Member States



# 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

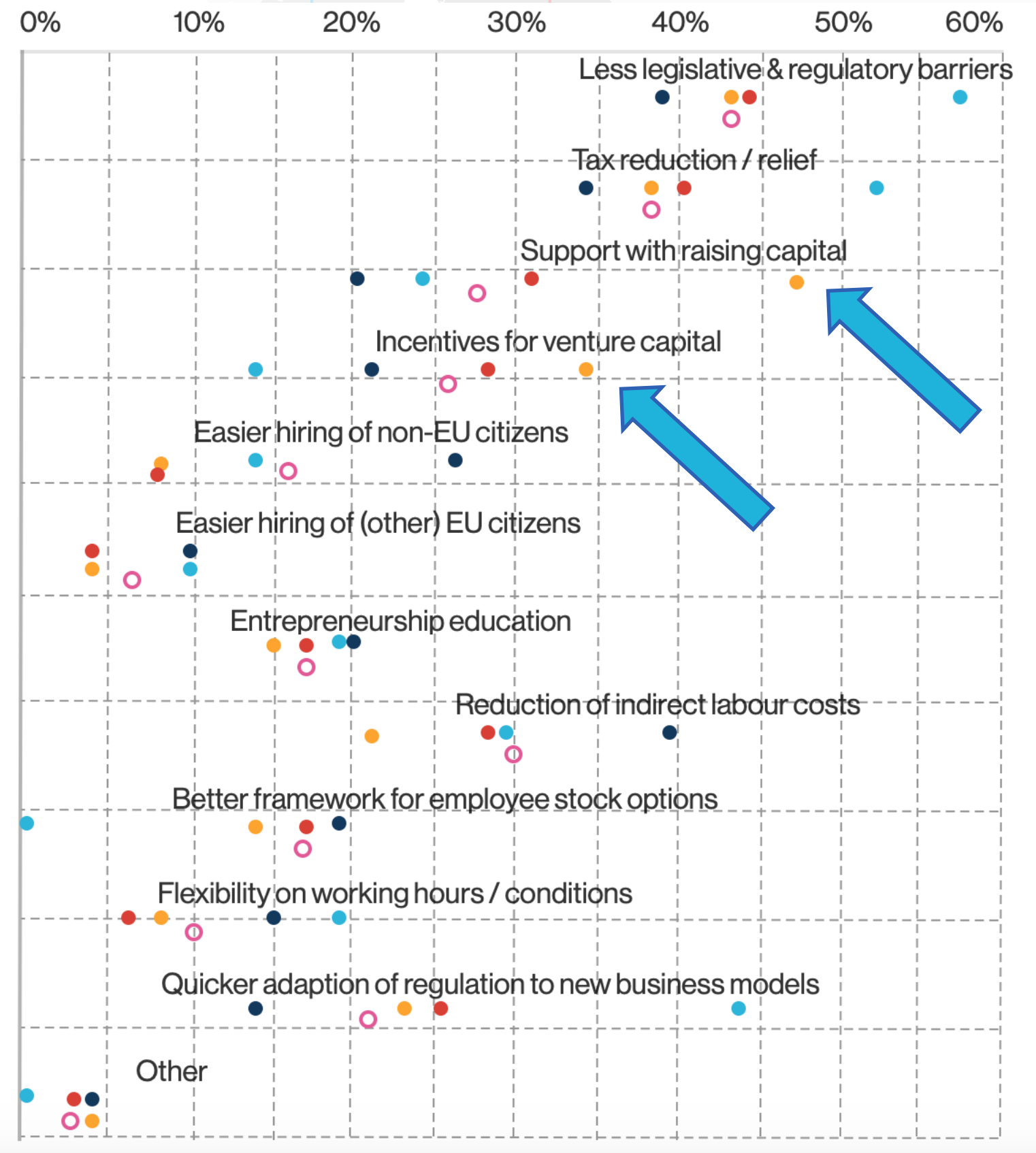
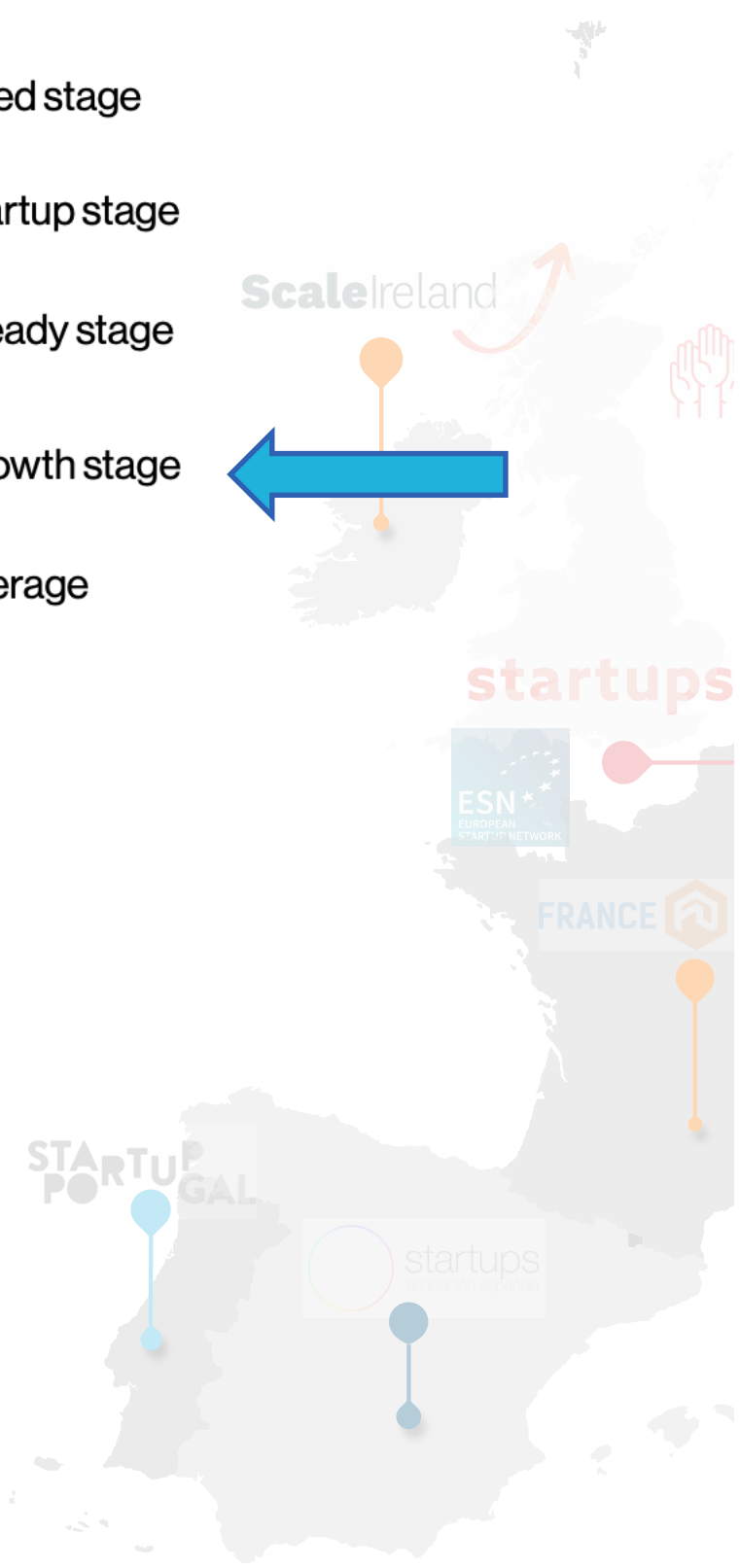


## Action 3.5: Cross-border investment

- 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*)

- Seed stage
- Startup stage
- Steady stage
- Growth stage
- Average





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