

Brussels, 10 May 2021

EU Startup Summit with Commissioner Mariya Gabriel
Action Plan to Make Europe the new Global Powerhouse for Startups

EU Commissioner Mariya Gabriel will today (10th May) meet with leading independent startup ecosystem leaders from across the 27 member states, who will officially unveil their *“Action Plan to Make Europe the new Global Powerhouse for Startups”*. The initiative, supported by 27 national EU startup organisations, aims to increase the number of unicorns (privately owned companies valued at over \$1 billion) tenfold in Europe over the next ten years. Today’s ceremony will see startup leaders formally deliver their Action Plan to Commissioner Gabriel, who has responsibility for Innovation, Research, Culture, Education and Youth in the EU. The initiative also represents a strengthening of relations between the startup sector and the European Commission.

Currently, EU27 boasts more than 80.000 startups, of which 51 are unicorns. The investments raised by European startups totalled 41 billion US dollars in 2020, up from 36,6 billion US dollars in 2019. It has been reported that during Q1 2021 27 innovative European companies got a valuation of more than 1 billion US dollars, based on their latest funding round. At first glance, this is very positive news. However, a closer look reveals that only 7 of them are indeed present in the EU27 and committed to remain there after the funding round, which paints a much bleaker picture. In the same period, the US produced 67 new unicorns.

“There is no reason why Europe could not outperform the US and China with respect to unicorn creation. I strongly believe we can and should increase the number of unicorns tenfold in ten years' time. Just look at Estonia, they are already doing it!” Peter Vesterbacka, FinEst Bay Area

EU Commissioner Mariya Gabriel will participate in today's EU Startup Summit with startup leaders via video-conference. During the Summit, Commissioner Gabriel will be given an up-to-date assessment of the startup and scaleup environments across Europe. She will also receive the group's plans, which include a list of recommendations covering key areas including education, talent, diversity, tax incentives, stock options, and public procurement. The aim of the group is to provide feedback to the European Commission on how it can further support and promote European startup ecosystems and increase employment, innovation and exports across the EU over the next decade.

“We have excellent startup best practices in different regions of Europe. We need the EC to partner with us in scaling them at the European level. We need European Innovation Cohesion” Markéta Přenosilová, CzechInvest

Today's Summit with Commissioner Gabriel is viewed as critical to achieving the group's ambition to make Europe the leading global innovation powerhouse, and to increase the number of 'unicorns' in the EU tenfold over the next decade.

Speaking ahead of the meeting, Commissioner Gabriel said *“I am convinced that if the ecosystem leaders and the political leaders work together we can build a true Pan-EU Innovation Ecosystem that will help the new generation of innovators and entrepreneurs to scale up and become tech champions to help Europe in a greener and digital covid recovery”*.

Today marks the first step of a long-lasting partnership as Commissioner Gabriel and the startup ecosystem leaders have committed to meet and measure progress every 6 months.

“To fulfill our ambition, we need an intense collaboration, common definitions, and a scoreboard that relies on good data and ensures accountability of political decision makers.” Markus Raunig, AustrianStartups

About the proposed themes and associated actions:

Theme 1: Definitions and data

To correctly assess the growth of startups and to strengthen the EU startup ecosystem, it is important there are agreed definitions of relevant groups within the sector, the growth of which can be tracked over time using data collected from each member state.

Associated actions: common definition of key terms, setting up a Pan European data taxonomy, data collection measures, and improved provision of open data by public authorities.

Theme 2: Talent

A vibrant startup ecosystem needs a copious source of talented individuals. Therefore talent has to be fostered at all ages and for all genders without discrimination, so as to ensure startup founders in the EU are ready for the challenges of tomorrow.

Associated actions: Entrepreneurship education for children/youngsters, encouraging university students to start a business, supporting female entrepreneurs, supporting communities of female entrepreneurs, fostering the creation of creative spaces/fablabs, and ensuring equal innovation opportunities wherever one is based.

Theme 3: Ecosystems

Startups are embedded in a system with interdependent organisations and participants including universities, governments, funding organisations, support organisations (like incubators, accelerators, co-working spaces etc.), research organisations, service providers (e.g., legal and financial services) and large corporations. This last category includes large international tech companies that bring a different quality to the ecosystem than traditional corporations. They attract the best IT talent, bring professionalism, create employment opportunities for “failed” startup founders and are often a source of new startups.

It is of paramount importance to foster collaboration between these actors to create synergies. Strong ecosystems and strong startups go hand in hand.

Associated actions: The adoption by the EU of a startup friendly public procurement policy with a proportion of the EU's procurement budget dedicated to goods and services provided by EU startups (public procurement represents 18% of European GDP, it has to be ensured that this important source of money is also used to purchase goods and services from startups based in the EU), fostering open innovation, fostering the deep tech approach in entrepreneurship (e.g., spin-off programmes), co-creating flagship projects connecting startup ecosystem players to address Europe's challenges (e.g., climate, mobility), and facilitating cross-border investment.

Theme 4: Policy advising to Member States

There is a strong need for coherence in policy making on startups at EU level. Thus the European Commission should provide Member States with tailored support on the implementation of startup-friendly policies. Also, the Commission should lead by example and present a coordinated Startup policy across DG Grow, DG RTDI, DG CNECT, DG DIGIT, FISMA, COMP, etc., integrated into the Green Deal and the Digitisation strategy.

Associated actions: tax incentives for growth, ending tax bias favouring debt over equity, better treatment employee stock options (ESOP), implementing a pan-European Startup Visa (“Startup Green Card”), and addressing current weaknesses in corporate law with respect to insolvency and restart (insolvency laws now entangle founders for years, preventing them from moving on to the next business venture).



About the independent group of startup ecosystem leaders

The independent group of startup ecosystem leaders, first called upon by Commissioner Gabriel to give voice to the innovation ecosystems in the making of future EU Innovation Policy, consists of: Carlos Mateo (Asociacion Startups), Markus Raunig (AustrianStartups), Charlotte Greant (Startups.be), Dimitar Vasilev (Bulgarian Business Forums), Hajdi Cenani (Croatian AI Association), Stavriana A. Kofteros (Startup Cyprus), Markéta Přenosilová (CzechInvest), Tomas Mathiesen (Danish Startup Group), Matej Rus (Startup:Slovenia), Maarika Truu and Eve Peeterson (Startup Estonia), Peter Vesterbacka (FinEst Bay Area), Nicolas Brien (France Digitale), Christian Miele (Deutsche Startups), Panos Zamanis (Hellenic Startup Association), Csongor Biás (Startup Hungary), Martina Fitzgerald (Scale Ireland), Giorgio Ciron (InnovUp), Olga Barreto Goncalves (Latvian Startup Association StartinLV), Roberta Rudokiene (Startup Lithuania), Elodie Trojanowski (Fédération Luxembourgeoise des Startups), Simon Azzopardi (Silicon Valletta), Tomasz Snazyk (Startup Poland), Simon Schaefer (Startup Portugal), Cristian Dascalu (Romanian Tech Startups Association), Michal Kardos (Slovak Alliance for Innovation Economy), Arash Sangari (Swedish Agency for Economic and Regional Growth) and Constantijn van Oranje (Special Envoy at Techleap.nl). Jan Bormans is performing the secretariat functions for the group.