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## Ireland joins pact for tenfold increase in European unicorns

**Emboldened by the success of Irish-led companies like Stripe and Intercom, [Scale Ireland](#) has joined a European pact to increase the number of European unicorns tenfold.**

Scale Ireland has joined an initiative supported by 27 national EU start-up organisations that aims to see a tenfold increase in unicorn companies – businesses that are valued at more than \$1bn.

EU Commissioner Mariya Gabriel will today (10th May) meet with leading independent start-up ecosystem leaders from across the 27 member states, who will officially unveil their “Action Plan to Make Europe the new Global Powerhouse for Start-ups.”

The initiative, supported by 27 national EU start-up organisations, will see start-up leaders formally deliver their Action Plan to Commissioner Gabriel, who has responsibility for Innovation, Research, Culture, Education and Youth in the EU.

### **Boosting European GDP**

The initiative also represents a strengthening of relations between the start-up sector and the European Commission.

Among the recommendations are policy changes to foster greater collaboration as well as the adoption by the EU of a start-up friendly public procurement policy with a proportion of the EU's procurement budget dedicated to goods and services provided by EU start-ups. Public procurement represents 18pc of European GDP,

Currently, EU27 boasts more than 80.000 start-ups, of which 51 are unicorns. The investments raised by European start-ups totalled \$41bn in 2020, up from \$36.6bn in 2019. It has been reported that during Q1 2021, 27 innovative European companies got a valuation of more than \$1bn, based on their latest funding round. At first glance, this is very positive news.

However, a closer look reveals that only seven of them are 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,” said Peter Vesterbacka, Finest Bay Area. “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!”

Martina Fitzgerald, the CEO of Scale Ireland, which represents [Irish start-ups and scale-ups](#), participated in the initiative on behalf of sector.

“This is an ambitious and important initiative as it has been drawn up by national start-up organisations across the European Union, and it provides the European Commission with a very clear and comprehensive list of measures to help Europe become a global leader for start-ups,” Fitzgerald said.

“If most of these recommendations were enacted, it would be a game-changer for the sector in Europe. It also recognises the need for the European Commission and political leaders to adopt an EU-wide approach to the sector, which has huge potential in terms of innovation, employment and exports. We also welcome the commitment of Commissioner Gabriel to regularly review the progress of our plans.”

Main image at top: ***At a recent Scale Ireland online webinar Tánaiste Leo Varadkar on a laptop screen with Scale Ireland chair Brian Caulfield and CEO Martina Fitzgerald in the background.***

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