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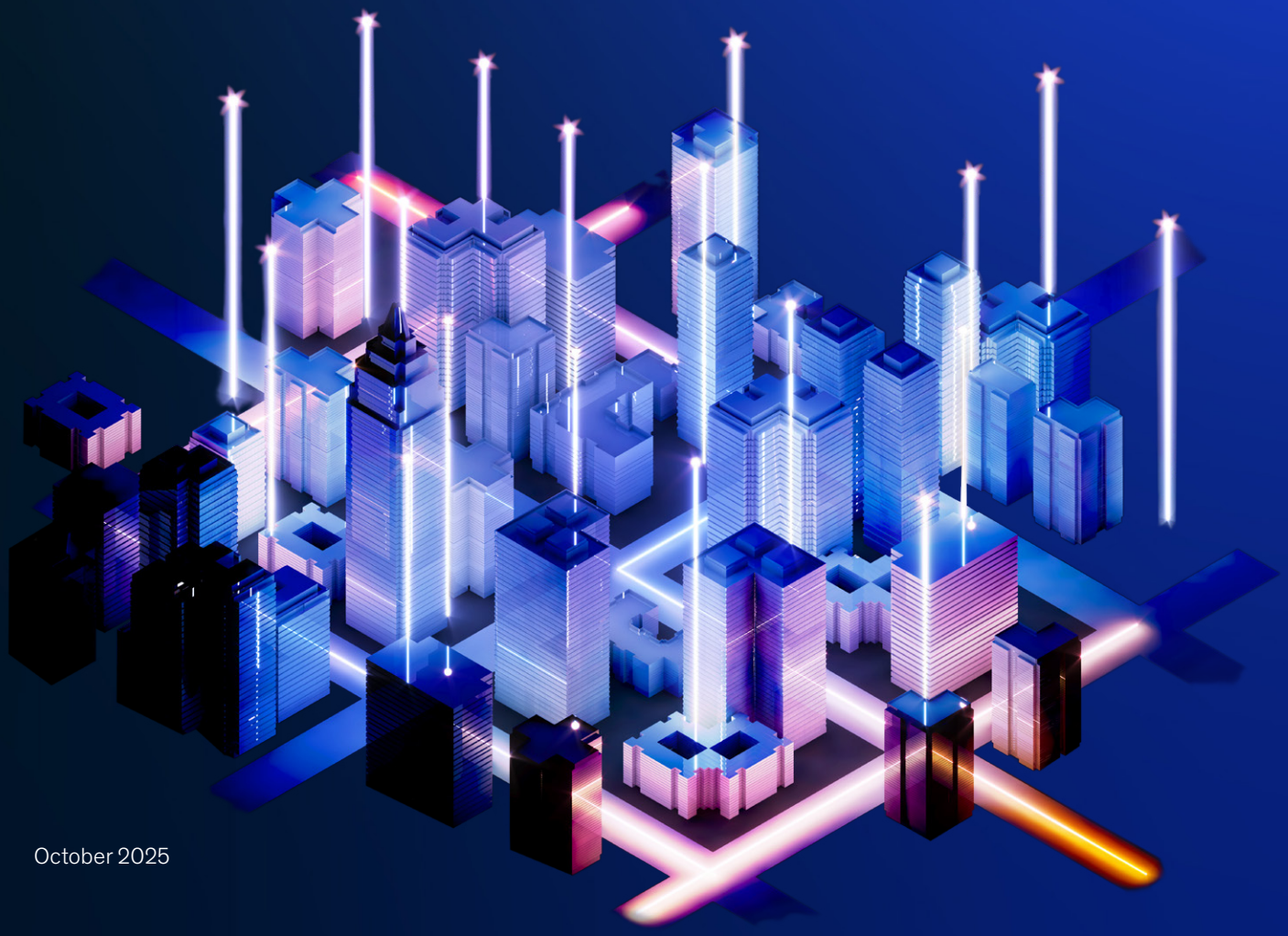
Business Building

Europe's deep-tech engine could spur $1 trillion in economic growth



October 2025

By investing in deep-tech business building, Europe's start-up ecosystem could create $1 trillion in enterprise value and up to one million jobs by 2030—paving the way for sovereign prosperity.

This report is a collaborative effort by **Hannes Erntell, Markus Berger-de León, Max Flötotto, Stéphane Bout, Tobias Henz,** and **Tunde Olanrewaju,** with **Ceren Safak Musai,** representing views from McKinsey Business Building.

For decades, Europe has lagged behind the United States when it comes to creating billion-dollar technology companies—and has also clocked lower GDP growth. But now it stands on the precipice of opportunity. Europe could become a global leader in launching and growing deep-tech companies, paving the way for more prosperity across the region and increased sovereign strength centered on intellectual property (IP).

Europe has many strengths: a highly educated workforce, world-class research institutions, a deep industrial base, and predictable legal environments. It also faces several unique barriers: fragmented geographic markets, limited growth capital, a lack of regulatory harmonization, and few global scale-up success stories that inspire serial entrepreneurship. Our research shows that if the European start-up ecosystem—composed of companies, governments, investors, and research institutions—can harness its strengths and overcome some of the barriers, a new economy centered on deep tech could emerge in Europe. This new economy could collectively create $1 trillion in enterprise value and up to one million new jobs across Europe by 2030.[1]

For the purposes of this report, we define deep-tech companies as those that turn technological breakthroughs into scalable, value-generating businesses to solve societal problems. We classify deep-tech companies into eight categories: advanced materials and nanotechnology; biotech, food tech, and agtech; defense tech; future of compute; novel AI; novel energy; robotics; and space tech. To be classified as deep tech, companies must also have other specific characteristics, such as intensive R&D activity and high funding needs (see sidebar, "What deep tech is—and what it isn't").

Now is the time for Europe to ride the deep-tech wave. Momentum in this sector has already been building in Europe for several years, with both corporate and venture capital investors funding many new deep-tech businesses. Accelerated technology development in the past few years, spurred by AI, also highlights Europe's value creation potential. And amid today's trade and tariff uncertainty, European countries have a window of opportunity to create regional economic growth and prosperity by investing in and scaling deep-tech companies. By building a strong regional deep-tech ecosystem today, Europe has a chance to become the world's top "deep tech factory" tomorrow—competing head-to-head with China and the United States. This economic success could also spur more technology sovereignty for Europe, providing regional resilience in defense, energy, agriculture, and other critical sectors.

The road won't be easy. Founders, academics, government officials, industry leaders, and investors will need to collaborate to create a supportive ecosystem that provides the funding, networks, and regulatory support that deep-tech businesses need to scale. This ecosystem must also be self-perpetuating; too often in the past, deep-tech companies that launched in Europe have ended up scaling in the United States, where capital is more abundant and customers are more willing to try out new companies.

Today's European start-up ecosystem can learn from earlier missteps, having failed to produce a significant number of leading global companies during past technological waves, such as cloud, software-as-a-service (Saas), and e-commerce. Building deep-tech winners will require all actors in the start-up ecosystem to take risks and make bold bets on the future. If the European start-up ecosystem does not act decisively, Europe could once again miss a chance to pull ahead.

In this report, we present an in-depth analysis of where the European deep-tech sector is today—and where it could go tomorrow if European countries follow a road map to accelerate growth. Success will require close collaboration between players in the start-up ecosystem, including venture capitalists and entrepreneurs, and the broader deep-tech community of researchers and industrial partners. Corporate venture capital and growth investors, public funds, and financial institutions that provide debt funding will also be vital.

[1] To determine these figures, we analyzed total funding, total late-stage funding, and total debt funding flowing into deep-tech start-ups; graduation rates of all start-ups from early stage to late stage; and the number of university spinouts in Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, and the United Kingdom. We identified the "best practices" used by the countries achieving the highest impacts with deep-tech business building and then extrapolated that if all 13 of these countries were to adopt these practices, they could generate enterprise value of up to $1 trillion and more than one million new jobs by 2030.

What deep tech is—and what it isn't

Deep tech is a dynamic and ever-evolving sector in which some technologies that were once considered cutting edge are now becoming mainstream. We define deep-tech companies as those that leverage technology breakthroughs to solve societal problems and classify them into eight categories:

- *advanced materials and nanotechnology:* green concrete, graphene, nanomaterial
- *biotech, food tech, and agtech:* synthetic biology, lab-grown food, AI-enabled drug discovery, fertilizers
- *defense tech:* cybersecurity, drones
- *future of compute:* quantum computing, ambient computing, brain–computer interface, augmented reality/virtual reality
- *novel AI:* autonomous systems, explainable AI, privacy-enhancing technology, semantic AI
- *novel energy:* green hydrogen, nuclear fusion, geothermal, next-generation solar, waste heat recovery
- *robotics:* humanoid robots, nanorobotics
- *space tech:* launch, earth observation, in-space manufacturing, nanosatellites, space mining

We also further define deep-tech companies as having five key characteristics:

- *Focus on large-scale breakthroughs or pressing societal challenges.* Deep tech fundamentally aims to deliver breakthrough scientific or technological advancements, such as AI or space exploration, or to provide solutions to some of the most pressing global challenges, such as climate change and energy transitions.
- *Global scope.* Deep-tech ventures typically operate on an international scale in worldwide markets.
- *High R&D intensity.* Ventures in deep tech have a distinct life cycle characterized by intense early-stage R&D and elevated technical risks. Substantial investment is directed toward technology development, often related to hardware.
- *Founding teams with advanced technical backgrounds.* Deep-tech ventures are typically founded by individuals with strong technical backgrounds, often rooted in academia or corporate R&D. The demanding nature of the sector creates high knowledge barriers, resulting in a smaller pool of qualified founders. Compared with traditional tech founders, who usually spend two to five years in higher education, deep-tech founders average five to seven years.[1]
- *Significant funding requirements.* Initiatives in deep tech generally demand big initial commitments from large and often specialized investors. They also need specialized equipment, facilities, and skills, adding to the costs before commercialization can begin.

[1] *The European deep tech report 2023*, Lakestar, Walden Catalyst Ventures, and Dealroom.co, November 2023.

Why deep tech is critical for Europe

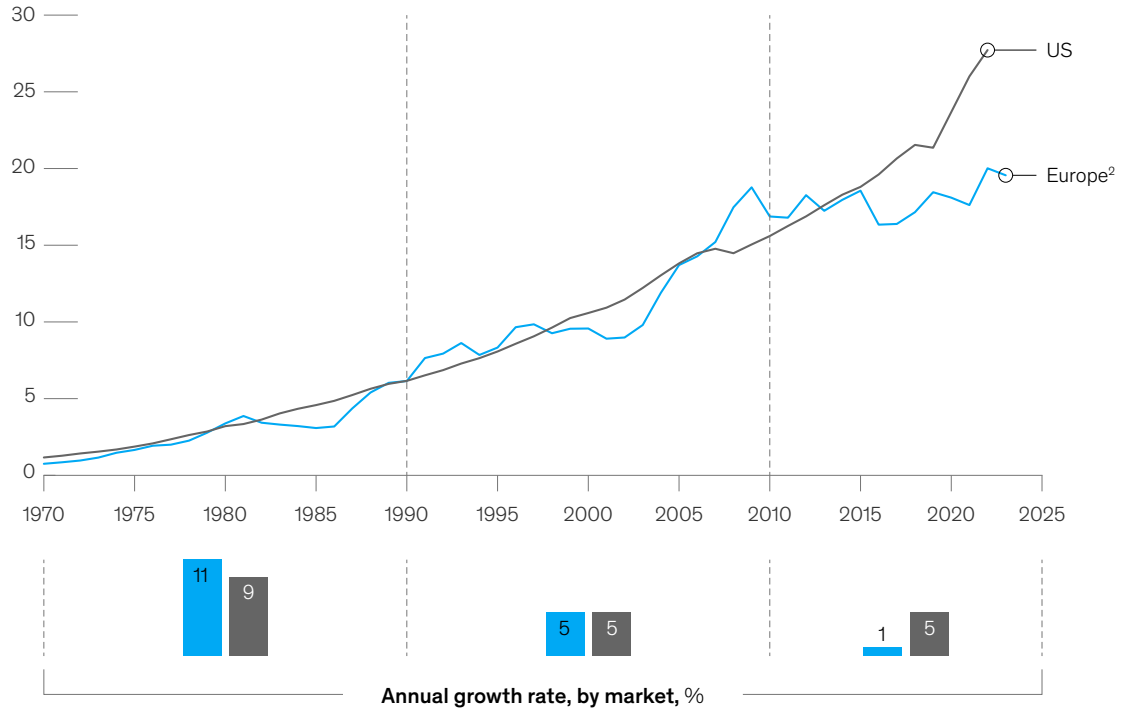
Before we examine how European companies and governments can succeed in building scalable deep-tech businesses, it's first important to understand why deep tech presents a unique opportunity for Europe right now.

Europe led the world in industrial innovations such as manufacturing and supply chain technologies in the 1970s and 1980s, with the region experiencing higher-than-average GDP growth during those decades. But when the internet emerged in the 1990s, Europe's GDP growth began to progress less linearly than that of the United States, which has experienced strong economic growth over the past three decades. Europe missed out on creating "big tech" software and services companies in the 2000s. The region's GDP growth subsequently slowed from around 5 percent in the 1990s to about 1 percent after 2010. Meanwhile, the United States maintained an average of 5 percent GDP growth during this same period by continuing to innovate in technology-driven sectors such as software, healthcare, and biotechnology (Exhibit 1).

Exhibit 1

Europe's economy increased in the 1970s and 1980s with industrial innovation but missed the tech wave in the 1990s and beyond.

Nominal GDP, by market, $ trillion[1]



[1]Not adjusted for inflation.
[2]Eurozone, Norway, Sweden, Switzerland, and UK.
Source: International Monetary Fund

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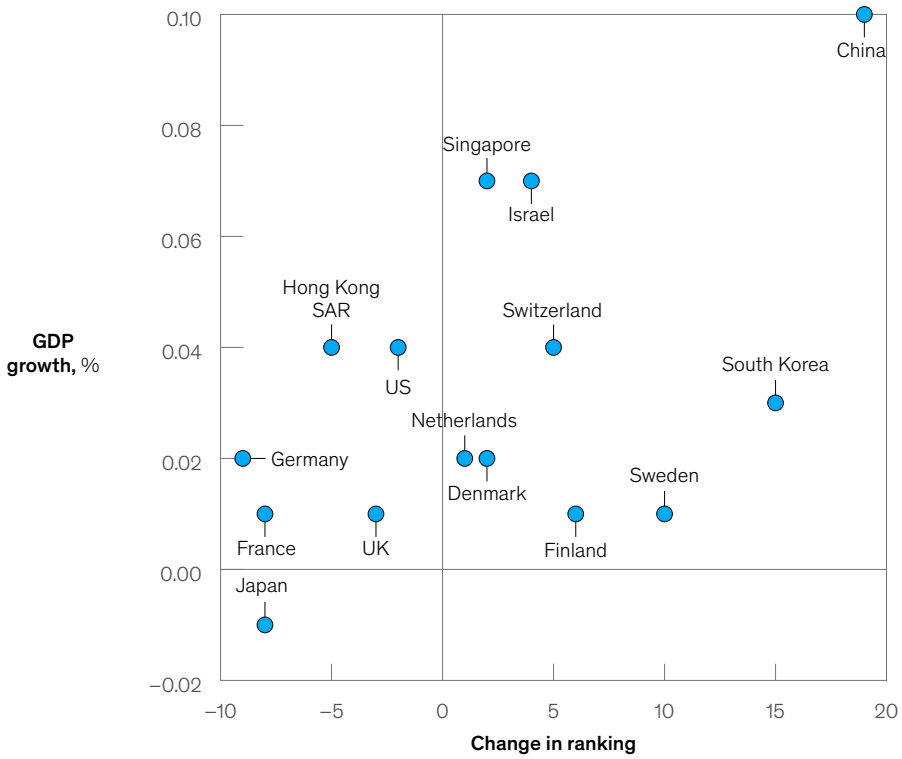
And it's not just the United States that has grown its economy by embracing innovation. The Global Innovation Index, published by the World Intellectual Property Organization, shows that several countries—including China, Israel, Singapore, and Switzerland—that significantly increased their innovation ranking also observed strong GDP growth over the past 18 years (Exhibit 2). Hence, there are indications that countries that double down on innovation—of which deep tech is a large component—can spur their economic competitiveness.

Two of Europe's biggest challenges today are how to increase prosperity for the region's hundreds of millions of inhabitants and how to develop sovereignty in several critical industries that could generate both security and economic growth in the decades to come. For instance, rockets and drones are crucial to national security by enhancing defense capabilities. Vertical farming could address food system challenges amid climate change. Clean and renewable-energy sources such as fusion could reduce Europe's reliance on foreign oil and gas, ensuring more autonomy for the region.

Exhibit 2

Markets that have embraced innovation have increased their GDPs more quickly, relative to markets that have not.

Average annual GDP growth[1] and change in Global Innovation Index ranking in 2007–25, by market



[1]Not adjusted for inflation.
Source: International Monetary Fund; World Intellectual Property Organization

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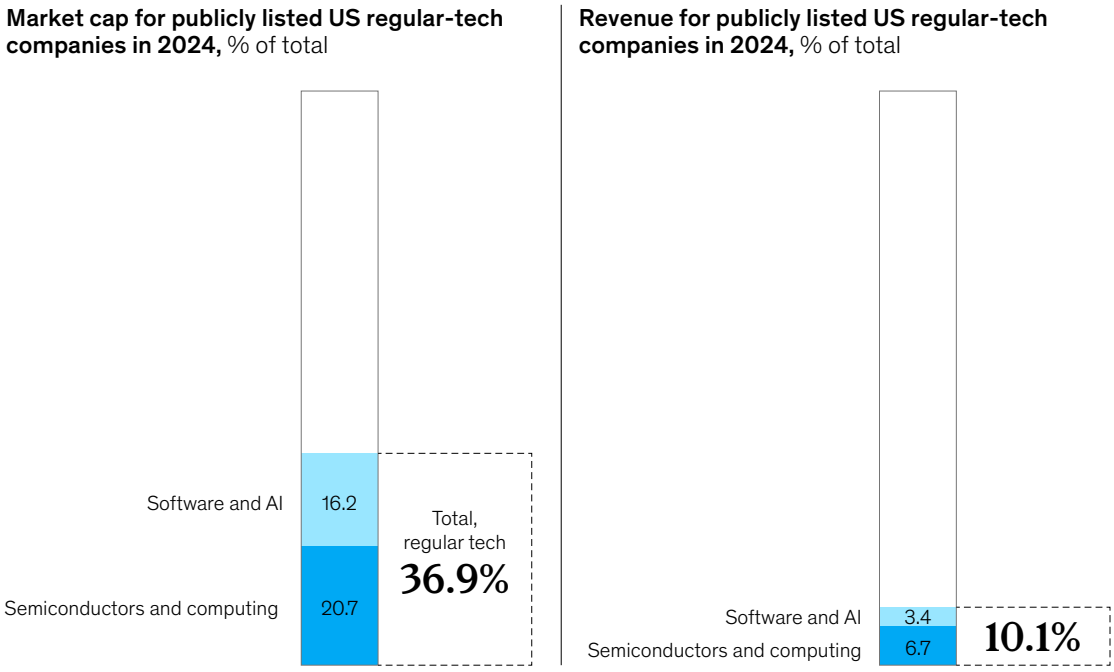
Aside from these geopolitical benefits, deep tech can also be the next economic engine for the region. In the United States, past technological innovations are now the cornerstone of economic growth. Publicly listed US companies in the "regular tech" industry—which we define as the semiconductor, computing, software, and AI sectors—accounted for 37 percent of total market capitalization and generated 10 percent of total revenue by all US public companies in 2024 (Exhibit 3). Similarly, the next wave of innovation centered on deep tech could generate unprecedented economic value.

Exhibit 3

Publicly listed US regular-tech companies accounted for more than one-third of total US market cap in 2024, showing promise for deep tech.



Source: S&P Capital IQ

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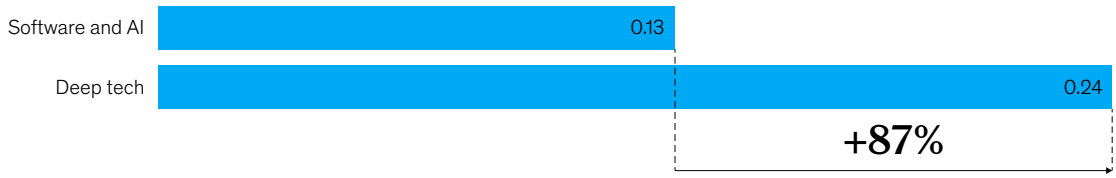
Deep-tech companies are already creating more jobs than those in the regular-tech industry, relative to market capitalization or enterprise value—at least in the United States. That may be because more people overall, and especially more people with complex skills, are needed to advance deep tech's bold goals. In the United States, our analysis finds that deep-tech companies create 0.24 jobs per $1 million of enterprise value—more than the regular-tech sector (Exhibit 4). Going forward, deep tech is expected to continue producing jobs at above-average levels.

Europe's strong base of industrial companies provides a solid foundation for accelerating an already burgeoning deep-tech wave in the region. Should Europe succeed in building deep-tech businesses at scale, European industrial companies could regain a strategic advantage over Chinese and US competitors. Because of Europe's robust talent pool of STEM graduates, established industry networks, and a broad B2B customer base, European industrial companies have a strong set of enablers to create deep-tech businesses. But deep-tech ventures are often scientifically complex and capital and talent intensive, so the path is not easy. European industrial companies will need to follow several best practices—such as creating independent entities while retaining core IP ownership, pursuing joint development with customers, and engaging in extensive marketing to spread awareness of new businesses.

Exhibit 4

US deep-tech companies employed more people per $1 million valuation in 2024 than US regular-tech companies in the software and AI sectors did.

Number of employees per $1 million valuation[1] in US tech companies in 2024



[1]Measured as market cap for software and AI companies and as enterprise value for deep-tech companies.
Source: S&P Capital IQ; McKinsey analysis

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France, Sweden, and the United Kingdom are seeing success with deep tech

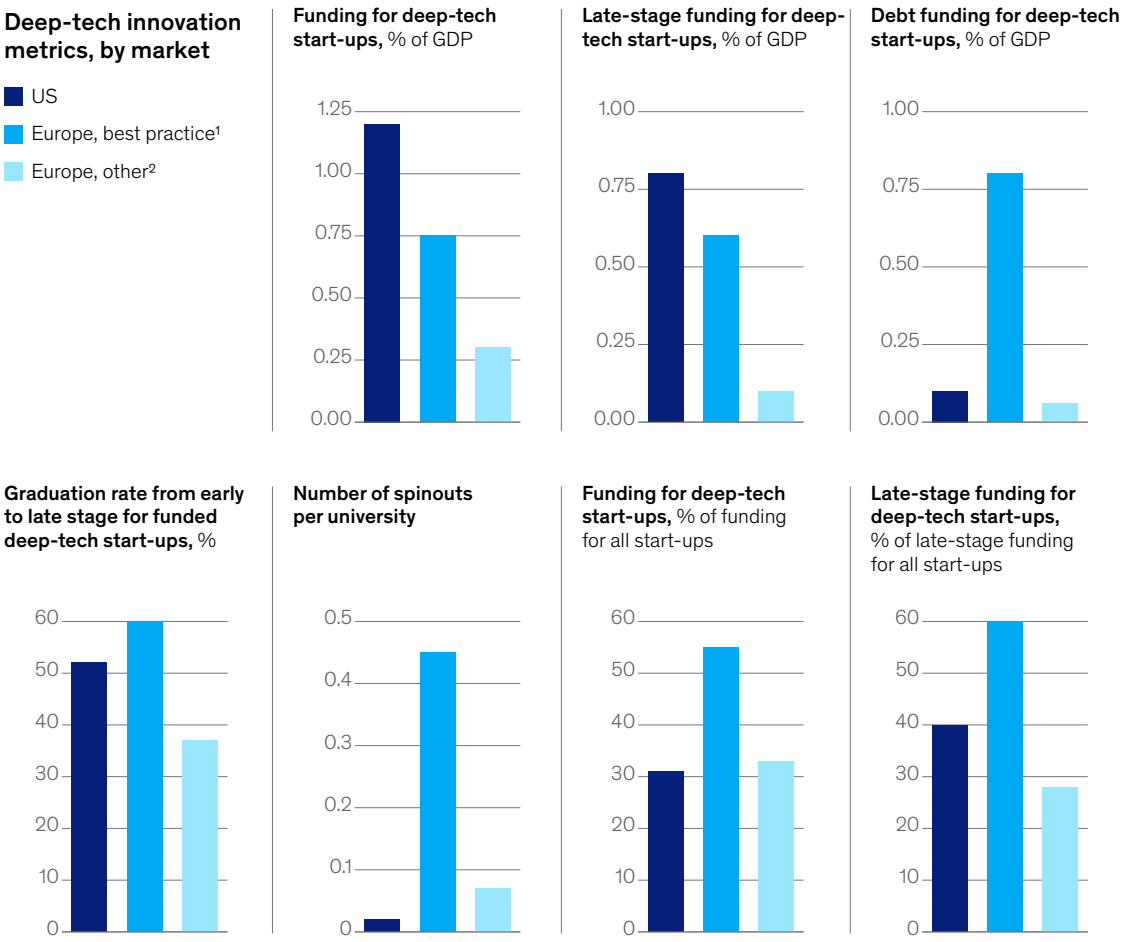
Our analysis shows that a successful deep-tech-innovation engine is already firing in Europe. To see where deep tech is gaining ground, we analyzed total funding, total late-stage funding, and total debt funding flowing into deep tech; graduation rates of start-ups from early stage to late stage; and the number of university spinouts in 13 European countries.[2] We find that three countries stand out as core drivers of deep-tech growth: France, Sweden, and the United Kingdom.

If all 13 of the countries we analyzed were to adopt the best practices used in the three "best practice" countries, this could unlock $1 trillion in new enterprise value and up to one million new jobs by 2030 (Exhibit 5).

[2] Countries included in the analysis are Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, and the United Kingdom.

Exhibit 5

If all European markets invested in funding for deep-tech start-ups as much as the best-practice markets do, innovation could be boosted at scale.



[1]Europe, best practice: Subset of the 13 analyzed European countries that achieved highest impacts with deep-tech business building.
[2]Europe: Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, and UK.
Source: Dealroom.co; International Monetary Fund; McKinsey analysis

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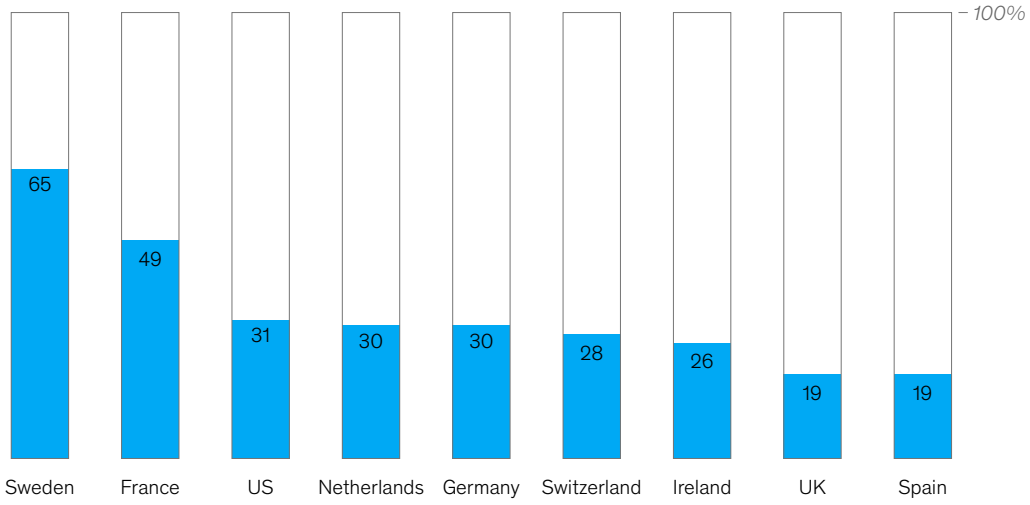
Sweden has the highest percentage of overall start-up funding going toward deep-tech companies of any European country, at 65 percent through the end of 2024 (Exhibit 6). Our research finds that Sweden fuels this funding in deep tech in large part by funneling its pension investments into venture capital at two times the rate of the European average. Swedish deep-tech companies also have much higher access to debt funding. Our analysis finds that 1.6 percent of Sweden's overall GDP went to debt funding for deep-tech companies in 2024—compared with just 0.1 percent in the United States. Sweden also leads in late-stage funding for deep-tech start-ups (Exhibit 7).

Exhibit 6

Sweden and France are leaders in providing funding to deep-tech start-ups.

Funding for deep-tech start-ups, by market, % of funding for all start-ups[1]



[1]European markets with >11 deep-tech companies and US market, data through 2024.
Source: Dealroom.co; International Monetary Fund

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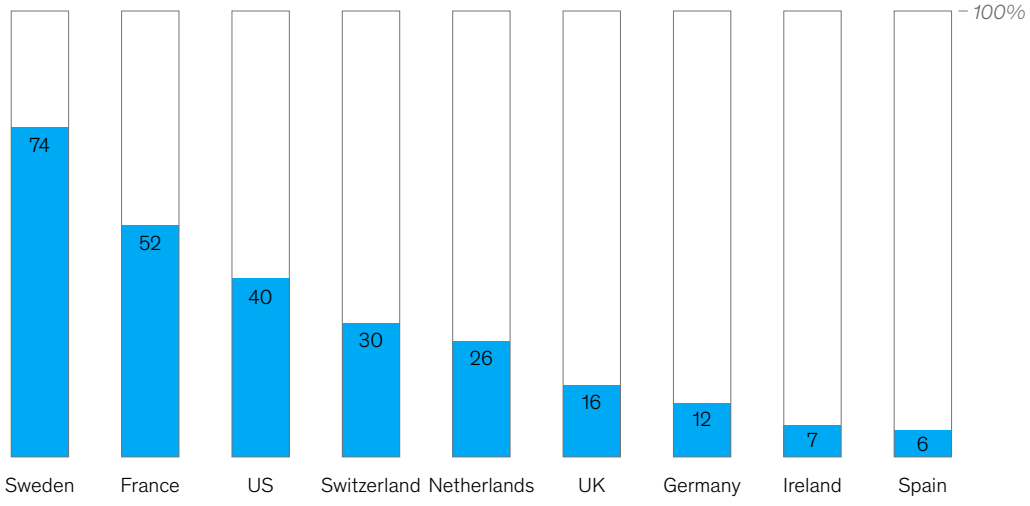
Exhibit 7

Sweden and France are leaders in providing critical late-stage funding to deep-tech start-ups.

Late-stage funding for deep-tech start-ups as a share of total late-stage funding for all start-ups, by market,[1] %



[1]European markets with >11 deep-tech companies and US market, data through 2024.
Source: Dealroom.co; International Monetary Fund

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France has also been especially successful in spurring overall innovation by increasing the availability of late-stage capital. France created this investment surge in large part through government-sponsored initiatives, including one called La Mission French Tech that rewards regional cities with public funding and support to create start-up-friendly ecosystems. Thanks to this scale-up ecosystem, France increased its number of unicorns from 7 in 2015 to 42 in 2024, one of the fastest growth rates in Europe.[3] Mistral AI is a case in point, currently valued at nearly $14 billion.[4]

In the United Kingdom, our analysis shows that late-stage deep-tech funding accounted for 0.4 percent of GDP in 2024—ranking second in Europe only to Sweden at 0.5 percent of GDP and trailing the United States only slightly, where late-stage deep-tech funding was equivalent to 0.8 percent of GDP as of 2024. This commitment to funding deep tech could stem in part from a start-up-friendly tax environment in the United Kingdom. For example, the Enterprise Investment Scheme that was passed in 1994 has been instrumental in helping thousands of UK start-ups raise billions in funding. Should this support persist, it represents large potential upside for UK deep-tech start-ups—especially for those in climate tech, where the United Kingdom ranks top in Europe and third globally for the amount of funding committed to that sector since 2020.[5]

Where Europe is today with deep tech

Europe is already gaining momentum in creating deep-tech businesses. Our analysis shows that, in 2024, 8 percent of the world's deep-tech unicorns—companies valued at more than $1 billion—were born in Europe, up from 4 percent in 2021 (Exhibit 8). Some of Europe's deep-tech unicorns include Celestia, Helsing, IQM, and Mistral AI. Recent announcements on funding rounds show that their momentum continues, and European corporates are willing to invest in European deep-tech start-ups. For example, in September, Mistral AI raised a $2 billion Series C round led by Dutch semiconductor equipment company ASML, which will become the company's top shareholder in a move that strengthens European sovereignty in AI.[6]

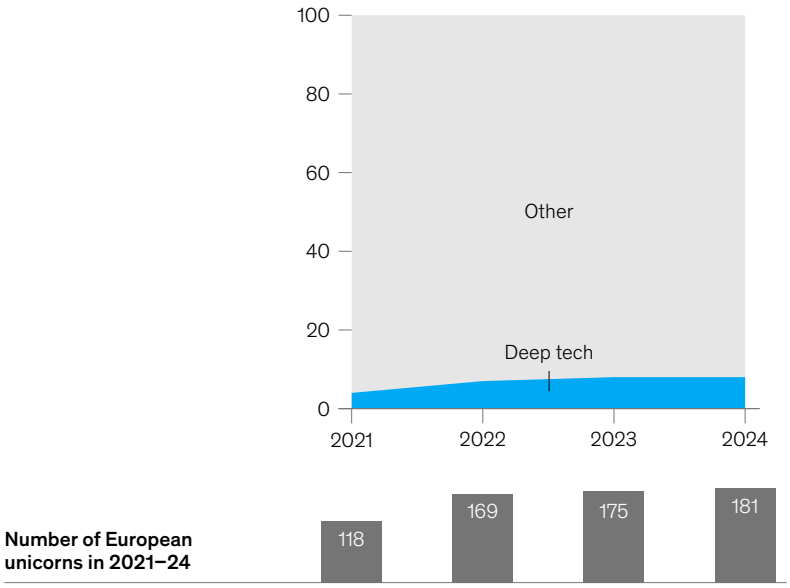
Many of these unicorns were recipients of venture capital funding—a key accelerator needed to create long-term growth. Our research finds that, between 2015 and 2024, venture capital allocated to European deep-tech ventures, including start-ups, spinouts, and corporate ventures, has grown fivefold. Furthermore, by the end of 2024, a third of all venture capital funding in Europe went to deep-tech ventures.

[3] "State of European tech 2024," Atomico, November 19, 2024.
[4] "Mistral AI raises 1.7B€ to accelerate technological progress with AI," Mistral AI press release, September 9, 2025.
[5] "Climate tech: Leading countries by VC investment since 2020," Dealroom.co, September 30, 2025.
[6] Milana Vinn and Max A. Cherney, "ASML becomes Mistral AI's top shareholder after leading latest funding round, sources say," Reuters, September 7, 2025.

Exhibit 8

The share of European unicorns that are deep tech has increased since 2021.

Type of European[1] unicorns[2] in 2021–24, %



[1]The source report does not define which countries are considered "European" but refers at least to EU countries plus Norway, Switzerland, and UK.
[2]Private companies valued at ≥$1 billion.
Source: Sifted EU; *The 2025 European Deep Tech Report*, a joint report from Dealroom.co, Hello Tomorrow, Lakestar, and Walden Catalyst, March 2025; McKinsey analysis

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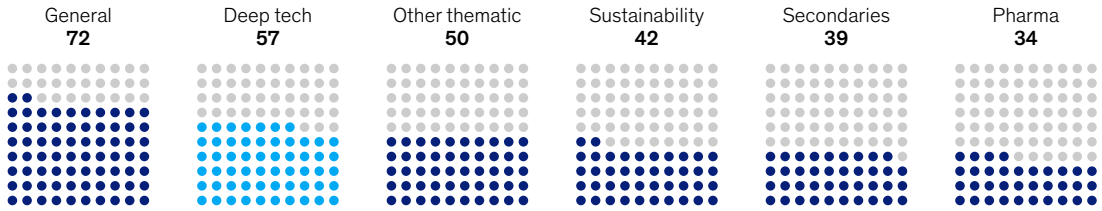
The trend of venture capital flowing into deep tech seems set to continue, with investors showing strong interest in the sector. According to the *State of European tech 2024* report by London-based venture capital firm Atomico, 57 percent of European limited partners (LPs), the investors that provide the capital for venture funds, performed due diligence on a venture fund with a deep-tech focus—the second-most-popular fund category after "generalist" (Exhibit 9). Despite these positive signs for European deep-tech funding, much of the capital still originates from outside of Europe, with venture capital funds from Asia and the United States especially prevalent. European venture capital firms, corporate venture capital funds, and financial institutions have work to do to increase sovereign funding sources for European deep-tech companies.

Investors are interested in deep tech because European start-ups in the sector tend to reach unicorn status more quickly than regular-tech companies. Based on our analysis, deep-tech start-ups in Europe reach unicorn status—$1 billion in valuation—on average within six years. But it takes a regular European tech company almost eight years to achieve the same status (Exhibit 10). Many deep-tech companies have strong IP, strategic industry partners, and ample funding from venture capitalists, all of which can help them scale quickly.

Exhibit 9

Limited partners in Europe have a strong interest in deep-tech venture capital funds.

Completion of due diligence in 2024, by focus of venture capital fund, % of European[1] limited partner respondents



[1]Austria, Belgium, Czechia, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, UK, and rest of Europe.
Source: *State of European Tech 2024*, Atomico, November 2024

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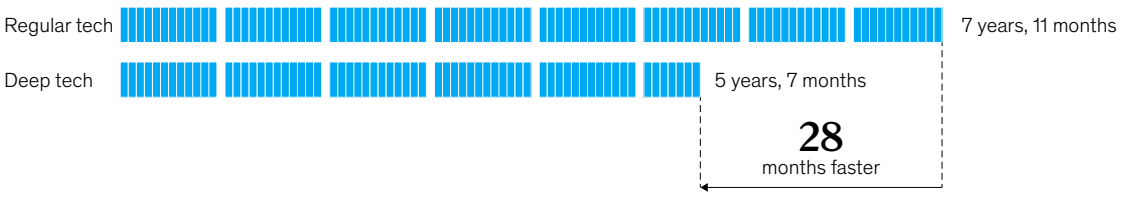
Exhibit 10

European deep-tech start-ups are reaching $1 billion valuation more quickly than their regular-tech counterparts are.

Average time for European[1] start-up to reach unicorn status[2]



[1]Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, and UK.
[2]Private companies valued at ≥$1 billion.
Source: PitchBook

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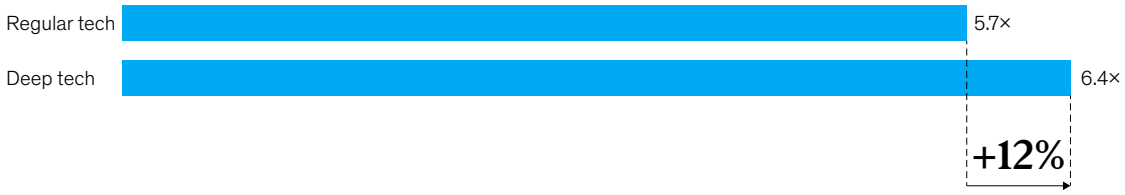
For example, our research finds that European deep-tech unicorns have nine times more patents than regular tech unicorns in Europe. Unicorns in the robotics sector have the most patents in Europe, at just over 1,500 as of March 2025. Biotech and cleantech unicorns also hold a high number of patents. For deep-tech companies, a strong IP model bolsters competitive advantage.

Deep-tech unicorns in Europe are also generating higher investor value than regular-tech unicorns. Our analysis finds that European deep-tech unicorns currently have, on average, a 12 percent higher money-over-money value than regular-tech unicorns (Exhibit 11).

Exhibit 11

Money-over-money returns of deep-tech unicorns are higher than those of regular-tech unicorns in Europe.

Average money-over-money returns of European[1] unicorns, multiple[2]



[1]Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, and UK.
[2]Enterprise value over total funding in private companies valued at ≥$1 billion.
Source: PitchBook

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Additionally, investors show higher conviction in their deep-tech investments compared with those in regular tech. This is reflected in higher venture capital deal values for the top deep-tech unicorns. Our research finds that 38 percent of venture funding for deep-tech unicorns in Europe in 2024 went to the top three deals in the space: AI companies Mistral AI and Wayve and robotics company CMR Surgical. Meanwhile, 12 percent of venture capital funding for regular-tech unicorns went to the top three biggest deals. Furthermore, analyzing the share of "value generating"[7] unicorns in Europe, our research finds that 100 percent of deep-tech start-ups are value generating, compared with only 89 percent for regular tech.

Where European deep tech goes next

The European deep-tech sector has many tailwinds propelling it forward, but headwinds remain. One of the biggest obstacles that Europe faces in fostering a strong deep-tech ecosystem is how to keep fast-growing companies from leaving. Many European start-ups feel the pull to relocate to the United States once they reach momentum.

We have found that European deep-tech start-ups move to the United States for three main reasons: *access to funding*, especially late-stage and risk capital; *regulatory incentives*, such as tax credits and fewer business restrictions; and a *supportive scale-up ecosystem*, which includes America's large customer base and access to corporate partners. Companies in sectors as diverse as climate tech and aerospace have departed Europe at the scale-up stage in recent years.

To truly unlock the potential of deep tech in Europe, founders, investors, governments, corporations, and universities need to collaborate. What steps will that take? Our analysis shows that European stakeholders can focus on improving six key areas to build a strong deep-tech ecosystem.

1. *Access to funding.* Deep-tech businesses are tackling hard challenges and thus often need large amounts of capital to launch, grow, and scale. They also need to strategically choose among many types of funds—venture capital, corporate venture, private equity, public, infrastructure, and debt—to achieve scale without excessive dilution.

[7] "Value generating" is calculated based on two factors: the amount of funding the company has raised and the value that total funding would have if it were invested in the S&P 500 instead.

To boost access to funding, European stakeholders can focus on increasing *private capital* funding at all levels, from angels and accelerators to venture capital funds, corporate venture funds, and direct investments from corporations and LPs. The experience in the United Kingdom shows how specific tax measures can support private equity investment. Financial institutions can also allocate more capital to private equity in their fund portfolios, and corporates can dedicate more spending to business building.

Meanwhile, European governments can increase the availability of *public-equity* funding through grants, subsidies, and government investment programs. Governments can find novel ways to increase public-equity funding, including funneling pension funds into private equity as Sweden has done, or allocating public funds to start-up accelerators as France has done. Additionally, the speed at which public-funding bodies process funding applications is important, as efficient processing ensures timely access to resources, reduces uncertainty for founders, and helps projects maintain momentum. And, lastly, financial institutions can increase the availability of *debt funding* for deep-tech companies, which often need large capital infusions in the scale-up phase.

2. *Access to liquidity.* Funding may provide fuel for deep-tech start-ups to grow into scale-ups, but true success comes at the exit phase.

   Thus, improved access to regional liquidity opportunities will be needed to ensure deep-tech companies don't just start in Europe but also remain there all the way through exit. Key European stakeholders can do this in three main ways. First, governments and regulators can create clear regulatory frameworks for *public capital markets* so they are trusted by companies and individual and institutional investors. Second, financial institutions and private equity investors can create active *secondary markets*, making it easier for private companies to sell private shares to raise growth capital. Third, companies can *increase M&A activity* by acquiring scaling deep-tech companies to boost their own innovation portfolios, while regulators can smooth the path for M&A transactions to proceed by providing regulatory clarity.

3. *Favorable regulation and policies.* Governments and regulatory bodies play a big role in supporting deep-tech innovation. By passing clear and simplified *regulatory frameworks* in areas associated with deep tech, such as energy, sustainability, AI, and defense, they can smooth the path for start-ups to launch and grow. A *streamlined bureaucracy* can make it easier for founders to incorporate their businesses and meet legal requirements. *Proactive policies* can encourage deep-tech business building, such as policies that protect IP and increase funds for the infrastructure development needed to support deep-tech innovation. Europe is already actively addressing these topics through the 28th regime,[8] yet stronger momentum is needed now.

4. *Customer interest.* Deep-tech companies need customers to gain traction and grow, especially in defense, healthcare, and energy. Customers, companies, and governments play a big role in creating a thriving deep-tech ecosystem in Europe. For one, they can act with an increased *willingness to buy deep-tech products*, including entering into letter-of-intent deals or takeoff agreements—where a buyer commits to purchasing a specific quantity of a product in the future—for products still in the development phase. They can partner with deep-tech companies to *cocreate or cosell products*. Taking a chance on deep-tech companies is important to ignite the flywheel of growth.

   Building a culture of trust around deep-tech start-ups begins with building a strong ecosystem. In France, for example, the not-for-profit association France Deeptech brings together more than 300 members, including start-ups and scale-ups, investment funds, and research laboratories. Together, they promote practices to support the growth of disruptive, science-based technologies and engage with companies and public authorities to build a more sustainable deep-tech landscape.

[8] The 28th regime is a proposed and optional EU-wide legal framework intended to simplify and unify law and taxation for companies operating across the European Union.

5. *Regional know-how and infrastructure.* Europe is home to thousands of universities that turn out tens of thousands of STEM graduates every year and also produce cutting-edge research. European universities can accelerate the deep-tech wave by *creating tech transfer offices* to turn research into start-ups. The United Kingdom has one of the most robust tech transfer systems in the world, with Oxford, Cambridge, and University College London especially fostering start-up creation, but Switzerland, Germany, and Sweden are also leaders here. Universities can create cross-border networks of their tech transfer offices to establish *innovation hubs* that offer pooled resources to help research spinouts grow. Universities can also make their labs, supercomputing centers, and prototyping facilities available, providing start-ups with *access to deep-tech infrastructure*. Universities can *collaborate with corporate or industrial partners* on joint research or pilot projects, as well as *sell their IP* to scaling businesses.
6. *Attracting and supporting talent.* Companies, governments, and universities can work together to make Europe a place where top tech talent wants to live and work. Companies can offer creative and *flexible work environments* and *competitive compensation*, including stock options and stock purchase plans. Governments can simplify *visa and work permit processes* that could attract tech workers to their countries. And universities can offer *new curricula* focused on deep-tech subjects, such as advanced AI and quantum computing, as well as entrepreneurship programs.

Europe stands at a critical juncture in its economic trajectory. The deep-tech sector presents a significant opportunity for the region to regain its competitive edge. Countries such as France, Sweden, and the United Kingdom are already demonstrating best practices in deep-tech investment and innovation. If other European nations follow suit, the region could unlock substantial innovation that bolsters long-term growth.

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