

Executive Summary: SHM 2019 – Startup Highways Criss-Crossing Europe

The [Startup Heatmap Europe](#) launches the most comprehensive study on the development of startup ecosystems and founder mobility in Europe to date. The analysis spans >100 startup cities in Europe, dozens of data points on ecosystem dynamics, like meetups and accelerators as well as a survey of >1,500 founders.

The main findings are:

- Increased mobility with 30% more foreign-born founders since 2016
- Fast Internationalization as 55% of European startups establish international locations within in their first year
- Top Hubs are losing momentum as London and Berlin hit a 4 year low in popularity
- Founders increasingly rely on transnational networks, with the most eminent spanning between London, Berlin, Barcelona, Paris, and Lisbon
- Brexit divides European founders: Northern and Western countries lose faith, while CEE seems to gather around London

Since 2016, the rate of foreign-born founders in Europe increased from 23% to 29%. Roughly, 40% of these foreign-born founders are from outside the EU. The regions benefiting the most from founder migration are the UK & Ireland (+25%) as well as Benelux (+18%) and the Baltics (+16%). Only the CEE and Southern Europe lose founders (-9% and -1% respectively). Interestingly, Spain (+29%) and Portugal (+12%) can work against the regional trend, while Italy (-20%) and Greece (-39%) are continuing to see founders leaving.

Founders not only move more, but also internationalize speedily: 55% of startups establish international locations within the first year. This rate is the highest in the Mediterranean Region, the CEE and the UK and Ireland.

As startups are increasingly transnational, they work along international networks to tap into resources from other ecosystems. The leading network can be identified among the top 6 hubs based on founder popularity (London, Berlin, Barcelona, Paris, Lisbon) jointly reaching 75.3% of all founders in Europe in 2019 and showing the strongest mutual connections. This network is symbiotic and startups tap into each hub's resources: London, Paris, and Berlin provide capital to the system, while other hubs offer talent or a great business environment, like Amsterdam. Together, they have captured >44% of investments in the Top 55 VC hubs in Europe (10.4bn €) in 2018.

When asking founders for the best places to startup, London and Berlin lost 13 and 17 percentage points in just 4 years respectively. However, [London](#) remained 1st before [Berlin](#) (2nd) with 38% versus 35% of founders saying they would startup there if they could. Also, [Barcelona](#) (3rd, -2% points) and [Paris](#) (4th, -5% points) struggle to maintain their high percentages from 2018.

As Brexit continues, London loses most dramatically in the Nordics and Baltics (-19% points), while founders in the CEE seem to gather around [London](#) (+5% points) and turn their back on [Berlin](#) (-19% points). This shows how the Brexit divides Europe and founders feel they have to choose between two diverging pathways.

This opens opportunities for the 2nd tier hubs: [Barcelona](#) is the central interchange between the Southern Hubs, connecting strongly to Madrid and Milan, that bring to the table their relatively stronger industry connections. German Hubs are on the rise in the High-Tech sector: Health & BioTech as well as Big Data startups favor [Munich](#) and [Zurich](#), while [Vienna](#) and [Zurich](#) are top ranked for FinTech.

Helsinki and Tallinn are positioning as extremely business friendly startup hubs – however they are experiencing difficulties to connect with their Nordic neighbors like Stockholm, Copenhagen, and Oslo, which are rather orientated towards London and Berlin, missing a chance to build a competitive ecosystem of opportunities in the Nordics.

The same is true for CEE hubs including Vienna, which neglect mutual exchange and rather focus on building relations with London, Berlin, and Amsterdam.

The top 3 Accelerator brands in Europe in 2019 are Techstars London (13%), Seedcamp (11%) and Station F (10%),

The top 3 Conference brands in Europe in 2019 are WebSummit (31%), Slush (26%) and London Tech Week (19%).

Background:

The Startup Heatmap Europe is a data & knowledge platform enabling tech communities in Europe to grow. Find more information on the data and courses for ecosystem builders on <http://www.startupheatmap.com>

The Startup Heatmap Europe runs an annual survey among founders and the greater tech community on mobility and the attractiveness of startup hubs. The 2019 survey was collected between May and August 2019 and had 1,200 participants. After cleaning and sampling the data 806 complete datasets remained that were weighted to adjust for regional representativeness on country level. Founders were 53% of respondents. For long-term trends in founder mobility, we used a combined dataset of 4 years with >6,000 founder opinions. Analysis of key topics and trends was based on social media data and a dataset of >20,000 startup meetups.