

Harnessing the Danube region's resilience for the growth of the innovation ecosystem

The official launch of the Danube Tech Valley Initiative and the Danube Innovation Tracker

December 6th, 2022 | VIENNA

This event served as an **official launch** of the Initiative for Austrian audiences in the presence of H.E. Federal Minister of Labour and Economy of the Republic of Austria **Martin Kocher**.

Context

2022 has been a turbulent year. The world has barely recovered from COVID-19 and its far-reaching impacts, including the short but severe recession and an enduring supply chain crisis, when Russia's brutal aggression against Ukraine caused a devastating humanitarian crisis along with further supply disruptions and inflation. Consequently, financial markets around the world incurred sharp losses and are looking to a highly uncertain future. Against the backdrop of this global turmoil, the Danube region has shown resilience through volatile market conditions. Combined venture capital investment in the Danube region has almost tripled from 2019 to 2021, reaching €8.4 billion. The region is even on track to break its yearly venture capital investment record. When focusing on the effects of such investments, since 2018, in Austria only, the cumulated value of the start-ups in the ecosystem has multiplied 2.3 folds, from €6.6 billion in 2018, to €15 billion in 2021. This record is already surpassed by the 2022 value at Q3, currently estimated at 24.1€ billion. Harnessing this resilience is proving vital to the growth of the region's technology ecosystem, and is demonstrated by the exponential valuation growth, by 13 folds in a year, of clean energy start-ups in Austria.



The event was welcomed by **Peter Koren**, Deputy Director General of the Federation of Austrian Industries and introduced by **Wilhelm Molterer**, Chairman of the Board of GLOBSEC. Dr **Katarína Cséfalvayová**, GLOBSEC, Executive Lead of the Danube Tech Valley Initiative, elaborated on the mission of the Danube Tech Valley Innovative and the significance of the Danube Innovation Tracker (DIT) platform within its framework. Her intervention was followed by **Olivia Blanchard**, GLOBSEC, Lead of the Danube Innovation Tracker project, who presented the features of the Danube Innovation Tracker in more depth. The panel discussion was moderated by **Jakob Steinschaden**, Co-Founder of Trending Topics and the closing remarks were made by **Werner Wutscher**, Founder of New Venture Scouting and Steering Committee member, GLOBSEC Danube Tech Valley Initiative.



The enablers of progress

- ▶ Value creation & purpose
- ▶ Visibility and awareness of the region
- ▶ Going from markets to a market
- ▶ Public demand
- ▶ Wider **political and institutional support** for shaping the innovation ecosystem
- ▶ The creation of **wider market and financial capital** within the Danube region to be competitive within and outside the EU
- ▶ Development of **smart & shared capacities**
- ▶ **Support for active startup** communities
- ▶ **Sharing of success stories** and cultivating a **healthy innovative mindset** in public discourse
- ▶ Shared knowledge and **support from exited companies**
- ▶ **Education** of the startup community on “doing business”

Outtakes from the discussion

How can our innovation ecosystems come out stronger from the current crises? How to shape policies that will prove effective in supporting the growth of innovative companies? The panellists who took on the difficult task of answering these questions were:

H.E. Martin Kocher, Federal Minister of Labour and Economy of the Republic of Austria

Rudolf Dömötör, WU Gründungszentrum, Wirtschaftsuniversität Wien

Lisa Fassl, Vice-President of AAIA

Georg Kopetz, Member of the Executive Board, CEO, TTTech

Anna Pölzl, CEO & co-founder of Gnista

‘The Danube Tech Valley’s mission has real value, but it must be filled with steps and the stakeholder’s involvement to build a network where trust will prevail. The conditions and the market demand to create a net zero emission region by 2030, are high but require action. This path can lead us to be the top performer in the energy competencies and to improve the life of the Danube Tech Valley’s population. The focus should be on raising awareness

The bottlenecks of a mature innovation ecosystem

- ▶ One-way flow of interest from East – West: How to turn it also the other way?
- ▶ The mindset on cooperation – innovation shall be perceived as an opportunity, not competition
- ▶ A network of trust
- ▶ Unclear and unattractive **value proposition of the region**
- ▶ **Capital constraints** and underdevelopment of the financial market(s) of the region
- ▶ **National legislation burden within** but also across the borders
- ▶ **Low utilization of financial instruments**
- ▶ **Risk aversion** from investors because of insufficient knowledge of the region
- ▶ **Shallow interoperability** of academia and business
- ▶ Insufficient **availability of skilled workforce**

of the region with all its potential and bringing the concept into the general discourse of the public. All the participants came to the consensus that raising the awareness of successful start-ups and businesses should be an inevitable long-term strategy within the initiative. Established tech companies shall share their capacities with smaller ones to accelerate the innovation potential of both. Fragmented markets and the potential of their partial unification in terms of regulation, financial markets and business conditions were again highlighted in the discussion pinpointing that interregional cooperation can be a significant building block on the way to regional growth. The unique value proposition to stakeholders is clearly to be built on tangible actions and keep up the momentum.



“Let me say how important the topic we are meeting about is. Innovation will be crucial in the face of upcoming challenges such as population ageing, climate change and the need for advanced digitalization. Health tech innovation will be crucial as the healthcare sector is going to be challenged by the consequences of aging. Innovation and its quick transfer to commercial usage will be a deciding factor in our sustainable future. The crucial role of digitalization will be important in securing our prosperity and security in the future. The Danube Tech Valley cooperation and networking across countries will breed innovation and opportunities within a turbulent geopolitical environment.”

Martin Kocher, Federal Minister of Labour and Economy of the Republic of Austria



The Danube Innovation Tracker can be found on: <https://danubetechvalley.dealroom.co/intro>

More on the DTVI can be found <https://www.globsec.org/our-expertise/danube-tech-valley>

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