

London named one of the world's leading startup ecosystems

According to data from Startup Genome London has one of the world's most favourable ecosystems to build a globally successful startup. The UK capital improved on its joint third place in 2019, to tie in second place with New York this year.

Temps de lecture : minute

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Access to capital, investment and global talent has fuelled London's ascent to number two, up from number eight in 2012 when the first rankings were released. The report analyses cities around the world where early-stage startups have the best shot at building global success.

The research reveals that the UK capital is amongst the top cities in the world to grow a globally leading company, with startups in London benefitting from high levels of global connectedness to other top ecosystems, and a flow of knowledge into the city which helps them to build global market reach. London-based companies can tap into global markets due to the UK's favourable time zone, with the city acting as a launchpad to scale and grow internationally.

London's life sciences sector has been quick to rise to the challenges posed by the global pandemic. Home to 350 medtech companies and world-leading universities like Imperial College London and King's College London, the sector is collaborating and innovating to produce cutting-edge research in the fight against coronavirus.

"The COVID-19 crisis has accelerated the transition

to the digital economy and has called for entrepreneurs to innovate faster. This is a unique opportunity for all of us to take concrete actions to make our economic communities stronger and more inclusive, so they are powerful engines of economic recovery." JF Gauthier, Founder of Startup Genome

Further analysis also reveals that London provides high access as well as quality of funding, demonstrating the depth of capital in the ecosystem. Access to funding is an essential ingredient for any scaling startup and an average seed round in London is \$650K, compared to a global average of \$494K.

Meanwhile, edtech and fintech are highlighted as two of London's strongest sub-sectors. London has long been established as a thriving, well-connected financial ecosystem and fintech continues to dominate fundraising, accounting for 39% of the \$4B raised by London-based companies so far in 2020.

The UK capital is also home to over 500 edtech companies and the UK's edtech sector is expected to reach \$4.4B by 2021. As schools have been closed, edtech has played a vital role during the pandemic and will continue to do so as cities look to build a more advanced future for education.

"London is home to so many exciting companies leading the way in innovation, and it's been impressive to see the resilience and creativity of

London's businesses during these challenging times. I am confident in London's position as a global startup hub as we move towards recovery from the current pandemic." Laura Citron, CEO at London & Partners

Asia's stature continues to rise

Startup ecosystems in Asia have also been on the rise, with new entrants among the top global cities this year including Tokyo, Seoul, Shenzhen and Delhi. Beijing is well established within the top five, whilst Singapore came in at number eight.

London is also the leading destination for Chinese foreign direct investment into UK and Europe, with one in ten Chinese projects to western Europe landing in London between 2015 and 2019. These projects include TikTok and Alibaba who have both set up offices in London in the past few years.

Two cities in India made it onto the Top 40 list, Bangalore at 26 and Delhi at 36, with Bangalore standing out for high access to funding and Delhi ranking well for the volume and complexity of patent creation. Looking at the Top Emerging Ecosystems ranking, the next 100 after the top 40 ecosystems, Mumbai secured top spot followed by Jakarta and Zurich.

London and India have shared strengths in technology and innovation, with London coming in as the second most popular city for Indian companies looking to expand internationally over the last five years, based on the number of projects. Indian companies who have chosen London as the city to scale their business include ride-sharing unicorn Ola who expanded to London last year and IT giant, Infosys, who recently

opened its first design and innovation studio in the city's tech hub.

London leads in Europe

London also recently topped the fDi x TNW Tech Cities of the Future 2020/21 list, a ranking focused on highlighting the European cities with the most promising prospects for startups, tech and innovation investment.

The UK capital continues to attract international investment and 50% of its FDI between 2015 and 2019 was in software and IT services, reinforcing its status as a tech powerhouse. London's startup ecosystem has produced 38 unicorns (companies valued over \$1B) since 1990, ahead of any other city in Europe 6.

[See the full report](#)



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