

What if the Paris and London ecosystems united rather than diverged, even in the face of Brexit?

Paris and London are rival but complementary cities. According to Laura Citron, CEO of London & Partners, and Russell Stopford, CEO of Stadion, they have everything to gain by building more bridges between them.

Temps de lecture : minute

26 December 2023

With several tens of thousands of French citizens living in London, the capital remains the 'most French' foreign city. As a cosmopolitan city par excellence, the London attracts people with its cultural and technological richness. Indeed, while Paris and France boast of becoming the leading technological ecosystem in continental Europe, surpassing Berlin and Germany, it is London and the United Kingdom that continue to lead the way across Europe. Recent statistics continue to confirm this.

In the first semester, French startups raised nearly €4.3B, while British startups managed to attract €7B in investments during the same period, according to the barometer conducted by EY. Because, although French Tech has gained remarkable strength over the past decade, the British ecosystem has been structured for a longer time and is therefore more mature.

London, a strong financial hub in Europe, has become the birthplace of many heavyweight European tech companies, especially in fintech, such as Revolut, Wise, Monzo, GoCardless, and SumUp. While France has had

notable successes like BlaBlaCar, Doctolib, Lydia, Qonto, Withings, and Pigment, they have not yet reached the scale of the largest British startups. There is still work to be done to bridge the gap between France and the United Kingdom, and Jean-Noël Barrot, Minister Delegate for Digital, emphasised this on the occasion of the 10th anniversary of French Tech.

We do not see Paris, Berlin, or Tel Aviv as competitors

While Paris and London love to fuel their historical rivalry, the two European capitals can also benefit from each other. This is the opinion of Laura Citron, CEO of *London & Partners*, an organisation that assists foreign companies in their establishment process in the city. “France has always been one of the most important European markets for British startups and scale-ups, and London is the leading global city for French expansions internationally,” she points out to Maddyness.”

Consequently, the Londoner believes that the British capital and Paris are complementary, especially since the two cities are connected in just two hours with the Eurostar. “We do not see Paris, Berlin, or Tel Aviv as competitors. From Shenzhen's perspective, Europe constitutes a single ecosystem. So, we want our European ecosystem to be united. And London truly has a very European faith,” assures Laura Citron. In her view, Brexit has not undermined London's attractiveness in the technological realm. “Certainly, there is more paperwork, but it's not the end of the world,” she says with humour. In recent years, London has become a hotspot for gaming and artificial intelligence startups. And demonstrating that the English capital is attractive beyond the country's borders, 43% of founders of AI startups based in London are not British.

A more mature financing chain than in France

It must be said that London has compelling arguments to attract international talents, including the French. The city is particularly attractive for securing financing. “There are many French founders in London, and most come to raise capital. The funding landscape has changed a lot in London. Ten years ago, there were very few late-stage funds there. After raising €20M, you often had to turn to funds based in the United States. Now, there are very large funding rounds. It is possible to go up to Series D without resorting to foreign funds,” observes Laura Citron. This is a real added value, especially as the French venture capital ecosystem, which excels in early-stage funding, struggles to stand out in the seven-figure operations.

In this context, international funds, especially American ones, have made London their European headquarters in recent years. “Andreessen Horowitz opened its first office outside the United States in London,” notes the head of London & Partners. Other major Silicon Valley funds, such as Sequoia and Lightspeed, have also established a presence in the British capital to participate in funding rounds for the most promising European startups.

From Olympic Park to major innovation hub

In addition to the more mature ecosystem, London can also rely on the emergence of new symbolic locations within its technological landscape to enhance its international attractiveness. While Paris has had Station F since 2017, the British capital has several major innovation hubs, the most recent being built in the Olympic Park created for the 2012 London Olympics.

Within a few kilometres, several structures have emerged, such as HereEast, a massive innovation campus that brings together startups, investors, researchers, academics, and institutions to foster the development of new and significant innovative projects. This new flagship of the London tech scene was previously the media complex for the 2012 Olympics. “It's a good time for us to reflect on the legacy left by the Olympics nearly 12 years later. This area was not used at all before. Now, it hosts major innovation centres and generates a lot of jobs. It's a new cultural district, East Bank, that is starting to emerge. It's probably the biggest investment since the Victorian era,” rejoices Laura Citron.

As the Paris 2024 Olympics looms on the horizon, this example of urban transformation might give the French something to think about in the organisation and legacy of the Games. “My message to Parisians is that you have to be patient. In London, it's only now that we are really seeing the effects of the Games,” says the CEO of London & Partners. “Paris and London are two cities with great sporting brands,” she adds. Given their geographical proximity and the imminent Parisian Olympics, some British startups want to take advantage of this opportunity to strengthen their presence in France.

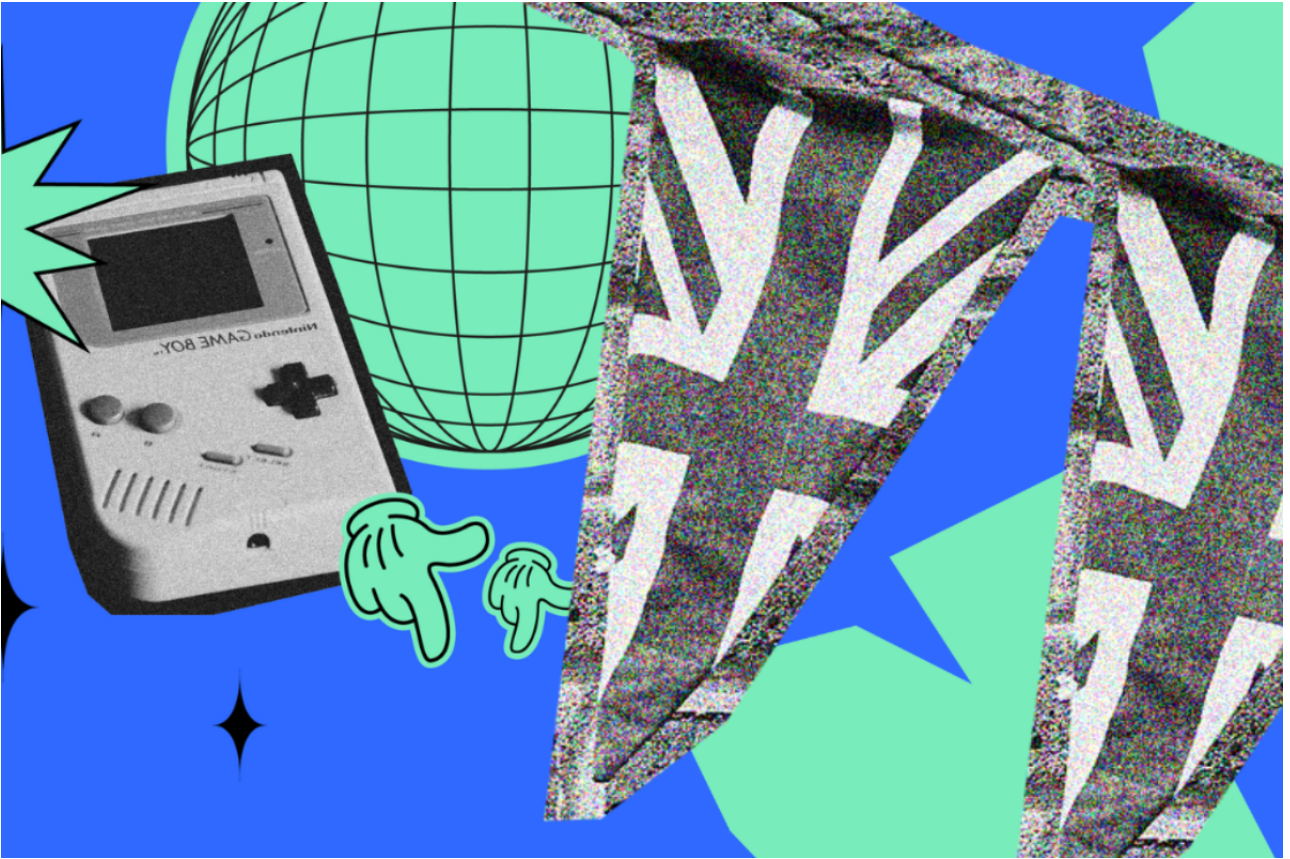
For British startups, is it the right time to set up in Paris?

The answer is yes for *Stadion*, a London-based startup developing digital experiences for sports organisations, especially football clubs, to enhance their relationship with sports fans. “80% of our clients are in the UK, but you need to look to do business outside. Since France is so close, it is often the second preferred market for British startups. Moreover, it is the right time to land in Paris. We feel that there are opportunities to form partnerships with companies and startups accelerated by incubators like Station F. There are very innovative things happening in Paris right now,”

says Russell Stopford, CEO of Stadion. Russell was previously the digital head of Paris Saint-Germain, FC Barcelona, and Manchester City. His time in the French capital allowed him to understand the French market. “With the French Tech, Station F, and Bpifrance, we feel the momentum driving investments in France. So, it's very exciting to see what we can do with the French,” he adds.

Opportunities exist on both sides of the English Channel. For the British, Paris is a great gateway to continental Europe, while the French can capitalise on a more mature British ecosystem to reach further with their development. This is despite Brexit, which had a chilling effect, to say the least, in 2016. “Brexit didn't really change much,” confirms Russell Stopford. In this context, the rise of French Tech and the resilience of the British ecosystem seem to offer new possibilities for cooperation between Paris and London.

Voices are becoming increasingly numerous in Europe to stand together against the United States and China, two global tech giants that will be impossible to challenge if each European country goes it alone.



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