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## **The Tech Industry Is Huge—and Europe's Share of It Is Very Small**

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May 20, 2025



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## **A risk-averse business culture and complex regulations have stifled innovation on the continent, weighing on its future**

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Han Xiao set up his AI startup in Berlin but is now relocating to the U.S. NADJA WOHLLEBEN FOR WSJ

By

[Tom Fairless](#)

and

[David Luhnnow](#)

BERLIN—The world's technology revolution is leaving Europe behind.

Europe lacks any homegrown alternatives to the likes of Google, [Amazon](#) or [Meta](#). [Apple's](#) market value is bigger than the entire German stock market. The continent's inability to create more big technology firms is seen as one of its biggest challenges and is a major reason why its economies are stagnating. The issue is even more urgent with the [prospect of higher tariffs](#) threatening to further curb economic growth.

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