

Press Release

## German start-up scene gets a new push

### €3.2 billion for German start-ups and high-tech companies with fast growth trajectories

Jul 20, 2016

**Berlin (GTAI)** - An extra billion Euros has been added to two of Germany's main venture capital instruments: the ERP/EIF umbrella fund and the European Angels Fund, topping the overall amount available to €2.7bn. Combined with funding under the Growth Facility launched in March, approximately €3.2 billion is now available to support German start-ups and high-tech companies with fast growth trajectories.

The news comes hot on the heels of the European Economic Research Centre's evaluation of Germany's three-year 'INVEST – Subsidy for Venture Capital' programme, which confirms that the programme has achieved its stated ambitions of increased private venture capital and better access to venture capital for start-ups. A further expansion of this project is set for later this year. "We need more young, innovative technological companies in Germany," said German Minister for Economics and Energy Sigmar Gabriel, announcing the increase in the two funds. "In an increasingly digitalised world, these companies are the driving force for innovation, modernisation of the economic structure and a catalyst for employment. In order to set the stage for a dynamic start-up ecosystem, facilitating access to Venture Capital is the key."

As Berlin's Business Development group also reported a jump in the number of start-up fintech firms looking to move to Berlin, the news should be good news for investors looking to find safer havens for their money in the current risk-averse environment. In the INVEST programme for example, Business Angels receive 20 per cent of their investment returned tax-free if they invest more than 10,000 Euros, while the Ministry for Research and Education reckons that for each €1,50 invested, the fund adds another Euro of investment, both making returns and present values eminently easier to achieve.

"These are tough times for investors globally," said Dr. Benno Bunse, CEO of Germany's federal economic development agency Germany Trade & Invest. "In Germany we have recognized this, but we also recognize that we cannot just stand still and wait for an improvement. By creating generous conditions for investors and venture capitalists, we aim to create an innovative and positive investment landscape where the foundations for improvement can be laid."

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