

62% more AI start-ups in Germany:

Founders actively promote the application of artificial intelligence

Germany's leading AI initiative, appliedAI presents an update of its database, which provides valuable insights into Germany's start-up landscape

Garching near Munich, 24.04.2019. More and more young German companies are using artificial intelligence (AI) in their products and services - a total of 62% more than in 2018. These are increasingly concentrated in the two AI hubs of Berlin and Munich, with only a few AI start-ups in the classic, medium-sized regions such as Baden-Württemberg or North Rhine-Westphalia. Since 2009, around €1.2 billion has been invested in AI start-ups in Germany – however, compared to international standards, there is still a lack of investments. For example, the Chinese start-up SenseTime alone received more than €2.2 billion from investors.

The appliedAI initiative of UnternehmerTUM, Europe's leading center for entrepreneurship and innovation, regularly publishes an update of its map, first produced in 2018, to share experience and knowledge. This map contains the most important AI start-ups in Germany, which were selected by a jury, and documents the relevant developments in the field of AI. "While 132 young companies used AI to a significant extent in 2018 and became part of the AI map, this year the figure has already risen to 214 - an

increase of 62%," says Immanuel Schwal, AI Engineer and project manager of the map.

In addition, industry-specific developments can be identified; Whereas in 2018 only 3.8% of all CI start-ups were in the manufacturing and industry sector, by 2019 this figure had risen to 5.6%. The development in the area of transport and mobility is even clearer: as the share rose from 6.1% to 9.3%. "The fact that start-ups are increasingly focusing on German core industries is good news," says Dr. Andreas Liebl, Managing Director of appliedAI. "This development is the basis for the fact that established companies in this sector do not lose the connection internationally."

The average investment volume per AI start-up in Munich is almost twice as high as in Berlin.

A few geographical hubs continue to dominate the AI scene. In particular, the concentration on Berlin and Munich is increasing: as of the beginning of 2019, 86 AI start-ups (40.2%) are located in Berlin, making the capital the national leader [2018: 51 (+68.6%)]. Munich follows in second place with 57 start-ups (26.6%) [2018: 31 (+83.9%)]. At €6.30 million, the average investment volume in Munich is almost twice as high (factor 1.8) as in the capital with €3.41 million. With only 9 AI start-ups (4.2%) [2018: 6 (4.5%)], Karlsruhe follows at a clear distance in 3rd place [2018: 6 (4.5%)] and has thus overtaken Hamburg which only hosts 8 start-ups (3.7%) [2018: 9 (6.8%)] this year.

The urban concentration of AI, together with the lack of skilled workers, is increasingly becoming a challenge - especially for rural SMEs. Dr. Andreas Liebl knows: "The number of start-ups can also be seen as a measure of the attractiveness of the local ecosystem, the availability of talents and experts as well as the innovative capacity of a region and its economy. The increasing focus on Berlin and Munich shows that many regions are finding it difficult to create attractive framework conditions and to really anchor AI as a future technology on a broad basis."

€1.2 billion for German start-ups - €2.2 billion for SenseTime

In Germany, around €1.2 billion has been invested in start-ups included on the AI map since 2009. But if you take a look at China, this sum seems like a drop in the ocean. There, the AI start-up SenseTime, which is regarded as a leader in face recognition and deep learning, has received more than €2.2 billion since 2017 - including funds from leading Chinese venture capital investors and large corporations such as Alibaba and Qualcomm. Enormous differences in size exists between the Chinese and German, but also between the American and British start-up landscape. This can be deduced from the number of employees in German AI start-ups: The available data also shows that just nine of all German AI start-up companies (4.2%) employ more than 100 people, while SenseTime alone has around 2,000 employees. "Accordingly, it is also important to create political framework conditions as quickly as possible so that internationally relevant and competitive companies are created in Germany - for example by awarding public contracts to start-ups or facilitating or promoting investments in the growth phase," adds Dr. Liebl.

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appliedAI

appliedAI is an initiative of UnternehmerTUM. It serves companies of all sizes, start-ups, public institutions and scientists as a non-profit, neutral platform to accelerate the application of the latest methods and technologies in the field of Artificial Intelligence (AI). Together with leading technology and industrial groups as well as partners from politics and science, UnternehmerTUM wants to advance the qualification of employees, management and the public as well as the exchange in the field of AI in the coming years and thus promote the knowledge transfer of all participants. At the same time, UnternehmerTUM discusses with the appliedAI initiative the effects of AI on us as people and on the economy and thus takes into account the enormous importance of AI. With currently 40 partners from science and industry, the public sector and selected start-ups, AppliedAI is the largest initiative of its kind in Europe.

UnternehmerTUM –

Europe's leading centre for innovation and entrepreneurship

UnternehmerTUM is a unique platform for the development of innovations. UnternehmerTUM actively identifies innovative technologies and initiates new business through the systematic networking of talents, technologies, capital and customers.

UnternehmerTUM offers start-ups an all-round service from the initial idea to the IPO. A team of 240 experienced employees, including entrepreneurs, scientists and investors, supports the development of the company, market entry and financing - also with venture capital. For established companies, UnternehmerTUM is the central location for cooperation with start-ups and the expansion of their internal innovative strength and culture.

Founded in 2002 by entrepreneur Susanne Klatten, UnternehmerTUM is the leading centre for innovation and start-up in Europe with more than 50 high-growth technology start-ups every year - including Celonis, Konux and Liliun.

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