Export AI: Global opportunities, Dutch AI solutions

22 January 2026

Prepared for

The Ministry of Foreign Affairs

EY Parthenon

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No Reliance
Any person intending to read this report should first read this letter

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Attn: [redacted]
Rijnstraat 8
2515 XP The Hague
The Netherlands

Export AI: Global opportunities, Dutch AI solutions

22 January 2026

Dear [redacted] ,

We have completed our first draft report for according to our engagement agreement. Our services to date were performed in accordance with our engagement agreement, and our procedures were limited to those described in that agreement, and any subsequent written and agreed changes.

During the period of July 2025 and October 2025 EY worked on identifying export opportunities for Dutch AI application companies. Our finding resulting from our work (engagement) is provided in this report.

Our work has been limited in time and in scope to assess the export potential of Dutch AI application companies and their export potential. Financial incentives, whilst they may constitute an issue, are out of scope for this engagement. We stress that more detailed procedures may reveal issues that this engagement has not. The procedures summarized in our report do not constitute an audit, a review or other form of assurance in accordance with any generally accepted auditing, review, or other assurance standards, and accordingly we do not express any form of assurance.

Restrictions on the use of our work product

Consistent with our engagement agreement, this report is intended solely for the information and use of the management of the Ministry of Foreign Affairs and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the cooperation and assistance provided to us during our work.

Sincerely yours,

EY-Parthenon

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EY Parthenon

Management summary – Introduction and context

Management summary – Introduction and context

Introduction

- AI is not just another technology. It is becoming a critical infrastructure layer embedded across every sector of the economy and society. The Netherlands is already missing out on infrastructure components of AI (e.g., foundational models, compute capacity). If we fail to proactively support our AI ecosystem now, we will slowly become dependent on foreign providers for core technologies that underpin healthcare, logistics, energy, and public services. Without immediate action, we risk structural dependence on foreign providers, losing control over data sovereignty, security, and ethical standards. Meanwhile, the global AI race is accelerating, with countries like the US and China investing heavily.
- To secure a position in the global AI value chain, the Netherlands must leverage its strengths in unique data-rich sectors and support companies in scaling internationally. Doing so unlocks export markets (scale and reference customers), funding (international investors and EU programs), and R&D partnerships (with leading institutes).
- If we delay, competitors will entrench in our target niches, financing gaps will widen, talent will relocate, and the Netherlands will be locked into a consumer, not shaper, role in the global AI economy.

Importance of Export

- Export is essential to scale Dutch AI solution companies and to remain competitive. The domestic market is too small, while competitors benefit from immediate access to larger market and more capital. AI is capital intensive, and Dutch companies without an internationalization strategy risk missing out on funding required to grow. Talent and investors are international, and global customers provide access to more data, improving AI systems. Export also spreads risk across markets, strengthening strategic resilience. Export acts as fuel for the Dutch AI ecosystem: it drives revenue, attracts talent, enabling reinvestment in innovation and development.
- It is also key for positioning the Netherlands as an AI producer and architect rather than a passive consumer. Through export, Dutch companies can also export (European) values, such as trustworthy and responsible AI, strengthening our global reputation.
- Moreover, talent gravitates toward challenges with global exposure rather than purely local solutions. The Netherlands holds a unique position in semiconductors (e.g., ASML) and data-rich sectors, which can serve as foundations for international AI leadership.
- This report delves further into the trade promotion and economic diplomacy role of the diplomatic network as referenced by the AI Deltaplan report. This report also complements Dutch strengths identified in the Wennink report and Invest-NL's AI Deep Dive with building blocks for an internationalization strategy. Furthermore, it aims to support the AI action plan under the National Technology Strategy (NTS) with internationalization strategies that could benefit sectoral innovation. Our report adds practical guidance on trade instruments and the role of embassies to strengthen the global position of Dutch AI.

Management summary - Scope

Management summary – Scope and key findings

Research scope

- The objective of this report is to inform policy actions for the Ministry of Foreign Affairs (MFA) to help Dutch AI firms capture international opportunities. Therefore, it primarily addresses the external, international side of the equation such as market entry support, matchmaking, and diplomacy. Certain domestic factors, such as the broader business climate and national financing environment fall outside the scope. Although aspects such as improving access to growth capital, talent retention, and regulatory incentives are important for Dutch AI, these are part of ongoing discussions and are not addressed here. This report acknowledges that context but focusses on guidance on internationalization.
- The four countries (Germany, Sweden, South Korea, United States) were chosen for their mature tech ecosystems and concrete earning potential. This choice does not imply that other countries lack AI opportunities, it simply reflects the scope and focus of this study. The Global South should not be overlooked as Clingendael highlights promising prospects there. Country archetypes introduced in this report help illustrate different approaches to support internationalization, showing how levels of market access complexity and institutional alignment may shape the type of trade instruments and support required.
- The selected sectors reflect where the Netherlands combines strong innovation capabilities with clear international demand. Choices were guided by their prominence within the Dutch innovation ecosystem (e.g., former Topsectoren), the presence of AI-driven companies, and alignment with market needs in Germany, Sweden, South Korea, and the United States. where Dutch AI solutions are both competitive and globally sought after.
- AI can be broadly defined, encompassing everything from core algorithm developers to end-user application providers. The scope has been limited by DIO to focus on companies developing AI-enabled products or services at the application layer, not makers of foundational AI algorithms or hardware. In other words, we looked at Dutch businesses that apply AI to deliver solutions in various sectors (e.g. a startup using AI for medical diagnosis or a software firm embedding AI in logistics systems). In addition, an AI company is defined as an organization that develops products or provide services where AI is an identified core component. It’s therefore not necessary that an AI company is build as an AI-native company. Companies using AI only internally are excluded.
- Our research is based on desk research, RVO market intelligence, recent growth-market studies, an internal company database with a global lens, and input from diverse (inter)national experts.

Management summary - Key findings

Management summary – Key findings

Key findings

AI is rapidly becoming critical infrastructure, and the Netherlands risks increasing dependency on foreign compute and foundational models. Without action, this dependence will weaken technological sovereignty. Strengthening the Dutch AI ecosystem therefore requires internationalization. Export is essential to help companies scale, attract capital, market, and talent. Our research examined the Dutch AI landscape, international opportunities, and the effectiveness of current trade policy.

- The Netherlands excels in AgriTech, HealthTech, Logistics, and Semicon, but in highly competitive international markets, success will come from specialized, niche solutions (e.g., precision agriculture, medical imaging, industrial digital twins). Therefore, generic AI tools face intense global competition, such as the US where greater access to capital accelerates development and adoption.
- These countries present varying opportunities for Dutch AI companies. Each market differs in size, maturity, and entry barriers. The US provides scale and capital but comes with high risk and strong competition. Germany offers steady growth and cultural proximity, making it a logical first step. Sweden is smaller but innovation-friendly, ideal for pilots and co-development. South Korea presents opportunities, though success often requires partnerships and high localization efforts. These differences underline the need for tailored strategies per country rather than a one-size-fits-all approach.
- To capitalize on these opportunities, the recommendations start with quick wins such as targeted trade missions around the identified niches and extend to longer-term strategic moves. These include developing an AI export strategy, taking regular snapshots of the Dutch AI ecosystem and setting up an AI team within government. Ultimately, the findings empower MFA to move from analysis to action. Cultivating those international opportunities in AI that will drive growth for Dutch companies and keep the Netherlands at the forefront of technological innovation.

Management summary - Dutch AI landscape

Management summary – Dutch AI landscape

Dutch AI landscape

When it comes to AI applications, the Netherlands excels in sectors like AgriTech, HealthTech, Logistics, and Semicon. These include precision agriculture, computer vision for livestock welfare, medical imaging, remote health monitoring, autonomy & teaming, logistics robotization and automation, and industrial digital twins.

- While these sectors are strong, this does not automatically mean that mature AI offerings exist within those sectors. Furthermore, the rapid global proliferation of AI tools makes differentiation difficult. Export opportunities should be built around niche domains where the Netherlands combines unique datasets, strong research institutions, and sector-specific ecosystems, offering a foundational competitive advantage.
- Yet, Dutch AI startups have more difficulty scaling up compared with counterparts outside Europe, constrained by talent shortages and regulatory burdens (AI Act, GDPR). At the same time, operating in one of the world's most demanding regulatory environments can become a competitive advantage, solutions that meet European compliance standards are well-positioned to succeed globally.
- The universities in the Netherlands supplies strong AI talent which is growing over the last years. However, without an export strategy, the Netherlands risks losing top talent and valuable intellectual property, as engineers prefer challenges with global reach and more attractive salaries.
- Dutch companies (e.g., Axelera AI and bird) are actively seeking opportunities abroad to access larger markets, attract capital, and accelerate the scale required to compete globally. An export strategy helps keep HQ, IP, and R&D in NL.
- The rapidly rising emphasis on technological sovereignty 'by design', a development that can act as a catalyst for the Dutch AI industry if it succeeds in exporting distinctive, trustworthy and domain-specific AI solutions.

Given the speed of AI innovation, continuous monitoring of the Dutch ecosystem is essential. Regular snapshots and data from RVO-databases enable policymakers to identify emerging niches, track geographic interest, adjust trade instruments, and anticipate evolving export needs.

Management summary - Export countries

Management summary – Export countries

Export countries

Each of the four target countries offers clear opportunities that align with Dutch strengths, but in different sectors and under different market conditions. Each requires a custom go-to-market approach and offers distinct types of opportunities. There is no uniform playbook that fits all.

- Germany is a neighboring market with high demand in manufacturing and logistics optimization (areas of Dutch expertise). It's a market of "steady wins": accessible due to geographic and cultural proximity, but it demands patience. Dutch firms must build trust and adapt to Germany's more formal business culture and decentralized innovation landscape. The upside is loyal customers and integration into German industry's value chains.
- Sweden is smaller but innovation-friendly, making it ideal for co-development and pilots (e.g. in HealthTech or security), given its collaborative R&D culture. With strong ecosystem focused hubs around multinationals such as Saab for defense industry, Ericson in telecom, Volvo in automotive, Atlas Copco in machinery. A Dutch AI company may not scale revenues massively in Sweden alone, but successful Swedish pilots can be springboards or proofs-of-concept for elsewhere.
- South Korea offers niche opportunities in AgriTech and smart manufacturing. It's a sophisticated market but often requires foreign companies to partner with large Korean conglomerates. The approach here is through joint ventures or R&D alliances, aligning with Korea's tech initiatives. This is a path that can open doors to the wider Asian region.
- The United States is the largest and most competitive arena, offering a "high-risk, high-reward" proposition. The US can provide Dutch startups with abundant capital and customers if they can differentiate in sectors such as Semicon, AgriTech or Manufacturing, where Dutch tech solves very specific American problems. However, entering the US typically necessitates establishing a local presence and securing major funding, which only a few Dutch scale-ups might manage. The report emphasizes focusing on U.S. sub-markets or states where Dutch niches align (for instance, Agri and food AI in Midwest states) and using "soft landing" support programs to mitigate the expansion risk.

In sum, each country's section of the report details how Dutch companies should calibrate their strategy: from Germany's long sales cycles to Sweden's partnership ecosystem, Korea's localization demands, and the US's scale imperative. These differences reinforce the need to offer targeted, country-specific support rather than a generic export push.

Management summary - Trade instruments

Management summary – Trade instruments

Trade instruments

Supporting Dutch AI companies abroad requires a mix of targeted trade instruments and strengthened institutional capabilities.

- Trade instruments need to be matched to the type of earning opportunity. Market opportunities rely on trade missions, fairs, matchmaking, and soft-landing programs; financing opportunities depend on VC matchmaking, DVI co-financing, and establishment support; development opportunities require DHI pilots, Horizon Europe/Eureka, IPCEI or bilateral R&D programs. Because US, German, Swedish and Korean markets differ substantially in financing conditions, development opportunities and market access, no single instrument mix works everywhere. Instruments must be tailored to each country's opportunity profile.
- The United States demands particular attention: many AI startups move there for capital and scale, so instruments could ensure export without immediate relocation. Soft-landing programs should therefore require a structural link to the Netherlands (e.g., dual HQ), while co-financing in (early) US fundraising rounds can help retain HQ, IP, and R&D at home.
- For promising countries, it's recommended to develop a PIB action together within the relevant sector, ensuring long-term positioning and coordinated public-private engagement. While reactive use of instruments can yield short-term wins, sustained impact requires a more proactive, strategy-driven approach.
- AI innovation is evolving rapidly, including in the Dutch AI ecosystem. This requires continuous and structured monitoring of domestic developments and oversees communication. This allows for timely identification of opportunities and proactive support for companies. Furthermore, it enables policymakers to flexibly adapt strategies and trade instruments to the current needs of the Dutch AI ecosystem. Standard approaches don't work.
- Dutch embassies often lack the technical AI expertise to adequately address export questions and the speed of development; structural support from the Netherlands, for example, through one or two specialized FTEs, is essential to assist local staff in advising companies.

Management summary - Recommendations

Management summary – Recommendations

Broaden scope of tech stack

- Broaden the scope of the definition of AI companies to include the full tech stack. There is currently a strong reliance on foreign companies deeper down the tech stack. This dependence makes the existing and future AI application companies and their propositions less valuable/future proof, as these will be easier to copy.

Capture opportunities abroad

- The biggest export opportunities can be found in specific niches in sectors where The Netherlands has a strong foundation such as AgriTech, HealthTech, Logistics, and Semicon. Niche AI solutions tailored to specific sector needs (e.g., logistics, healthtech, semiconductors) are more likely to gain traction internationally than generic AI offerings. Linking these niche application to the identified opportunities in each export country creates the greatest chance of lasting success.

Utilize targeted trade instrument

- On the short term we advice to utilize targeted trade instruments for the areas where there is a match between Dutch niche strength and opportunity in the targeted export country. In addition, for growth it will be crucial to facilitate connections between AI companies and international investors, e.g. by investing in the possibility to set up a US headquarter at the Dutch consulate in San Francisco. To support development, joint pilots and demonstration project can be supported. The experience gained could be used to build upon the approach archetypes to create pathways for export to similar countries.

Prioritize opportunities and set-up an internal AI team

- On the long term we advice to create an AI trade strategy that answers fundamentals questions about which markets we want to develop structurally, which countries do we see as trusted financers and development partners. Given the fact that resources are not abundant, hard choices need to be made about which sectors and companies to support. A good first step is to focus on the identified niches. A second step would be to set up an internal AI-team. This team could help to qualify (from a technical perspective) companies and key solutions within niches, be in contact with the ecosystem and help staff at embassies to make decisions on which support should be given.

Conduct regular snapshots of Dutch AI ecosystem

- Additionally, it would help to take a regular snapshot of the Dutch AI ecosystem to monitor the domestic developments. By monitoring the registration within the RVO-databases trends can be distinguished from the data such as geographic interest and the uptake of the usage of trade instruments. In addition, it could be used to contact companies that have not been in contact and/or have not used trade instruments to get feedback on the requirements of the instruments.

2

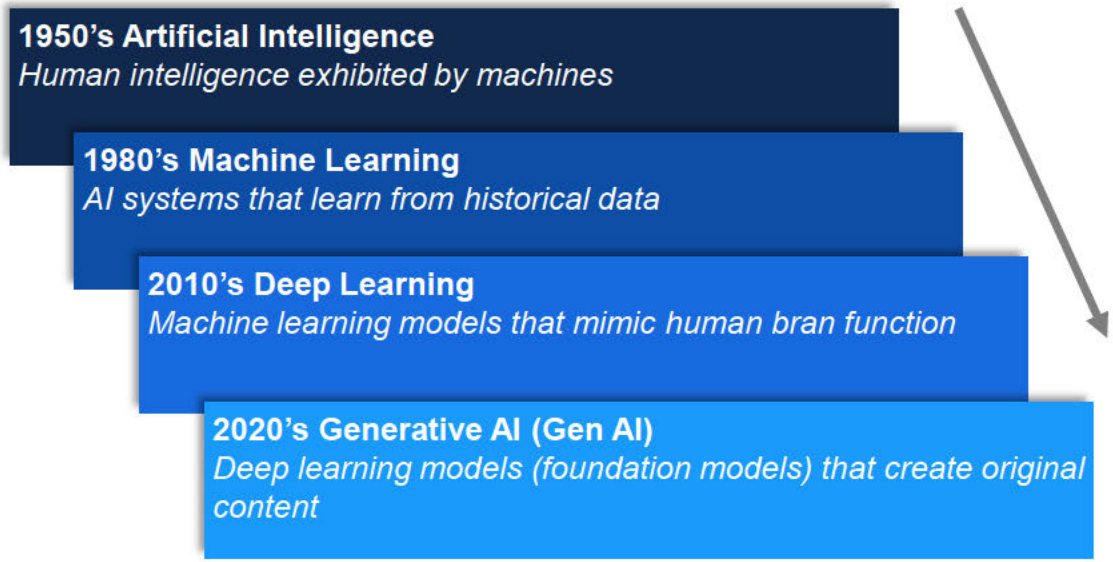
AI: Where are we?

EY Parthenon

In this research, an AI company is defined as an organization that develops products or provide services where AI is a core component across

AI: What is AI?

History of AI



- Rule-Based Systems (1950s–1980s): Early AI relied on explicit "if-then" rules to process data and solve narrow tasks
- Machine Learning Era (1990s–2000s): Algorithms began learning patterns from large datasets, enabling predictive analytics and adaptive behavior
- Deep Learning Breakthrough (2010s): Neural networks unlocked capabilities like image recognition and natural language understanding, driving automation
- Generative AI Revolution (2020s): Foundation models and transformers now create text, images, code, and audio, shifting AI from analysis to content generation

AI Definition

In this report, an AI company is defined as an organization that develops products or provide services where AI is an identified core component. These offerings may span over multiple layers in the AI technology stack, from infrastructure to applications. This research includes AI companies regardless of the proprietary nature of their AI technologies.

- By using this definition it's not deemed to be necessary for an AI company to be AI-native of focused solely on AI applications.
- A "key component" means that AI is not incidental or peripheral, but rather:
  - Integral to the core functionality of the product or service
  - A primary source of differentiation or value creation for the company
- AI companies can operate across multiple tech stack layers:
  - Infrastructure, Data, Models, Software, Applications
  - However, the scope of this research is limited to the application layer
- AI technologies used in solutions range to ML, NLP, CV, generative AI, and agentic AI

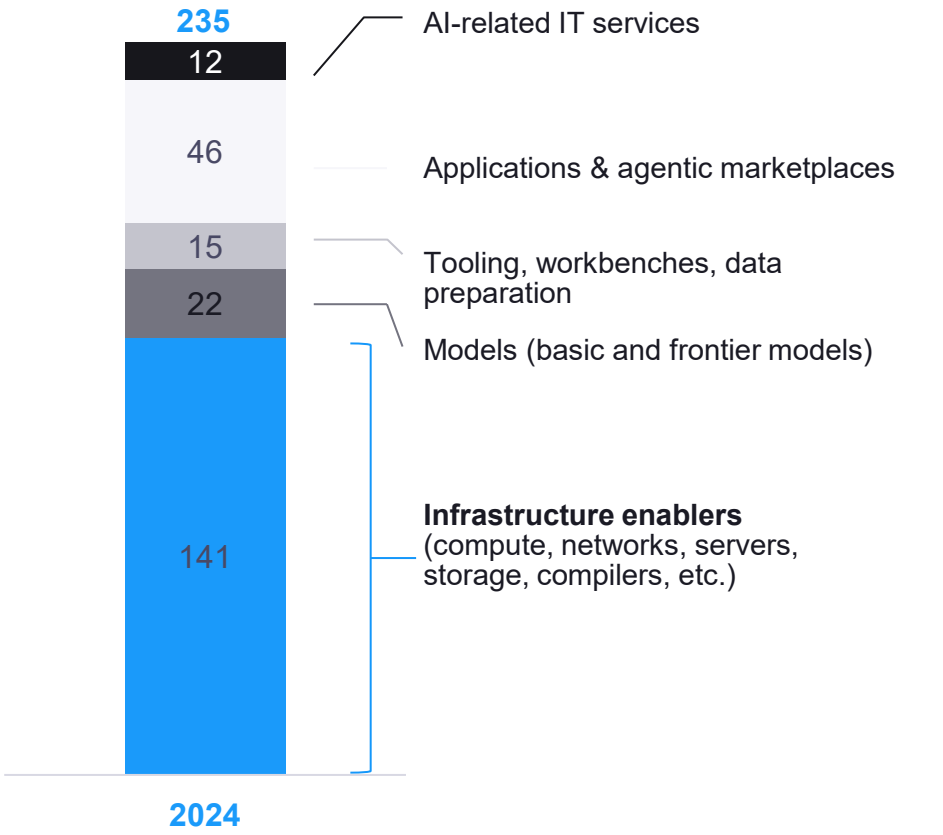
Source: IBM; EY-Parthenon analysis

AI is the largest TAM expansion of software & hardware to date, and we expect this growth to continue through trial and error

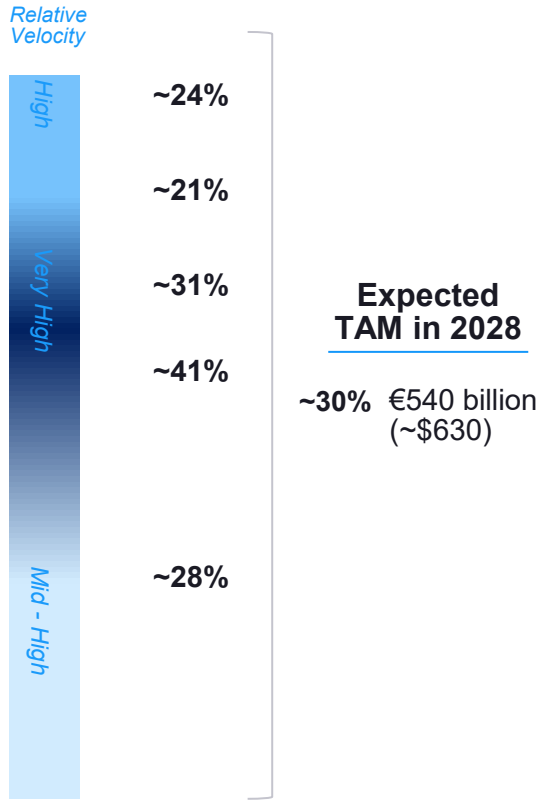
AI: Where do we stand?

Within 2 years of its inception, AI is poised to grow by 40–50% over the next 4 years, potentially creating a €560 (~$650) billion market

Global AI revenue (billion dollars) in 2024



CAGR 2024-2027(F) Projection



This opportunity is currently driven by three underlying forces

1. Models continue to grow larger and computational intensity increases further

- "Parametric" growth of models remains a theme (e.g., Llama 370B)
- 100 MW data center expansions to power compute (e.g., x.ai mega data center in Memphis, USA)

2. Spreading AI to edge devices

- Small language models are becoming specialized
- Inference is spreading to mobile devices and PCs
- Latency, security, and cost are becoming increasingly important

3. Explosion of AI-native software and Service as a Software

- LLM-driven software delivers use cases and workflows
- Avoid custom development for rapid adoption

Source: IDC; Grand View Research; EY-Parthenon analysis

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AI scaling and evolution span three core areas: compute, data, and models

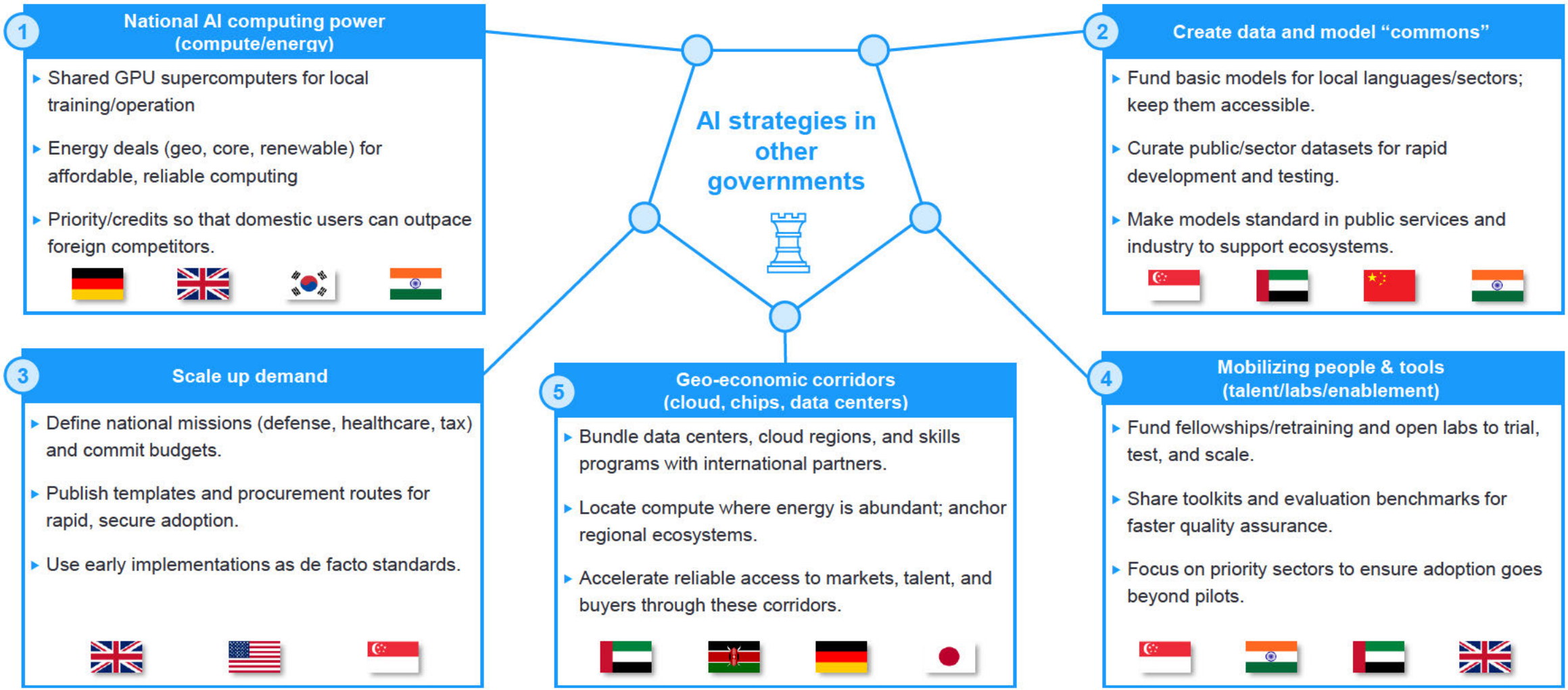
Three fundamental pillars of artificial intelligence

	1. Compute	2. Data	3. Models
What does it contain?	Semiconductors = GPUs, TPUs, accelerated computing	Training datasets = Internet data, proprietary data and synthetic data for model training	Foundation & Frontier Models: Open-Source & Closed-Source Models, Small & Medium-Sized Language Models
Where do we stand today?	Cumulative doubling of capacity every **3-4 months** Exponentially faster doubling of computing power than historically (faster than Moore's Law with an 18-month interval).	Expected to be exhausted in **2-5 year** All public text data runs out if models are overtrained by a modest factor of 5×*	Rapid expansion along **3 axes** 1. Expansion to multiple modalities 2. Multi-agent systems 3. New model architectures

Source: EY-Parthenon analysis

AI is a global race and governments are racing to secure computing power, models and demand—here's what's happening

AI strategies in other governments



Source: EY-Parthenon analysis

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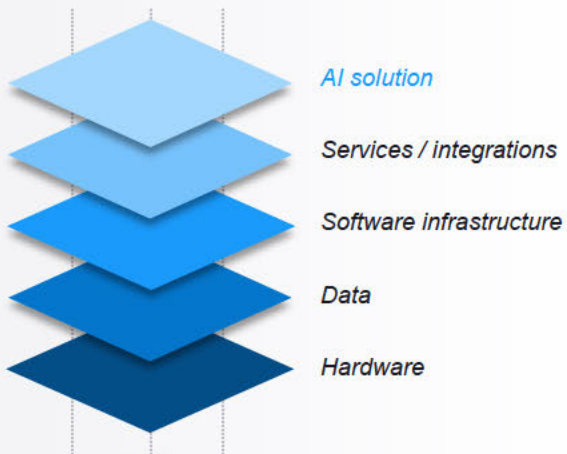
Technological dependence is a major risk – European AI infrastructure offers an opportunity for the Netherlands

European technological sovereignty

Europe is pursuing technological sovereignty to reduce dependency. This offers the Netherlands opportunities not only to export software applications but also to claim a role in building the hardware infrastructure that makes AI possible.

Expanding focus to the entire AI infrastructure



The Netherlands can capitalize on strengths such as semiconductors, but is highly dependent on foreign parties throughout the entire chain

Role of the Netherlands in Europe

The Netherlands can play a key role in the European AI infrastructure while reducing dependencies

Source: EY-Parthenon analysis

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Our research is based on a combination of desk research, a rich database with a global lens and input from diverse (inter)national experts

Steps taken in analyses

Desk research

Comprehensive desk research was conducted to assess international AI market dynamics

Dutch AI longlist

A curated longlist of Dutch AI companies was developed, segmented by maturity, sector and AI solution type.

Expert interviews

Interviews with domain experts and stakeholders were held to validate market assumptions, uncover potential barriers, and refine strategic hypotheses for international expansion.

Organisatie	Rol	Geïnterviewden	Status
RaniamyAI		Wilco Verdoold, Jesse Woltevreden	Afgelegd
Ambassade Duitsland		Marin van Heeren, Eva Koostra, Ko Voskuiles	Afgelegd
Ambassade Verenigde Staten - DC		Sean Silbert	Afgelegd
Ambassade Verenigde Staten - SF		Tyrone Peter, Margot Korthals	Afgelegd
Ambassade Zuid-Korea		Peter Wijlhuizen, Veysel Yigit, Nalorski	Afgelegd
Ambassade Zweden		John Dekker, Sigrid Westman, Kim de Jong	Afgelegd
Clingendael		Maaike Okano-Heijmans	Afgelegd
RVO		Ruben Wessink, Ronald van Aebi	Afgelegd
Startup Liaison VS		Peter Jan Kok	Afgelegd
Topsector ICT		Tijs Koops, Stephanie Ottenheim	Afgelegd
Nationale Technologie Strategie AI		Ard-Pieter de Man	Afgelegd
Nederlandse AI Coalitie (NL AIC)		Stefan Leijnen	Gepland
Netherlands Innovation Network		Juri Roerink	Benaderd
Economische Zaken		Erik Wijnen, Corlia Scheeringa	Benaderd
Invest International		Maarten Speerdstra & Stan Janssen	Benaderd
TNO		Marc Zagwijd	Afgelegd
TechLeap		Esther Bisschop, Maxime Lubbers	Afgelegd

Tech- & export case studies

Emerging AI technology trends in target countries were analyzed. Case studies were developed to illustrate successful export use-cases.

Regulations and programs

Data was collected on regulations and programs across selected countries and gaps within Dutch policy instruments were identified.

Source: EY-Parthenon analysis

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3

The Dutch AI Market

EY Parthenon

High-value solutions, skilled talent, and great demand define the Dutch AI software market

Dutch AI landscape

Dutch AI software solution companies geographical overview

# FTE per company	0 - 5	6 - 15	16 - 50	51 - 100	101 - 500	500+
# Companies	*117*	*132*	*109*	*35*	*25*	*6*

Bubble size corresponds to number of AI solution companies per city, July 2025

Key metrics of Dutch AI tooling landscape[1]

424
of AI Software Solution Companies

+22,400
of FTE

€ 3,709 Million
Total Revenue

€ 180,000
of Avg. Rev. per FTE

1. The dataset reflects the most recent estimates of revenue and FTE. As a result, the figures may vary slightly depending on the time of access and data availability. Out of the 424 companies, we obtained employment information of 335.
Source: EY-Embryonic; EY-Parthenon analysis

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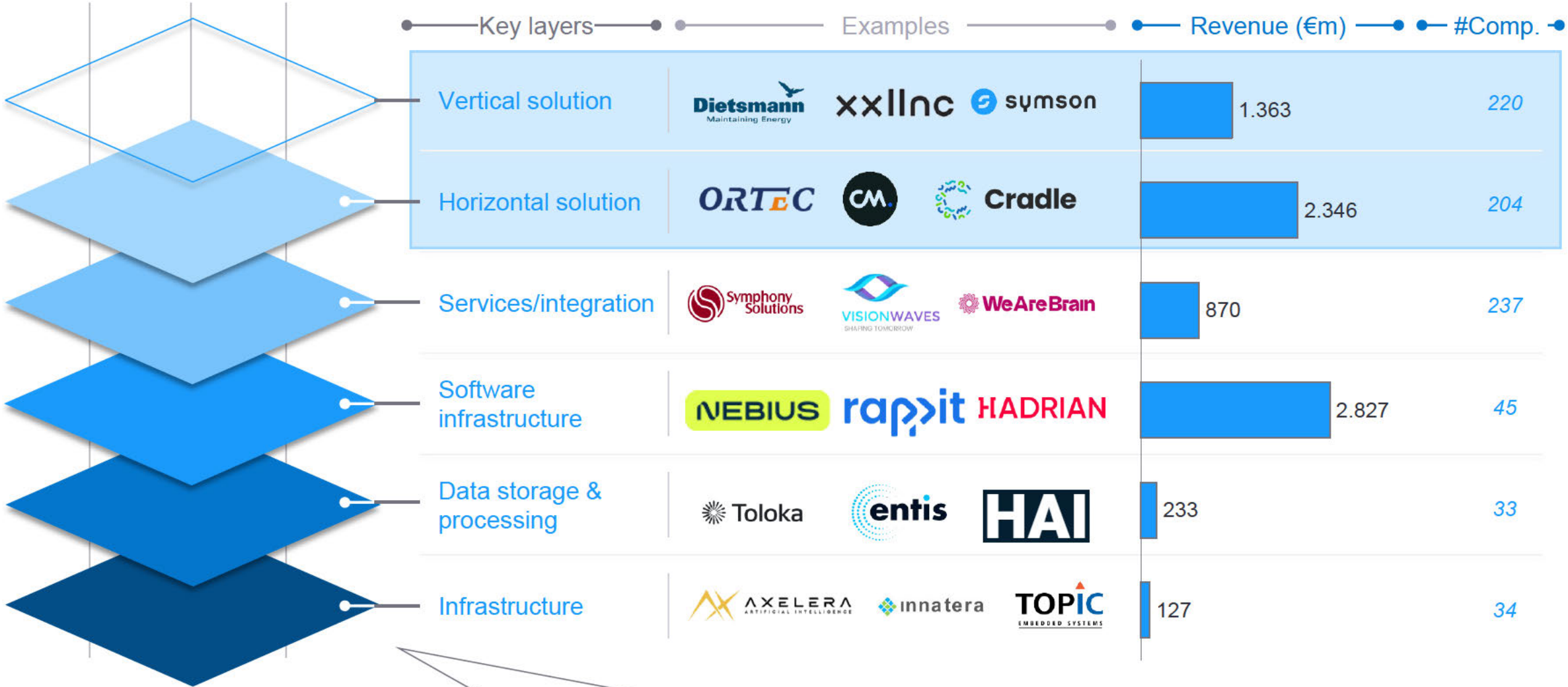
The Dutch AI tech stack is defined by software-driven solutions and horizontal integration layer…

Overview of the Dutch AI tech stack layers



Source: EY-Embryonic; EY-Parthenon analysis

Companies such as ASML, ASM International, BE Semiconductor Industries, and NXP Semiconductors are excluded from this analysis, as their core activities are not AI-native

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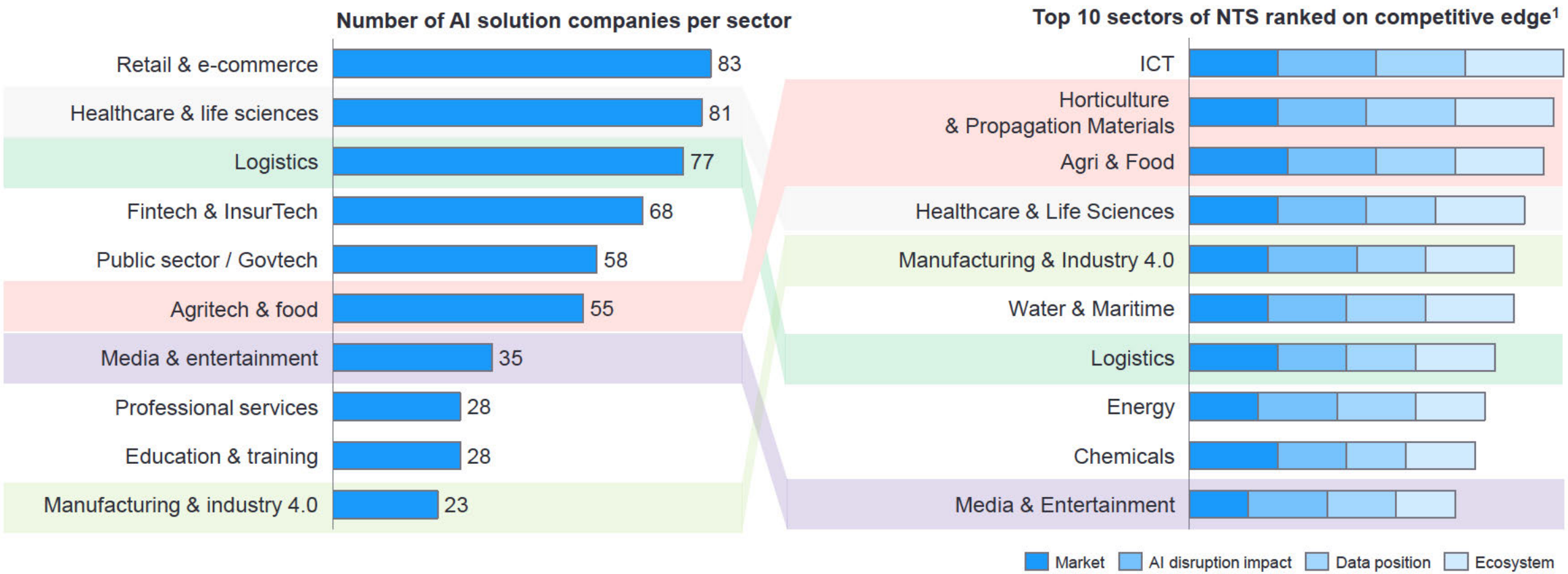
…while retail and other data-intensive sectors lead Dutch AI solution companies, raising concerns whether this is future-proof and aligned with national strategy

Key sectors where AI solutions have proven most active and effective to date



Focus on markets with high AI dynamics vs Markets with the greatest long-term potential

1. Based on EY-P scoring model
Source: Former Topsectoren; EY Embryonic; EY-Parthenon analysis

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The AI solutions market is immature, with rapidly changing developments threatening the viability of existing solutions

Dutch AI market maturity

Dutch AI solution company founding years

The Dutch AI market remains immature despite rapid startup growth

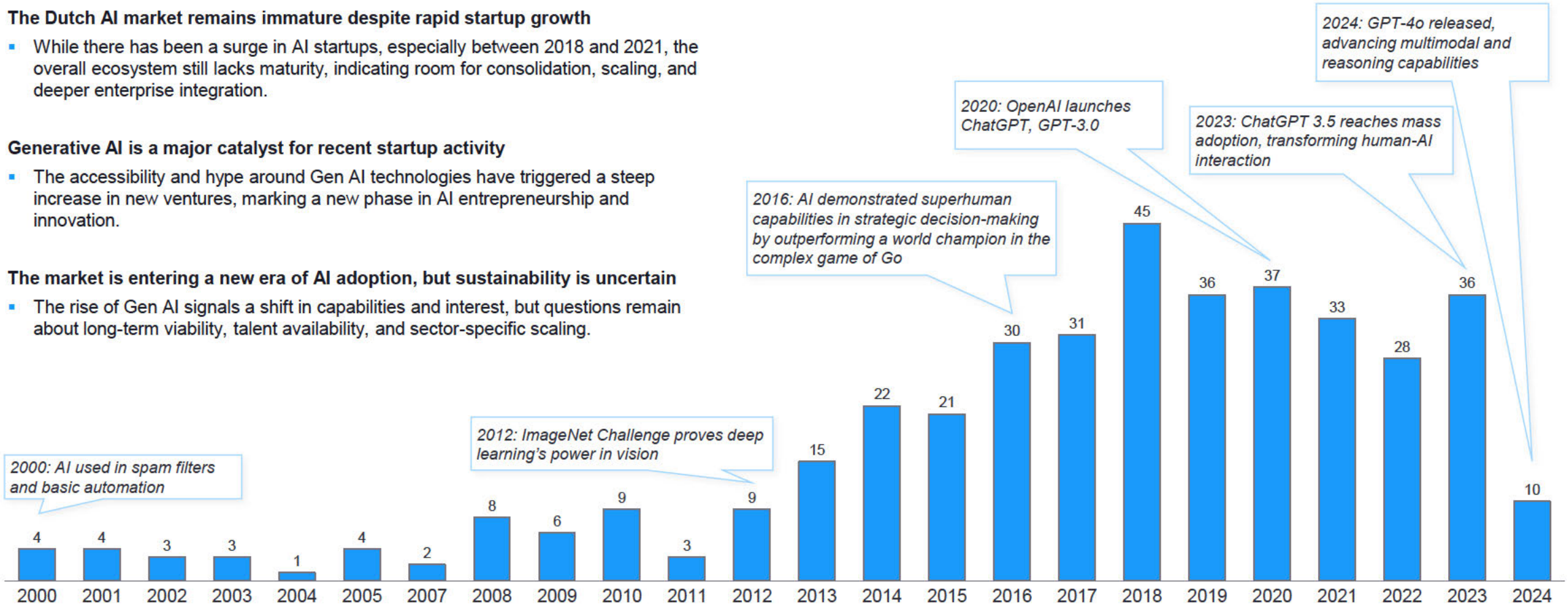
- While there has been a surge in AI startups, especially between 2018 and 2021, the overall ecosystem still lacks maturity, indicating room for consolidation, scaling, and deeper enterprise integration.

Generative AI is a major catalyst for recent startup activity

- The accessibility and hype around Gen AI technologies have triggered a steep increase in new ventures, marking a new phase in AI entrepreneurship and innovation.

The market is entering a new era of AI adoption, but sustainability is uncertain

- The rise of Gen AI signals a shift in capabilities and interest, but questions remain about long-term viability, talent availability, and sector-specific scaling.



1. Based on EY-P scoring model
Source: EY-Embryonic; EY-Parthenon analysis

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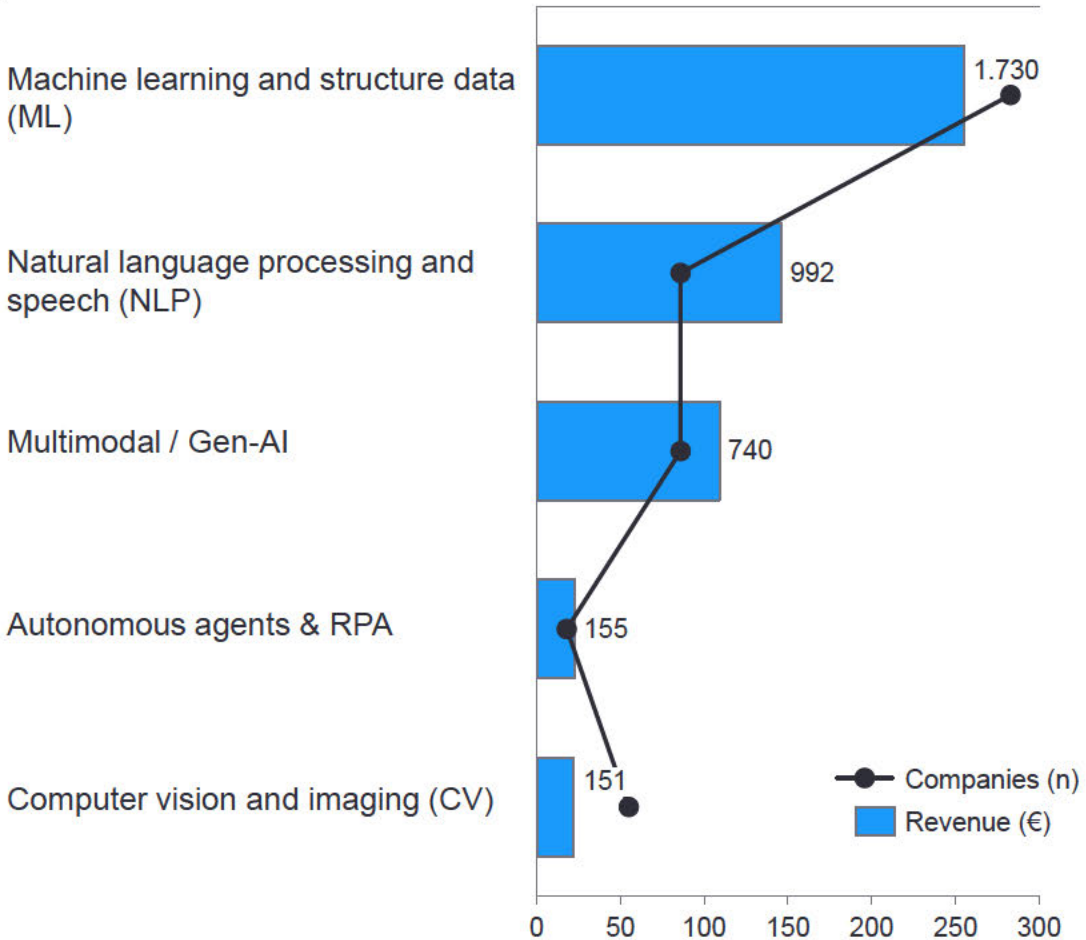
Machine Learning dominates the Dutch AI landscape in both company count and revenue, while emerging technologies show distinct growth patterns

The number of AI solutions and revenue per AI technology type

Technology applied in solution[1] (N = 528)



1. Solutions can be made from more than one technology accounting for a total N=528 higher than the number of AI solution companies (N=424)

Source: EY-Embryonic; EY-Parthenon analysis

Key takeaways

Machine Learning dominates the Dutch AI landscape

- With the highest number of companies (~300) and the largest revenue (€1,730M), ML and structured data solutions are the backbone of AI adoption in the Netherlands.

Natural Language Processing and Gen-AI are rapidly growing segments

- NLP (€992M) and Multimodal/Gen-AI (€740M) show strong commercial traction, indicating increasing demand for language-based and generative AI applications.

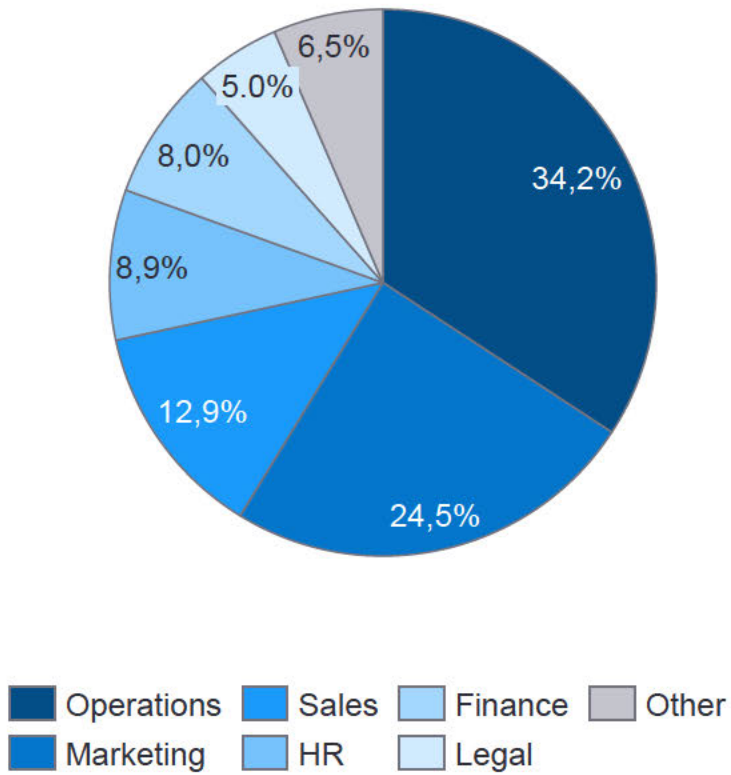
Specialized technologies like RPA and Computer Vision remain niche

- Despite their potential, Autonomous Agents & RPA and Computer Vision have lower adoption and revenue, suggesting either limited use cases or early-stage market development.

AI adoption is concentrated in core business functions, with value creation shifting from cost savings toward productivity and growth

AI adoption across business functions

AI solution companies by business function



Key takeaways

AI use cases by function

- AI adoption in the Netherlands is strongest in Operations (36%) and Finance (24%), showing a clear focus on efficiency and core business processes. Smaller but notable applications appear in HR, Marketing, and Sales, highlighting gradual expansion into support functions.

Bar chart, AI value drivers over time

- Over the past decade, AI investments have shifted toward cost reduction and workforce productivity, especially after 2015, indicating a growing emphasis on efficiency gains. More recent years also show a steady rise in projects tied to revenue growth and personal productivity, suggesting AI's role is broadening from savings to top-line impact.

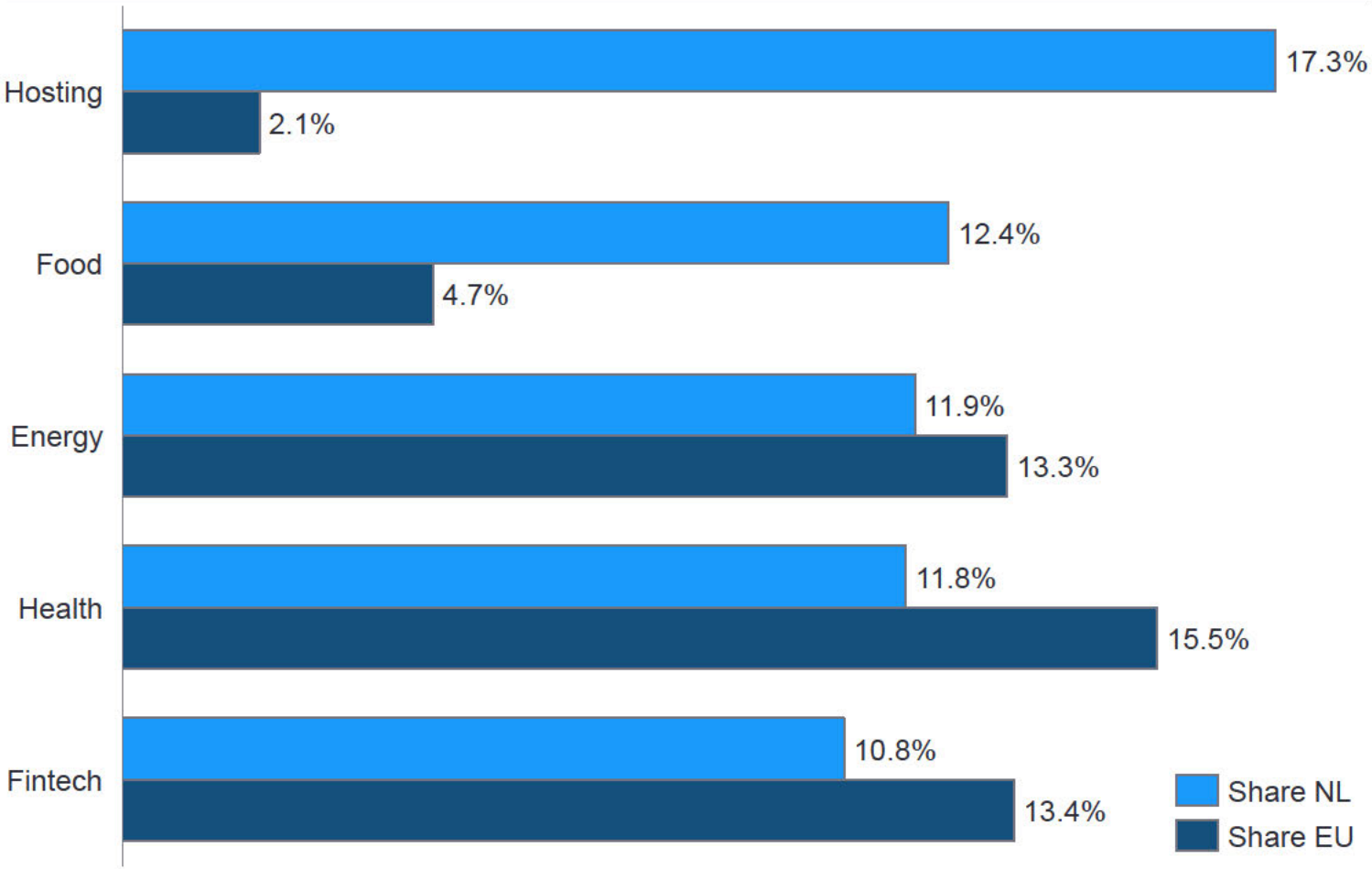
Source: EY-Embryonic; EY-Parthenon Analysis

EY Parthenon

Hosting and food dominate the Dutch investment landscape, positioning these capital rich sectors ready for AI

Netherlands vs. EU VC allocation across industries

Netherlands top 5 industries, share of Total VC vs EU



Key takeaways

- The Netherlands attracts a disproportionately high share of VC in **Hosting** (17.3% vs 2.1% EU) and **Food** (12.4% vs 4.7% EU), underscoring the **strength of its national clusters** and **innovation capacity**. These sectors highlight:
  - **Digital infrastructure leadership** positioning the Netherlands as a European frontrunner and fertile ground for AI-driven cloud, cybersecurity, and data solutions.
  - **Agri-food excellence** creating strong opportunities for AI in precision farming, supply chain optimization, and food innovation
- Together, they position the Netherlands as a European leader where capital, expertise, and AI intersect.

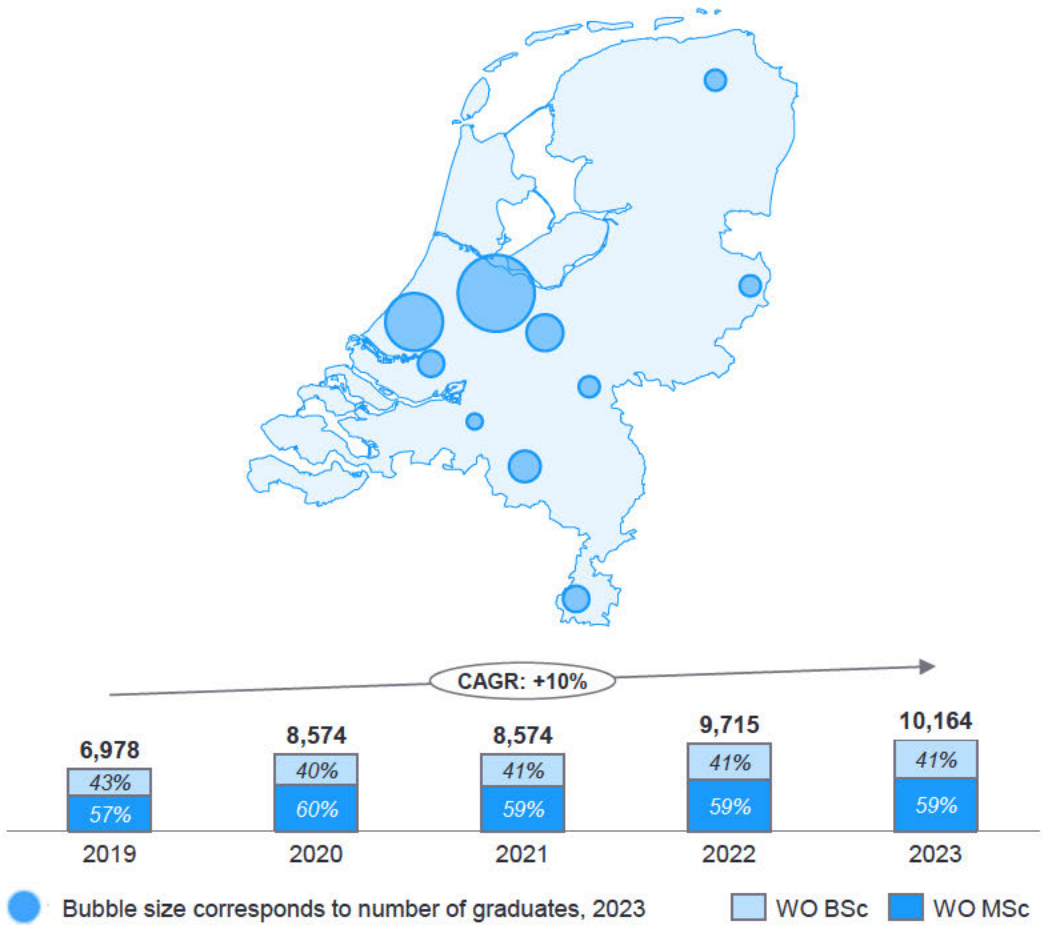
Source: Techleap; EY-Parthenon analysis

EY Parthenon

Supporting Dutch AI companies in expanding abroad should be matched by efforts to retain and grow talent in the Netherlands

High-value solutions, skilled talent, and great demand define the Dutch AI landscape

Despite the Netherlands creating strong AI talent…



…companies sought growth abroad, whether partially or completely[1]

AXELERA ARTIFICIAL INTELLIGENCE

creating powerful and energy efficient AI hardware

Expanded abroad for market and capital, kept core R&D in NL

38 FTE

€280-400m

BIRD

a cloud communications platform leveraging AI

Relocated fully abroad for scale and capital

600 FTE

€3.6 Bn

Note: Additional case studies in appendix
Source: CBS; EY-Parthenon analysis
1: There is direct link with companies leaving The Netherlands and the broader discussion on the investment climate. For this research that discussion is out of scope

EY Parthenon

4

Export opportunities

EY Parthenon

Win by niches: match Dutch strengths to country-specific earning models

Dutch AI market

Opportunities and attributes per country

Type of opportunity	●●●	●●●	●●○	●○○
	●●●	●○○	●●○	○○○
	●●○	●○○	●●●	●●●
Sectors with potential	*Semicon* *Healthtech* *Manufacturing*	*HealthTech* *Logistics* *Industry 4.0*	*HealthTech* *Defense*	*Healthtech* *AgriTech* *Manufacturing*
Entry barriers	*High costs* *High level of competition* *Cultural differences*	*Slow customer relationship build-up* *Slow bureaucracy*	*Complex public procurement structure* *Talent access*	*Product localization* *High level of competition* *Tech sovereignty*
Overall export attractiveness	Attractive	Attractive	Attractive	Unattractive

Implications

Export opportunities for Dutch AI companies differ fundamentally by country:

- The U.S. offers scale and capital, but only companies with sufficient (financial) resources, local presence, and a distinctive proposition stand a chance.
- Germany is a logical first export market, but it requires long-term relationship building, knowledge of regional differences, and patience within public-private ecosystems.
- In Sweden, opportunities lie mainly in technological collaboration within public-private ecosystems; success demands integration with innovation hubs and partnerships with major players.
- In Korea, there appear to be niche opportunities in AgriTech and smart manufacturing, provided companies invest in localization and cooperation with local consortia.

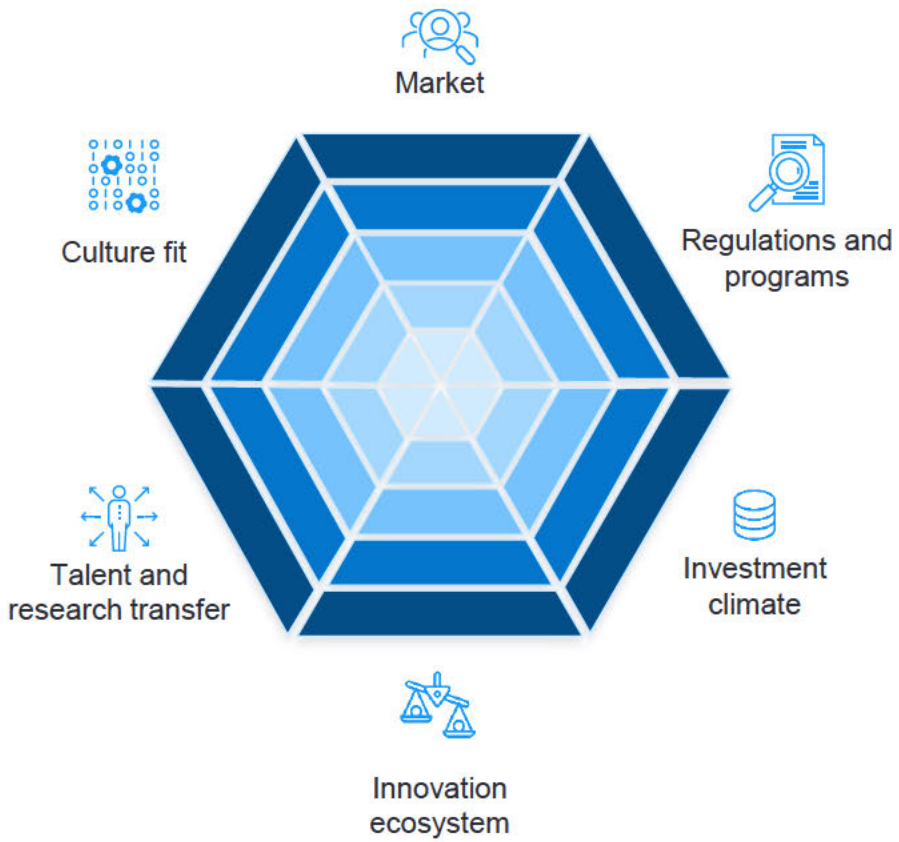
A one-size-fits-all approach does not work. Success requires country-specific strategies that address local sector needs, barriers, and ecosystems. Policymakers should not only identify where opportunities exist but also focus on how to actually capitalize on them.

Market opportunities · Investment opportunities · Development opportunities · Low opportunity … High opportunity · Attractive export country … Unattractive export country

Six analytical pillars assess market readiness across four target countries, identifying opportunities and barriers for Dutch AI export

Six pillars shaping market readiness for Dutch AI companies abroad

AI driven business operating model



The market refers to the demand and attractiveness of a region for AI solutions. This includes the size of the potential customer base, competitive landscape, a sector's growth rate and economic conditions that could impact market opportunities. Assessing the market involves understanding both current needs and future trends.

The regulations and programs refer to the legal framework surrounding AI in each country, including data protection laws, ethical guidelines, industry-specific regulations. It also covers the subsidy programs and policies for AI technologies, as well as nation-wide AI strategies.

The investment climate involves the availability of funding sources, including venture capital, public funding programs, and private sector investments supporting AI businesses. It also includes the risk appetite of investors and the overall economic conditions that impact investment flow.

The innovation ecosystem refers to the overall environment that supports AI innovation, such as the presence of technology hubs, and collaborations between businesses and research institutions, as well as the capacity of local technology infrastructure.

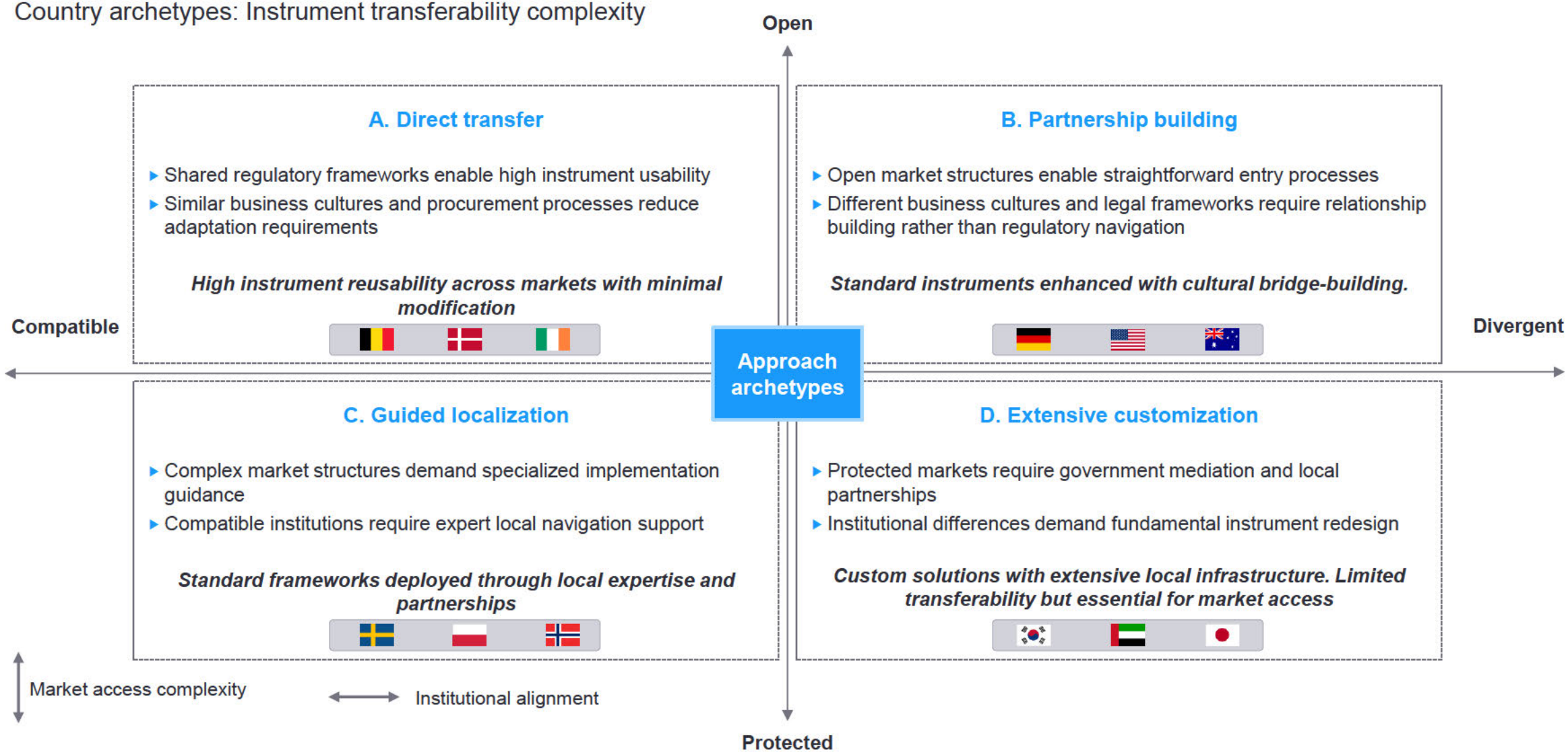
The talent and research transfer refer to the availability and retention of skilled professionals, as well as the quality of research institutions and their capacity to collaborate (inter)nationally. It includes assessing talent pools, educational infrastructure, and opportunities for cross-border knowledge transfer.

The culture fit refers to the compatibility between Dutch AI company values, practices, and the societal and business culture of the target country. This includes communication styles, decision-making processes, risk tolerance, and openness to international partnerships, as well as the adoption of AI-tools.

Source: EY-Parthenon analysis

Grouping countries by market characteristics and institutional alignment allows targeted instrument development with prioritized reusability and impact

Country archetypes: Instrument transferability complexity



Source: EY-Parthenon analysis

4.1

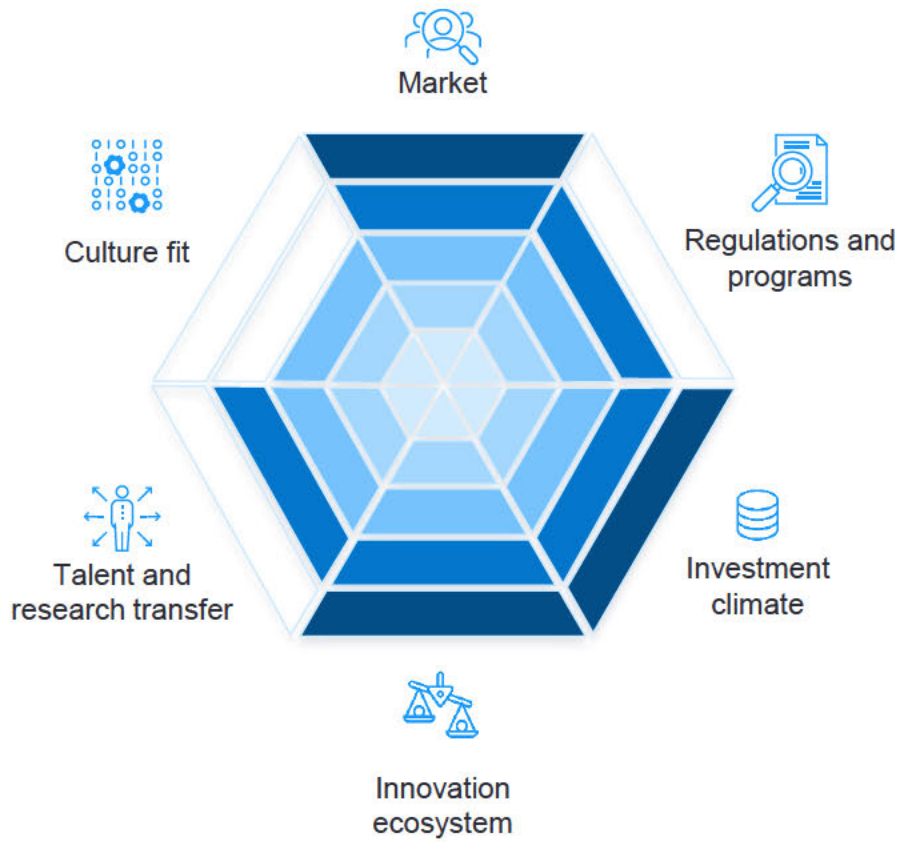
United States

EY Parthenon

The US presents high-reward, high-risk market where Dutch AI companies can scale significantly in specialized sectors and large finance opportunities

Six pillars shaping market readiness for Dutch AI companies abroad

AI driven business operating model



The US AI market is vast, fast-moving, and infrastructure-led. AI is adopted across nearly all sectors, with Big Tech dominating the infrastructure layer. Agentic AI and digital twins are emerging as productivity drivers, especially in B2B. Deeptech sectors offer strong opportunities. Dutch companies are advised to focus on sectors where the Netherlands is already strong, such as agriculture, LSH, and high-tech manufacturing. The soft landing and deep pockets are a necessity for success.

The US AI regulatory landscape is innovation-driven and decentralized. The federal AI Action Plan promotes deregulation, encouraging states to reduce barriers. Sandbox environments allow rapid testing with minimal friction. Tax credits and Small Business Administration programs support startups. Public institutions such as DARPA and NASA invest billions in AI and act as launching customer. The Chips Act incentivizes AI infrastructure and company relocation.

The US AI investment climate is competitive and well-funded, especially in hubs such as San Francisco and New York. Dutch companies often need a US entity and local presence to attract funding. Strong financial and strategic commitment is key. Programs such as ScaleNL and support from consulates and embassies help obtain funding through workshops and stakeholder introductions.

The US innovation ecosystem for AI is strong and well-connected. Key hubs such as Silicon Valley, New York, and Maryland host strong university-industry collaborations. States compete to attract AI activity through tax incentives, grants, and infrastructure investments. Tech transfer offices effectively convert academic research into startups, while AI labs and Big Tech dominate frontier development. Dutch companies can benefit by aligning with sectoral strengths and engaging in regional ecosystems with clear commercial pathways.

The US offers a deep AI talent pool, but competition is fierce. Big Tech firms such as Google dominate recruitment, offering top salaries and access to vast resources. Universities act as incubators but increasingly rely on private compute power, making collaborations with industry essential. The US invests heavily in AI talent through federal programs, though visa restrictions are tightening.

Dutch AI companies face **cultural challenges** when entering the US market, including differing expectations around risk, ambition, and communication. US investors value bold vision and storytelling, while Dutch firms often emphasize caution and precision. This mismatch can hinder funding, partnerships, recruitment, and adoption of AI tools.

Low importance ... High importance

Source: Expert interviews; EY-Parthenon analysis

EY Parthenon

Five high-growth US sectors offer substantial opportunities for Dutch AI companies to leverage existing strengths and achieve market scale

US: Market (1/2)

Sector	Description	Markt size (€Bn)	CAGR (%)	Quotes	Examples of AI opportunities	Opportunity
Semiconductor & Deep tech	▸ US leaders like Intel, NVIDIA, and IBM scale AI in chip design, defect detection, and fab automation. ▸ AI accelerates chip layout, defect detection, and fab optimization, with DARPA and NVIDIA leading scalable pilots.	479.0	9.7%	"I see most opportunities for Dutch AI companies in Deep Tech, this involves everything around the semiconductor including photonics and quantum, we are still really a frontrunner on Deep Tech." Innovation Adviser, Embassy of the Netherlands "The semiconductor business and the chips industry is still a technology where they want to invest heavily, because that's still an area where we can make significant steps." Startup Liaison Officer, the Consulate General of the Netherlands in the US-SF	▸ AI chip design ▸ Edge AI systems ▸ Quantum computing apps ▸ High-performance computing	
Healthcare & Life sciences	▸ Startups like Tempus and PathAI scale FDA-cleared models for imaging, patient stratification, and clinical decision support. ▸ AI drives drug discovery, diagnostics, and genomics at Pfizer, Johnson & Johnson, and Mayo Clinic.	614.8	7.0%	"I see a lot of interest from the Biotech and Life Sciences and Health sector. Yesterday I spoke with the trade organization of LSH, and they are also trying to bring tech and Silicon Valley together." Sr. Innovation Adviser, the Embassy of the Netherlands in the US-SF "There is a lot of interest from the Biotech and Life Sciences and Health corner. The big tech is also heavily involved there. Nvidia is also working on it, but I am curious what we as the Netherlands have to offer in that area." Sr. Innovation Adviser, the Embassy of the Netherlands in the US-SF	▸ Medical imaging AI ▸ Drug discovery automation ▸ Remote patient monitoring ▸ Personalized treatment AI	
AgriTech & Food	▸ Includes agriculture, crop science, sustainable farming, food production, and distribution aimed at securing global food supply. ▸ AI powers precision farming, crop analytics, and supply chain optimization across Midwest and California.	362.3	2.8%	"If you look at the Netherlands, there are a lot of developments in agriculture. This distinctive expertise provide opportunities but is regional bounded." Sr. Innovation Adviser, the Embassy of the Netherlands in the US-SF "In agriculture, there are many interesting companies in the Netherlands, also in vertical farming, and there are many good examples that are also quite large. They also have a lot of opportunities here." Startup Liaison Officer, the Consulate General of the Netherlands in the US-SF	▸ Precision farming ▸ Crop monitoring drones ▸ Smart greenhouses ▸ Food supply chain AI	

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

Low risk mitigation efforts required … High risk mitigation efforts required

Five high-growth US sectors offer substantial opportunities for Dutch AI companies to leverage existing strengths and achieve market scale

US: Market (2/2)

Sector	Description	Markt size (€Bn)	CAGR (%)	Quotes	Examples of AI opportunities	Opportunity
Manufacturing & Industry 4.0	▸ US manufacturers adopt AI for predictive maintenance, robotics, and supply chain resilience. ▸ Initiatives like Smart Manufacturing Institute scale digital twins and vision AI, with Boeing and GE leading industrial pilots.	 1.915,4	1.2%	“Digital twins for semiconductor manufacturing. This is a very niche product that has a very specific outlook, but since it has a very good and understandable relationship with the industry and it has a not only a really strong ability to develop this industry further, but also a very strong customer service aspect.” Sr. Innovation Adviser, the Embassy of the Netherlands in the US-SF “America still has a huge industrial base, but a very outdated one. With smart AI solutions, you can modernize and streamline a lot. We have seen quite a few companies that have had some success with that in recent years.” Startup Liaison Officer, the Consulate General of the Netherlands in the US-SF	▪ Predictive maintenance ▪ Robotics & automation ▪ AI-driven quality control ▪ Digital twin simulations	
Consumer Tech & Wearables	▸ Apple, Google, and Meta embed AI in wearables, smart homes, and AR/VR. AI enables health tracking, gesture control, and personalization, with Fitbit and Whoop scaling biometric insights for US consumers.	132,2	1.5%	“Wearables is just a very big theme that you hear coming up now. Those wearables collect all your data, all your information about your body and how you feel, and that is then automatically generated and put back into the AI model.” Startup Liaison Officer, the Consulate General of the Netherlands in the US-SF “There is a lot of activity in LA in consumer tech. There are 20 million people living there, and every product can find a market.” Startup Liaison Officer, the Consulate General of the Netherlands in the US-SF	▪ Personalized health tracking ▪ AI virtual assistants ▪ Smart home integration ▪ AR/VR experiences	

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

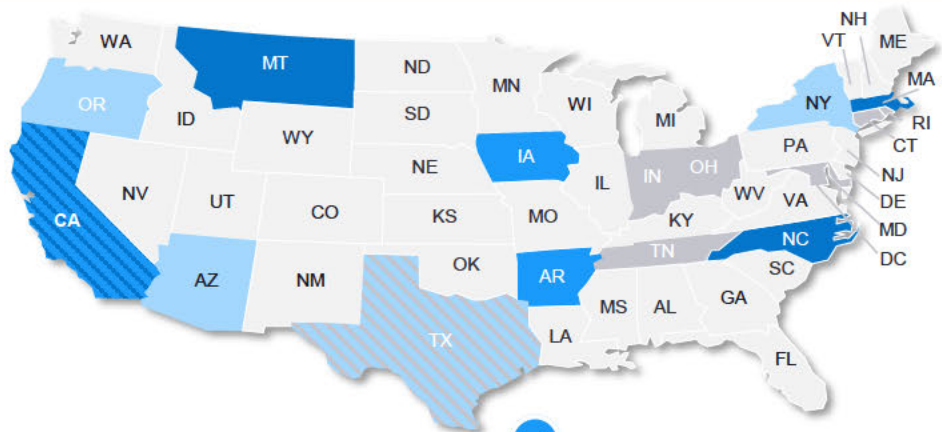
The US states are proactively advancing AI regulations to address system-wide concerns amid limited federal action

US: States and sector state deep-dive

Overview of the top sectors and geographical presence

The United States hosts highly specialized regional clusters, with each sector concentrated in distinct states that offer unique talent pools, infrastructure, and customer access. Understanding this geographic specialization is key for targeting the right market entry points and maximizing growth potential

- Semiconductor & Deep tech
- Healthcare & Life Sciences
- AgriTech & Food
- Manufacturing & Industry 4.0
- Consumer Tech & Wearables



Semiconductor & Deep tech

Concentration near fabrication plants and R&D hubs, often tied to CHIPS Act funding.

- Southwest & West Coast – Arizona (TSMC, Amkor), California (Silicon Valley, Nvidia, Applied Materials).
- South – Texas (Samsung, Texas Instruments).
- Northeast – New York (Micron, GlobalFoundries).
- Pacific Northwest – Oregon (Intel).

Healthcare & Life sciences

Proximity to top hospitals, universities, and regulators is critical.

- Northeast – Massachusetts (Boston biotech cluster), New York (big pharma, medical universities).
- West Coast – California (Bay Area & San Diego biotech).
- Mid-Atlantic – Maryland/DC (FDA/NIH).
- South – North Carolina (Research Triangle).

AgriTech & Food

Strong links to primary production regions and major agrifood corporates.

- Midwest – Iowa, Illinois (precision farming, grain production).
- South – Arkansas (Walmart supply chain), Texas (cotton & cattle).
- West Coast – California (fruit/vegetable powerhouse, Salinas AgriTech hub)
- Missouri – 39 North AdTech district

Manufacturing & Industry 4.0

Clusters follow supply chains and logistics corridors.

- Midwest – Ohio, Michigan, Indiana (automotive, machinery, aerospace).
- South – Tennessee, South Carolina, Georgia (auto & EV assembly, low cost base).
- Texas – Fast-growing high-tech manufacturing base.

Consumer Tech & Wearables

Often near tech talent, marketing hubs, and venture capital.

- West Coast – California (Silicon Valley hardware design, wearable tech).
- Northeast – Massachusetts (sports/health wearables, WHOOP).
- Pacific Northwest – Washington (Amazon devices, Microsoft).
- Texas – Austin hardware scene.

Source: Expert interviews; EY-Parthenon analysis

EY Parthenon

The US is focused on strengthening its AI leadership through semiconductor investments, research initiatives, and a fragmented yet emerging policy landscape…

US: Regulations and programs

Subsidy & Funding Programs

- **CHIPS and Science Act:**
  - This is the largest US industrial policy investment in decades, allocating €238bn (~$280bn) over ten years to boost scientific leadership, economic security, and semiconductor manufacturing
  - It includes €44.8bn supports the semiconductor industry, with €33.2bn (~$39.0bn) in grants and loans for chip manufacturing, €11.1bn (~$13bn) for R&D and workforce programs, and a 25% tax credit for qualifying equipment
  - The broader funding supports advanced technologies including AI and aims to rebuild domestic chip production while strengthening American supply chains and national security
- **The National Science Foundation (NSF):**
  - National Science Foundation (NSF) offers "America's Seed Fund" through its SBIR (Small Business Innovation Research) and STTR (Small Business Technology Transfer) programs to support AI research and early-stage commercialization by small businesses
  - NSF's SBIR/STTR annually funds approximately 400 projects, focusing on pre-seed through early-stage development

Regulations & Executive Guidelines

Currently, no Federal AI-specific law has been enacted in the US However, several individual states have introduced their own AI-related laws and regulations. Below are some key examples:

- **Utah - S.B. 149 "Artificial Intelligence Policy Act":**
  - Utah's S.B. 149 requires businesses to disclose generative AI use, especially in regulated fields. Violations can incur fines up to €2,125 (~$2,500), enforced by state authorities
- **Tennessee - ELVIS Act ("Ensuring Likeness, Image and Voice Security"):**
  - Tennessee is the first state to criminalize unauthorized AI voice impersonation, targeting voice cloning without consent. Criminal penalties apply, especially to protect performing artists from AI-generated deepfakes
- **Montana - HB 178 AI Restriction Law (Signed May 5, 2025)**
  - Montana bans government use of AI for surveillance or decision-making without human oversight, requiring all AI-driven decisions to be reviewed by a qualified human official
- **Colorado - Colorado AI Act (Effective February 1, 2026)**
  - Colorado's AI law mandates that private-sector developers of high-risk AI systems prevent algorithmic bias and ensure transparency and fairness in deployment

Key Insights/Summary

- **Subsidy & Funding Programs**
  - US AI funding is anchored by the CHIPS and Science Act, prioritizing domestic semiconductor production, R&D, and workforce development as critical AI enablers.
  - Agencies like the NSF support early-stage AI innovation through grants to startups and small businesses

- **Regulations & Executive Guidelines**
  - Despite the growing importance of AI, there is still no comprehensive federal law governing AI
  - Congress is debating targeted AI bills like the TAKE IT DOWN Act (deepfakes) and CREATE-AI Act (shared research)
  - States are stepping in to regulate AI in the absence of federal law, leading to a fragmented policy landscape

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

…backed by major public-private partnerships to expand infrastructure such as AI data centers and support mission-critical collaboration

US: Regulations and programs

Public private partnership

- **Stargate project:**
  - President Trump announced the €425bn (~$500 M) Stargate AI infrastructure initiative, with an initial €85 billion (~$100 billion) deployment to kickstart large-scale development
  - The project is a private-sector collaboration involving OpenAI, SoftBank, and Oracle, focused on building ~20 data centers across the US
  - Stargate aims to create over 100,000 jobs and enhance US leadership and competitiveness in the global AI industry
- **Department of Energy (DOE) AI Infrastructure RFI & PPP Sites:**
  - The Department of Energy (DOE) issued an RFI to explore AI data center development on 16 federal sites, aiming to co-locate them with clean energy sources
  - The initiative promotes public-private partnerships (PPPs), targeting operational AI infrastructure by 2027 using nuclear, solar, and geothermal power
- **AIM-AHEAD[1] (AI/ML for Health Equity):**
  - AIM-AHEAD is a federal initiative that uses AI/ML to improve health outcomes and address disparities in underserved communities, focusing on electronic health records and lifestyle data
  - It brings together a broad network of public agencies, universities, hospitals, private companies, and community groups to develop equitable, data-driven health solutions
- **Defense & Industry AI Collaborations:**
  - Anthropic, Google, OpenAI, and xAI each received €170 M (~$200 M) DoD[2] contracts to support the development of advanced AI capabilities for national Defense
  - These contracts aim to develop Agentic AI systems and mission-specific workflows across areas such as logistics, intelligence, and other key Defense operations

Key Insights/Summary

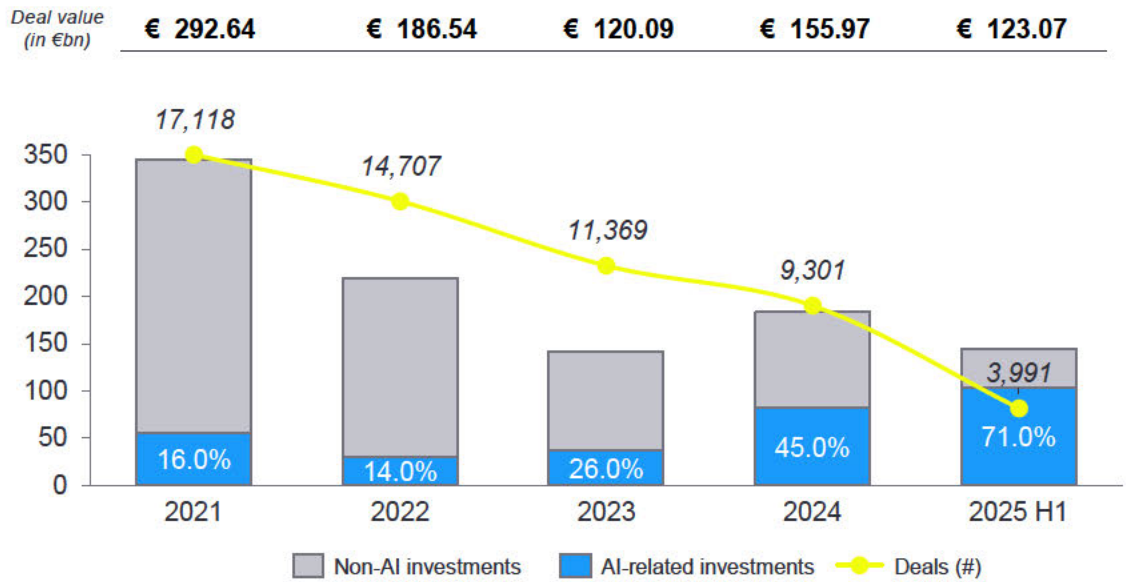
- **Public private partnership**
  - Major initiatives like the Stargate Project and DOE site partnerships are focused on building large-scale, energy-efficient AI data centers to secure domestic computing capacity
  - Collaborations span national security (DoD[2] contracts), health equity (AIM-AHEAD[1]), and core infrastructure (Stargate, DOE[3]), showing a coordinated approach to embed AI in mission-critical areas

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

The investment climate in the US is attractive because of the abundance of capital but requires the company to have at least a presence in the US

US: Investment climate

Equity financings in US VC-backed companies



The US investment climate is undergoing a historic shift, AI has moved from the periphery (16% share) to the core of venture capital (71%) in just four years, even as overall deal volumes shrink.

Investment climate key takeaways

There is an abundance of capital, especially for AI

- The Bay Area is seen as the epicenter of AI innovation and funding opportunities
- Financial commitment is essential to gain traction in the US market

Strategic presence required

- US investors expect companies to establish a local presence, including hiring staff and setting up a US entity
- Setting up distribution or sales offices in regions aligned with customer bases is a proven approach

Public support and instruments exist, but are fragmented

- Financial incentives exist, but are often complex and differ by state

> "Silicon Valley, the heart of AI innovation and also where the biggest bag of money can be raised."
> Startup Liaison San Fransico, West Coast

> "Venture capitalists just want you to be here."
> Innovation Attaché US

The US offers a dynamic investment climate for Dutch AI companies, driven by abundant venture capital, a strong innovation ecosystem, and high demand for AI solutions. However, success requires strategic local presence, substantial financial commitment, and alignment with sector-specific opportunities to compete effectively in a fast-paced and risk-tolerant market

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

EY Parthenon

The US innovation ecosystem is structured around regional hubs

US: Innovation ecosystem

AI leaders in US	
Scientist	435
CEO	345
Entrepreneur	235
AI industry Executive	145
Journalist	135
Policymakers	105
Other	200

US AI Companies by industry	
AI infrastructure	2550
BioMed	2290
Finance	630
Manufacturing	400
Other	3080

AI hubs in US	
Accelerator	260
Incubators	90
Government offices	50
R&D hubs	30
Other	210

US AI companies by state	
California	3155
New York	1000
Texas	565
Massachusetts	480
Other	3750

Focus area of Investors	
Technology – oriented investors with venture investment focus	4660
Investors with Large AUM	650
Education and research endowments	95
Technology – oriented investor with specific investment approach	40
Other	580

AI Innovation is expanding into unexpected sectors

- AI is no longer confined to tech giants or traditional applications, it's being adopted across industries, including energy, agriculture, and manufacturing

Universities are central to Innovation Hubs

- US universities act as incubators and research engines, often spinning off startups and collaborating directly with industry.

Regional Ecosystems Compete and Specialize

- Innovation is driven by regional hubs (e.g. Silicon Valley, Boston, New York, Arizona), each with its own sectoral strengths and state-level incentives

> "The Universities act as both an incubator as well as a research hub. Eventually a lot of the researchers will spin off their own companies, which then can grow into new AI products."
> Senior Advisor for Innovation, Netherlands Consulate in San Francisco

> "Each state is also competing with all of the other states to sort of develop their own ecosystems."
> Senior Advisor, Embassy of the Kingdom of the Netherlands in the United States

The US innovation ecosystem is structured around regional hubs like Silicon Valley, Boston, and New York, where universities, state governments, and industry collaborate closely to drive AI development through funding, infrastructure, and talent. For Dutch AI software companies, success lies in targeting niche applications within strategic sectors where the Netherlands already has a competitive edge and where AI adoption is accelerating.

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

EY Parthenon

The US offers great opportunities for AI talent

US: Talent and culture fit

Talent and research transfer

High demand outpaces supply

- AI/automation roles doubled year-on-year, even as overall IT hiring contracted. Demand for mid- and senior-level AI professionals dominates (~85% of openings), while entry-level hiring has collapsed by over 50% compared to pre-pandemic levels.

Talent is mostly imported to the US, signaling a well-developed visa policy

- Global Talent Reliance Nearly half of AI-relevant PhD graduates in the US are non-US citizens, and attracting foreign researchers remains critical to maintaining leadership.

Regional concentration with emerging hubs

- The Bay Area still accounts for ~13% of AI job postings, but new metro areas are gaining traction as AI adoption spreads beyond traditional tech centers.

US loses top AI talent

- The US, historically the top destination for elite AI talent, is losing its appeal due to reduced federal research funding, lower hiring rates, and a shift toward "sovereign AI." The supply chain of overseas talent that fueled US dominance is drying up, with long-term negative consequences expected for US innovation.

The US offers great opportunities for AI talent, driven by its innovation hubs, university-industry collaboration, and capital availability. However, the competition for talent is fierce, and access to resources is increasingly controlled by Big Tech. Dutch companies and researchers can benefit from partnerships, accelerator programs, and tech transfer offices, but must be prepared to commit locally, financial, and navigate immigration and cultural barriers.

Culture fit

Collaboration & communication

- US business culture emphasizes assertiveness, speed, and clarity, which can contrast with the Dutch preference for consensus and deliberation.
- Dutch firms are often appreciated for their technical rigor and transparency. But may need to adapt their communication style to align with US expectations for directness and urgency.

Strategic positioning

- Dutch companies are advised to establish local presence such as subsidiaries or sales offices to build trust and credibility with US partners.

Government fragmentation & support ecosystem

- The US offers a robust ecosystem for AI, but Dutch companies must navigate regional differences. For example, while California is a tech hub, it may not always be the most strategic entry point depending on sector focus (e.g., AgriTech may be better suited to the Midwest).
- Dutch government missions and trade liaisons play a key role in bridging cultural gaps, offering guidance and facilitating introductions.

The US rewards boldness, speed, and risk-taking, while the Netherlands values caution, planning, and incremental growth. Bridging these cultural gaps is essential for Dutch companies seeking to succeed in the US, requiring both strategic adaptation and an understanding of local business norms.

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

4.2

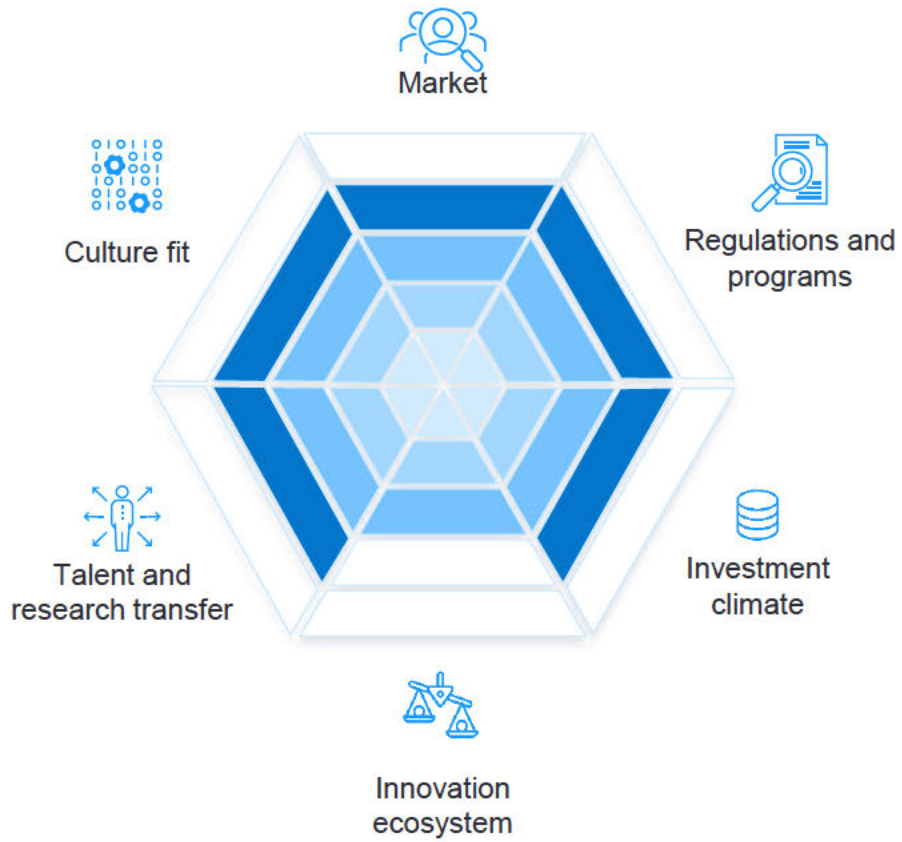
Germany

EY Parthenon

Germany offers a large and diverse AI market with fragmented regulations across states with potential in easy roll outs due to great cultural alignment

Six pillars shaping market readiness for Dutch AI companies abroad

AI driven business operating model



Germany offers a large and sector-diverse AI market, with strong traction in Industry 4.0, MedTech, logistics, and aerospace. AI adoption is slower due to cultural caution and bureaucratic hurdles, but demand for future-proofing traditional industries is high. **Physical presence at trade fairs** remains crucial for market entry, and Dutch companies typically seek customers rather than investors in Germany.

Germany's federal structure leads to fragmented regulations across states, complicating scalability and compliance for foreign AI firms. The national AI Pad Agenda and KI-Strategie focus on robotics, cleantech, and infrastructure, with significant public investment in AI factories and digital services. Despite many subsidies, there is no unified national coordination, and Dutch companies often underestimate the regulatory complexity.

Germany provides substantial public funding in early stages (pre-seed and seed), but larger rounds (>€5M) often rely on US capital. The government increasingly acts as a launching customer, especially in digital public services, but long-term strategic funding remains fragmented. Dutch companies benefit from goodwill but must navigate a competitive and bureaucratic investment landscape.

Germany's AI innovation is decentralized, with regional hubs like Berlin (startups), Munich (industrial AI), and Saxony (Semicon) leading the way. Innovation spans the full tech stack—from chips to digital twins—with parallel development across infrastructure, applications, and research. Public-private partnerships are common, but Germany still struggles to translate research into commercial spin-offs.

Germany has world-class universities (e.g., TU München) but faces talent shortages and retention issues, especially in Berlin. Entrepreneurship is a relatively new mindset, and researchers often lack experience in commercializing innovations. The AI workforce is highly international, with many professionals trained abroad, and English is widely used in tech hubs.

German business culture values hierarchy, reliability, and long-term relationships, requiring Dutch firms to invest time in trust-building. The direct Dutch style can clash with German expectations for thoroughness and formality, especially in B2B contexts. Once trust is established, German clients are highly loyal, but initial sales cycles are long and require patience.

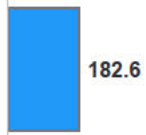
Low importance ... High importance

Source: EY-Parthenon analysis

EY Parthenon

Legacy industries are accelerating digital modernization…

Germany: Market (1/2)

Sector	Description	Markt size (€Bn)	CAGR (%)	Quotes	Examples of AI opportunities	Opportunity
Logistics	▸ Germany is a logistics powerhouse (DHL, DB Schenker, Dachser, UPS and Kuehne+Nagel) ▸ AI applies to smoother supply chains, smarter airports, and predictive maintenance across fleets and factories.		3.0	“Hamburg is moving forward with everything related to Aerospace, Supply Chain, and Logistics. With high investments in transparency and efficiency in the logistics market, the angle for AI is there“ Startup Liaison Officers, Netherlands Enterprise Agency “Germany, as Europe's industrial powerhouse, plays a leading role in the development and application of AI in logistics. Major ports like Hamburg and the advanced rail infrastructure offer unique opportunities for automation and digitalization.” Startup Liaison Officers, Netherlands Enterprise Agency	▸ Predictive Analytics & Demand Forecasting ▸ Route Optimization ▸ Warehouse Automation ▸ Intelligent Document Processing ▸ Real-Time Tracking & Monitoring	
Healthcare & Life Sciences	▸ Europe’s biggest hospital and med-tech market hosts dense clusters of pharma and device makers. ▸ AI is rolling into imaging and decision support, documentation/NLP, and workflow efficiency supported by EU and German studies and hospital deployment		3.1	“Pharma and life sciences are sectors where startups are using AI for R&D. These are highly specialized, high-value applications. Get it right and you've got a goldmine.” Partner, Commercial AI expert, EY-Parthenon Germany “From the Netherlands, there is a lot of focus on LSH – Life Sciences & Health – and MedTech specifically.” Startup Liaison Officers, Netherlands Enterprise Agency	▸ Medical imaging AI ▸ Drug discovery automation ▸ Remote patient monitoring ▸ Personalized treatment AI	
Food & AgriTech	▸ A top EU food producer with powerful processors and retailers, Germany also pushes data-space projects for farming and food chains. ▸ AI underpins precision ag, quality inspection, and energy/waste optimization in plants, supported by Gaia-X initiatives like Agri-Gaia.		3.6	“Solutions for agricultural robots. That's still something Germans really dread.“ Senior Advisor AI & Tech Startups, Consulate General of the Kingdom of the Netherlands in Munich “A growing focus on precision farming and robotics, with AI playing a key role in optimizing yields and sustainability.” German Federal Ministry of Agriculture	▸ Precision farming ▸ Crop monitoring drones ▸ Smart greenhouses ▸ Food supply chain AI	

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

…creating new entry points for AI solution providers to pilot, establish footholds, and scale

Germany: Market (2/2)

Sector	Description	Markt size (€Bn)	CAGR (%)	Quotes	Examples of AI opportunities	Opportunity
Manufacturing & Industry 4.0	▸ The industrial core (auto, machinery, electronics) scales digitalization via Platform Industrie 4.0 and new data spaces (Catena-X, Manufacturing-X). ▸ AI powers quality vision, predictive maintenance, scheduling, and digital twins, widely piloted and scaled by OEMs like BMW.	606,9	0.6	"Industry 4.0 is one of the most relevant sectors. Think of smart production lines, supply chains, predictive maintenance, and digital twins." Partner, Commercial AI expert, EY-Parthenon Germany "The manufacturing industry is leading the way in Germany. Bavaria and Baden-Württemberg are the strongest industrial regions." Startup Liaison Officers, Netherlands Enterprise Agency	▸ Predictive maintenance ▸ Robotics & automation ▸ AI-driven quality control ▸ Digital twin simulations	
Defense	▸ A fast-expanding market with primes Rheinmetall, HENSOLDT, and Airbus Defense, and budgets now at NATO's 2% target. ▸ AI is applied to sensing/fusion, C2, autonomy, cyber Defense, and training—mirrored in current EW and UAV programs.	52,0	*Unknown*	"The Defense Department is seeing a significant increase in funding and orders, as well as the need and opportunities for AI. Not only for weapons systems, but also for logistics and communications." Partner, Commercial AI expert, EY-Parthenon Germany "Defense Tech is a sector that is popping up like a mushroom." Startup Liaison Officers, Netherlands Enterprise Agency	▸ Virtual situation awareness tools ▸ Augmented reality for training ▸ AI-powered logistics; dynamic resource allocation ▸ AI-assisted target recognition from sensor data ▸ Swarm coordination algorithms for drones and bio-robots	
Aerospace	▸ Germany couples a large civil/military aerospace base—Airbus, Lufthansa Technik, HENSOLDT, with steady growth signaled by BDLI's latest figures. ▸ AI drives predictive maintenance, fleet health, and mission systems analytics across airlines, MRO, and Defense programs	52,0		"Germany has a major aerospace base with Airbus and Lufthansa Technik, applying AI to smoother supply chains, smarter airports, and predictive maintenance across fleets and factories." Partner, Commercial AI expert, EY-Parthenon Germany "Germany's AI strategy includes targeted investment in aerospace innovation, with €5 billion allocated by 2025 to support AI adoption in sectors including aviation, defense, and mobility." European Commission AI Watch	▸ Predictive maintenance/remaining useful life (RUL), reliability analytics, spare-parts optimization ▸ Autonomous robotics for manufacturing and inspection ▸ Computer vision for object detection & tracking ▸ AI-driven airport operations ▸ Optimization algorithms for routing	

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

Low risk mitigation efforts required … High risk mitigation efforts required

Germany is advancing AI through targeted public funding, EU-aligned regulation, and deep public–private collaboration across strategic sectors

Germany: Regulations and programs

Subsidy & Funding Programs

- **Deep Tech Future Fund (DTFF):**
  - Supports high-growth Deep Tech and AI startups with investments up to €30 M per company; backed by BMWK[1] and co-financed with Private Equity
- **AI Lighthouse Projects for Environment & Climate:**
  - Under the Environment Ministry (BMUV), AI Lighthouse Projects support sustainable AI applications in areas like renewable energy, transport, and marine pollution so far, 35 projects have been approved with total funding of €46 M (~$50 M)
- **Federal Ministry of Education and Research (BMBF):**
  - The Federal Ministry of Education and Research (BMBF) supports AI R&D projects by SMEs in collaboration with scientific or industrial partners, startups in the AI sector can receive up to €100,000 per year, covering up to 75% of eligible project-related costs
- **mFund:**
  - BMDV's[2] mFUND program funds and supports data-driven mobility R&D and fosters collaboration across government, industry, and research

Regulations & Executive Guidelines

As of now, Germany has no standalone national AI law; most regulation comes via the EU laws such as AI act, GDPR[(3)] and trade secrets

- **EU AI Act:**
  - The EU AI Act, directly applicable in Germany, enforces a risk-based AI classification with strict rules for high-risk and general-purpose systems
  - Applies globally to any AI impacting the EU, with fines up to €35 M or 7% of global turnover; phased enforcement begins in 2025

Public private partnership

- **DFKI (German Research Center for Artificial Intelligence):**
  - Founded in 1988, DFKI[3] is a non-profit PPP conducting AI research across multiple sites with support from German ministries and EU programs
- **AI Mobility & Industry Cluster AININ (Artificial Intelligence Network Ingolstadt):**
  - Established in 2019, AININ drives applied AI research and innovation by uniting academia, industry, healthcare, and local government partners like Audi, Fraunhofer, and the city of Ingolstadt
- **KI Familie Automotive Cluster:**
  - Germany's KI Familie cluster, led by the automotive industry (VDA), brings together 80 partners in a public-private partnership to advance AI for autonomous and connected driving, supported by federal funding

Key Insights/Summary

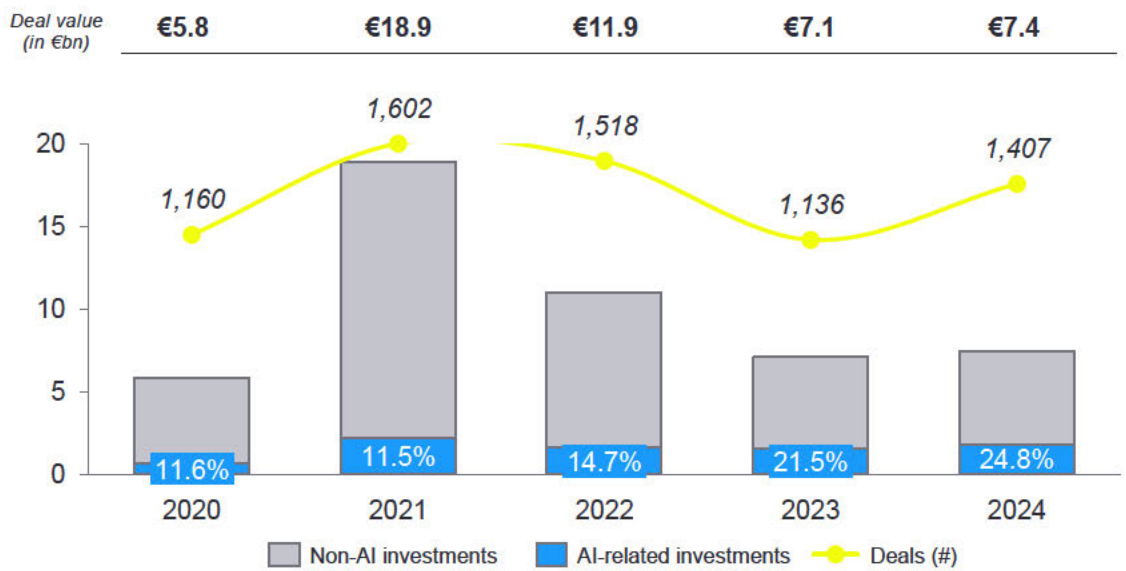
- **Subsidy & Funding Programs:**
  - Provides targeted public funding for AI across sectors like Deep Tech, environment, education, and mobility
  - Actively supports sustainability-focused AI projects under BMUV's lighthouse program, showing strong alignment between climate and AI agendas
- **Regulations & Executive Guidelines:**
  - Does not have a standalone national AI law but enforces AI regulations through EU frameworks
- **Public private partnership**
  - Uses mature PPP models to drive AI innovation across academia, industry, and government
  - Notable clusters like DFKI[3], AININ[4], and KI Familie focus on strategic sectors such as autonomous mobility, industrial AI, and applied research

Note: 1.BMWK: Federal Ministry for Economic Affairs and Climate Action; 2.BMDV: Federal Ministry for Digital and Transport; 3. GDPR: General Data Protection Regulation; 4.DFKI: German Research Center for Artificial Intelligence; 5.AININ: Artificial Intelligence Network Ingolstadt
Source: Secondary resources; EY-Parthenon analysis

Risk-averse: Germany's investment climate balances public funding, corporate VC, and international scale

Germany: Investment climate

Equity financings in Germany VC-backed companies



The country's AI startup ecosystem is growing rapidly, with AI-related investments rising from 11.6% of total VC deals in 2020 to nearly 25% in 2024.

Investment climate key takeaways

Surging AI capital: Germany's billion-euro bet

> Germany's AI startup ecosystem attracted over €1.85 billion in funding across 244 deals in 2024, marking one of its strongest years ever. This surge reflects growing investor confidence in AI's transformative potential across sectors like healthcare, defense, and manufacturing. Notably, AI startups outpaced non-AI startups in funding volume, indicating a strategic shift in capital allocation."
> Commercial AI expert, EY-Parthenon Germany

Big share of foreign investors are active in the German investment landscape

> Fewer early-stage rounds, but larger Series B+ deals. Scale-ups dominate capital inflow, supported by international investors notably US funds contributing 30% of VC in Q2 2025"
> Commercial AI expert, EY-Parthenon Germany

Corporate VCs drive strategic Deep Tech plays

> Germany's industrial giants are increasingly investing through corporate venture arms like Siemens Next47, Bosch Ventures, and SAP's Sapphire Ventures. These players focus on deep tech applications aligning with Germany's strengths in engineering and manufacturing. This trend reflects a strategic move to embed AI into core industrial processes."
> Shizune VC Intelligence Platform, September 2025 Edition

Policy-backed growth: public funds fuel innovation

> Germany's AI strategy includes multi-billion euro public funding through initiatives like the Future Fund, Impact Fund, and High-Tech Agenda 2025. These programs aim to close the Series A to C funding gap and prevent startup relocation. Public-private partnerships are increasingly common, especially in defense, health tech, and climate AI."
> Commercial AI expert, EY-Parthenon Germany

Germany offers a robust but complex investment climate for AI and technology companies, characterized by strong public funding, increase in corporate VCs, deep industrial roots, and increasing international investor interest.

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

EY Parthenon

Decentralized strength: regional hubs, industrial roots, and public–private partnerships drive German AI innovation

Germany: Innovation ecosystem

AI leaders in Germany	
Entrepreneur	406
CEO	55
Scientist	54
Policymakers	43
AI industry executive	39
Writer	27
Other	27

German AI Companies by industry	
AI infrastructure	528
BioMed	366
Manufacturing	216
E-Commerce	129
Other	461

AI hubs in Germany	
Accelerator	44
Industrial hubs	32
Incubators	18
Government offices	7
R&D hubs	4

German AI companies by city	
Berlin	320
Munich	135
Hamburg	70
Frankfurt	30
Karlsruhe	27
Stuttgart	22
Other	1000

Focus area of Investors	
Venture Funds	375
Donors	50
Private Equity Funds	38
Pension Funds	27
Funds of Funds	16
Angel Investors	12
Other	4

Sectorial breadth and deep industrial roots

> AI innovation in Germany is not limited to tech companies; it is expanding into traditional sectors such as manufacturing (Industrie 4.0), logistics, energy, construction, and life sciences. There is significant "catch-up potential" in sectors like construction, energy, and finance, where digitalization and AI adoption are accelerating but still lag behind leading countries."
>
> Startup Liaison Officers, Netherlands Enterprise Agency

Regional specialization and fragmentation

> Germany's federal structure leads to strong regional innovation hubs (e.g., Bavaria for manufacturing and AI, Hamburg for aerospace and logistics, Saxony for semiconductors). However, this also causes fragmentation, with parallel efforts and sometimes a lack of national coordination"
>
> Startup Liaison Officers, Netherlands Enterprise Agency

Infrastructure strengths and political bottlenecks

> Germany has robust data center and cloud infrastructure, especially in Frankfurt, but faces political and bureaucratic delays in scaling up "AI giga factories" and sovereign cloud initiatives. There is a recognized need for more coordinated, long-term investment in digital and AI infrastructure"
>
> Startup Liaison Officers, Netherlands Enterprise Agency

Government as launching customer and regulatory driver

> The German government is increasingly acting as a launching customer for AI solutions, especially in the public sector, to address demographic challenges and modernize services. At the same time, Germany is a frontrunner in AI regulation and data protection, which can be both a barrier and a potential competitive advantage"
>
> Consulate General of the Kingdom of the Netherlands in Munich

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

Talent, trust, and tradition: navigating Germany's skilled workforce, research excellence, and business culture

Germany: Talent and research, and culture fit

Talent and research transfer

Volatile AI job demand

- AI-related job postings peaked in 2022 (197k) but dropped to 147k in 2024, showing fluctuations despite steady interest in AI skills.

Severe talent shortage

- Driven by demographic shifts and digitalization, Germany faces a persistent shortage of skilled workers, especially in IT and AI. Companies are adopting international hiring and upskilling strategies.
- Address talent gaps via targeted education and adapt immigration policies as seen in the US.

Strong industrial AI adoption

- Automotive and manufacturing sectors lead AI integration, leveraging AI for autonomous driving and smart factories, supported by the "AI Made in Germany" strategy.

Startup ecosystem as a talent magnet

- Over 900 AI startups form a vibrant ecosystem, creating opportunities for specialized talent and partnerships with corporates.

Germany's ability to attract, develop, and retain AI talent is a critical success factor for its digital transformation. Continued investment in education, international talent pipelines, and industry-academic collaboration will be decisive for maintaining momentum in AI-driven innovation.

Culture fit

Sector-specific adaptation

- Each German region and sector has its own culture and requirements. Deep market research and adaptation to local regulations, standards, and business practices are necessary. Collaborating with local consultants or universities for pilots can accelerate credibility.

Local Integration and Networking

- Success comes from local integration: hiring German teams, partnering with local sales agents, and participating in German trade fairs (e.g., Hannover Messe, Formnext, SPS) are proven strategies. Building a local track record and presence is more effective than remote selling.

Formality and professionalism

- The German business culture is notably more formal than the Dutch. Titles, politeness, and a structured approach are highly valued. A too-informal approach can be perceived as unprofessional. Contracts are detailed, expectations for professionalism are high, and everything should be documented and certified where possible.

Long-term commitment

- Germans value long-term relationships and reliability over quick wins. A sustainable, patient approach, supported by ongoing local presence and follow-up after initial contacts, is critical for lasting success.

Dutch AI companies have a positive reputation in Germany, especially in niches like logistics, agri-food, and health. However, success depends on deep local integration, cultural adaptation, and a commitment to building trust and credibility over time.

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

4.3

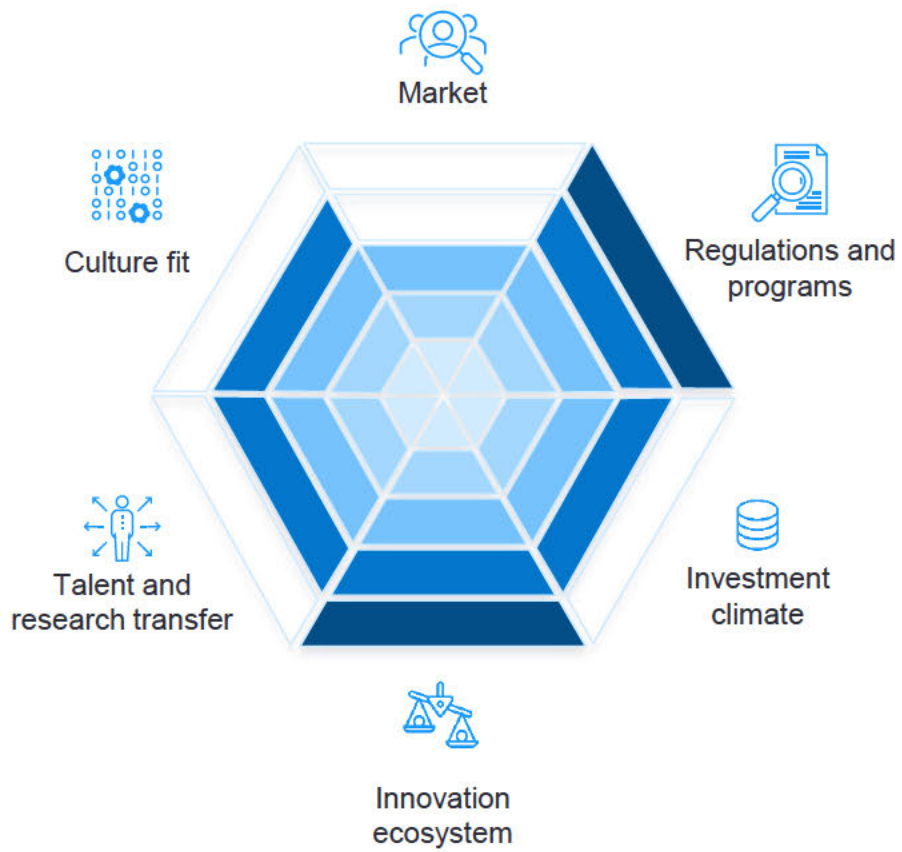
Sweden

EY Parthenon

The Swedish market offers a strong and dynamic AI ecosystem with a favorable investment climate

Six pillars shaping market readiness for Dutch AI companies abroad

AI driven business operating model



Sweden offers a dynamic, innovation-driven AI market with strong activity in healthcare, automotive, telecom, and public services. Major firms like Ericsson, AstraZeneca, and Volvo AB lead adoption, often via innovation hubs like Kamp X and bio venture platforms. AI is applied across backend operations, customer engagement, and product development. Public institutions increasingly adopt AI, supported by AI Sweden. Dutch companies can add value in niche technologies and benefit from Sweden's openness to collaboration, though local presence and partnerships remain key for entry.

Sweden aligns with the EU AI Act but also maintains sector-specific restrictions, such as data localization in healthcare and finance. Sandbox initiatives and testing environments are available, especially for ethical and human-centric AI. The "professors' privilege" policy affects IP ownership in academic collaborations, which can be both an opportunity and a challenge for foreign firms. Dutch companies must navigate regulatory nuances and cultural expectations, particularly in public sector engagements.

Sweden has a favorable investment climate with active early-stage funding and strong venture capital players like EQT and Atomico. Government subsidies and AI-focused programs support innovation, but later-stage funding (>€5M) can be more competitive. The state increasingly acts as a launching customer, especially in digital public services. Dutch firms benefit from Sweden's international orientation but must compete with well-funded local startups and navigate fragmented funding structures.

Sweden's AI innovation is geographically clustered, with hubs around Stockholm, Gothenburg, and Lund. The ecosystem includes both in-house development and integration of foreign platforms. Federated learning initiatives like Edge Lab and public-private partnerships are prominent. While Sweden excels in research and experimentation, translating academic work into commercial spin-offs remains a challenge. Dutch companies can tap into these ecosystems through strategic alliances and participation in local accelerators.

Sweden has a specialized AI talent pool, with a high share of international professionals. Collaboration between universities and industry is progressing, though access to academic talent can be limited by IP policies and institutional structures. English is widely used in tech environments, but competition for skilled talent is high. Dutch companies may need to invest in local recruitment or partnerships to access the right expertise.

Swedish business culture emphasizes consensus, transparency, and long-term relationships. Dutch firms may find the Swedish style more reserved and process-oriented, requiring patience and trust-building. Physical presence and local engagement are valued, especially in public sector and B2B contexts. Once trust is established, Swedish partners are loyal and collaborative, but initial sales cycles can be slow. Dutch companies should prepare for cultural nuances and invest in relationship-building.

Low importance ... High importance

Source: EY-Parthenon analysis

Sweden is characterized by a big-corporation, export-oriented economy with a small home market…

Sweden: Market (1/2)

Sector	Description	Markt size (€Bn)	CAGR (%)	Quotes	Examples of AI opportunities	Opportunity
Defense	▸ Sweden is home to major defense companies like Saab, which are deeply integrated into the national innovation ecosystem and benefit from long-term industrial funding. ▸ AI is used for software and sensor development, autonomous systems, and secure cloud infrastructure.	12.4	10.5	"That is for example for Saab, that is defense, and the application there is a lot about software and sensor development for Saab." Sr. Innovation Adviser, the Embassy of the Netherlands in Stockholm "Saab has already built its own cloud, which runs completely independently. Saab is now organizing its own ventures ecosystem." Sr. Innovation Adviser, the Embassy of the Netherlands in Stockholm	▪ ISR & targeting ▪ Command, control & decision support ▪ Autonomy (air/land/sea/uncrewed swarms) ▪ Electronic warfare & spectrum ops ▪ Cyber defense	
Healthcare & Life Sciences	▸ Sweden is a leader in life sciences, with global players like AstraZeneca and strong medical universities. The sector is supported by large datasets and collaborative innovation hubs. ▸ AI is applied in drug discovery, medical imaging, and hybrid quantum-AI computing for faster R&D.	55.5	7.2	"AstraZeneca is also part of this conglomerate. And AstraZeneca is already very active with AI for drug discovery and medicine development." Sr. Innovation Adviser, the Embassy of the Netherlands in Stockholm "Life sciences and health, Sweden is really strong in that. Not only AstraZeneca, but also in terms of medical universities and research it is really big here and there you see those enormous datasets." Sr. Innovation Adviser, the Embassy of the Netherlands in Stockholm	▪ Medical imaging AI ▪ Drug discovery automation ▪ Remote patient monitoring ▪ Personalized treatment AI	
Finance	▸ Sweden's finance sector is dominated by large players like SEB Group, with significant investment in AI for modeling, risk management and compliance. ▸ AI is used for financial modeling, risk analysis, and process automation.	23.9	3.8	"Banking today, I would say it was less so, but we see a lot of banks are actually hiring AI leads and resources now." Director, EY Sweden "And that is in this case very concrete SEB Group bank. That is also a very concrete calculation of the models." Director, EY Sweden	▪ Credit scoring and risk assessment ▪ Fraud detection ▪ Customer behavior analysis ▪ Market forecasting ▪ Customer service ▪ Compliance inquiries	

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

Low risk mitigation efforts required … High risk mitigation efforts required

…yet remains highly accessible to external companies through partner-led entry via anchor clients, systems integrators, and regional clusters

Sweden: Market (2/2)

Sector	Description	Markt size ($Bn)	CAGR (%)	Quotes	Examples of AI opportunities	Opportunity
Logistics	▸ Sweden's logistics sector includes global companies like Volvo AB (trucks, buses, mining vehicles) and IKEA, both of which are at the forefront of AI-driven logistics and supply chain innovation. ▸ AI is used for predictive maintenance, warehouse optimization, and supply chain management.	22.5	3.8	"Volvo AB, not Volvo passenger cars, but Volvo AB, is also in logistics, making trucks, buses, and large mining vehicles and is frontrunner in the AI application within logistics" Sr. Innovation Adviser, the Embassy of the Netherlands in Stockholm "The manufacturing industry is leading the way in Germany. Bavaria and Baden-Württemberg are the strongest industrial regions." Director, EY Sweden	▸ Predictive maintenance ▸ Robotics & automation ▸ AI-driven quality control ▸ Digital twin simulations	
Telecom	▸ Sweden's telecom sector is advanced and highly connected with companies such as Ericsson and Telia. The country boasts near-universal 4G/5G coverage, early 5G deployment, and a tech-savvy consumer base, making it a hotbed for telecom innovation. ▸ AI is applied in network optimization, customer interaction, and the development of next-generation telecom infrastructure.	6.0	3.8	"Ericsson uses AI for the application of software development for their 6G and future 7G development." Sr. Innovation Adviser, the Embassy of the Netherlands in Stockholm "In telcos you see quite a bit around networking optimization space with the assist of AI. This ensures cost-efficient operations by enabling smarter network management, predictive maintenance, and improved customer interactions" Sr. Innovation Adviser, the Embassy of the Netherlands in Stockholm	▸ Self-optimizing networks (SON) ▸ Predictive traffic & - maintenance ▸ AI-powered customer service ▸ Customer interaction	
GovTech	▸ Government technology is crucial for AI in Sweden because it drives scalable innovation, boosts efficiency, and sets a national standard for responsible and impactful AI adoption. ▸ AI is increasingly used by Swedish government agencies to improve service delivery and operational efficiency.	*Unknown*		"AI Sweden wanted to concretely help local municipalities with AI implementation. So, AI Sweden took the initiative to connect the databases of the communities, create their own interface... That model produces a result, and then the final translation model rewrites the decision in Swedish that everyone understands. These kinds of initiatives are being turned into case studies, all done by AI Sweden with government funding." Sr. Innovation Adviser, the Embassy of the Netherlands in Stockholm	▸ Chatbots f.e. Swedish Pensions Agency and Swedish Tax Agency ▸ Shared digital assistant (SVEA) ▸ Fraud detection models for unemployment benefits ▸ Speech-to-text models trained to understand Swedish dialects ▸ Handwriting recognition AI for digitizing historical documents	*Unknown*

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

Low risk mitigation efforts required … High risk mitigation efforts required

Sweden is enhancing its AI ecosystem through strategic public investment, academic-industry collaboration, and a cautious regulatory stance amid evolving EU frameworks

Sweden: Regulations and programs

Subsidy & Funding Programs

- **Vinnova (Sweden's Innovation Agency):**
  - Sweden, through Vinnova, has invested over SEK 1.35bn (~€115 M) in AI and related projects, with significant public-private co-funding
  - Startups and public bodies can receive grants up to SEK 500,000 (~€42,500) for initiating AI innovation
- **2024 Research & Innovation Bill:**
  - Sweden's 2024 R&I bill allocates SEK 6.5bn (~€553 M) for strategic tech research, including AI-focused Clusters of Excellence
  - A dedicated AI cluster will train 600 PhDs over 10 years, alongside SEK 800 M (~€68 M) for postdoc fellowships and visiting professors

Regulations & Executive Guidelines

Sweden lacks AI-specific laws, relying on existing frameworks like GDPR, and despite EU AI Act applicability, its leaders including the Prime minister have called for a pause citing regulatory confusion

- **AI commission proposal:**
  - Sweden's AI Commission proposed 75 measures in Dec 2024 to guide safe AI adoption, public-sector use, and innovation, recommending a dedicated task force to shape national AI policy and its pending for government decision

Public private partnership

- **AI Sweden:**
  - AI Sweden is the national public–private AI hub, bringing together 160+ partners to run cross-sector projects and build shared tools like the Data Factory, Edge Lab, and Swedish GPT-SW3 model
  - Co-investing partners from government, academia, and industry collaborate on applied AI solutions in sectors like healthcare, energy, and public services
- **Wallenberg AI, Autonomous Systems and Software Program (WASP):**
  - WASP, Sweden's largest AI research initiative launched in 2015, is funded with SEK 6.2bn (~€527 M) by the Wallenberg Foundation
  - It unites 5 universities and 80+ industry partners to advance PhD training and core research in AI and autonomous systems
- **AI Supercomputing Consortium**
  - A consortium including Ericsson, AstraZeneca, SAAB, SEB, and Wallenberg Investments is building Sweden's largest enterprise-grade AI supercomputing facility using NVIDIA DGX SuperPODs to ensure secure, sovereign AI compute access

Key Insights/Summary

- **Subsidy & Funding Programs:**
  - Invests in AI through agencies like Vinnova and dedicated research funding, supporting startups and large-scale academic training programs
  - Funding targets both early-stage innovation and long-term strategic research, including PhD and postdoctoral fellowships
- **Regulations & Executive Guidelines:**
  - Does not have a standalone national AI law
  - There is notable political hesitation and calls to pause or clarify the EU AI Act due to regulatory confusion
- **Public private partnership**
  - 'AI Sweden' acts as a central hub connecting government, academia, and industry to foster AI development across sectors
  - Large-scale collaborations like WASP and the AI supercomputing consortium demonstrate strong multi-sector cooperation and infrastructure building

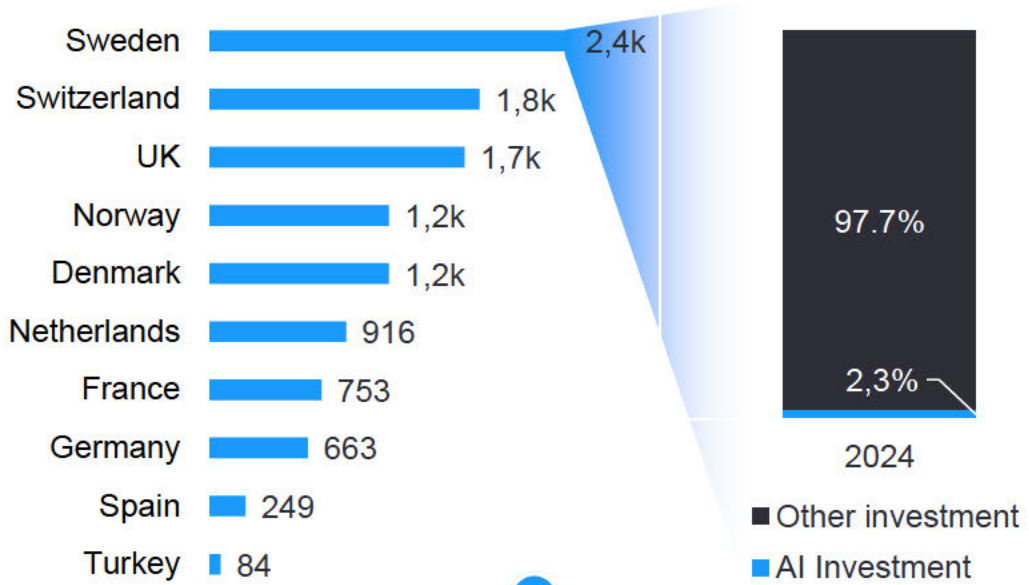
Note: 1.BMWK: Federal Ministry for Economic Affairs and Climate Action
Source: Secondary resources; EY-Parthenon analysis

Long-term capital and government support: Sweden's investment climate fosters scale-ups and strategic partnerships

Sweden: Investment climate

Equity financings in Sweden VC-backed companies

VC investments between 2020 and 2024
In €k per million inhabitants



Sweden is one of Europe's top tech ecosystems, but VC has been concentrated in just a few companies. Fewer Swedish startups progressing to Series A/B, especially compared to the US, but those that do, scale beyond the European average. The percentage of AI investments in low, although the AI startups are rapidly increasing.

Investment climate key takeaways

More funding, more scale-ups,

> The Netherlands has more start-ups, but Sweden has more scale-ups. That's because there is much more long-term funding available. Stockholm is known within Europe as a true investor capital. There are relatively many unicorns here, and that's because investments are focused on the long term."
> Sr. Innovation Adviser, the Embassy of the Netherlands in Stockholm

Big role of the government as network facilitator

> You get support from the Swedish government, and unlike in the Netherlands, that support doesn't disappear when you expand abroad, as long as you stay in Europe. Vinnova is the government agency for innovation and they set the strategy for Sweden and provide funding."
> Sr. Innovation Adviser, the Embassy of the Netherlands in Stockholm

Triple helix; government, business, and universities

> Collaboration between universities, industry, and government (Triple Helix) is strong in Sweden. Thanks to the "professor's privilege," researchers, not universities, own the commercial rights to their inventions which stimulates entrepreneurship"
> Sr. Innovation Adviser, the Embassy of the Netherlands in Stockholm

Corporate VCs drive strategic plays

> The innovative strength of Sweden comes from the business sector, so the big players are all partners in AI Sweden, but at the same time those big companies invest a lot of money in AI themselves."
> Dealroom

Sweden is one of Europe's top tech ecosystems, but VC has been concentrated in just a few companies. Fewer Swedish startups progressing to Series A/B, especially compared to the US, but those that do, scale beyond the European average. The percentage of AI investments in low, although the AI startups are rapidly increasing.

Source: Secondary resources; EY-Parthenon analysis

EY Parthenon

Collaborative talent ecosystem: international expertise, academic-industry synergy, and Swedish business culture

Sweden: Talent and research, and culture fit

Talent and research transfer

Resilient AI Demand Amid Economic Weakness

- Despite a weaker labor market, the share of AI-related job postings grew, signaling strong relative demand for AI skills.

Government-Led Digitalization Push

- Sweden launched a €1.5Bn AI investment plan and will release an AI-specific strategy in 2026, aiming to boost competitiveness and public-sector efficiency.

Talent Shortage and Upskilling Focus

- Acute shortages in AI, cybersecurity, and cloud roles drive initiatives like AI Sweden's talent programs and international recruitment efforts.

Regional Concentration in Stockholm

- Stockholm accounts for 62% of AI job openings, followed by Gothenburg and Uppsala, indicating a centralized talent market.

Sweden boasts a high-quality, internationally oriented AI talent pool, with strong technical universities (KTH, Chalmers) and a culture of continuous upskilling. The "Professor's right" allows researchers to commercialize their innovations, facilitating smooth transfer from academia to industry. However, there is a shortage of specialized talent, and restrictive immigration policies can be a barrier for non-EU experts.

Culture fit

High compatibility and positive Dutch brand name

- The cultural fit between Dutch and Swedish companies is strong. Both countries value directness, professionalism, and innovation. Dutch companies are seen as reliable, pragmatic, and open-minded.

The business culture and way-of-working is similar

- Sweden is highly digitalized, and AI adoption is high; Dutch and Swedish cultures are comparable in openness to technology.
- English is fine for business, but local context and understanding Swedish processes are important for adoption and change management.

Drive, value, and mission are culturally aligned (SE/NL)

- Sustainability, equality, and ethical business are highly valued. Dutch companies should emphasize their commitment to these values, especially when pitching AI solutions that impact standards, privacy or the environment.

Sweden's innovation ecosystem is anchored by large corporates, active public-private partnerships (Triple Helix), and vibrant regional clusters (Stockholm, Gothenburg, Malmö/Lund, Linköping). AI Sweden acts as a national hub, connecting industry, academia, and government. The ecosystem is highly collaborative, with open attitudes toward international solutions and a strong focus on applied, value-driven innovation.

Innovation ecosystem

Triple Helix Model drives innovation

- Sweden's innovation is driven by close collaboration between government, industry, and academia.
- Large companies (Ericsson, Saab, AstraZeneca, Volvo) invest heavily in AI and partner with universities (KTH, Chalmers, Lund, Uppsala).

There is a long-term public commitment to AI

- The Swedish government indicated a committed €1 billion over 10 years for AI research, supporting hundreds of PhDs and fostering industry-academic partnerships.

Scale-up friendly investment climate

- Sweden has more scale-ups than startups, reflecting a mature ecosystem.
- Long-term funding and strong investor presence (EQT, Atomico, Northzone) should enable sustained growth.

Sweden's innovation ecosystem is anchored by large corporates, active public-private partnerships (Triple Helix), and vibrant regional clusters (Stockholm, Gothenburg, Malmö/Lund, Linköping). AI Sweden acts as a national hub, connecting industry, academia, and government. The ecosystem is highly collaborative, with open attitudes toward international solutions and a strong focus on applied, value-driven innovation.

Source: Secondary resources; Expert interview; EY-Parthenon analysis

4.4

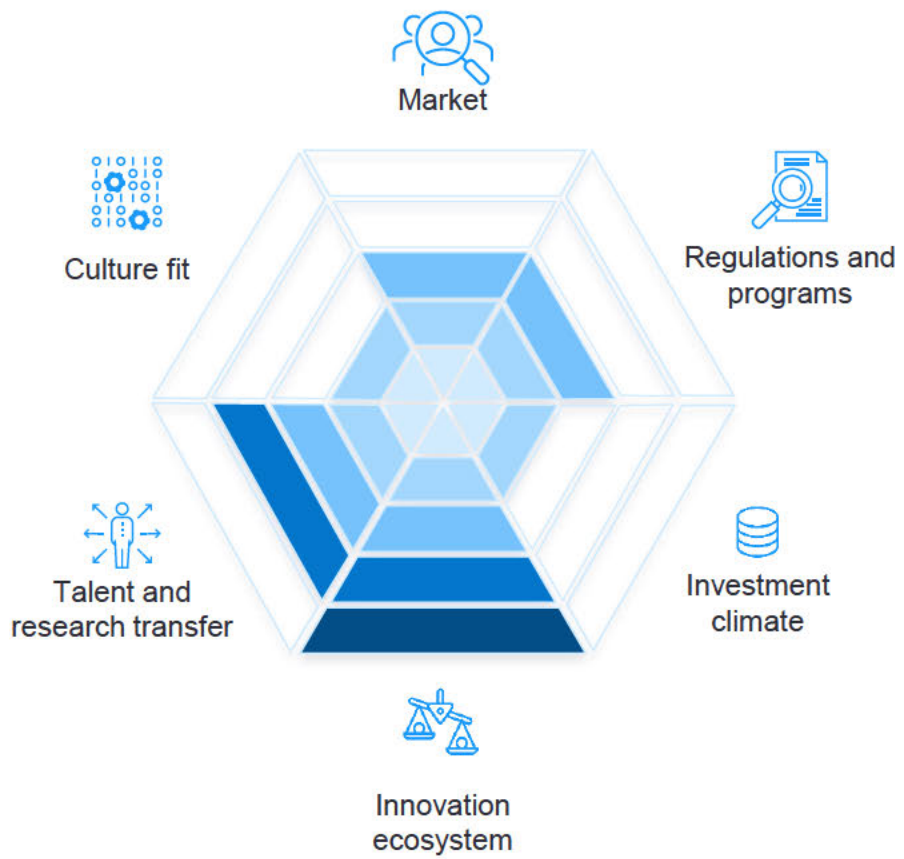
South Korea

EY Parthenon

The Korean market offers a strong innovation ecosystem and fast-evolving AI market, but a strong preference for domestic solutions and long term-relationships

Six pillars shaping market readiness for Dutch AI companies abroad

AI driven business operating model



Market

South Korea has a fast-evolving, innovation-focused AI market, with strong activity in consumer electronics, semiconductors, telecom, automotive, and MedTech. Major conglomerates like Samsung, LG, SK, and Hyundai drive AI adoption, often through in-house innovation teams and partnerships. Public sector and healthcare are growing areas, partly due to demographic trends. Dutch companies can find opportunities in niche applications, especially in smart farming, logistics, and MedTech, but local partnerships and on-premise solutions are often required for market entry

Regulations and programs

South Korea aligns with global standards but emphasizes data sovereignty and privacy. There is a strong preference for on-premise AI engines and local data storage, driven by both government policy and corporate culture. The government is actively promoting AI through national strategies and public-private initiatives, aiming to reduce reliance on foreign cloud providers and foster domestic AI champions. Regulatory complexity is moderate, but compliance with local data rules is essential for foreign firms

Investment climate

South Korea offers robust public and private funding for AI, with major investments from conglomerates and government-backed programs. Early-stage funding is accessible, but scaling often requires alignment with local giants or government projects. The state acts as a launching customer, especially in digital public services and healthcare. Foreign companies benefit from Korea's openness to innovation but must navigate a competitive, relationship-driven investment landscape.

Innovation ecosystem

AI innovation is concentrated in Seoul and major industrial hubs, with strong links between industry and academia. Leading firms develop proprietary AI engines (e.g., Korean-language LLMs). Public-private partnerships are common, and the government supports AI adoption in strategic sectors. However, large-scale projects are rare; most innovation happens through pilot projects and incremental improvements. Dutch firms can access the ecosystem via targeted alliances and by offering specialized solutions.

Talent and research transfer

South Korea has a skilled but undersupplied AI talent pool. Demand for data scientists and AI engineers outpaces supply, and competition for top talent is fierce. Major companies invest in upskilling internal staff, but hiring from abroad is limited by language and cultural barriers. English is used in tech environments, but Korean remains dominant. Dutch companies may need to partner locally or invest in training to access talent.

Culture fit

Korean business culture values hierarchy, consensus, and long-term relationships. Trust-building and local presence are crucial, and decision-making can be slow. There is a strong preference for domestic solutions and data control, which can be a barrier for foreign firms. However, once trust is established, Korean partners are loyal and collaborative. Dutch companies should be patient, adapt to local expectations, and invest in relationship-building for successful market entry.

Low importance ... High importance

Source: EY-Parthenon analysis

South Korea's AI hotspots: where Dutch innovation meets industrial demand

South Korea: Market (1/2)

Sector	Description	Markt size (€Bn)	CAGR (%)	Quotes	Examples of AI opportunities	Opportunity
Consumer Electronics	▸ South Korea's consumer electronics sector is led by global giants like Samsung and LG, known for rapid innovation in smartphones, TVs, and smart home devices. The sector is highly competitive, export-oriented, and integrates hardware with advanced software features. ▸ AI is applied to enable smart assistants, personalize user experiences, automate device functions, and enhance image and voice recognition in consumer products.	14.4	1.2	"My team is focused on the engagement with AI and tech-based transformation for Samsung. We are focusing on the innovation of front-end system such as the sales portal and data-driven marketing embedding AI in those systems. We see a lot of potential in this field." Partner, EY South Korea	▸ Smart assistants (e.g., Samsung Bixby) ▸ Personalized content recommendations on smart TVs ▸ Voice and facial recognition for device security ▸ Automated camera scene detection in smartphones	»
Semiconductor	▸ South Korea is a global leader in semiconductors, with Samsung and SK hynix at the forefront. The sector is characterized by high capital investment, advanced manufacturing, and deep integration with global supply chains. ▸ AI is applied for process optimization, defect detection, predictive maintenance, chip design automation, and quality control in fabrication plants.	21.8	7.7	"SK produces semiconductors and they want to develop AI transformation methodology and new use cases for AI applications and features." Sr. Innovation Adviser, the Embassy of the Netherlands in Seoul "We are starting new projects with LG and SK to develop AI-based transformation methods and implement large language model applications." Sr. Innovation Adviser, the Embassy of the Netherlands in Seoul	▸ Machine Learning for Process Optimization ▸ Computer Vision for Defect Detection ▸ Predictive Maintenance ▸ Digital Twins ▸ Automated Optical Inspection ▸ Generative AI for Chip Design	^
Telecom	▸ South Korea's telecom sector, led by SK Telecom, KT, and LG Uplus, is among the world's most advanced, with early adoption of 5G and integration with IoT and smart city projects. ▸ AI is applied for network optimization, predictive maintenance, customer service automation, fraud detection, and personalized content delivery.	33.0	3.8	"Telecommunication companies in Korea are investing in AI-based solutions to improve their services and operations." Director, EY South Korea "Telecommunication companies in Korea are investing in AI-based solutions to improve their services and operations." Director, EY Sweden	▸ Credit scoring and risk assessment ▸ Fraud detection ▸ Customer behavior analysis ▸ Market forecasting ▸ Customer service ▸ Compliance inquiries	»

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

Low risk mitigation efforts required ... High risk mitigation efforts required

EY Parthenon

South Korea's AI hotspots: where Dutch innovation meets industrial demand

South Korea: Market (2/2)

Sector	Description	Markt size (€Bn)	CAGR (%)	Quotes	Examples of AI opportunities	Opportunity
Automotive	▸ South Korea's automotive sector is driven by Hyundai and Kia, with a focus on smart mobility, electric vehicles, and autonomous driving. The sector is export-oriented and increasingly digital. ▸ AI is applied for autonomous driving, driver assistance, predictive maintenance, in-car voice assistants, and manufacturing automation.	33.6	-0.1	"Hyundai is working with companies like ServiceNow and is interested in introducing new AI functionalities in their services." Partner, EY South Korea "Kia Motors is looking at AI control and agent technologies and will soon introduce these kinds of AI solutions in their operations." Partner, EY South Korea	▸ Computer Vision for ADAS (Advanced Driver Assistance Systems) ▸ Sensor Fusion ▸ Predictive Maintenance ▸ Natural Language Processing ▸ Path Planning Algorithms ▸ Reinforcement Learning	»
Healthcare & Life sciences	▸ South Korea scales AI in diagnostics, imaging, and preventive care via firms like Lunit, AITRICS, and Mediwhale. ▸ Hospitals and startups deploy AI for cancer screening, retinal scans, and virtual nursing, supported by national health AI roadmaps.	135.5	3.1	"The government is interested in using AI to analyze healthcare data and develop new services in the sector." Sr. Innovation Adviser, the Embassy of the Netherlands in Seoul "There is a trend in Korea to push for more AI-driven solutions in healthcare, especially for data analysis and disease tracking." Sr. Innovation Adviser, the Embassy of the Netherlands in Seoul	▸ Self-optimizing networks (SON) ▸ Predictive traffic & - maintenance ▸ AI-powered customer service ▸ Customer interaction	↑
AgriTech & Food	▸ Precision fertilization, IoT sensors, and crop analytics optimize yields and sustainability, backed by government and VC support. ▸ AI powers smart farming, livestock monitoring, and vertical agriculture through Green Labs, Intflow, and N.THING.	36.9	1.6	"Smart Farm is one of the areas where we need to develop new AI-based functions for agriculture." Sr. Innovation Adviser, the Embassy of the Netherlands in Seoul "There are great opportunities in agriculture for AI solutions, as the sector is important and in need of innovation." Sr. Innovation Adviser, the Embassy of the Netherlands in Seoul	▸ Chatbots f.e. Swedish Pensions Agency and Swedish Tax Agency ▸ Shared digital assistant (SVEA) ▸ Fraud detection models for unemployment benefits ▸ Speech-to-text models trained to understand Swedish dialects ▸ Handwriting recognition AI for digitizing historical documents	»

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

Low risk mitigation efforts required … High risk mitigation efforts required

EY Parthenon

South Korea is advancing AI through robust startup fundings, strategic infrastructure development, comprehensive risk-based regulation…

South Korea: Regulations and programs (1/2)

Subsidy & Funding Programs

- **AI Core Areas and AX Startup Development Program:**
  - The Ministry of SMEs and Startups (MSS) launched the "AI Core Areas and AX Startup Development Program" in February 2025, providing up to KRW 1bn (~€606k) to 20 selected AI startups
  - This program supports core AI technology startups and AI transition startups working in fields like small language models, manufacturing AI, bio AI, and content AI
- **AI-Exclusive loan program:**
  - The government is also introducing an AI-exclusive loan program as part of a KRW 17 trillion (~€10.3bn) low-interest semiconductor loan initiative, aimed at promoting AI computing infrastructure investments
- **Next Unicorn Project:**
  - MSS[1] committed KRW 310bn (~€190 M) to create KRW 570bn (~€345 M) in venture funds supporting AI and deep-tech startups
  - The initiative includes an early-stage startup fund for skilled professionals and a scale-up fund offering over KRW 10bn (~€6.6 M) per company, with a focus on high-potential firms in the 'Next Unicorn Pool' identified through MSS programs
- **Core Domain AX Startup Fostering Project:**
  - Launched in July 2025, the program supports Domain AX (AI Transformation) startups across five key sectors: Bio, Content, Manufacturing, Finance, and Smart Agriculture, selecting 90 startups with funding up to KRW 100 M (~€60K) each

Regulations & Executive Guidelines

- **AI Basic Act (Framework Act on AI Development and Trust):**
  - Enacted in December 2024 and effective January 2026, the law makes South Korea the second country after the EU to implement comprehensive AI legislation
  - It introduces a risk-based approach, imposing legal obligations on high-impact AI systems in areas like healthcare and public services, along with specific duties for generative AI
  - Developers must conduct risk assessments, ensure human oversight, maintain transparency, and appoint an in-country representative
  - Failure to comply with any of the above rules, includes administrative fines of up to KRW 30 M (~€18k) for specific violations
  - The Ministry of Science and ICT will draft regulations and support AI infrastructure, while the Personal Information Protection Commission oversees data governance. The law also applies extraterritorially to any AI impacting Korean users or domestic market

Key Insights/Summary

- **Subsidy & Funding Programs**
  - South Korea offers strong support for AI innovation, funding early to growth-stage startups in fields like bio-AI, small language models, and smart manufacturing
  - Large-scale initiatives like the Next Unicorn Project and a KRW 17 trillion (~€10.25bn) AI loan program boost capital and infrastructure for AI and semiconductors

- **Regulations & Executive Guidelines**
  - The AI Basic Act (effective Jan 2026) establishes a comprehensive, risk-based regulatory framework
  - It enforces obligations on high-impact and generative AI systems, with cross-border applicability, signaling Korea's leadership in AI governance

Note: 1.MSS: Ministry of SMEs and Startups
Source: Secondary resources; EY-Parthenon analysis

…and public-private partnerships to foster AI commercialization and national AI infrastructure

South Korea: Regulations and programs (2/2)

Public private partnership

- **AI Super Gap Challenge:**
- Launched mid-2024 and expanded in early 2025, a public-private partnership (PPP) initiative supports commercialization by matching AI startups with global tech partners like LG Electronics and Qualcomm, under two tracks
  - **On-Device AI Program (LG + Intel):**
    - Collaboration across TVs, appliances, earphones, digital signage, IT devices
    - Funding up to KRW 100 M per startup for proof of concept/model development
    - Adds access to toolkits, technical mentoring, and integration opportunities into LG devices
  - **Vertical AI Program (Qualcomm + partners):**
    - **Target areas like drones, vehicle inspection, robotics**
    - **KRW 100 million per startup proof of concept funding**
    - **Qualcomm provides chip access, technical support, and global partnership matching**
  - **Additional planned tracks include challenges for fabless hardware startups, climate tech collaborations, and mid-tier enterprise–startup innovation programs**
- **National AI Computing Centre Initiative**
  - Under national AI computing center initiative plan to secure 10,000+ GPUs is explicitly based on public–private collaboration, involving private cloud providers and domestic chip/infrastructure firms to launch national AI services
- **OpenAI**
  - OpenAI has formed major strategic partnerships with South Korean tech giants Samsung Electronics and SK Group, as well as the Korean government, to advance global AI infrastructure through the Stargate initiative. This is a $500 billion project aimed at building next-generation AI data centers and expanding semiconductor production.

Key Insights/Summary

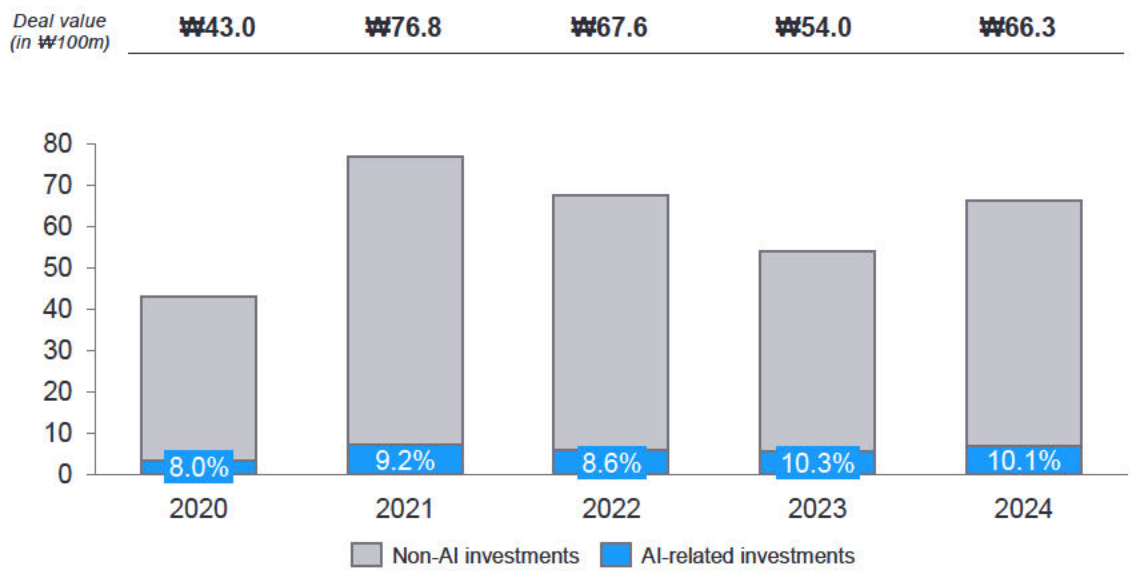
- **Public private partnership**
  - South Korea drives AI commercialization through initiatives like the AI Super Gap Challenge, linking startups with global tech leaders (e.g., LG, Intel, Qualcomm)
  - Major infrastructure projects such as National AI Computing Centre and upcoming fabless and climate tech programs highlight joint efforts to strengthen AI and semiconductor capabilities

Source: Secondary resources; EY-Parthenon analysis

The investment climate has strong government leadership, targeted funding for strategic sectors, and a preference for domestic innovation and sovereignty

South Korea: investment climate

Financings in South Korea VC-backed companies



Investment climate key takeaways

Government and corporate Influence

> "The government, together with large companies, more or less determines which major sectors Korea should earn money from, so the industrial sectors. And the government ensures that funds are made available for those themes and sectors so that companies can use that money to invest and pay part of the investments."
> Sr. Innovation Adviser, the Embassy of the Netherlands in Seoul

Development of regional AI Hubs with support for startups and scale-ups

> "There are now plans to set up various AI hubs throughout the country, each with its own focus. So there will be an AI hub for energy, an AI hub for health, an AI hub for... and these will be established throughout the country. Those hubs should support startups and scale-ups."
> Sr. Innovation Adviser, the Embassy of the Netherlands in Seoul

International cooperation funding by South Korea

> "The Korean government has a fund for international cooperation, and despite everything, this fund has increased. It is important to maintain a good relationship with the government, so cooperation and use of this fund remain relevant."
> Sr. Innovation Adviser, the Embassy of the Netherlands in Seoul

South Korea's investment climate is shaped by strong government direction and collaboration with major corporations, focusing resources on strategic sectors like semiconductors and AI. Substantial public funding supports infrastructure, regional AI hubs, and international cooperation, while risk aversion limits the startup scene. Most investment flows into domestic companies and foreign companies found it hard to find investments.

Sources: Expert interviews; EY-Parthenon analysis

Industry-led innovation, global talent drive, and a partnership-focused Korean business culture

South Korea: Talent and research, and culture fit

Talent and research transfer

Aggressive sovereign AI strategy

- The government pledged ₩530B for local LLM development and a ₩100T plan for AI autonomy, aiming to reduce reliance on foreign tech and secure full-stack AI capabilities.

Severe talent gap

- Korea faces a shortage of 10,000 AI professionals in 2025, compounded by brain drain, 40% of AI master's and PhD graduates move abroad, mainly to the US and China.

Global talent recruitment drive

- A ₩300B program (InnoCORE) aims to attract 400 postdocs from Korea and abroad, offering competitive salaries and research funding to reverse outflow trends.

Industry-led AI ecosystem

- Tech giants like LG, SK Telecom, and Naver lead in building LLMs and AI infrastructure, supported by partnerships with global players like OpenAI and AWS.

South Korea is rapidly investing in sovereign AI capabilities and industry-led innovation, but faces a severe talent shortage and is aggressively recruiting global experts to close the gap.

Culture fit

Moderate compatibility and pragmatic Dutch brand name

- The cultural fit between Dutch and South Korean companies is moderate. Dutch companies are seen as innovative and reliable, but the Korean market is more conservative and risk-averse.

Business culture and ways of working differ

- South Korea's business culture is hierarchical and formal, with a strong emphasis on relationships and trust-building. Significant localization and adaptation to local needs are expected.

English is often not enough; local presence and language matter

- English is increasingly used, but Korean language skills and understanding of local processes are crucial. Having Korean-speaking staff or local partners is highly recommended.

Values and mission: Some overlap, but different priorities

- Korean companies value technological advancement, data sovereignty, and economic growth. Dutch companies should emphasize data privacy, local adaptation, and long-term partnership.

Success requires significant adaptation to local business culture, language, and data sovereignty expectations, making the overall cultural fit moderate and best suited for companies willing to invest in long-term, localized partnerships.

Innovation ecosystem

Public-private collaborations

- South Korea's innovation ecosystem is built on strong public-private partnerships, with government, large corporations, and research institutes collaborating closely in R&D clusters.

Joint R&D opportunities

- Dutch AI startups can access joint R&D and knowledge-sharing opportunities, especially with major Korean companies, but must localize solutions and establish a local presence.

Funding and IP Challenges

- While Korea is open to international collaboration, dedicated Dutch-Korean funding is limited, and clear agreements on IP and technology adaptation are essential.

Joint R&D and collaboration with major corporations, but success depends on localization, building local partnerships, and navigating funding and IP challenges.

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

5

Government trade instruments and recommendations

EY Parthenon

The use of trading instruments depends on the type of earning opportunity

Dutch earning opportunities

Dutch trade instruments

Market

- Trade missions, fairs
- Export financing and insurance
- Market reports and sector analyses
- Matchmaking through start-up liaisons, NBSOs, vouchers
- Soft landing programs
- DHI subsidy
- PIB action plan & SMM
- Orange Trade Mission Fund (OHMF)

Financing

- Invest-NL / Dutch Venture Initiative (DVI)
- WBSO / Innovation Box / MIT-schemes
- VC matchmaking
- Startup visas and establishment support
- EU Innovation Fund / EIC Accelerator
- Public-private funds

Development

- Across the entire tech stack
- Startup Box
- Joint labs / bilateral R&D agreements
- International cluster programs
- Innovation missions
- HorizonEurope/Eureka/IPCEIs
- DHI grant
- PIB action plan

From our discussions, it appears that the current set of trade instruments is largely adequate to support internationalization, with the notable exception of financing (out of scope for this research), where additional measures are needed to bridge funding gaps for scale-ups. However, we have not been able to reach out to companies that as of now don't utilize any of the trade instruments. This could provide key insight in the reasons why not and possible improvements.

Source: Expert interviews; EY-Parthenon analysis

…and using the right tool at the right stage of export growth

Stages of export growth

International expansion is not a one-size-fits-all process. Dutch AI and tech companies face different challenges at each step of their export journey. By distinguishing four key stages (*Explore, Validate, Enter/Scale, and Build)* we ensure that the right support instrument is used at the right moment, maximizing impact and minimizing wasted effort or funding.

	Goal	Instruments	Activities
Explore	▸ Discover and assess new markets; build initial knowledge and network	○ **SIB (Support International Business)**: Provides coaching, training, and funding for market entry research and first steps abroad ○ **Trade missions and fairs**: Enable companies to meet potential customers and partners, and to understand local market dynamics	▸ First validation of a potential customer or partner (proof that the market is interested)
Validate	▸ Test feasibility and demonstrate value in the target market; reduce risk before major investment	○ **DHI (Demonstration projects, Feasibility studies)**: Grants for pilots, proof-of-concept projects, and feasibility studies in new export markets ○ **Quickscan**: Mandatory pre-assessment to ensure export potential and compliance	▸ Running a pilot with a local client, demonstrating the solution in a real-world setting, or conducting a technical/financial feasibility study.
Enter / Scale	▸ Secure first deals, establish a local presence, and accelerate growth	○ **PIB**[1]: Cluster program for Dutch consortia to jointly position themselves in a foreign market ○ **ECI/DTIF**[2]: Financing and risk mitigation for capital goods, large projects, or long-term contracts. ○ **ScaleNL**: Accelerator and soft-landing program for US market entry. ○ **OHMF**[3]: Branding and network support for promising SMEs.	▸ At this stage, companies need more than just knowledge, they need capital, credibility, and a strong network to win contracts and scale up.
Build (Capability/R&D)	▸ Strengthen innovation capacity and develop advanced or deep-tech solutions for international markets	○ **WBSO (R&D tax credit)**: Reduces wage costs for R&D activities. ○ **Innovation Credit**: Risk-bearing loans for high-potential development projects ○ **Eurostars/EIC (for deep-tech)**: European grants and blended finance for ambitious, high-tech R&D and scale-up.	▸ Sustained international growth requires continuous innovation and the ability to invest in new, globally competitive technologies.

1. Partners for International Business; 2. Export Credit Insurance / Dutch Trade and Investment Fund; 3. Orange Trade Mission Fund

Source: Expert interviews; EY-Parthenon analysis

Explanation of the characteristics of the most important trade instruments 1

Most important trade instruments

Instrument	Target group	Purpose	Amount	Conditions	Best fit for AI	Downside
SIB	► Startup ► Scale-up ► SME	First market entry, knowledge, network	► €2,500 per activity, max €6,500/year	► No existing export in target country, Chamber of Commerce registration, export plan	► Market validation, first customer, trade fair/mission participation	► The maximum subsidy per year (€6,500) is relatively small
DHI	► Scale-up ► SME	Demo/feasibility/investment preparation in new country	► Demo: €200k; Feasibility/IVP: €100k, 50–70% subsidy	► Quickscan, export potential (export-multiple), responsible business conduct (IMVO)	► PoC/pilot with client, sector reference case	► The application process can be time-consuming and complex for smaller or less experienced companies
PIB	► Consortium of ≥5 companies	Collective market positioning, branding, lobbying	► Max €350k government, ≥€350k from companies	► 2–3 years, sector focus, commitment	► Value chain solution, sector standardization, collective branding	► Only available for consortia with a multi-year commitment and sector focus. Less suitable for individual companies or those seeking quick results. Demand driven (might require pro-active role of government)

Source: Expert interviews; EY-Parthenon analysis

Explanation of the characteristics of the most important trade instruments 2

Most important trade instruments

Instrument	Target group	Purpose	Amount	Conditions	Best fit for AI	Downside
SMM	▸ Sector-wide consortia (companies, research-institutions, government)	▸ Long-term strategic positioning of Dutch sectors in priority foreign markets through public-private collaboration	▸ €No fixed amount per SMM, €2.65 million/year available for all SMMs	▸ Must target one of the 25 priority markets and align with key policy themes. proposal must be validated by relevant stakeholders (e.g. embassies, ministries, top sectors)	▸ Suitable for mature AI ecosystems or follow-up to successful PIBs	▸ High threshold for entry as it requires significant coordination and strategic alignment. Not suitable for individual or early-stage companies

Strategic Multi-Year Market Development Program (SMM)

- The SMM is a highly relevant instrument for AI companies that have reached a more advanced stage of internationalization.
- Participation in an SMM requires the formation of a consortium, typically composed of top sectors, industry associations, embassies and relevant ministries. Proposals must demonstrate broad public-private support and alignment with Dutch international economic policy priorities, such as digitalization, sustainability, and key enabling technologies. The proposal must also be validated by relevant stakeholders and include a clear strategy for value creation in one of the 25 designated priority markets.
- It offers a structured, long-term framework to position Dutch AI capabilities in priority markets through coordinated public-private strategies. A key feature of the SMM is the development and execution of a strategic roadmap. This is a multi-year plan that outlines shared objectives, target sectors, and concrete activities such as trade missions, branding efforts, and stakeholder engagement.
- However, given that many Dutch AI companies are still in the early stages of development, we view the SMM primarily as an option for the long-term. Ideally, it acts as a follow-up to the Partners for International Business (PIB) program. PIB provides a more accessible entry point for younger AI firms to explore foreign markets, build initial networks, and validate their offerings. Once a critical mass of companies and sectoral momentum is established through PIB or similar initiatives, transitioning to an SMM can amplify impact and ensure sustained international positioning.

Source: Expert interviews; EY-Parthenon analysis

Regulations and Programs offered by The Dutch Government

Policies and programs for accelerated growth (1/2)

Regulations and programs

WBSO[1]

The main Dutch R&D tax credit, reducing wage tax and social security contributions for employees doing R&D from 25.8% to 9.0%.

Total budget is **€1.582 billion** (2025)

Innovation Box

A corporate tax scheme lowering profit tax to 9% on income derived from patented innovations or qualifying AI/tech IP.

n/a

MIT

Grants for SMEs in top sectors (incl. AI/ICT) covering feasibility studies, R&D collaboration, and knowledge vouchers.

Total budget is **€43 million** (2025)

Starters International Business (SIB)

Services and subsidies from the Netherlands Enterprise Agency (RVO) to help startups/scale-ups go abroad (market research, coaching, export vouchers, trade missions).

Total budget is **€4 million** (2025)

DutchBasecamp – Globaliser Program

A 12-week coaching program helping startups build a structured international go-to-market plan.

n/a

AiNed Program / NL AIC (incl. ROBUST AI funding)

A national AI investment program (part of the Dutch AI Coalition) supporting R&D, infrastructure (like the Dutch AI Factory), and internationalization.

Total budget is **€204.5 million**

Financial investment funds

- National schemes (like WBSO, MIT, AiNed) are complemented by regional instruments such as ROMs and ‘Kansen voor West’, ensuring startups can access both funding and internationalization support at multiple levels.
- Invest-NL strengthens the AI scale-up landscape by co-investing with regional and European partners, closing the growth-financing gap and accelerating Dutch AI companies’ global expansion.
- Dutch Trade and Investment Fund (DTIF) and the Dutch Good Growth Fund (DGGF), from Invest-International, offer funding and guarantees for export
- PPP-Innovation
- Seed Capital scheme / Seed business angel

1. Wet Bevordering Speur- en Ontwikkelingswerk is the main Dutch R&D tax credit, reducing wage tax and social security contributions for employees doing R&D with a €1.58 billion budget for 2025

Source: Secondary resources; Expert interviews; EY-Parthenon analysis

Regulations and Programs offered by The Dutch Government

Policies and programs for accelerated growth (2/2)

Regulations and programs

ScaleNL Accelerator

Government-backed, equity-free accelerator to land Dutch tech startups in the US.

Total budget is **€500k**

Eurostars (EUREKA) – RVO

International R&D grant for SME-led consortia (≥2 countries) to develop market-oriented tech.

Total budget is **€22 million (2025)**

Innowwide (EUREKA/Global)

€60k lump-sum grants for market feasibility with partners in non-EU target countries.

Total budget is **€4.2 million (2025)**

Partners for International Business (PIB)

Co-funded public-private consortia to position Dutch sectors (incl. digital/AI) in key markets.

Total budget is **€4.2 million** (2025)

ICAI Labs (Innovation Center for AI)

Fund providing loans, guarantees and equity for Dutch international expansion

Total budget is **€87 million**

Innovation Credit

Risk-bearing loan for high-risk, high-potential R&D projects.

Total budget is **€50 million** (2025)

Looking ahead

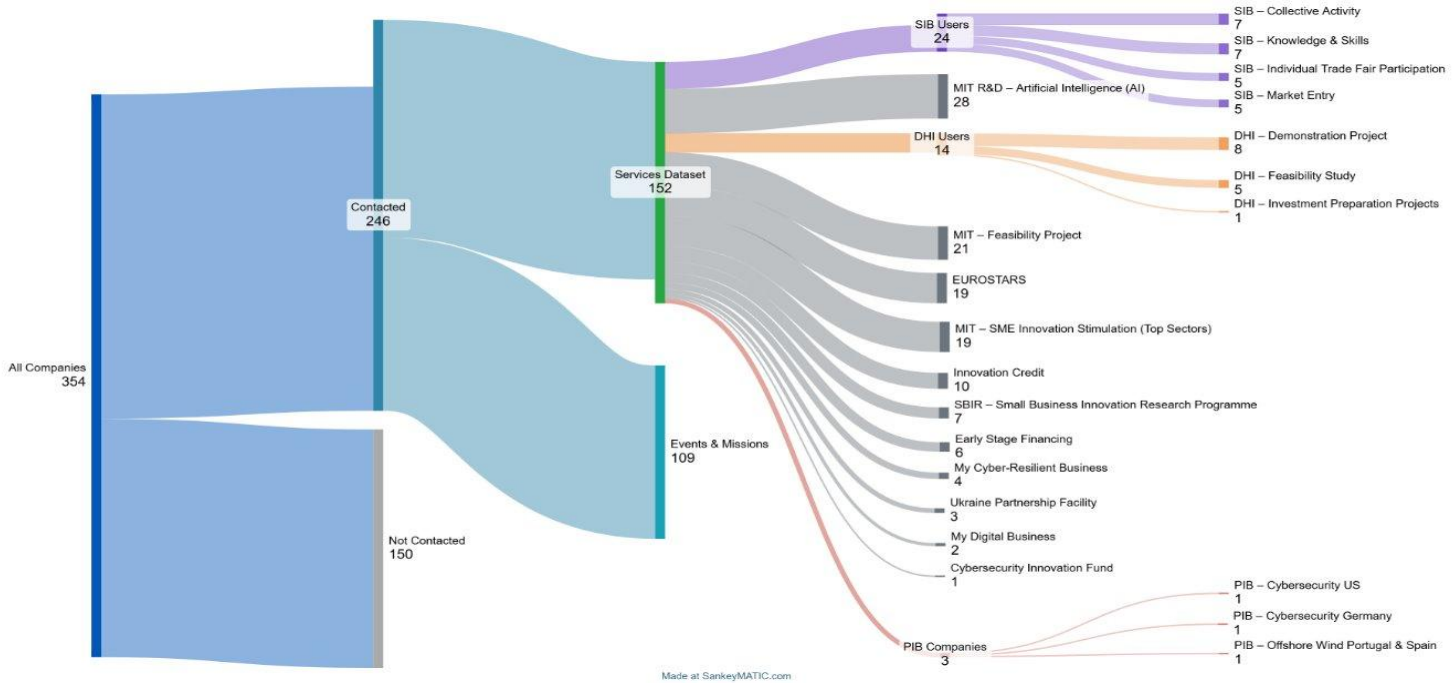
- The next EU Framework Programme (FP10) and the upcoming Multiannual Financial Framework (MFF) are expected to reinforce investments in digitalization, AI, and data-driven innovation. Possibly also blending public and private funding to unlock greater European funding for deeptech companies. The implication for Dutch AI companies should be to start preparing to align with these priorities. This should proactively be supported by the Dutch government by monitoring FP10 draft priorities (AI, data spaces, cybersecurity, digital sovereignty), building consortia for Horizon Europe and FP10 calls and to position Dutch AI niches within EU flagship initiatives (f.e. Digital Europe, AI Act implementation).

Source: Secondary resources; EY-Parthenon analysis

Unlocking hidden potential: 150 untapped AI companies offer a gateway to international growth through service-led entry

Data based on a scan of identified AI companies and their usage from the RVO-database[1]

Funnel of AI Solution Companies that requested international oriented services



Allocation of regio specific services of Dutch AI-companies

Takeaways

International orientation is strong and focused

- AI companies show a clear preference for *North America and Europe*. Their service requests and program participation are more concentrated in these regions than the general population, suggesting strategic targeting of mature markets.

Services are the main entry point

- Most companies first engage through accessible services rather than structured programs. This confirms that *low-barrier offerings are key* to onboarding and early-stage support.

Company engagement is deeper than expected

- Over half of the companies have had direct contact with RVO, and a notable group maintains *long-term relationships* with multiple touchpoints — indicating sustained interest and relevance of RVO's offerings.

1: Based on a list of companies identified by EY-Parthenon RVO has run the list through its CRM system. This has been done by doing a broad SAS-analysis based on the data warehouse of RVO.

RVO-database insights: Broad uptake confirms wide range of export support instruments

Key findings from the RVO-database

Out of 354 Dutch AI companies with a valid Chamber of Commerce (KvK) number, 204 (58%) had at least one registered contact with an export support service—demonstrating strong engagement with the available instruments. This confirms that the Dutch export support ecosystem offers a broad and accessible range of instruments that are actively used by innovative companies.

Service Usage Overview

- 137 companies appear in the RVO-database for general services.
- 109 companies are listed for events and missions.
- 17 companies have used SIB (Support International Business).
- 12 companies have used DHI (Demonstration/Feasibility/Investment Preparation).
- 3 companies are registered under PIB (Partners for International Business).

Interpretation & Implications

- The majority of AI companies use general RVO services, with a smaller subset making use of targeted export instruments like SIB, DHI, and PIB.
- SIB and DHI are the most accessible and frequently used instruments for pilots, feasibility studies, and early market entry.
- Participation in PIB is rare and typically linked to sectoral or thematic consortia (e.g., cybersecurity, offshore wind).
- Other innovation and R&D schemes (MIT, Eurostars, Innovation Credit) are also popular, reflecting the innovative and early-stage nature of many AI companies.

- **Caveat:** The data likely underestimates total engagement due to incomplete registration and the partial scope of the RVO-database.

Source: EY-Parthenon analysis

RVO-database insights: most used export service channels

Key findings from the RVO-database

RVO and RVO-SIB are the main entry points for Dutch companies seeking export support, reflecting the importance of accessible information and early-stage market entry services. International client contact and NBSO offices (especially in the US and Germany) are crucial for companies needing local market intelligence and hands-on support. DHI and regional development agencies (like BOM) play a significant role in facilitating pilots, feasibility studies, and regional export growth. The diversity of channels used shows that companies benefit from a broad ecosystem of support, both in the Netherlands and in key target markets.

Rank	Service Team / Channel	Number of Starts
1	RVO-IRIS (Information & Registration System)	25
2	RVO-SIB (Support International Business)	24
3	RVO-International Client Contact	14
4	NBSO-US / Los Angeles (Netherlands Business Support Office)	6
5	BOM (Brabant Development Agency)	4

If we look at the entire customer journey (all service interactions), the top 10 most used service channels are:

Rank	Service Team / Channel	Total Interactions
1	RVO-IRIS	148
2	RVO-SIB	80
3	RVO-International Client Contact	68
4	NBSO-US / Los Angeles	49
5	RVO-DHI (Demonstration/Feasibility)	42
6	NBSO-Germany / Stuttgart	34
7	EA-US / Miami (Economic Affairs)	29
8	Amsterdam Trade & Invest	22
9	EA-Russia / Moscow	22
10	EA-Singapore	20

Source: EY-Parthenon analysis

RVO-database insights: AI Companies focus export efforts on North America and Europe

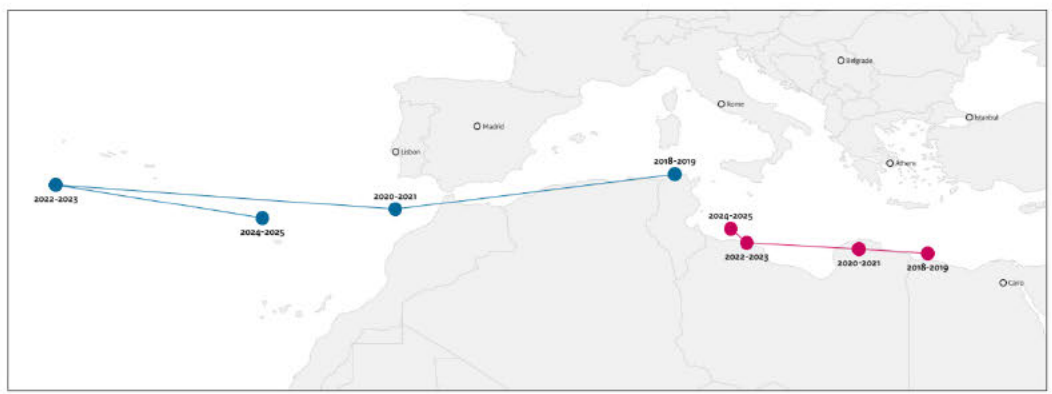
Key findings from the RVO-database

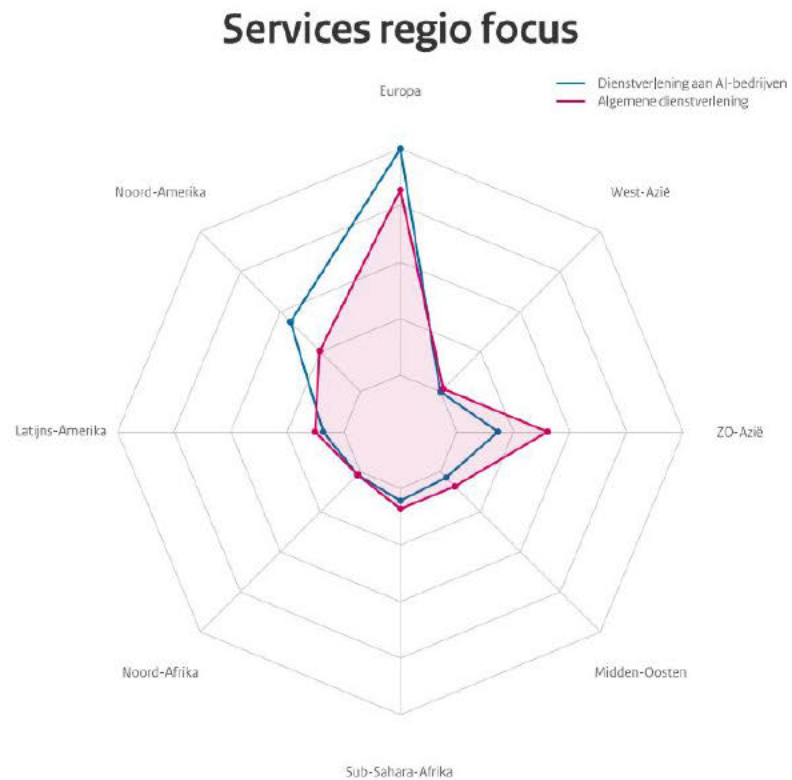
Key Insights

Analysis of service requests shows that Dutch AI companies have a stronger focus on North America and Europe compared to the general RVO-database population.

Nearly 80% of all service requests from AI companies are related to these regions, while for the broader RVO-database this is about 60%.

Whilst there was a trend in the geographical focus of AI companies towards the United States, recently it has reversed toward Europe.





Source: RVO-database; EY-Parthenon analysis

RVO-database insights: Are we missing out on emerging opportunities?

Key findings from the RVO-database

Key Reflection

The data shows that nearly 80% of AI companies' export service requests target North America and Europe. This focus justifies prioritizing resources and tailored support for these regions—but it also raises a strategic risk.

Implications

- Potential blind spot: By concentrating instruments and support on established markets, there is a risk of overlooking high-growth or niche opportunities in less familiar regions (e.g., Asia-Pacific beyond South Korea, Middle East, Africa, Latin America).
- Missed first-mover advantage: Early engagement in emerging markets can yield long-term benefits, such as local partnerships, brand recognition, and influence on standards.

Short-term

- Maintain strong support for US/EU, as this prioritizes where demand is currently the highest. Promote the use of PIB for lesser known regions.

Long-term

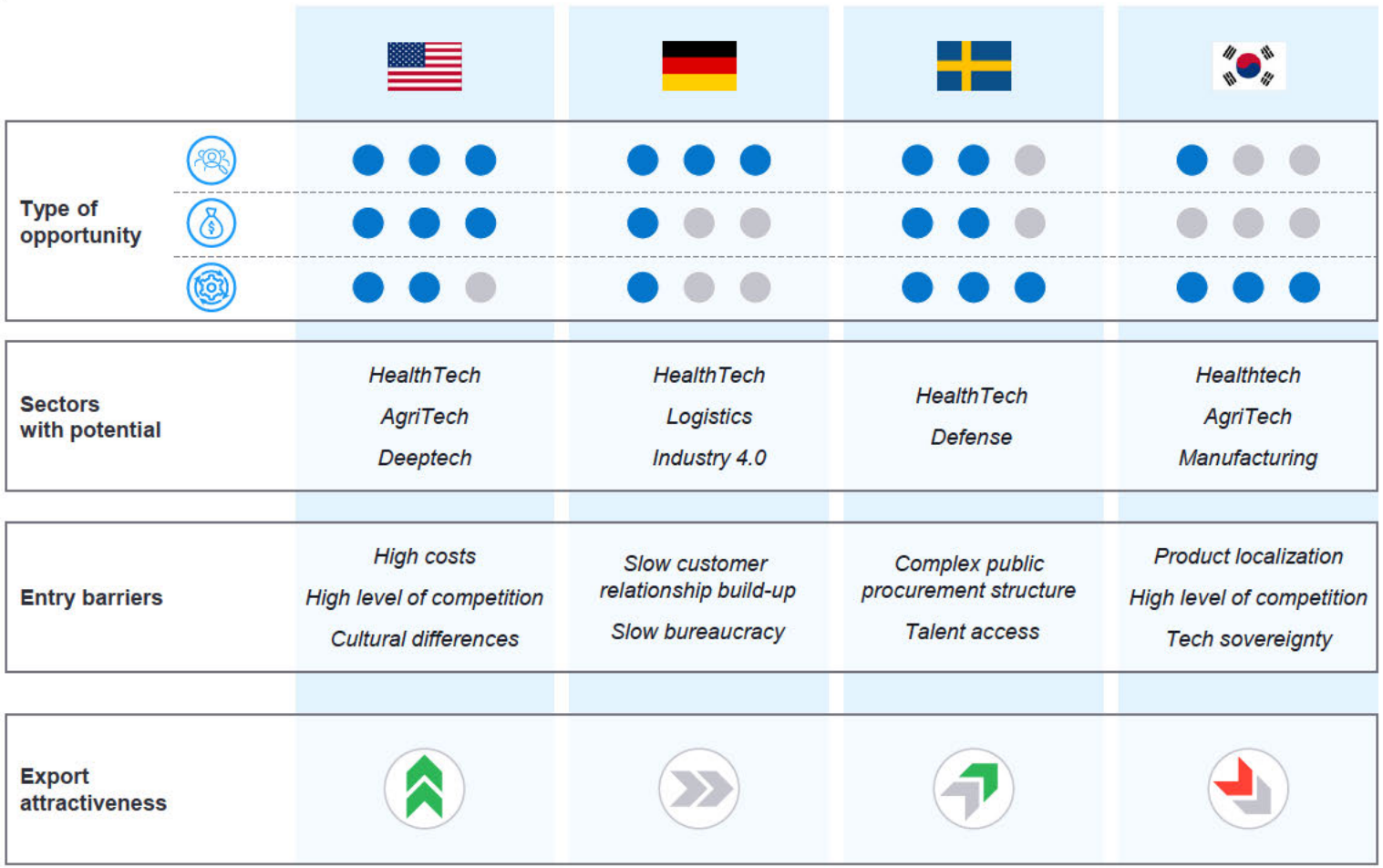
- Use ambassies in other countries for scouting, piloting, and supporting pioneers in underexplored markets, Use data-driven monitoring to spot shifts in demand or new hotspots. Utilize the country archetypes to use targeted instrument development.
- Set up information on these new opportunities and if identified inform and encourage companies to consider and explore non-traditional markets, possibly through targeted missions, pilots, or innovation challenges. Use the RVO-database snapshot to check whether there is a visible shift in geographic interest as a result of the information and encouragement to companies.

Source: RVO-database; EY-Parthenon analysis

Recap of the opportunities in the four countries

Dutch AI market

Opportunities and attributes per country



Market opportunities · Investment opportunities · Development opportunities · Low opportunity … High opportunity

Implications

Export opportunities for Dutch AI companies differ fundamentally by country:

- The U.S. offers scale and capital, but only companies with sufficient (financial) resources, local presence, and a distinctive proposition stand a chance.
- Germany is a logical first export market, but it requires long-term relationship building, knowledge of regional differences, and patience within public-private ecosystems.
- In Sweden, opportunities lie mainly in technological collaboration within public-private ecosystems; success demands integration with innovation hubs and partnerships with major players.
- In Korea, there appear to be niche opportunities in AgriTech and smart manufacturing, provided companies invest in localization and cooperation with local consortia.

A one-size-fits-all approach does not work. Success requires country-specific strategies that address local sector needs, barriers, and ecosystems. Policymakers should not only identify where opportunities exist but also focus on how to actually capitalize on them.

Capitalizing on opportunities across the four target countries requires a focused usage of trade instruments

Opportunities across countries

Type of opportunity	●●● / ●●● / ●●○	●●● / ●○○ / ●○○	●●○ / ●●○ / ●●●	●○○ / ○○○ / ●●●
Market	*Trade missions* *PIB* *Soft landing programs*	*Trade missions* *Trade fairs* *PIB*	*Trade missions per niche* *Targeted matchmaking* *PIB*	*Soft landing* *Trade missions per niche* *Branding*
Financing	*VC Matchmaking* *Co-financing DVI* *Establishment support*	*Limited for startups to scaleups*	*VC matchmaking* *Co-financing DVI*	*Limited*
Development	*Innovation Missions* *DHI*	*Limited/targeted*	*Horizon Europe* *Eureka* *IPCEI*	*Bilateral R&D Agreement* *Innovation Missions* *Co-financing*

Source: EY-Parthenon analysis

Market opportunities | Investment climate | Development opportunities | ○○○ low opportunity … ●●● high opportunity

We recommend to develop a comprehensive AI trade strategy that is split between quick wins and long-term considerations

AI trade strategy

Short term

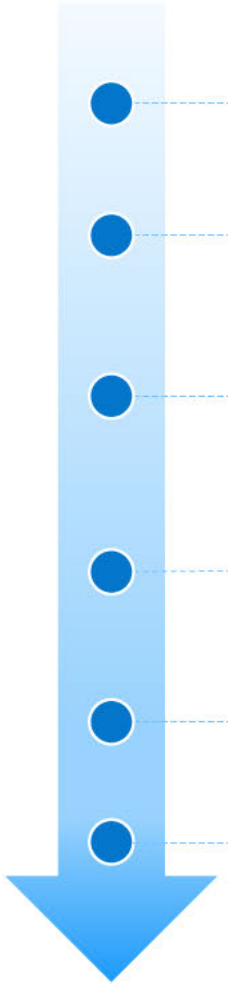
	To do	Examples
Market	▸ Use targeted trade missions and matchmaking to connect Dutch AI strengths (e.g. semiconductors, agritech, healthtech, logistics, industry 4.0) to specific export opportunities in the US, Germany, Sweden, and South Korea.	▸ Market expansion in US semicon and agritech, German logistics and manufacturing, Swedish healthtech, and Korean smart industry through PIB's
Finance	▸ Facilitate quick connections between Dutch scale-ups and international investors through roadshows and VC matchmaking in key hubs (e.g. Silicon Valley and Stockholm)	▸ Investor roadshows in Silicon Valley and Stockholm ▸ Invest in the possibly to set up a US headquarter at the Dutch consulate in San Francisco
Development	▸ Launch joint pilots and demonstration projects with strategic partners (corporates, research institutes) to showcase Dutch AI solutions in local contexts	▸ Pilots with US universities, German OEMs and Korean chaebols

Long term

	Considerations	Examples
Market	▸ Which markets, sectors and niches do we want to structurally develop, what are key niches and how can the Netherlands position itself as a leader in this field (e.g. ethical AI, sovereign compute, smart industry)?	▸ Pro-actively promote and use SMM for market development in specific niches and solutions ▸ Develop government tech solutions by setting up challenge based-calls
Finance	▸ Which countries and investors do we see as trusted partners for sustainable, long-term investment and co-development?	▸ Develop long-term co-investment models with US/EU/Asian partners that keep HQ/IP in NL
Development	▸ With which countries and institutions do we want to build deep, trusted partnerships for long-term AI innovation (e.g. joint labs, bilateral R&D, talent exchange)?	▸ Institutionalize bilateral R&D programs with leading universities and corporates
Trade instruments	▸ Is it possible to better utilize trade instruments for AI-companies?	▸ Can SIB subsidies be increased, do we know why instruments are not utilized?

Within the AI trade strategy choices need to be made to distinguish between hype and real opportunity as resources at embassies are spread thin

The need for a central AI unit



- The rapid internationalization of Dutch AI companies brings both opportunities and challenges for our export support system.
- Embassies and economic teams are and will in the future be approached by a wide range of firms seeking help with market entry, matchmaking, and pilots.
- However, as we have repeatedly heard in interviews, embassy staff often lack the technical expertise to distinguish between serious, scalable AI companies and those simply riding the hype. Resources are limited, and support is often provided reactively, embassies wait for companies to approach them, rather than proactively selecting the most promising cases.
- Hard choices must be made, but without the right tools and knowledge, there is a real risk that support is not targeted to the companies with the highest potential for internationalization. Niche AI solutions tailored to specific sector needs (e.g., logistics, healthtech, semiconductors) are more likely to gain traction internationally than generic AI offerings. Therefore, resources should focus on these applications.
- One of the tools that could help with this problem is to take a regular snapshot of the ecosystem. This provides the opportunity to monitor development within the ecosystem, to actively reach out to those that have not (yet) utilized the existing trade instruments and track (geographical) interest.
- To distinguish between hype and real scalable AI companies we advice to invest in a central AI-unit that has expertise knowledge on AI-technology and is in contact with the broader ecosystem. In combination with the regular snapshot this could help to identify, in an early stage, key niche solutions and help them with their export journey.

Source: EY-Parthenon analysis

Singapore's Home Team Science and Technology Agency offers a blueprint for the AI-unit

Blueprint for AI-unit

- Singapore’s Home Team Science and Technology Agency (HTX) offers a compelling model for how to address this challenge. HTX was established as a mission-driven, AI-first public agency that acts as a central filter and accelerator for science and technology solutions in public safety.
- By combining deep technical due diligence with challenge-based procurement and rapid prototyping, HTX ensures that only the most promising innovations are piloted and scaled within Singapore’s government ecosystem. This approach not only accelerates adoption but also builds a robust reference base for local companies to expand internationally. Inspired by this model, we propose the creation of a Dutch AI team, a central government organization with strong links to embassies, ministries, and the innovation ecosystem.

- This team would have three core functions.
  - First, it would act as a qualification engine, conducting technical and business due diligence on AI companies seeking international support. This process would filter out hype and ensure that only credible, scalable solutions are put forward for embassy and government backing. It could also help to target companies that are of strategic importance to the Dutch ecosystem. This effort should focus on identifying niche AI solutions within the application layer that align with specific sector needs and international market demand. It ensures Dutch export instruments focusses on areas where they have a competitive advantage and where global demand is strongest. It increases the likelihood of successful market entry and resource efficiency.
  - To achieve this, the following steps an iterative process should be set-up that analyses international demand signals through trade data, innovation programs, signals from embassies and procurement trends. It should engage stakeholders for validation via workshops with Dutch AI firms, sector experts, and trade advisors. Based on market size, entry barriers, and alignment with Dutch strengths a score could be given to prioritize niches. For the most promising niches a long-term plan can be set up, including target clients, certifications, and pilot opportunities. This process should be tested and iterated upon through small-scale pilots to validate assumptions and refine the approach.

  - Secondly, the team would be in strong contact with the AI-ecosystem and monitor the development. F.E. by being physically present at the AI-hub of Techleap. In combination with taking a regular snapshot of the ecosystem (once every half year given the fast developments) it could monitor the geographical interest of AI companies, the usage and interest in certain instruments, contact the companies that have not been in contact with the Dutch state to discover the reasons, pro-actively promote PIB’s, assess whether regulatory sandboxes are needed for development etc.

  - Thirdly, the team can help companies and embassies with prioritization of trade instruments, training on AI and limited time and effort. By acting as a case manager, the team would ensure that embassies only invest their limited time and resources in companies that have passed a robust qualification process and are matched to the right instrument for their stage of internationalization. This would free up embassy staff to focus on high-value relationship building and strategic market development, while the team handles the technical and administrative heavy lifting.

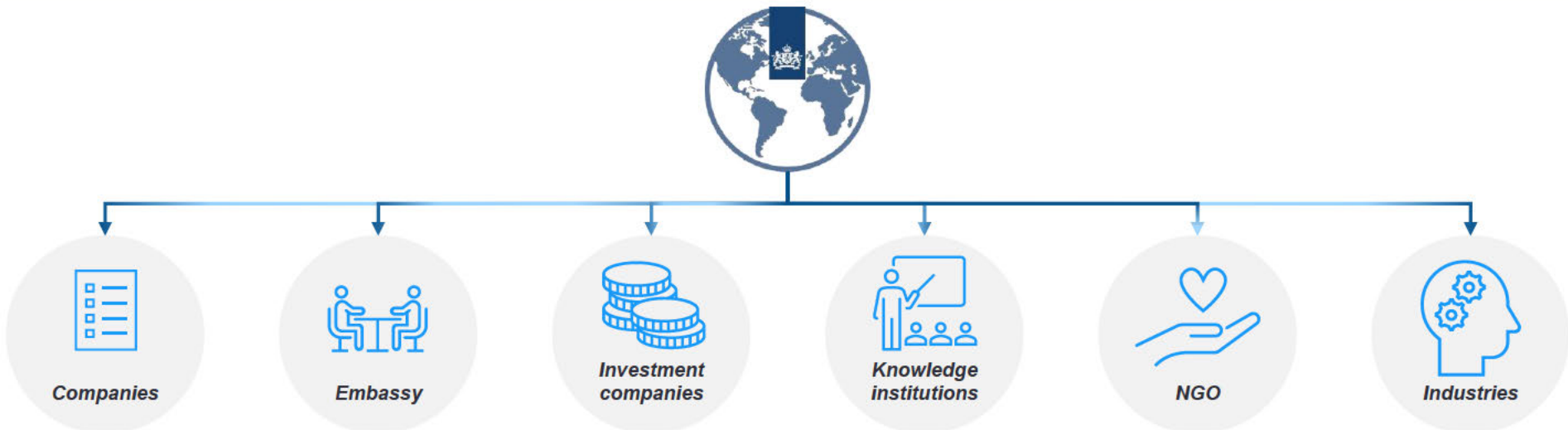
  - Depending on the resources and the creation of the Dutch version of DARPA, the team could also run regular challenge-based calls modeled on HTX’s open innovation programs and Singapore’s IMDA Open Innovation Platform. These calls would invite Dutch AI companies to propose solutions to real-world problems sourced from both Dutch and foreign public and private sector partners. F.E. South Korea has a market for government tech. A challenge-based call could be focused on providing solutions that are build upon requirement for the South Korean government. Winning companies would receive funding for proof-of-concept pilots, direct access to end-users, and fast-track support through the relevant export instruments (such as DHI or SIB). This approach would not only accelerate the validation of Dutch AI abroad but also create a clear, auditable pathway from idea to contract.

Source: EY-Parthenon analysis

To complement the use of trade instruments we advice to set up a central AI-team with specialist staff and to take a regular snapshot of the ecosystem

AI-team

Long-term, pro-active, strategy driven



Development

- Utilize consistent **R&D roadmap**[1] to further connections and set up of structural **knowledge ecosystems** with **trusted partners**

Financing

- Development of VC **co-invest models**, with national HQ's and IP secured

Market

- Government as **launching customer**
- **Identify** key companies in tech stack, pro-active support for export opportunities

+

- Central AI-team with specialist staff
- Regularly snapshot of ecosystem to track progression

1. The R&D roadmap is currently characterized by the National Technology Strategy (NTS), former Topsectoren, programs of the AIC4NL

Source: EY-Parthenon analysis

EY Parthenon

Recommendations

Next steps

Broaden scope of tech stack

- Broaden the scope of the definition of AI companies to include the full tech stack. There is currently a strong reliance on foreign companies deeper down the tech stack. This dependence makes the existing and future AI application companies and their propositions less valuable/future proof, as these will be easier to copy.

Capture opportunities abroad

- The biggest export opportunities can be found in specific niches in sectors where The Netherlands has a strong foundation such as AgriTech, HealthTech, Logistics, and Semicon. Niche AI solutions tailored to specific sector needs (e.g., logistics, healthtech, semiconductors) are more likely to gain traction internationally than generic AI offerings. Linking these niche application to the identified opportunities in each export country creates the greatest chance of lasting success.

Utilize targeted trade instrument

- On the short term we advice to utilize targeted trade instruments for the areas where there is a match between Dutch niche strength and opportunity in the targeted export country. In addition, for growth it will be crucial to facilitate connections between AI companies and international investors, e.g. by investing in the possibility to set up a US headquarter at the Dutch consulate in San Francisco. To support development, joint pilots and demonstration project can be supported. The experience gained could be used to build upon the approach archetypes to create pathways for export to similar countries.

Prioritize opportunities and set-up an internal AI team

- On the long term we advice to create an AI trade strategy that answers fundamentals questions about which markets we want to develop structurally, which countries do we see as trusted financers and development partners. Given the fact that resources are not abundant, hard choices need to be made about which sectors and companies to support. A good first step is to focus on the identified niches. A second step would be to set up an internal AI-hub/team. This team could help to qualify (from a technical perspective) companies and key solutions within niches, be in contact with the ecosystem and help staff at embassies to make decisions on which support should be given.

Conduct regular snapshots of Dutch AI ecosystem

- Additionally, it would help to take a regular snapshot of the Dutch AI ecosystem to monitor the domestic developments. By monitoring the registration within the RVO-database trends can be distinguished from the data such as geographic interest and the uptake of the usage of trade instruments. In addition, it could be used to contact companies that have not been in contact and/or have not used trade instruments to get feedback on the requirements of the instruments.

Source: EY-Parthenon analysis

6

Appendix

EY Parthenon

6.1

Case studies

EY Parthenon

NEBIUS

Nebius Group's expansion into the US was fueled by surging demand for advanced AI infrastructure, empowered by $700 M funding round

Company Background

About the company

Founded	2024[1]
HQ	Amsterdam
Status	Public
# Employees	~1,300[2]
FY24 Revenue	$117 M

Industries Served

- Life Sciences & Healthcare
- Media & Entertainment

Int. Market Presence[2]

- US
- Paris
- Finland
- France

Business Description

- Provides an **AI-focused cloud platform** with full-stack infrastructure—including **large-scale GPU clusters**, tools, and services—designed for intensive AI workloads
  - The group also operates three other businesses for generative AI development, edtech and developing autonomous driving technology

Clientele: Mistral AI_, Luma AI, JetBrains, Quantori, Dubformer

Company Timeline

Jul'24 — Restructuring & Rebranding
Sold its assets to Russian investors amid international sanctions from the Russia-Ukraine war and retained some international operations, which were rebranded as Nebius Group

Aug'24 — Expansion (Geographic Expansion)
Expanded its computing capacity at Mäntsälä, Finland data center to meet growing demand

Sep'24 — Expansion (Geographic Expansion)
Launched a new GPU cluster in Paris. This was aligned with company's plan to invest more than US$1 B by mid-2025 in AI infrastructure in Europe

Oct'24 — Product / Service Launch
Launched Nebius AI Studio and a specialized AI cloud platform in partnership with NVIDIA using its accelerated computing platform

Public Listing
Went public as Nebius Group

Nov'24 — Expansion (Geographic Expansion)
Announced its first NVIDIA GPU cluster in the US, in Kansas City, MO, scheduled to go live in Q1 2025

Trigger: Aimed to target rising demand for high-quality AI infrastructure from US AI developers and enterprises

Nov'24 — Expansion (Geographic Expansion)
Opened new customer-facing hubs in San Francisco, Dallas and New York, while actively hiring in the US

Dec'24 — Funding ($)
Raised US$700 M from Accel, NVIDIA, and certain accounts managed by Orbis Investments

Funding Rationale: To support additional capacity deployments in the US and other key markets

Feb'25 — Financial Growth
Reported FY24 revenue of US$117 M, with Nebius AI business contributing over 50% of group's revenue in Q4

Mar'25 — Expansion (Geographic Expansion)
Announced a new 300 MW data center in New Jersey, plus capacity expansions in Kansas City along with a new site in Iceland

May'25 — Financial Growth
Reported Q1'25 Group's revenue of US$55 M, 385% y-o-y increase, driven primarily by the core AI infrastructure business

2024 | 2024 | 2024 | 2025

Geographic Expansion $ Funding

1. Nebius Group was founded in 1989. Initially, it was established as Yandex N.V. Following the divestment of its Russian assets, Yandex N.V. was renamed Nebius Group in July 2024
2. International Market Presence – The list of countries is not exhaustive; 3. As of September 30, 2024

Source: EY-Parthenon research and analysis

EY Parthenon

DataSnipper's global expansion was fueled by rising demand for audit automation ar strategic market opportunities in the US and APAC

Company Background

About the company

Founded	2017
HQ	Amsterdam
Status	Private
# Employees	~200[1]
Total Funding	US$100 M[2]

Industries Served

- Banking
- Insurance
- Manufacturing

Int. Market Presence

- US
- Malaysia
- Japan
- Mexico

Business Description

- Provides an **intelligent automation platform powered by AI** to boost audit and finance teams' productivity. It extracts cross-references, validates source documents, and reconciles sample data

Clientele: EY, Deloitte., pwc, KPMG, Grant Thornton, RSM

Company Timeline

2018 — Client Acquisition
Secured early contracts with major accounting firms like EY and KPMG

2021 — Client Acquisition
Tripled its customer base, including leading brands like Deloitte, KPMG, EY, RSM and BDO and served more than 300,000 auditors across 85+ countries

Sep'22 — Funding $
Raised a minority investment in growth equity from global software investor, Insight Partners

Funding Rationale: To accelerate market expansion and product development in the US and across Europe

Oct'23 — Product / Service Launch
Launched "Cloud Collaboration Suite" and "AI Suite" for NL market

Client Acquisition
Doubled customer count in 2023 to 1,400 businesses, including all "Big Four" firms

Dec'23 — Expansion
Opened its first US office in New York

Trigger: To tap into the growing demand and leverage its existing platform capabilities

Success Metric
FY23 revenue grew 150% to US$45 M (vs US$18 M in 2022), of which *40% of revenue came from the US*

Feb'24 — Funding $
Raised US$100 M in Series B, led by Index Ventures, at a valuation of US$1 B

Funding Rationale: To expand across new verticals and enter the Asia-Pacific and Latin American markets

Mar'24 — Expansion
Opened its new offices into Kuala Lumpur, Tokyo, and Mexico City

Trigger: To meet the growing demand for smarter automation in audit and finance in APAC

Oct'24 — Acquisition
Acquired UpLink, a cloud-based secure document request portal

Deal Rationale: To strengthen its AI-based insights generation capabilities

Product / Service Launch
Launched DocuMine, an AI tool for auditors

Dec'24 — Client Acquisition
53% increase in customer count in 2024

2018-22 | 2023 | 2024 | 2024

Geographic Expansion | $ Funding

1. Latest data on company website; 2. Funding received till date
Source: EY-Parthenon research and analysis

EY Parthenon

DataSnipper's entry into the US market is challenged by complex visa regulations, cultural and compensation differences and limited access to US funding

Key Challenges	Description	Potential Impact
1 **Stricter US visa regulations**	▸ Navigating strict and complex visa requirements in the US *"… It is much easier to do so with the visa opportunities that you have in Europe, the ability to issue work visas is significantly easier in Europe than it is in the US." - Vidya Peters, CEO of DataSnipper*	▸ **Slower product development** and market entry ▸ **Reduced team agility** across borders ▸ **Hiring disadvantage** vs. US-based competitors
2 **Cultural shift and variable pay scale in the US**	▸ Adapting to new cultures, communication styles, and pay norms in the US *"… Expanding into the US market has presented unique challenges due to cultural differences and varying pay scales. It's essential to make strategic hires who understand the local market and can help build a successful presence." - Vidya Peters, CEO of DataSnipper*	▸ Difficulty navigating **cultural differences** ▸ **Higher payroll costs** in the US ▸ Leadership **integration challenges**
3 **Regulations, tax laws, and banking systems in EU**	▸ Navigating fragmented regulations and policies across EU member states *"… Despite the advantages of life in Europe, startups here still face substantial challenges. One is the diverging regulations, tax laws, and banking systems, which present roadblocks to growth across the continent." - Vidya Peters, CEO of DataSnipper*	▸ **Slower expansion** across EU borders ▸ **Higher compliance** and admin costs ▸ **Inefficiencies** in payroll, tax, and reporting
4 **Funding issues in EU**	▸ Facing limited access to capital in the EU due to risk-averse venture firms *"… European VCs tend to be more risk-averse, making capital harder to secure. We had conversations with probably every major venture capital firm in the US — they were pounding on our door. Yet the European VCs were not reaching out." - Vidya Peters, CEO of DataSnipper*	▸ **Greater dependence** on non-EU investors ▸ **Limited potential to scale** in capital-intensive sectors ▸ **Conservative growth** due to limited funding

Source: EY-Parthenon research and analysis

Source.ag expanded into the US to tap into the rapidly growing greenhouse horticulture market, backed by funding to drive product innovation and operational scale

Company Background

About the company

Founded	2020
HQ	Amsterdam
Status	Private
# Employees	~51-200[1]
Total Funding	US$37 M[2]

Industries Served

- Agriculture

Int. Market Presence

- US

Business Description

- Provides **AI solutions** to commercial greenhouse growers to optimize resources and maximize yields by predicting plant growth under various conditions
  - Leveraging Source.ag's solutions, growers can create exact virtual replica of their operation to simulate thousands of potential strategies with AI

Clientele: Bayer, Breugem horticulture est. 1960, AGROCARE growers, rainbow Growers Group

Company Timeline

Mar'22 – Funding $
Raised US$10 M in Seed funding from Acre Venture Partners, Astanor Ventures, E14 Fund and Netherlands' leading greenhouse operators

Funding Rationale: To advance its R&D operations, develop its Source Track platform, grow its team, and support expansion in domestic and international markets

Client Acquisition
Added Agro Care, Harvest House, and Rainbow Growers as its first customers

Aug'22 – Product / Service Launch
Launched Source Track after the control group's successful run

Feb'23 – Funding $
Raised a US$23 M Series A funding round led by Astanor Ventures, with participation from Acre Venture Partners and several leading greenhouse operators in the Netherlands

Funding Rationale: To enable the development of two new products: Source Cultivate and Source Control

Jun'23 – Funding $
Completed Series A funding with a final US$4 M investment from SK networks and E14 fund bringing the total investment for this round to US$27 M

Jun'24 – Product / Service Launch
Launched a suite of four solutions – Source Plant App (digital twin solution), Source Track (dashboard), Source Cultivate (real-time insights solution), and Source Irrigation Control (precision irrigation management)

Further, launched "Source API for Sensors" for instant data exchange between sensors in greenhouses and Source.ag solutions

Oct'24 – Expansion
Launched its new office in Chicago, Illinois

Trigger: To capitalize on North America's growing greenhouse horticulture market which is projected to grow at 10% CAGR for next 5 years

Dec'24 – Product / Service Launch
Launched "Source API for Harvest" to streamline the communication of harvest among growers, sales organizations, and cooperatives

Mar'25 – Product / Service Launch
Launched three new product tiers – Source Workspace (data centralization solution), Harvest Forecast (yield prediction tool) and Cultivation Management (strategy simulation tool)

2022 | 2022-23 | 2023-24 | 2024-25

Geographic Expansion *$ Funding*

1. As per Company's LinkedIn page; 2. Funding received till date
Source: EY-Parthenon research and analysis

Neople expanded into Germany to capitalize on strong demand from local e-commerce clients and to establish its first AI training center

Company Background

About the company

Founded	2023
HQ	Den Bosch
Status	Private
# Employees	~11-50[1]
Total Funding	~US$8 M[2,3]

Industries Served

- E-commerce

Int. Market Presence

- Germany

Business Description

- Offers a **digital co-worker powered by generative AI** technology to assist customer support teams. This solution integrates seamlessly with various tools and data sources, continuously learning and adapting to enhance workflow efficiency

Clientele: toppy, PSV, stoov, HOLY, shoeby

Company Timeline

Jan'23 – Client Acquisition
Acquired some key clients to boost the business – Toppy, Fitforme, Proforto, and Bax-shop

Jun'23 – Funding $
Raised US$1.6 M[2] from lead investor, Peak Capital, in collaboration with AI-investor, Curiosity

Funding Rationale: To expand its team and continue the development of its generative AI technology

Jun'24 – Funding $
Raised US$6.5 M[2] in seed funding from Newion and Simon Capital and their previous investors, Peak and Curiosity

Funding Rationale: To enter the German market and launch the first AI-training center for digital co-workers

Sep'24 – Expansion
Opened its Berlin office

Trigger: To better serve and expand its German e-commerce client base—many of whom had already adopted its AI co-worker solution

Sep'24 – Client Acquisition
Customer base increased to over 100 leading Dutch and German e-commerce businesses

May'25 – Product / Service Launch
Launched Neople Studio, a control center for Neople AI agent where teams can train, manage, and optimize their Neople agents with no technical skills

2023 | 2024 | 2024-25

Geographic Expansion | $ Funding

1. As per Company's LinkedIn page; 2. Funding received till date
Source: EY-Parthenon research and analysis

Axelera AI expanded internationally to leverage diverse talent pool and accelerate growth across key markets, supported by significant funding and innovation credits

Company Background

About the company

Founded	2021
HQ	Eindhoven
Status	Private
# Employees	~200[1]
Total Funding	~US$200 M[2]

Industries Served

- Industrial Manufacturing
- Retail
- Healthcare
- Agriculture

Int. Market Presence

- US
- Switzerland
- Italy
- UK and Belgium

Business Description

- Develops **AI processing units (AIPU)** for robots and drones, as well as cars, medical devices, and security cameras
  - Offers a **software solution** – Voyager SDK, for Computer Vision at the Edge enabling customers to deploy AI on edge devices

Clientele: coesia, XXII, Relay2, fogsphere

Company Timeline

2019 – Company Incubated
Incubated by Bitfury Group in 2019, formerly operating as Bitfury AI

2021 – Company Founded
Fully launched in 2021, led by a team of experts in AI from Fortune 500 companies

Sep'21 – Funding $
Raised a seed investment of US$12 M from Bitfury IMEC, and venture capital funds

Funding Rationale: For Product enhancement

2019-21

Oct'22 – Funding $
Raised US$27 M Series A funding, led by Innovation Industries, imec.xpand, and SFPIM. In addition, received US$6.7 M of Innovation Credit from Netherland Enterprise Agency (RVO)

Funding Rationale: To expand its R&D offices to the US and Taiwan

Expansion
Opened its R&D offices in Leuven, (Belgium), Zurich (Switzerland), Milan (Italy) and Bristol (UK)

Trigger: To scale its R&D operations across Europe, making use of the wide talent pool available

2022

Dec'22 – Product / Service Launch
Launched its "MetisTM AI Platform" and "Early Access Program" for companies to co-design real-world Edge AI solutions based on the Metis AI platform

May'23 – Funding $
New investors joined its oversubscribed Series A round, bringing the total amount raised to US$50 M

Funding Rationale: To support global expansion and mass production of its first-generation AI acceleration platform

May'23 – Expansion
Expanded its operations within the US with key leadership appointments – Jonathan Ballon as non-executive Chairman and Sander Artsas as Marketing Advisor

2022-23

Jun'24 – Funding $
Closed an oversubscribed US$68 M Series B funding round[3] backed by major institutional investors

Funding Rationale: To expand in North America, Europe and the Middle East, and to grow across key vertical markets

Mar'25 – Funding $
US$68.1 M[3] in funding from the EuroHPC and member states

Funding Rationale: To grow its R&D teams in the Netherlands, Italy and Belgium

2024-25

Geographic Expansion *$ Funding*

1. As of July 2025; 2. Funding received till date ; 3. Europe's largest oversubscribed Series B funding round in the fabless semiconductor industry
Source: EY-Parthenon research and analysis

Axelera AI faces key expansion challenges in the EU, including scaling and exiting ventures, navigating complex regulatory landscapes, and fostering cultural alignment

Key Challenges	Description	Potential Impact
1 **Scaling and exiting companies in the public market in EU**	▸ Struggling to scale startups and achieve public market exits in Europe due to limited growth capital and IPO opportunities *"… The challenge in Europe is scaling and exiting companies to the public markets. Too many startups sell early, often to American buyers. We need IPOs, not just acquisitions. To enable more IPOs, we need more growth capital in Europe." – Fabrizio Del Maffeo, CEO and Co-founder, Axelera AI*	▸ **Reduced long-term value creation** for Axelera AI ▸ **Loss of homegrown innovation** to international acquirers ▸ **Fewer European IPOs**, impacting market maturity and investor confidence
2 **Lack of technological independence in EU**	▸ Relying heavily on technology developed outside EU region, limiting its control over innovation *"… Europe must increase its technological independence. Europe cannot be only a big customer for technology developed elsewhere. Paradoxically, the capital of Europe is invested in the US. We need to change this." – Fabrizio Del Maffeo, CEO and Co-founder, Axelera AI*	▸ **Dependence** on non-European technology ▸ **Capital flow** favoring foreign markets ▸ Limited **strategic autonomy**
3 **High scrutiny in few markets**	▸ Tightening regulations on dual-use technologies in certain markets creating access barriers, thereby posing challenges for global expansion and technology deployment ▸ *"… Since our chip is a powerful dual-use technology, which is scrutinized by the authorities, there are a few markets we won't go to." – Fabrizio Del Maffeo, CEO and Co-founder, Axelera AI*	▸ Restricted **market access** ▸ **Missed revenue** opportunities ▸ **Potential reputational risks** associated with regulatory non-compliance
4 **Cultural alignment in international expansion**	▸ Achieving cultural alignment across global teams requires time and effort, impacting collaboration and integration *"… The downside is that cultural alignment takes more time." – Fabrizio Del Maffeo, CEO and Co-founder, Axelera AI*	▸ **Slower team cohesion** and collaboration ▸ **Increased risk of misalignment** in expectations ▸ **Potential impact on employee morale** and retention

Source: EY-Parthenon research and analysis

6.2

Macro AI Trends & Initiatives

EY Parthenon

In 2025, the US launched its 'AI Action Plan' built on three pillars: accelerating innovation, enhancing AI infrastructure, and leading global diplomacy and security

AI Strategic Pillars	Description	Execution Plan[1]
1 **Accelerating AI Innovation**	▸ Fostering AI innovation and adoption through a coordinated, whole-of-government approach with targeted policy recommendations	▸ **Streamlining regulations** that hinder AI development and deployment ▸ **Funding AI R&D** and strengthening the supply chain ▸ **Expanding access to compute** by improving financial markets ▸ **Creating regulatory sandboxes** for rapid AI testing ▸ **Launching** sector-specific **national AI standards** in healthcare, energy, and agriculture ▸ **Advancing AI education** and workforce training initiatives
2 **Building AI Infrastructure**	▸ Building the physical backbone of the US AI ecosystem, including energy, data, and semiconductor infrastructure	▸ **Streamlining permits** for data centers, chip manufacturing, and energy infrastructure ▸ **Allocating federal land** for data and power infrastructure projects ▸ **Enforcing security safeguards** to keep AI infrastructure free from adversarial technology ▸ **Defining "high-priority occupations"** critical to AI infrastructure development ▸ **Stabilizing and optimizing the electric grid** to support AI demand ▸ **Building high-security data centers** for defense and intelligence use
3 **Leading International Diplomacy & Security**	▸ Targeting global AI competition—especially with China—while promoting the strategic export of the US-developed AI systems and standards to allies and partners	▸ **Exporting the full AI stack**—hardware, models, software, applications, and standards—to the "America's AI Alliance" ▸ **Countering Chinese influence in global AI governance** and promoting innovation-friendly, US values-based standards ▸ **Tightening export controls on advanced AI compute** and semiconductor subsystems ▸ **Assessing frontier AI systems** for potential national security risk

Key Investments

US$800 M *In 2025, the US government awarded contracts worth up to US$200 M each to four major tech firms[2] to accelerate AI adoption across the Defense Department for national security*

US$500 B *The US government unveiled Project Stargate to build up to 20 large AI data centers in the US, with an initial investment of US$100 B and plans for up to US$500 B by 2029*

1. Not exhaustive; 2. Anthropic, Google, OpenAI and xAI
Source: EYP analysis, secondary sources

The US is investing to build and maintain AI infrastructure to drive innovation, strengthen national security, and transform the workforce

Government & Public Sector

- Trend: Adopting approved generative AI tools for **specialized research** and critical applications
- Initiative: *General Services Administration approved OpenAI's ChatGPT, Google's Gemini and Anthropic's Claude use for federal agencies who will use it for research assistants and highly tailored, mission-specific applications*

Education

- Trend: Prioritizing **AI education** and develop **foundational AI literacy resources**
- Initiative: *Establishing the "White House Task Force on AI Education" to drive public-private partnerships with AI leaders, academic institutions, and nonprofits to create online resources for foundational AI literacy for K–12 students*[1]

Industry & Manufacturing

- Trend: Enhancing manufacturing through **AI-powered assistants** by real-time problem detection, process optimization, and machine communication
- Initiative: *NSF and Cal State Northridge's Autonomy Research Center developed MaVila, an AI assistant using vision and language, to help manufacturers detect issues and optimize processes in real time*

Healthcare and Life Sciences

- Trend: Driving healthcare innovation by federally backed **AI testbeds**
- Initiative: *Supporting the creation of secure AI testbeds through DOE and NSF to prototype and test AI systems in real-world healthcare settings, promoting innovation and market translation through collaboration among diverse stakeholders*[1]

Cybersecurity and Defense

- Trend: Accelerating **military-focused AI innovation** through major investments in generative AI
- Initiative: *In 2025, The Department of Defense launched a US$100 M AI initiative, creating the AI Rapid Capabilities Cell to fund pilot projects in generative AI for warfighting and digital sandboxes for AI development and testing*

Energy

- Trend: Accelerating energy infrastructure development by **enhancing permitting efficiency and environmental review processes**
- Initiative: *DOE's voltAIc Initiative uses AI tools like PolicyAI to streamline permitting and environmental reviews, helping understaffed agencies speed up energy infrastructure projects*

Fintech and Insurtech

- Trend: Financial regulatory agencies are **adopting AI tools** to enhance staff capabilities and boost efficiency
- Initiative: *In Aug 2025, SEC launched its AI Task force to empower staff across the SEC with AI-enabled tools and systems to responsibly augment the staff's capacity, accelerate innovation, and enhance efficiency and accuracy*

Agritech and Food

- Trend: Investing in **AI-driven agricultural research** by funding multiple projects
- Initiative: *US Department of Agriculture launched ARS AI Innovation Fund (FY25) to fund 4 to 6 proposals for up to US$100,000 each to encourage and promote AI-related research in agriculture*

Transportation and Mobility

- Trend: Transforming urban transportation with **AI-powered mobility solutions** enabling smarter traffic management
- Initiative: *DOT California and Maryland are using AI-controlled traffic lights; Vermont's DOT is using AI-powered modelling to predict bridge deterioration*

1. US Govt. initiative as a part of US AI Action Plan 2025; 2.As per CHIPS Act ; The trends listed are not exhaustive
Source: EYP analysis, secondary sources

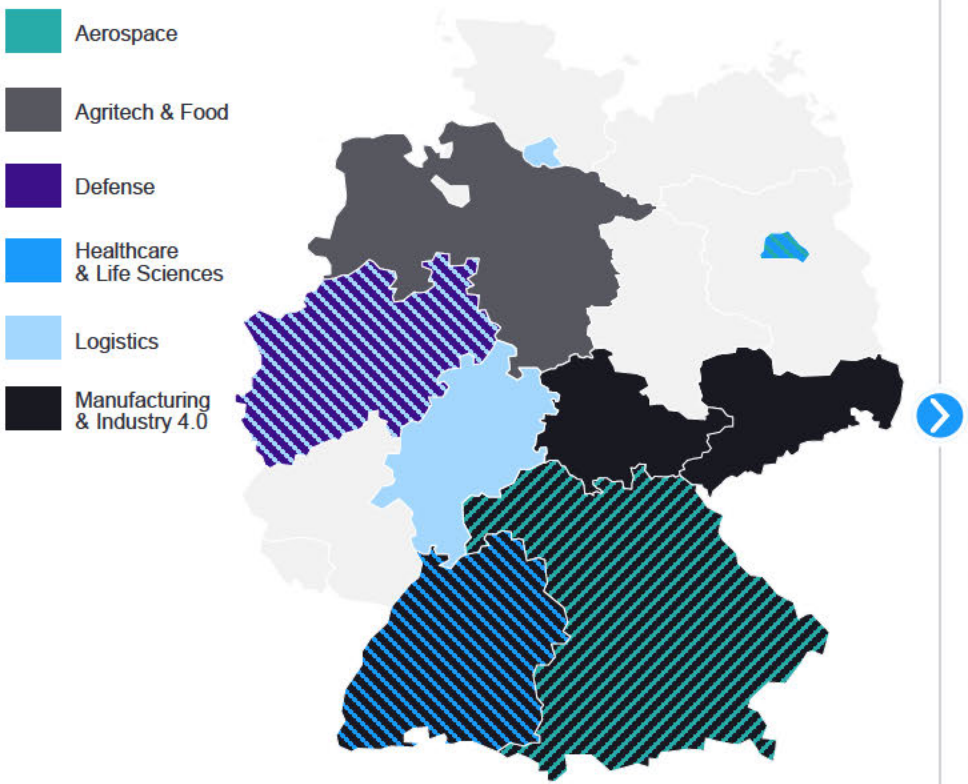
Germany's sector clusters & regional hotspots; where to play and how to win

Germany: Market

Market

Overview of the top sectors and geographical presence

Germany concentrates industries in distinct regional clusters. For AI exporters, aligning offers to the right region sharpens market entry and accelerates scale. Knowing this geography is essential to pick export locations, build local partnerships, and maximize growth potential.



Aerospace

- Bavaria – Key region for aerospace and defense manufacturing with strong ties to automotive and electronics sectors. *Major corporations*: Airbus Defense and Space, Quantum Systems, Helsing.
- Berlin-Brandenburg – Emerging aerospace cluster focused on urban air mobility and connectivity systems. *Major corporations*: Volocopter and several aerospace startups.

Agritech & food

- Lower Saxony – Agricultural heartland specializing in livestock, dairy, and crop production. Hosts agritech startups and food tech research centers. *Major corporations*: DMK Group, Agravis.
- Bavaria – Major food processing and organic farming region with strong industry networks. *Major corporations*: Müller Group, Südzucker.

Defense

- North Rhine-Westphalia – Core hub for land systems and defense logistics, strategic for armored vehicle production. *Major corporations*: Rheinmetall.
- Baden-Württemberg – Specializes in precision weapons and sensor technologies with strong engineering base. *Major corporations*: Diehl Defense, Hensoldt.

Healthcare & Life sciences

- Baden-Württemberg – Leading medtech and diagnostics region with strong engineering-healthcare integration and advanced clinical innovation. *Major corporations*: Siemens Healthineers, B. Braun, CureVac.
- Berlin-Brandenburg – Life sciences hotspot with world-class hospitals and biotech clusters, supported by public-private partnerships. *Major corporations*: Bayer Pharma, BiotechPark Berlin-Buch.

Logistics

- North Rhine-Westphalia (NRW) – Germany's largest logistics hub with dense road and rail networks, supporting industrial supply chains and e-commerce. *Major corporations*: DB Schenker, DHL, UPS.
- Hamburg – Europe's third-largest port drives maritime logistics and global trade flows. Strong ship-to-rail integration and container handling. *Major corporations*: HHLA, Kühne + Nagel.
- Hessen – Europe's third-largest port drives maritime logistics and global trade flows. Strong ship-to-rail integration and container handling. *Major corporations*: HHLA, Kühne + Nagel.

Manufacturing & industry 4.0

- Baden-Württemberg – Industrial powerhouse with automotive, machinery, and electronics sectors. Strong tradition in precision engineering and advanced manufacturing. *Major corporations*: Bosch, Daimler, SAP.
- North Rhine-Westphalia – Heavy industry center for steel, chemicals, and machinery, embracing digital transformation. *Major corporations*: Thyssenkrupp, Covestro.
- Saxony and Thuringia – Precision engineering and smart manufacturing clusters. Supported by Fraunhofer and DFKI research centres.

Source: EY-Parthenon analysis

EY Parthenon

Germany's AI journey began with the launch of its AI Strategy in 2018, followed by continuous updates, introduction of an AI Action Plan in 2023, and 2030 Strategy

AI Strategy Evolution

2018

AI Strategy Adoption

- Federal Cabinet adopted the Federal Government's AI Strategy
- Designed to strengthen Germany's position in the international competition for research, development and applications in AI
- Key elements of 2018 AI Strategy:
  - Training, attracting and retaining more AI specialists in Germany
  - Enabling internationally competitive cutting-edge AI and computing infrastructure
  - Establishing and expanding the quality infrastructure into a system for safe, secure and trustworthy AI on the basis of an appropriate regulatory framework

2019-22

Boost in Funding & Strategic Update

- The government coalition agreed to raise the planned spending from €3 billion to €5 billion by 2025
- Key elements of updated AI Strategy:
  - Modernizing the supercomputer infrastructure and increase computing capacities through new supercomputers
  - Developing a globally leading European AI network under the master brand "AI – made in Europe"
  - Developing test criteria on the basis of established and future test technologies to test the robustness, safety and security of hybrid AI systems

2023-24

Launch of AI Action Plan

- Launched by The Federal Ministry of Education and Research (BMFTR)
- 3 focus areas of AI Action Plan –
  - Expansion and accessibility of data and computer infrastructure, development of expertise and the training of AI specialists
  - Achieving even closer European cooperation and pushing for coordinated action within the European Research Area
  - Accelerating the implementation of AI in regards to specific economic and social benefits – such as robotics, climate research, as well as targeted funding of AI start-ups

2025

2030 Strategy

- According to Germany's draft strategy, it plans to generate 10% of its economic output based on AI by 2030 and make AI an important tool in central fields of research
- Key proposals –
  - Constructing high-capacity processing centers in the EU, expected to be operational by 2027
  - Building at least one AI Gigafactory in Germany in partnership with Deutsche Telekom
  - Creating two "error-corrected quantum computers" by 2030
  - Creating Germany's first research satellite for quantum communication in 2025

Source: EYP analysis, secondary sources

Germany's AI initiatives across industries are aligned with national priorities to drive productivity, resilience, and global competitiveness

Government & Public Sector

- Trend: Developing **technology incubators** to deploy AI tools tailored to solve real-world public administration challenges
- Initiative: *German Research Center for AI (DFKI) partnered with PwC Germany to launch the "AI for Society" lab, a joint initiative aimed at delivering deployable, public sector–focused AI tools*

Education

- Trend: Investing in AI research and innovation, and **personalized AI-driven learning platforms**
- Initiative: *Federal Ministry of Education and Research (BMBF) has allocated US$1.77 B[1] for AI research during the current parliamentary term*
- Initiative: *Federal Ministry of Education launched AI Campus, a digital learning platform that uses AI to personalize learning content*

Industry & Manufacturing

- Trend: Creating secure, **interoperable industrial data ecosystems** to drive collaboration
- Initiative: *Germany's Manufacturing-X initiative is building a secure industrial data ecosystem to enable sovereign, interoperable data sharing across supply chains, boosting sustainability and competitiveness through data-driven collaboration*

Fintech & Insurtech

- Trend: Strengthening **AI oversight** in the financial sector through new **regulatory frameworks**
- Initiative: *In may 2025, Federal Ministry of Finance (BMF) released a detailed framework to guide banks, insurers, and fintech firms in responsibly assessing high-risk AI systems*

Agritech and Food

- Trend: Advancing AI innovation through **open, decentralized platforms**
- Initiative: *Launched Agri-Gaia project which aims to develop an open, decentralized infrastructure for development and exchange of AI algorithms in agriculture. Also creating a B2B platform with AI modules to link users and developers, enabling continuous algorithm training in agriculture*

Energy

- Trend: Promoting the **integration of AI in industrial energy systems** to advance smart energy technologies
- Initiative: *German Ministry of Economic Affairs and Energy has funded KI4ETA R&D project which explores the integration of AI with advanced energy technologies in industrial applications*

Transportation and Mobility

- Trend: Piloting **AI-controlled traffic lights** in select cities to optimize urban mobility
- Initiative: *Federal Ministry for Digital and Transport is piloting AI-controlled traffic lights in cities such as Bremerhaven, Leipzig, and Hamm leading to travel time reductions of up to 10%*

Cybersecurity and Defense

- Trend: Accelerating defense innovation by supporting the **growth of AI-native startups**
- Initiative: *Berlin is actively streamlining bureaucratic processes to foster direct collaboration between AI startups and military leadership*
- Initiative: *The Government is supporting the rapid scale-up of AI-native defense startups*

Healthcare and Life Sciences

- Trend: Advancing AI-driven healthcare by developing a **diagnostic platform** focused on rare diseases
- Initiative: *German Federal Ministry of Health aims to develop a platform that leverages AI to support medical diagnoses—particularly for rare diseases where data is limited. Fraunhofer IESE ((Institute for Experimental Software Engineering) is leading the software development and research for this initiative*

1. As per average conversion rate of 2025 (1EUR = 1.1061 USD)

The trends listed are not exhaustive
Source: EYP analysis, secondary sources

Sweden's regions are strategically advancing AI through sector-specific clusters and public-private innovation hubs

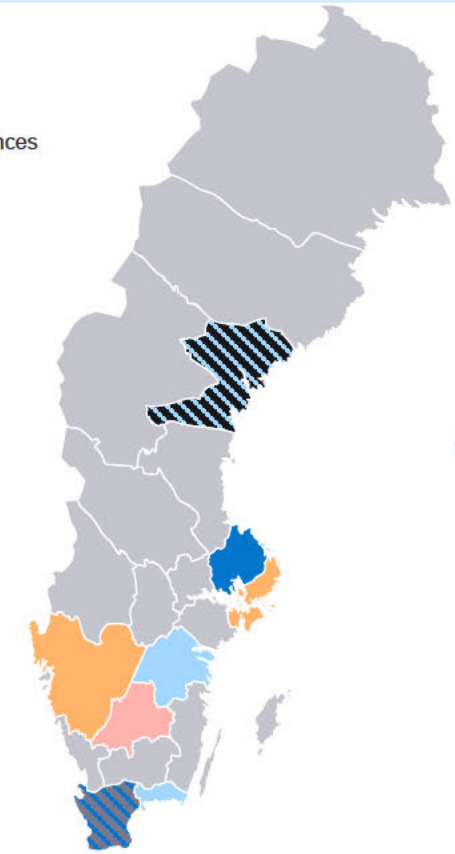
Sweden: Market

Market

Overview of the top sectors and geographical presence

Sweden hosts highly specialized regional clusters, with each sector concentrated in distinct regions that offer unique research hubs, infrastructure, and institutional support. Understanding this geographic specialization is key for identifying strategic entry points and accelerating innovation and growth across sectors.

Defense
Healthcare & Life Sciences
Finance
Logistics
Telecom
GovTech
Multiple sectors (+3)



Defense

- Östergötland – Saab Aeronautics (Gripen), strong aerospace & avionics supply chain with the Linköping University; WASP & AI Sweden nodes (perception, autonomy). With capital and Saab ecosystem + specialized SMEs for fast AI pilots (MRO, vision, simulation).
- Blekinge – Saab Kockums (submarines/surface vessels); naval procurements. Blekinge Institute of Technology (systems engineering). With defense primes, navy/shipyard integrators; secure testbeds.
- Västernorrland – Knowledge hubs around applied robotics, ruggedized systems.

Healthcare & Life sciences

- Stockholm–Uppsala – Home to Karolinska Institute and SciLifeLab; strong biotech and pharma R&D ecosystem. AI Sweden node focuses on precision medicine and genomics. Proximity to regulators and hospitals enables clinical trials and translational research.
- Västra Götaland – Sahlgrenska University Hospital and Science Park drive medtech innovation. Focus on imaging, diagnostics, and digital health. Strong collaboration between academia and SMEs.
- Skåne – Part of Medicon Valley; cross-border life sciences cluster with Danish partners. Hosts MAX IV and ESS for advanced research. AI used in drug discovery and bioinformatics.

Logistics

- Stockholm – Urban logistics and last-mile delivery innovation. AI used in traffic flow prediction and smart warehousing. Proximity to tech startups and retail HQs.
- Västra Götaland – Scandinavia's largest port; key for maritime logistics and intermodal freight. AI used in predictive maintenance and route optimization. Chalmers University supports logistics R&D.
- Jönköping – National logistics hub with warehousing and distribution centers. Strong SME presence and automation pilots. Strategic location for e-commerce fulfillment.

Telecom

- Stockholm – Telia HQ and Ericsson R&D; strong focus on 5G, edge computing, and AI-driven network management. KTH and AI Sweden node support telecom innovation.
- Västra Götaland – Ericsson's major operations site; testing autonomous networks and IoT. Collaboration with Chalmers University and Volvo for connected mobility.
- Skåne – Regional telecom infrastructure and fiber deployment. Cross-border connectivity with Denmark. AI used in customer service and network optimization.

Finance

- Stockholm – Nordic financial capital; hosts banks, fintechs, and regulators. AI used in fraud detection, credit scoring, and robo-advisory. AI Sweden supports federated learning pilots for AML.
- Västra Götaland – Regional banking and insurance services. AI adoption in customer support and claims processing. Collaboration with local universities for financial analytics.

GovTech

- Stockholm – Central government agencies lead digital transformation. AI Sweden supports shared digital assistants and NLP tools for public services. Strong policy and regulatory alignment.
- Västernorrland – Bron Innovation hub for GovTech pilots. Focus on secure data sharing, e-services, and municipal automation. Collaboration with Mid Sweden University.

Source: EY-Parthenon analysis

EY Parthenon

Sweden's National AI Strategy focuses on AI education and training, laying foundations for research, fostering innovation and building infrastructure

AI Strategy (2018)

In May 2018, the Swedish Government released its AI strategy outlining policy initiatives aiming at strengthening Sweden's welfare and competitiveness by fully exploiting the benefits of AI

Key priority areas of Sweden's AI Strategy

Education and training

- *Providing people with AI education and training, including continuing education for professionals*
- *Incorporating a strong AI component in non-technical programs to foster a broad and responsible understanding of the use of AI*

Research

- *Enabling strong basic and applied research environment in AI*
- *Driving relations with leading international AI research environment*
- *Developing pilot projects, testbeds and environments for AI applications*
- *Preventing and managing risk associated with AI*

Innovation and use

- *Fostering strong collaborations and partnerships between business, the public sector and research in AI*
- *Developing collaboration and partnerships on the use of AI applications with other countries*

Framework and infrastructure

- *Developing rules, standards, norms and ethical principles for use of AI*
- *Pushing for Swedish and international standards and regulations that promote the use of AI and prevent risk*
- *Reviewing the need for digital infrastructure to harness the AI opportunities*
- *Working on making data available to serve as infrastructure for AI use*

Source: EYP analysis, secondary sources

The AI Commission's Roadmap aims to strengthen Sweden's AI capabilities through targeted investments, expanded infrastructure, and updated regulatory frameworks

AI Commission's Roadmap for Sweden (2024)

AI Commission's report on Roadmap for Sweden outlines a strategy for developing and using AI in a sustainable, safe, and competitive way

The Commission estimates cost of implementing this AI roadmap to be about US$ 236 M[1] per-year from 2025-29

Key Proposals

Energy

- *Engaging with parties establishing large, energy-intensive data centers to reach agreements that protect Sweden's interests*
- *Meeting an electricity demand of at least 300 TWh[2] by 2045, as doubling current production is essential for Sweden's industrial competitiveness and AI development*

Telecom

- *Accelerating the rollout of 5G and fiber in Sweden to align with the EU's gigabit infrastructure regulation, which aims to lower the costs of deploying high-speed networks*

Computing Power

- *Providing the Swedish Research Council with US$28.4 M[1] as a one-off investment for the development and training of AI models, and US$18.9 M[1] to upgrade and expand existing computing power for AI services*

AI Factory

- *Establishing an AI Factory in Sweden to increase the availability of computing power at a subsidized price for small and medium-sized enterprises with US$33.18 M[1] one-off investment*

Data Privacy & Availability

- *Reviewing fee models for access to public data to make data more accessible for researchers and small businesses*
- *Modernizing data protection laws and exploring a unified framework to replace separate regulations for personal data processing*

Security

- *Allocating US$4.7 M[1] annually in order to strengthen research in AI and security*
- *Developing and maintaining robust contingency plans and response strategies to rapidly address and mitigate the negative consequences of AI-related security incidents*

1. As per average conversion rate of 2024 (1SEK= 0.0946 USD; 1EUR = 1.1061 USD); 3. Terawatt-hour
Source: EYP analysis, secondary sources

Sweden's AI initiatives are strategically crafted to accelerate innovation and position the nation as a global leader in cutting-edge AI technologies

Government & Public Sector

- Trend: Developing **digital assistants** for faster case resolution and decision-making
- Initiative: *Currently, 55 municipalities, regions, and authorities are jointly developing a shared digital assistant for the public sector which aims to facilitate faster case processing and improved decision-making support*

Education

- Trend: Making large-scale national investments aimed at **expanding AI expertise**
- Initiative: *US$520 M[1] investment planned for 2025-34 to train 600 AI PhDs, boost public AI literacy, and modernize higher education*

Energy

- Trend: Using **federated machine learning** to enhance decentralized data analysis to optimize critical infrastructure management
- Initiative: *AI Sweden[2] is working on a funded project to develop federated machine learning models, enabling better analysis for more optimal management of electricity network operations and development*

Transportation and Mobility

- Trend: Leveraging AI to optimize **electric heavy transport charging** and enable sustainable, **emission-free logistics**
- Initiative: *The E-Charge 2 initiative by AI Sweden[2] leverages advanced AI and ML to optimize electric heavy transport charging through data mapping and improved power forecasting for emission-free logistics*

Cybersecurity and Defense

- Trend: Integrating **advanced AI technologies** into national defense systems
- Initiative: *A Swedish consortium[3] is developing the country's largest enterprise AI infrastructure with SAAB planning to integrate AI into the development of advanced defense systems*

Healthcare and Life Sciences

- Trend: Leveraging **AI-driven secured regional data sharing** to improve patient safety and healthcare confidentiality
- Initiative: *AI Sweden[4] is coordinating the IDV[2] initiative which aims to enhance patient safety and confidentiality by enabling secure regional data sharing through projects like LeakPro and using AI to analyze healthcare incident reports*

1. As per average conversion rate of 2024 (1SEK= 0.0946 USD); 2. Information-driven healthcare (IDV); 3. The Swedish consortium partners – Ericsson, AstraZeneca, SAAB, SEB and Wallenberg Investments AB; 4. AI Sweden is the Swedish national center for applied AI funded by Sweden's innovation agency - Vinnova
The trends listed are not exhaustive
Source: EYP analysis, secondary sources

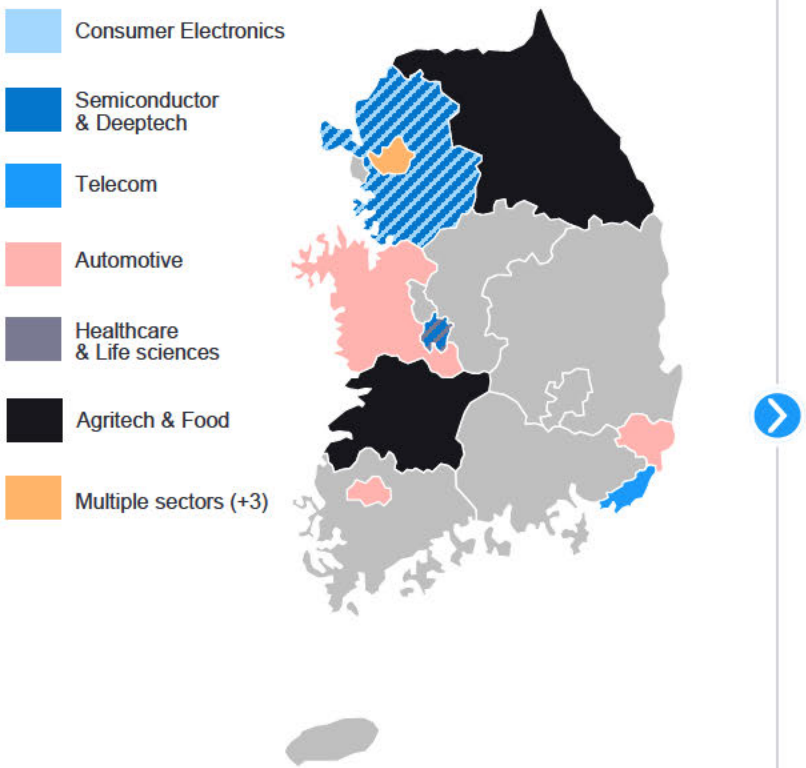
South Korea's regions are strategically advancing AI through big corporation enhancing the innovation ecosystems around the area

South Korea: Market

Market

Overview of the top sectors and geographical presence

South Korea concentrates innovation in distinct regional corridors each with dedicated talent, infrastructure, and corporate anchors. Leveraging national programs and free-economic zones, understanding this geography helps target entry points, partner with suppliers, and accelerate pilots into scale across sectors



Consumer Electronics

- Suwon (Gyeonggi-do) – Home to Samsung Electronics' global headquarters and core R&D centers. Suwon is a hub for AI integration in mobile devices, smart TVs, and home appliances.
- Seoul – Hosts LG Electronics' AI labs and innovation teams. Seoul is also a center for AI startups and digital consumer experience design.
- Pyeongtaek (Gyeonggi-do) – Location of Samsung's largest semiconductor and electronics production complex, where AI is used in manufacturing and product optimization.

Semiconductor & Deeptech

- Hwaseong & Pyeongtaek (Gyeonggi-do) – Samsung's advanced semiconductor fabs are located here, using AI for chip design, defect detection, and process automation.
- Icheon (Gyeonggi-do) – Headquarters of SK Hynix, specializing in memory chips. AI is applied in yield prediction and fab optimization.
- Daejeon – National R&D hub with institutions like KAIST and ETRI. Daejeon supports AI research in chip architecture, quantum computing, and deep tech.

Telecom

- Seoul – Headquarters of SK Telecom, KT, and LG Uplus. These firms lead in AI for 5G, customer service, and network optimization.
- Bundang (Gyeonggi-do) – Telecom R&D clusters and AI innovation labs are concentrated here, including SK Telecom's AI Center.
- Busan – A smart city pilot zone where telecom companies test AI-powered urban infrastructure and IoT applications.

Automotive

- Ulsan – Global production base of Hyundai Motor Group. AI is used in smart factory systems and predictive maintenance.
- Hwaseong (Gyeonggi-do) – Hyundai-Kia's Namyang R&D Center focuses on autonomous driving, AI-based mobility, and vehicle software.
- Gwangju – Hosts the Gwangju Green Smart Mobility Industrial Complex, promoting EVs and AI-driven vehicle systems.

Healthcare & Life sciences

- Seoul – Home to top hospitals (e.g., Seoul National University Hospital) and MedTech startups. AI is used in diagnostics, imaging, and patient data analysis.
- Daejeon – KAIST and government labs focus on AI in bioinformatics, drug discovery, and medical robotics.
- Osong (Chungcheongbuk-do) – Korea's bio-health cluster, housing the Ministry of Food and Drug Safety and biotech firms using AI for regulatory tech and clinical trials.

Agritech & Food

- Jeollanam-do – Leading region for smart farming and greenhouse automation. Government-backed AI pilots focus on crop monitoring and yield prediction.
- Gyeongsangbuk-do – Known for precision agriculture and AI-based pest detection. Local universities collaborate with startups on agri-AI solutions.
- Gangwon-do – Mountainous region testing AI for livestock health, forestry, and climate-resilient agriculture.

Source: EY-Parthenon analysis

EY Parthenon

South Korea's "National Strategy for AI" aims to be a global AI leader by 2030, focusing on human-centered innovation, ethical frameworks, and strategic investments

AI Strategic Pillars	Description	Execution Plan
1 AI Ecosystem	▸ Establishing reliable AI infrastructure including AI human talent and technologies, etc. ▸ Target: *Creating one of top-5 regulatory environments, opening 45,000 sorts of big-data and achieving 95% of AI technology competitiveness*	▸ **AI Infrastructure Enhancement** – *Expanding data supply and demand systems aligned with private sector needs, and securing large-scale, high-performance computing to support data utilization* ▸ **Securing Competitiveness in AI Technology** – *Making proactive investments in next-generation, high-risk AI R&D and strengthening systems to grow the software industry—the foundation of AI* ▸ **Drastic Regulatory Innovation and Revision of Laws** – *Establishing a 'comprehensive negative list regulation roadmap' in AI field under the basic principle of 'Approval first and Regulate later' to keep up with the fast pace of AI-based innovative services* ▸ **Nurturing Global AI Start-ups**
2 AI Utilization	▸ Expanding utilization of AI to whole industrial and social sectors ▸ Target: *Improving basic AI ability for people and achieving 30% of manufacturing value added rate*	▸ **Nurturing AI Talent** – *Expanding AI training for industry workers and significantly increasing software and AI learning opportunities in schools and universities* ▸ **Diffusing AI Technology across All Industry Areas** – *Driving AI convergence in high-impact sectors to deliver tangible results and scale adoption across the broader industrial ecosystem* ▸ **Building the Best-performing Digital Government**
3 People-centered Strategy	▸ Responding proactively to social changes including job markets ▸ Target: *Top 3 ranking in the Cyber Safety Index*	▸ **Establishing an Inclusive Job Safety Network** ▸ **Preventing Dysfunction and Establishing AI Ethics** – *Advancing cyber threat response systems based on intelligent technologies such as AI*

Key Investments

- **US$73.5 B** *Southh Korea Govt. announced 100 trillion won (US$73.5 B)[1] investment aimed at building a "sovereign AI" trained exclusively on the Korean language*
- **US$2.9 B** *Southh Korea Govt. plans to invest KRW 4 trillion (US$2.9 B)[1] with the private sector to build a National AI computing center by 2030*
- **US$349 M** *South Korea Govt. announced plans to invest 480 billion won (US$349 M)[1] in Industrial AI projects in 2025*

1. As per the source

Source: EYP analysis, secondary sources

South Korea is advancing its AI capabilities by expanding AI infrastructure, ensuring AI safety and leadership, developing foundation models and attracting top global AI talent

AI Initiatives	Details
1 **Significant Expansion of National AI Computing Infrastructure[2]**	▸ **Expanding current GPU performance by 15 times** (~2 exaflops by 2030) by investing US$1.13 B[1] to secure 10,000 advanced GPUs by 2025 ▸ **Establishing a national AI computing center** valued at up to US$1.42 B[1], based on public-private investment partnerships ▸ **Supporting the development of private AI computing infrastructure** through a low-interest loan program (until 2027) ▸ **Deploying domestic AI chips such as NPUs and PIMs,** and specialized hardware and software technologies to foster the domestic AI computing ecosystem
2 **Securing AI Safety, Security, and Global Leadership**	▸ **In Nov 2024, established "AI Safety Institute"** as a dedicated national agency to systematically address the risks posed by advanced AI systems ▸ **In Dec 2024, released a Framework Act on AI** to achieve a balanced approach to AI development, safety, and trust ▸ **In May 2024, established joint international AI research platform** – Global AI Frontier Lab in partnership with New York University
3 **Developing World-Class AI Foundation Models and Attracting Top Global AI Talent[2]**	▸ **Launching "World Best LLM Project,"** supported by a budget of US$151.3 M[1] ▸ **Investing US$3.5 M[1]** to support the recruitment of top-tier global AI researchers ▸ **Announced InnoCORE Postdoctoral Fellowship Program** with an investment of US$222 M – providing world-class support to 400 postdoctoral researchers, both domestic and international, engaged in convergence research fields

1. As per average conversion rate of 2025 (1KRW= 0.00070904 USD); 2. Initiatives announced in 2025
Source: EYP analysis, secondary sources

South Korea is strategically leveraging AI to modernize its economy, enhance sectoral productivity…

Government & Public Sector

- Trend: Adopting **domestically developed LLMs** and AI platforms while collaborating with the private sector to create **shared AI infrastructure** for public agencies
- Initiative: *Enabling government departments to use South Korean LLMs and AI platforms*
- Initiative: *National Information Society Agency (NIA) is partnering with the private sector to build a common AI infrastructure for public agencies*

Education

- Trend: Expanding **AI-based education and training** across levels
- Initiative: *Aiming to nurture 200,000 AI professionals by 2030 by facilitating, globalizing, and generalizing the process of AI talent development*
- Initiative: *As of 2025, more than 30% of South Korean schools have adopted AI-powered textbooks, primarily in English and mathematics*

Industry & Manufacturing

- Trend: Driving expansion of **AI-powered autonomous manufacturing** and establishment of **smart factories**
- Initiative: *Providing support worth KRW 10 trillion (US$7.5 B)[1] for country's AI Autonomous Manufacturing Project"*
- Initiative: *Planned roll-out of 2,000 new AI-powered smart factories, to be established by 2030*

Fintech & Insurtech

- Trend: Introducing **specialized insurance products** to support companies investing in AI
- Initiative: *Korea Trade Insurance Corporation plans to offer AI Plus+, a specialized insurance product that guarantees loan repayments for companies borrowing from commercial banks to invest in AI manufacturing technology*

Agritech and Food

- Trend: Advancing **autonomous agriculture** through operator-free pasture management using **self-driving tractors** to efficiently manage large grazing areas
- Initiative: *Korea Racing Authority and LS Mtron signed an MOU for joint development of autonomous tractor technology for farming operations*

Energy

- Trend: Accelerating AI **development for renewable energy projects** and economic recovery initiatives
- Initiative: *South Korean Ministry of Trade, Industry and Energy announced a supplementary budget of KRW 495.6 billion (US$361.4 M)[1] to support AI, renewable energy, and economic recovery efforts*

Transportation and Mobility

- Trend: Innovating through government-driven advancements in **autonomous technology**
- Initiative: *Ministry of Land, Infrastructure and Transport is actively promoting innovation in the mobility sector, including autonomous vehicles, urban air mobility (UAM), and AI-powered logistics*

Cybersecurity and Defense

- Trend: Strengthening **multisector cybersecurity strategies** and defenses to combat AI-enabled cyber threats
- Initiative: *Launched a multisector initiative to combat cyberattacks from North Korean-linked AI hackers*
- Initiative: *Revised National Cybersecurity Strategy aimed at countering cyber threats through enhanced defense*

Healthcare and Life Sciences

- Trend: Expanding the **commercialization of medical AI** technology and shortening the technology gap vis-à-vis other advanced countries
- Initiative: *Ministry of Health and Welfare announced a comprehensive five-year roadmap (2024-28) to propel R&D in AI for healthcare*

1. As per the source; The trends listed are not exhaustive
Source: EYP analysis, secondary sources

…and strengthen competitiveness across industries

Retail and Ecommerce

- Trend: Enhancing efficiency and **optimizing processes in complex value chains** and labor-intensive retail operations
- Initiative: *Ministry of Trade, Industry and Energy outlined a multi-faceted strategy to increase the AI utilization rate among Korean retailers from less than 3% to 30% from 2025-27*

Media and Entertainment

- Trend: Transforming the broadcasting industry through **AI-led end-to-end value chain innovation**
- Initiative: *Launched "Digital Media Innovation Technology Development Project" to drive AI transformation in broadcasting industry by overhauling the value chain and fostering tech-driven growth with support from broadcasters, IPTV, and OTT providers*

The trends listed are not exhaustive
Source: EYP analysis, secondary sources

EY Parthenon

Shape the future with confidence