



**SWEDISH INCUBATORS
& SCIENCE PARKS**

Revision of the EU Merger Guidelines: Call for Evidence

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Introduction

Swedish Incubators & Science Parks (SISP) welcomes the European Commission's review of the Horizontal and Non-Horizontal Merger Guidelines. As the national association representing Sweden's incubators, science parks, and innovation hubs, we support hundreds of startups and scaleups in deeptech, cleantech, life science, and digital technologies.

Mergers and acquisitions are not only exit routes but also growth mechanisms for startups. They enable capital recycling, foster innovation, and support the EU's ambition to build globally competitive companies.

A predictable and proportionate merger control regime is also essential for the proper functioning of the EU's single market. Clear, innovation-oriented rules strengthen cross-border integration, harmonize exit opportunities across Member States, and ensure that Europe can scale its deeptech companies within the Union rather than abroad.

Key Messages

Modernisation is urgent: Current rules are outdated and must reflect today's global, innovation-driven markets.

Exit markets matter: Predictable and efficient merger reviews are essential for startups to secure credible exits, recycle capital, and attract investment.

Legal certainty and proportionality: Startup-related deals require simplified and proportionate review, avoiding disproportionate burdens.

Innovation as competition: The Guidelines should explicitly value innovation and sustainability benefits as consumer welfare gains, especially in deeptech with long R&D cycles.

Most mergers are pro-competitive: Startup acquisitions typically accelerate scaling and strengthen resilience; they should be presumed neutral or positive unless clear harm is proven.

Deeptech strengths: Clean energy, life sciences, AI, advanced materials, and emerging areas like space and quantum highlight Europe's need for a framework that supports scaling and global competitiveness.

1. Why the Revision Matters for Startups and Scaleups

1.1 Exit markets and capital recycling

Startups rely on predictable and efficient merger reviews to secure credible exit routes, recycle capital, and attract investors. Unpredictable procedures risk suppressing valuations and pushing founders abroad.

1.2 Legal certainty and proportionality

The current framework creates unnecessary burdens for smaller firms. Startups cannot absorb lengthy reviews, disproportionate information requests, or unpredictable referrals of below-threshold deals. Simplified review procedures and proportionality are crucial.

1.3 Innovation as competition

For startups, innovation rather than market share is the main driver of competitiveness. The revised Guidelines should explicitly recognise innovation as a consumer benefit and reflect longer innovation cycles typical of deeptech sectors.

2. Deeptech Strengths and the Role of Acquisitions

2.1 Clean energy and electrification

Sweden is home to startups in hydrogen, batteries, and smart grids that are essential for the EU's green transition. Scaling these innovations often requires industrial acquisitions.

2.2 Life science and medtech

Startups in precision medicine and digital health depend on partnerships or acquisitions by larger firms to bring breakthrough therapies to global markets.

2.3 AI and digital technologies

AI and cybersecurity startups face platform asymmetries and global competition. Clear and predictable merger rules are needed to ensure fair conditions and enable integrations that accelerate scaling.

2.4 Advanced materials and industrial tech

Scaling novel materials and industrial technologies is capital-intensive. Acquisitions are often the pathway to global reach and resilience.

2.5 Emerging areas: space and quantum

These sectors are strategically important for Europe's autonomy. Acquisitions and partnerships can accelerate deployment and strengthen Europe's technological sovereignty.

3. Key Recommendations for the EU Merger Guidelines

3.1 Presumption of pro-competitive effects

Most startup-related mergers are neutral or positive for competition, helping technologies scale and capital to recycle. Enforcement should only target cases where clear evidence of harm exists.

3.2 Recognizing vertical and complementary acquisitions

Vertical and complementary deals usually foster efficiencies and resilience, especially in deeptech sectors. Guidelines should maintain a clear distinction from horizontal mergers and streamline their review.

3.3 Introducing an "innovation imperative"

Innovation benefits should be explicitly factored into assessments. Efficiencies must be judged with the same weight as harms, including long-term innovation cycles and sustainability gains.

Conclusion

SISP urges the European Commission to modernize the merger guidelines in a way that safeguards competition while enabling deeptech-driven growth and innovation.

For startups and scaleups, predictable merger control is not only about competitiveness but also about the health of the European single market. Harmonized, innovation-oriented rules will strengthen cross-border scaling opportunities and prevent fragmentation, ensuring that Europe can grow its next generation of innovation leaders within the Union.