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Feature

Will AI tilt the balance in the London-Paris tech rivalry?

France has the power and start-ups it needs to challenge the UK as Europe's main tech hub



Meet and greet: President Macron at the Station F tech campus in Paris. Image via Getty

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Electricity does not usually make headlines in tech stories, but it is pivotal to France's bid to overtake the UK as Europe's leading tech hub because artificial intelligence increasingly lies at the heart of the race and has a huge appetite for power.

This is France's edge, thanks to one of the largest nuclear-powered surpluses in the world, which its policymakers are keen to exploit.

President Emmanuel Macron wants to make France an "AI powerhouse", backed by €109bn in AI infrastructure investment.

Among the biggest beneficiaries is Mistral AI, Europe's largest AI start-up, which *Bloomberg* says is in talks to raise up to \$1bn in equity from investors including Abu Dhabi's MGX, alongside hundreds of millions in debt from French lenders such as Bpifrance. The funds will support Mistral Compute, a new AI cloud service built with Nvidia.

Meanwhile, data centre co-location firm Digital Realty [plans to invest €5bn in 13 new data centres across Paris and Marseille](#) to meet rising AI demand. Fabrice Coquio, head of France for Digital Realty, says: "For 25 years, I've worked with all my teams to bring the electricity to data centres. Now we have to bring data centres to electricity."

With 50.5 terawatt hours in net electricity exports in 2024, France leads the world in surplus power, a strategic asset in a world increasingly beset by energy insecurity.

EDF, the national utility, is now offering digital firms pre-connected land with 2GW of power capacity to slash rollout times by years. Against this backdrop, France's challenge to the UK tech crown is looking increasingly viable.

Tech diplomacy in action



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Nothing symbolises this shift more clearly than Nvidia's GTC event at the Viva Technology 2025 conference in Paris in June. Macron arrived late to his keynote because he was busy working the room with tech leaders.

Maurice Lévy, former chair of advertising giant Publicis Groupe, who led a VivaTech panel with Macron and Mistral CEO Arthur Mensch, believes the intention is clear. "Emmanuel Macron has decided to create [an AI platform] that is French," he [told fDi at the event](#), adding he believes there is an opportunity to do more at a European level.

France has more up its sleeve than just surplus power. There's the Crédit d'Impôt Recherche (CIR), offering a 30 per cent tax credit on R&D spending up to €100mn. Bpifrance co-invests with venture capital funds. The country even offers a fast-track tech visa for international founders and engineers.

Open to global talent

"The visa system is very good. We have some 70 different nationalities and a third of our community is non-French," says Roxanne Varza, director of the Paris-based start-up campus Station F. She also notes consistent French state support for early-stage tech.

And it's working. According to a ranking published by Dealroom earlier in 2025, Paris has overtaken London for the appeal of its tech ecosystem. Despite remaining substantial, even the financing gap between the two countries is narrowing.

In 2024, French tech companies, which are mostly based in the capital city, raised \$7.5bn, second in Europe only to the UK (\$13.1bn), according to the State of European Tech report. A decade ago, France raised just €1bn. Today it boasts 28 unicorns, aiming for 100 by 2030.

"What has made France attractive is the stability [for business] that has come with Macron and also the big pool of talent here," says Matthieu Rouif, CEO of AI image tech firm Photoroom. He adds that the French educational system is particularly good at turning out talent suited to AI.

Shifting signals

For now, the UK still leads, but the strain is showing. When UK-based fintech Revolut announced in May 2025 that it had chosen Paris for its Western European HQ — backed by a €1bn investment — it made ripples in the UK tech scene (although the company's global HQs remain in London). The company lauded France's dynamic banking ecosystem, strong regulatory framework and proximity to Revolut's fastest-growing customer base.

Meanwhile, the number of UK nationals at Station F has surged to become the second-largest foreign contingent. "It feels like there is more ambition in Paris than London. There's more optimism here," says Rouif, who frequents both cities.

Room for improvement

The UK's tech ecosystem remains strong, but recent policies — like raising corporation tax and ending non-dom status — have dampened investor confidence. Amanda Brock, CEO at OpenUK, a non-profit focused on technology, believes the UK government needs to be more engaged with its tech sector. She recalls how Macron personally phoned major French CEOs to back the Mistral-Nvidia AI cloud project. "That kind of hands-on support matters," she says.

She also argues that the UK's \$4.1tn pension industry should be mobilised to support domestic start-ups, rather than seeking higher returns abroad.

Yet France isn't without vulnerabilities. A Station F survey found that start-up founders rank the 2027 presidential election as a top concern, fearing a change in government could reverse Macron's pro-technology stance.

What may ultimately determine the winner in the London-Paris rivalry is how each country supports the infrastructure behind AI. France's advantage is that it already has the electricity to power the next generation of cloud and AI systems. Meanwhile, the UK is projected to have [a deficit of AI-ready data](#)

centre supply of up to 5 gigawatts by 2030, according to a McKinsey report commissioned by the Department for Science, Innovation & Technology.

Macron's strategy to pair France's AI ambitions with its surplus electricity could prove decisive. If the UK does not respond with similar boldness, then Paris may well grab Europe's tech crown.

Alex Irwin-Hunt contributed to this article.

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