

ENTREPRENEURSHIP BAROMETER

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REPORT #1 SPRING 2025

The MBS Entrepreneurship Barometer Report is an annual academic initiative led by the Department of Strategy and Entrepreneurship at MBS School of Business. It gathers the views, challenges and expectations of founders and entrepreneurs. This edition focuses on tech entrepreneurs in France and aims to generate insights for policymakers, educators and the broader entrepreneurial ecosystem.

This report is based on a survey that was conducted in April/May 2025 and included **119** participants.

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KEY FINDINGS:

- Most French tech entrepreneurs are actively monitoring U.S. trade policy, though levels of concern vary.
- Rising costs are the top anticipated consequence, but some firms see new opportunities or no impact at all.
- French tech firms are turning away from the U.S., with most planning to adapt rather than relocate or wait out the tariffs.
- Tariffs are widely seen as a negotiation tool, not a permanent strategy, reflecting broader skepticism about long-term protectionism.
- French entrepreneurs are split on how the EU should respond—some support talks, others push for stronger retaliation or direct support.
- A shift toward European tech sovereignty is emerging, marked by symbolic gestures and efforts to reduce U.S. dependence.

Tariffs and Tech Power: A Wake-Up Call for European Sovereignty

On April 2, 2025, Donald Trump proclaimed “Liberation Day” as he unveiled sweeping tariffs aimed at reshaping America’s global trade posture. Imposed abruptly and partially suspended weeks later, the measures reflect a broader strategy: leveraging economic pressure and strategic uncertainty in global trade negotiations. Amid these shifting dynamics, the tech sector has emerged as a central point of friction in the escalating trade tensions between Europe and the United States. There is growing concern that these frictions could hamper the growth trajectory of Europe’s tech sector, particularly among startups striving for profitability. From cloud

infrastructure to artificial intelligence and hardware, much of the continent’s digital economy remains reliant on U.S.-based firms. That dependence is now being tested. As the Financial Times has reported, some leading American tech companies have grown increasingly entangled in U.S. geopolitical strategy—resisting against European regulation, lobbying for more favorable treatment under Trump-era policies, and positioning themselves as extensions of national interest. In this environment, technology platforms are no longer seen as politically neutral, but as potential levers of influence. What was once a question of economic

competitiveness is now a matter of sovereignty. Trade policy and technological power are becoming increasingly intertwined, and Europe’s exposure to both U.S. tariffs and U.S. tech platforms reveals a structural vulnerability. If the tools of digital infrastructure can be used to apply geopolitical pressure, then dependence itself becomes a liability. This moment is forcing a difficult conversation: Can Europe continue to rely U.S. tech ecosystem while asserting control over its own economic future? The trade dispute unfolding today is not just about tariffs—it’s a warning about the risks of technological dependence in a more confrontational world.

French Tech Entrepreneurs Stay Vigilant on U.S. Trade Policy

Trump’s trade policy continues to evolve week by week. Are French tech entrepreneurs keeping a close eye on these developments? Nearly 70% of the 119 tech entrepreneurs who responded to our survey report that they are closely monitoring the evolution of U.S. trade policy under Donald Trump.. Specifically, 46.6% adopt a moderate level of vigilance, staying informed about announcements without taking specific measures for now, while 22.9% demonstrate high vigilance, actively following developments and their potential impact. Conversely, a minority take a more detached stance. 16.1% of respondents do not feel concerned, and 14.4% consider this issue as non-priority for their business. These results show that international trade tensions attract significant attention among French tech entrepreneurs, although their levels of vigilance vary.

1> In light of Donald Trump’s announcements to increase tariffs — including those targeting Europe — how closely are you currently monitoring the evolution of U.S. trade policy?

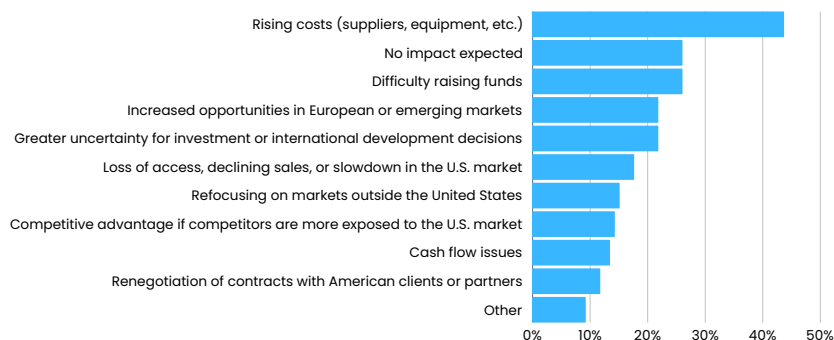


Entrepreneurs anticipate cost pressures—but some see openings

Overall, French tech entrepreneurs anticipate consequences for their businesses in response to potential U.S. tariff increases on European products. The most commonly cited concern is rising costs, mentioned by 43.7% of respondents. Entrepreneurs also fear a loss of access to the U.S. market, declining sales, or a slowdown in that market (17.6%). Finally, 13.5% of respondents are worried about cash flow issues, which could result from higher expenses related to suppliers, other essential inputs, or difficulties accessing the U.S. market.

Additionally, 26% report difficulties in raising funds, a critical challenge for startups and young tech companies that often rely on external financing to support their growth. Strategic uncertainty is also a concern, with

2> In the event of a potential increase in U.S. tariffs on European products, what type of impact do you anticipate for your business?



21.9% of entrepreneurs expecting greater uncertainty in their investment or international development decisions. However, not all entrepreneurs view the situation negatively. 21.9% believe that higher tariffs may strengthen opportunities

in European or opportunities in European or emerging markets, offering alternatives to U.S. business. Finally, 26% of respondents expect no impact at all, indicating that for some, U.S. trade policy changes may have no direct effect on their operations.

Most French tech will find solutions outside the US

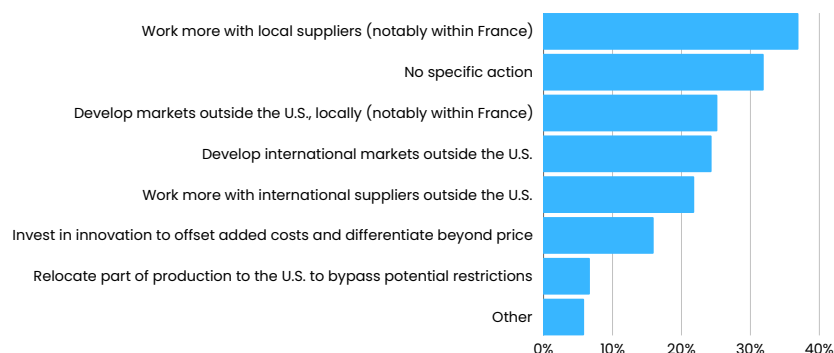
Only 32% of French tech entrepreneurs indicated that they do not plan to adopt any specific measures in response to rising tariffs (see figure 3). This may suggest limited exposure to such tariffs, a perception that the situation is temporary, or uncertainty about how best to respond. In contrast, a clear majority—around 68%—stated that they would need to implement adaptive strategies in response to U.S. protectionist trade policies.

While the Trump tariffs aim to protect domestic producers from foreign competition or to encourage foreign companies to relocate production to the U.S. ([Reuters, 24-09-24](#)), few French tech firms appear to be following this logic. “When they have

to pay tariffs to come in but they have incentive to build here, they’re going to come roaring back,” Trump argued in his speech, highlighting a vision of the U.S. becoming a hub for

robotics, shipbuilding, and auto manufacturing ([WSJ, 24-09-24](#)). However, only around 6.7% of respondents are considering shifting part of their production to the U.S.

3> In the context of rising tariffs, what actions do you consider necessary to ensure the sustainability of your organization?



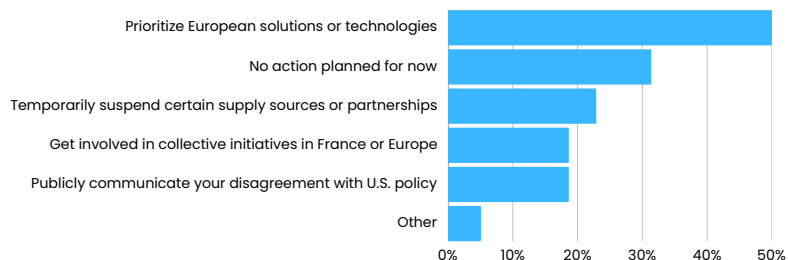
Symbolic responses signal a shift toward tech sovereignty

Interestingly, beyond these strategic responses, around 69% of surveyed French tech entrepreneurs also indicated a willingness to take symbolic actions (see figure 4). The most widely supported measure is the prioritization of European solutions or technologies, chosen by 50% of respondents. Meanwhile, 22.9% go further, stating that they are considering temporarily suspending certain sources of supply or partnerships as a form of protest. Nearly 19% reported plans to participate in collective initiatives in France or Europe and/or to publicly

express their disagreement with U.S. trade policy. These symbolic actions reflect a broader shift toward technological sovereignty and a

deliberate move to reduce dependence on U.S. tech ecosystems.

4> What symbolic actions are you considering in response to U.S. trade policy?



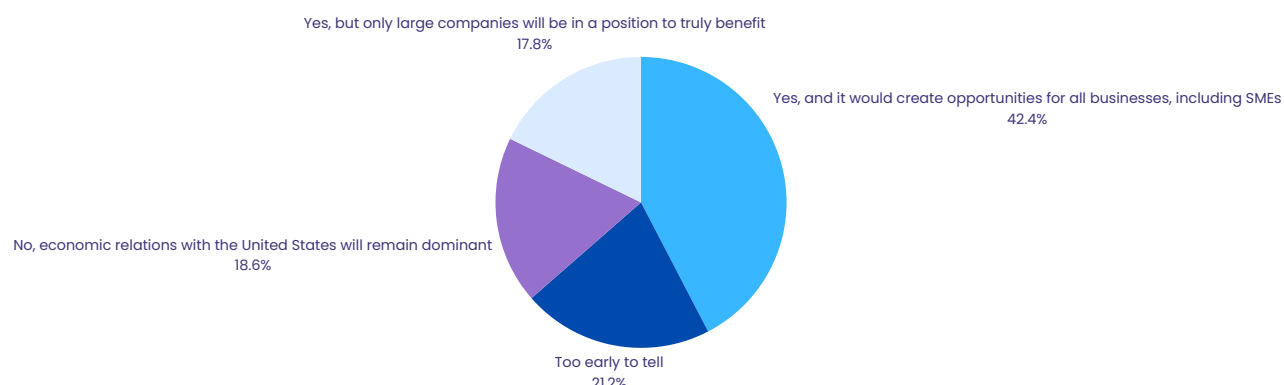
Time for a more autonomous technological ecosystem

Overall, these findings reflect a cautious yet proactive posture among French tech entrepreneurs, one that diverges significantly from the intent behind Trump’s tariff policy. Rather than shifting operations to the U.S., 60% of

respondents view the current context as an opportunity to accelerate the development of a more autonomous technological ecosystem in Europe (see figure 5). The key challenge now lies with the EU: to ensure that this transition is inclusive, benefiting not

only large corporations but also startups and SMEs across the continent.

5> Do you think the current context could create opportunities for a more autonomous European tech ecosystem?

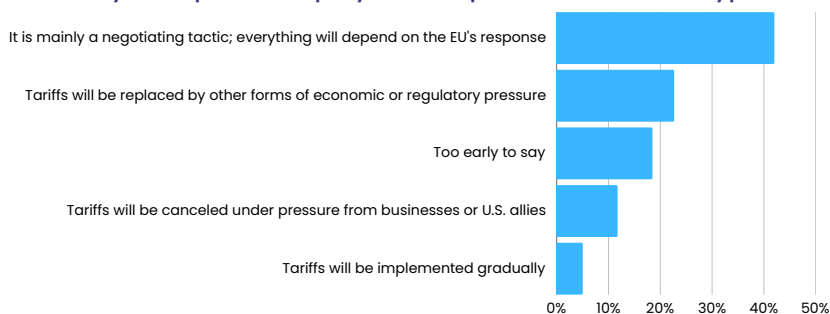


U.S. Tariffs as Bargaining Chips? European Entrepreneurs Think So

On April 9, 2025, former U.S. President Donald Trump announced a 90-day suspension of planned tariff hikes reigniting uncertainty over transatlantic trade. While framed as a temporary pause, the move raised immediate questions: Was this a tactical retreat, or a warning shot ahead of tougher negotiations? To better understand how these developments are perceived in Europe, we asked French tech entrepreneurs about their expectations following the pause.

A plurality (42%) view the tariffs as a negotiating tactic, not a fixed course of action. They believe that what happens next depends largely on the European Union's response, suggesting that diplomacy rather than confrontation will be the determining factor. For these respondents, the current U.S. posture is more about gaining leverage than implementing lasting trade barriers. Another 23% anticipate a shift toward subtler forms of economic pressure, such as regulatory hurdles or tax incentives favoring domestic producers. These measures—often harder to detect than traditional tariffs—have become more common

6> On April 9, 2025, U.S. President Donald Trump announced a 90-day pause in the implementation of new tariff increases for most countries (except China). How do you anticipate U.S. tariff policy toward Europe will evolve after this 90-day period?



in global trade politics, raising the risk of a fragmented rules-based system. 18% say it's too early to make a clear prediction, reflecting the broader ambiguity that characterizes U.S.–EU economic relations in the Trump era. Only 12% expect the tariffs to be cancelled under pressure from U.S. companies or international partners, and just 5% foresee their gradual implementation over time. These results suggest that French entrepreneurs see the current moment less as a retreat from protectionism than as a tactical pause in a broader strategy of pressure. Rather than signaling a shift in direction, the 90-day suspension is

widely interpreted as a negotiating maneuver, where the outcome will depend on how the EU responds. This reflects a familiar Trump-era pattern: tariffs used not as permanent economic tools but as bargaining chips to gain leverage. Analysts at the Brookings Institution and the Atlantic Council have both highlighted how past U.S. tariff threats often served to extract concessions or provoke talks, rather than reshape trade flows over the long term.

Between Restraint and Retaliation: A Divided Response to U.S. Tariff Threats

When asked how the European Union should respond if tariffs on European goods are indeed imposed, French tech entrepreneurs expressed a clear preference for strategic restraint—though not without signs of internal division.

A majority (42%) favor de-escalation through trade negotiations, underscoring their belief that open channels and calm dialogue are more effective than retaliation. This view mirrors past EU strategies, such as its reliance on WTO mechanisms and coordinated responses during the 2018–2019 tariff disputes, when the U.S. imposed tariffs on steel and aluminum imports from the EU under national security grounds. In return, the EU implemented countermeasures on American goods ranging from Harley-Davidson motorcycles to bourbon, while continuing to pursue legal action through international bodies. Yet 24% support reciprocal countermeasures, including imposing tariffs on U.S. imports. This group sees retaliation not as escalation, but as a necessary assertion of fairness and economic

7> If the US imposes tariffs on European products, these become more expensive and less competitive in the U.S. market. If the European Union retaliates with similar tariffs, American products in Europe would also become more expensive. What should be the EU's best response?



sovereignty—particularly if European industries are disproportionately harmed. For these respondents, failing to respond in kind could embolden further U.S. pressure. This tension between restraint and retaliation points to a deeper dilemma. While most entrepreneurs back negotiation, nearly one in four are prepared for a firmer stance, revealing diverging expectations about the EU's role and leverage in today's fragmented trade order. Meanwhile, 16% favor a third path: direct support to affected firms, such as subsidies or emergency relief,

instead of engaging in tariff-based responses. This reflects a desire to shield domestic businesses without adding fuel to the fire of a potential trade war. Only 8% support doing nothing and letting the market self-correct, suggesting little faith in laissez-faire solutions during times of heightened geopolitical tension. And 10% remain undecided—perhaps the clearest signal of just how complex and fluid this situation remains.