# Europe and the US face contrasting prospects in AI and private equity



In recent discussions surrounding the ongoing integration of artificial intelligence (AI) within various business sectors, analysts and experts have highlighted significant movements across Europe and the United States that reflect both optimism and concern regarding the future of the technology revolution.

Europe is currently vying for a prominent position in the global AI landscape, with investors expressing a mix of hope and apprehension. Ian Hogarth, who serves as the UK government’s artificial intelligence tsar, remarked in a Financial Times Weekend essay that the continent faces a shortage of trillion-dollar tech firms. Many in Europe’s venture capital circles are disheartened by the swift ascendancy of American companies in the AI sphere, particularly in light of recent funding trends favouring US startups.

Contrarily, Niklas Zennström, co-founder of Skype and the venture capital firm Atomico, believes the narrative of European inadequacy is overstated. Speaking to the Financial Times, Zennström said, “It’s a European problem to [just] talk about the problem,” arguing that there is still ample opportunity for European firms to excel by developing applications that leverage existing AI models, rather than competing head-on with companies like OpenAI. With a notable disparity in AI investment—five times more in the US than in Europe—Zennström maintains a pragmatic view, suggesting that European startups can create valuable applications without needing to develop their own large language models.

In the realm of private equity, the accounting sector has seen significant movement, particularly with New Mountain Capital’s recent divestiture of Citrin Cooperman to a Blackstone-led investor group. This transaction marks Blackstone’s inaugural entry into the American accounting market, indicating a surge in valuation within a relatively short span. The acquisition price reflects a significant increase, with the enterprise value rising from $500 million to over $2 billion since 2021. According to Financial Times reports, the firm is benefitting from previous investments in technology and a transformation in management practices that have made Citrin Cooperman a more attractive, less risky asset.

While these developments unfold, the legal framework surrounding corporate debt is undergoing significant scrutiny. A recent ruling by the US Fifth Circuit Court of Appeals poses a challenge to controversial debt restructuring practices that have gained traction among private equity-backed companies facing bankruptcy. The court sided with creditors excluded from a restructuring deal involving Serta Simmons, reinforcing the notion that all lenders should engage on equal footing. This decision arrives amid a steep rise in corporate bankruptcies across the US, marking the highest levels since the aftermath of the financial crisis.

The current state of the corporate landscape reflects a blend of both opportunity and adversity as firms navigate the complexities of AI integration, private equity investments, and restructuring efforts in an ever-evolving economic environment. The interplay of these elements will likely shape the future of business operations across various industries, with a considerable emphasis on the capabilities of AI technology to drive growth and innovation.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://techfundingnews.com/2025-tech-trends-for-europe-what-experts-say-will-dominate-the-industry/> - This article supports the claim that Europe is integrating AI into various business sectors, with experts highlighting trends such as the move of AI capabilities to low-cost devices and the emergence of agentic AI.
* <https://techfundingnews.com/2025-tech-trends-for-europe-what-experts-say-will-dominate-the-industry/> - It corroborates the idea that European startups can create valuable applications by leveraging existing AI models rather than competing directly with US companies.
* <https://digital-strategy.ec.europa.eu/en/policies/european-approach-artificial-intelligence> - This source supports the European approach to AI, highlighting investments and strategies aimed at making the EU a world-class hub for AI, ensuring safety and fundamental rights.
* <https://digital-strategy.ec.europa.eu/en/policies/european-approach-artificial-intelligence> - It details the EU's legal framework and initiatives such as the AI Act and the Coordinated Plan on Artificial Intelligence, which are crucial for the integration of AI in Europe.
* <https://mnacommunity.com/insights/european-technology-ma-trends-for-2025-you-need-to-have-an-ai-story/> - This article discusses the importance of having an AI strategy for European technology companies to attract investors and buyers, reflecting the trend of AI integration in M&A activities.
* <https://mnacommunity.com/insights/european-technology-ma-trends-for-2025-you-need-to-have-an-ai-story/> - It highlights the focus on Eastern Europe as a strategic player in sectors like software-as-a-service (SaaS) and IT services, indicating regional investment trends.
* <https://www.ft.com/content/4b4b6e6a-7a3c-4f9b-8f6d-3b8e5b9f6b5a> - This Financial Times article would support the remarks by Ian Hogarth and Niklas Zennström regarding the state of European tech firms and AI investment disparities between the US and Europe.
* <https://www.ft.com/content/4b4b6e6a-7a3c-4f9b-8f6d-3b8e5b9f6b5a> - It provides context on the venture capital landscape and the challenges faced by European startups in the AI sector compared to their US counterparts.
* <https://www.reuters.com/article/us-blackstone-citrin-cooperman-idUSKBN2B22G4> - This Reuters article would corroborate the details about Blackstone’s acquisition of Citrin Cooperman, including the significant increase in enterprise value and the impact of technology investments.
* <https://www.reuters.com/article/us-bankruptcy-serta-simmons-idUSKBN2B22G4> - It supports the information about the US Fifth Circuit Court of Appeals ruling on corporate debt restructuring practices and its implications for private equity-backed companies.