



Mexico

KEY OUTCOMES

TEA rate: **10.45%**

Nascent rate: **9.17%**

New business owner-manager rate: **1.35%**

Established business ownership rate: **0.42%**

Female entrepreneurial activity rates vs. male entrepreneurial activity rate: **10.2% vs. 10.72%**

Motivations to involvement in entrepreneurial activity: **29.34%** of early-stage entrepreneurs are motivated by opportunity to increase income, **13.12%** opportunity to increase independence, **32.78%** mixed motives, **24.75%** necessity driven

Growth aspirations: **7.42%** of early-stage entrepreneurs have high growth expectations (10+ employees and 50% growth in the next 5 years)

MAIN CHARACTERISTICS OF ENTREPRENEURIAL ACTIVITY

The drop in economic activity in Mexico had affected the TEA which fell to 10.5 % in 2010 from 13.1% in 2008. The early-stage activity is mainly Nascent entrepreneurship (9.2%) while only 1.4% of the adult population are new firm entrepreneurs. One important aspect in the entrepreneurship phenomenon in Mexico is the consolidation of firms, which is still a problem given that the Established business owners' rate was 0.42%, the lowest of the participating countries. The increase in women's participation in the economic activity has reduced gender differences, as male and female TEA rates are 10.8% and 10.2% respectively. Of the total adult population opportunity-driven entrepreneurship predominated (8.3%) compared to necessity-driven (2%).

ENTREPRENEURIAL ACTIVITY & THE ECONOMIC CRISIS

As a result of the financial crisis, Mexico's GDP ranks very low among Latin American countries. It seems that the crisis affected a larger proportion of start-up of firms as 65% of early stage entrepreneurs think that it is now more difficult to start a business than it was one year ago, but only 29% think that growing a business is now more difficult. In general, 60% think that there are now fewer business opportunities, reflecting the business environment and the differences between macro and microeconomic instability in Mexico. These results contrast the opinion of established business owners: 59% of them think that starting a business is more difficult now than one year ago, 46% think it is now more difficult to grow a business, whilst 90% think that there are now fewer business opportunities, representing the highest rate among all countries.

In addition, as more than 80% of Mexico's exports are to the USA, there is a great dependence on the American economy to recover. Most experts think that even though the Mexican government took action to reduce the effects of the crisis, the benefits of some policies to impact business growth may take some years to be seen.

GEM IN ACTION

GEM Mexico's research has been used widely in academia, often as a basis for Theses at Masters and PhD level. GEM results have also served as a reference point for government agencies, providing support for the design of some entrepreneurship programs. It is hoped that with time, GEM Mexico and GEM Global data will be used to assist policy making at every operational level.