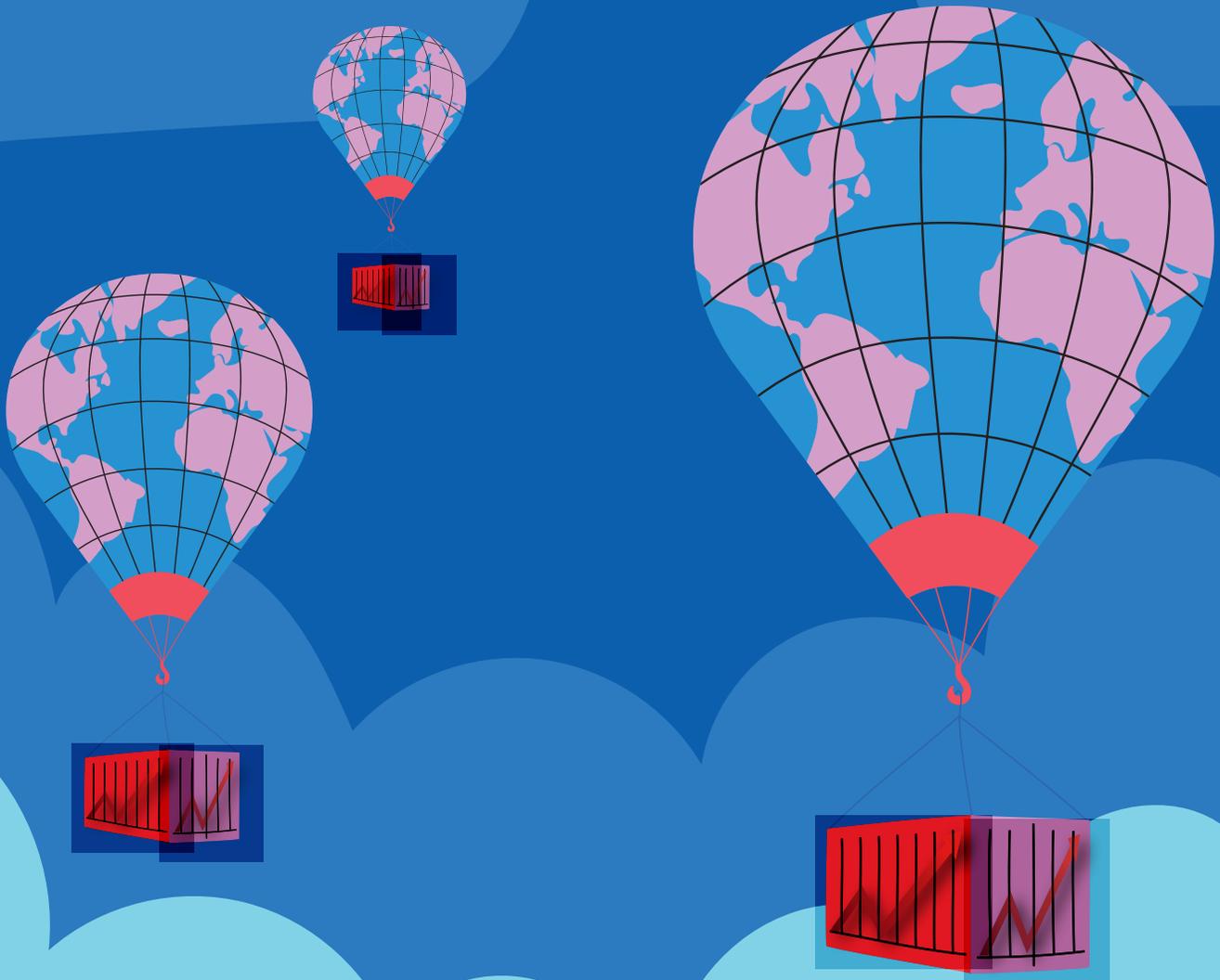




Global
Entrepreneurship
Monitor

GEM 2025/2026 Global Report

From Uncertainty
To Opportunity



Cartier
WOMEN'S
INITIATIVE



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In collaboration with GEM National Teams, the GEM Global Data Team – Francis Carmona and Alicia Coduras – produced the Economy Profiles in Part 2 and all figures and tables, Stephen Hill wrote the Policy Roadmaps, while Kevin Anselmo produced and edited various feature articles.

AI support was used to edit and proofread this report through a custom AI agent developed and operated by Aurea Almanso. AI was used solely for editorial support; all substantive content and interpretations are attributable exclusively to the authors.

Although GEM data were used in the preparation of this report, the interpretation and use of the data are the sole responsibility of the authors.

FOUNDING ORGANISATIONS

**BABSON
COLLEGE**

**London
Business
School**

Published by the Global Entrepreneurship Research Association, London Business School, Regents Park, London NW1 4SA, UK

ISBN (print): 978-1-0683380-2-1

ISBN (ebook): 978-1-0683380-3-8

Please cite as: GEM (Global Entrepreneurship Monitor) (2026). *Global Entrepreneurship Monitor 2025/2026 Global Report: From Uncertainty To Opportunity*. London: GEM.

Cover: BBR Design using assets created by Yeti Iglesias for Unsplash+

Design and production:

Witchwood Production House <http://www.witchwoodhouse.com>

BBR Design <https://bbrdesign.co.uk>

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CARTIER WOMEN'S INITIATIVE

The Cartier Women's Initiative is an annual international entrepreneurship programme which aims to drive change by empowering women impact entrepreneurs. Founded in 2006, the programme is open to women-run and women-owned businesses from any country and sector that aim to have a strong and sustainable social and/or environmental impact.

At the heart of the Cartier Women's Initiative is the vision of a world where every woman impact entrepreneur can realise her full potential. The Cartier Women's Initiative has partnered with GEM to generate evidence on the global state of women's entrepreneurship. This is critical for driving collaboration and enrolling more support for women entrepreneurs.



THE SCHOOL OF MANAGEMENT FRIBOURG

The School of Management Fribourg (HEG-FR) is a bilingual public business school located in Fribourg, Switzerland, and a member of the University of Applied Sciences and Arts of Western Switzerland (HES-SO). Its Institute of Small and Medium Enterprises houses the Swiss chapter of GEM research, which is headed by Professor Rico Baldegger, PhD, in collaboration with other colleagues.

One of the forerunners in Switzerland for training and interdisciplinary research in the area of entrepreneurship and SMEs, the School of Management Fribourg has a particular thematic interest in research on women's entrepreneurship and impacts of entrepreneurship on the UN Sustainable Development Goals (SDGs).



TECNOLÓGICO DE MONTERREY

Tecnológico de Monterrey is a private, non-profit university system with multiple campuses located in 20 states throughout Mexico, with an enrolment exceeding 67,000 students at both undergraduate and graduate levels, and nearly 7,000 faculty members. Founded in 1943, it has distinguished itself through its commitment to academic excellence, educational innovation, entrepreneurship and international outreach, along with its strong connections to industry and employers, and its exceptional delivery capabilities. Over its more than 80 years of existence, 43% of Tec de Monterrey graduates have initiated their own enterprises generating 3.6 million jobs worldwide. Since 1950, it has been accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (SACSCOC) in the US. According to the QS World University Rankings (2026), it holds 29th position among private universities globally. Furthermore, it is the only institution outside the US to feature in the Top 10 Schools for Entrepreneurship Ranking (2026) by the *Princeton Review* and *Entrepreneur Magazine*.

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Acknowledgements

It is a pleasure to present the *Global Entrepreneurship Monitor (GEM) 2025/2026 Global Report: From Uncertainty to Opportunity*. This annual publication represents the collective dedication, expertise and resources of several hundred individuals around the world — among them more than **370 technical experts and researchers** at leading universities and research institutes, over **150 sponsoring organisations** spanning government, international bodies and the private sector, as well as **160,000 respondents** to our GEM Adult Population Survey and the more than **2,000 national experts** who contributed to the GEM National Expert Survey.

Our first and deepest thanks go to our highly committed **GEM National Teams**, along with their national sponsors and survey respondents. Without their steadfast efforts and support, GEM could not make the exceptional claim of celebrating 26 years of continuous longitudinal research and impact that are the hallmarks of its brand.

We also gratefully acknowledge the enduring partnership of the **Cartier Women's Initiative**, whose strategic support over the past six years has been invaluable. Our sincere appreciation goes to **Wingee Sin**, former Global Program Director, and **Vera Bersudskaya**, Head of Program Design and Impact, for their sustained engagement, insight and advocacy for GEM's mission.

For the extraordinary support that makes the launch of the 2025/2026 edition possible, we extend warm thanks to our **GEM Mexico National Team** and the **School of Business at Tecnológico**

de Monterrey for hosting the launch of this flagship report in February 2026. We offer special recognition to **Professors José Ernesto Amorós and José Manuel Aguirre** for their unwavering commitment in securing the resources and facilities to enable GEM's global activities to be convened on their dynamic Monterrey campus. On behalf of the entire GEM consortium, we express our profound appreciation.

Once again, this report has been expertly led by **Stephen Hill**, together with the **GEM Global Team**. We warmly thank Steve for his steady, thoughtful leadership in navigating multiple layers of complexity, including the added dimension of successfully integrating artificial intelligence (AI) tools into this year's process. We also acknowledge the generous voluntary contributions of the **GEM National Team co-authors** (names are mentioned in the individual chapters of this report), whose expert insights and diverse perspectives greatly enrich the global narrative of this report.

Finally, thanks as always to the excellent work of the GEM Global team — **Francis Carmona, Alicia Coduras, Henrique Bastos, Kevin Anselmo** and **Aurea Almanso** — as well as **Dean Bargh** of **Witchwood Production House**, who once again guided the final stages of this intricate report with exceptional skill and care.

To all, we offer our warmest appreciation and best wishes.

Aileen Ionescu-Somers, PhD
GEM Executive Director

Foreword

This 2025/2026 Global Entrepreneurship Monitor (GEM) Global Report arrives at a moment when entrepreneurship is no longer simply a marker of economic dynamism: it has become a central pillar of national resilience. Building on more than two decades of cross-national data, GEM provides a unique lens on this shift. Around the world, societies are contending with overlapping disruptions: geopolitical fragmentation, climate-driven instability, rapid automation, demographic shifts and the reconfiguration of supply chains. In this context, the entrepreneurial impulse has emerged not as a marginal activity but as a defining societal response.

The contents of this report illustrate this clearly: entrepreneurial participation remains remarkably strong across diverse economies, reflecting individuals who, when faced with uncertainty, choose to adapt through enterprise. Yet the deeper narrative is not only about participation but about whether that activity translates into sustained prosperity. Millions of people are launching ventures but many do not yet cross the threshold into durable, job-creating, innovation-driven businesses. The evidence in this report confirms that, for many economies, survival and growth – not startup formation alone – are now the defining challenges of entrepreneurship.

This reality aligns with broader global trends in the entrepreneurial landscape. Worldwide, entrepreneurs are increasingly driven by multidimensional goals: financial ambition paired with social and environmental purpose. Many are building businesses that contribute directly to sustainability, local resilience, climate adaptation and digital inclusion. Young people are entering entrepreneurship at historic levels, while older entrepreneurs play key roles in strengthening business durability and mentoring networks. Talent is becoming more mobile, and migrants – when enabled – serve as bridges to new markets and sources of innovation.

At the same time, digital transformation continues to reshape competitiveness. For some, artificial intelligence, modern digital platforms and global connectivity accelerate scaling and innovation. For others, gaps in funding, infrastructure, education and institutional trust threaten to deepen divides, creating entrepreneurial economies of unequal technological opportunity. GEM's findings this year underscore that digital transformation – particularly AI diffusion – will increasingly differentiate the economies that sustain entrepreneurial success from those that risk stagnation, widening the gaps between entrepreneurs who can harness advanced technologies and those who cannot.

What emerges across all these themes is a simple truth: entrepreneurship is a system, not an accident. The entrepreneurial outcomes observed in this report are not purely the product of ambition, creativity or necessity. They are the reflection of national choices – about education systems, finance architectures, regulatory environments, workforce development, digital infrastructure and cultural attitudes towards risk and failure. Where these systems are coherent, entrepreneurship becomes a national strategic asset. Where they are fragmented, entrepreneurial energy dissipates into micro-activity with limited long-term contribution.

This report therefore presents policymakers, educators, industry leaders and development institutions with both a challenge and an opportunity. The challenge lies in addressing the structural weaknesses – particularly in entrepreneurial finance, school-level education and institutional credibility – highlighted in this year’s findings. The opportunity lies in recognising entrepreneurship not as an outcome but as a lever: a driver of competitiveness, social mobility, sustainability and productive innovation.

Entrepreneurs across the world are already responding to uncertainty with imagination, skill and courage. It is now the shared responsibility of governments, institutions and industry leaders to match that ambition with enabling systems. Where policy leadership is clear, consistent and future-oriented, entrepreneurship becomes one of the strongest pathways to resilient growth.

The chapters that follow provide the ample evidence needed to guide that leadership. It is our hope that its insights help shape strategies that do more than support business creation and instead foster the conditions for lasting economic transformation.

Aileen Ionescu-Somers, PhD

GEM Executive Director

and

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Executive Summary

ENTREPRENEURSHIP AS A STRATEGIC POLICY INSTRUMENT

At a moment of profound global transition, entrepreneurship stands as one of the most powerful and versatile instruments available to governments for advancing economic resilience, social inclusion and sustainable growth. Across the 53 economies participating in the Global Entrepreneurship Monitor (GEM) in 2025, millions of individuals are responding to uncertainty not with withdrawal but with enterprise – launching businesses, reskilling, innovating and rebuilding livelihoods in the face of geopolitical instability, climate pressure, household income shocks and rapid technological disruption.

This Global Report delivers a clear and urgent message for policymakers: entrepreneurial energy is abundant, but its long-term economic value depends decisively on the quality of the policy environment that surrounds it. Where ecosystems enable access to finance, knowledge, markets and digital infrastructure, entrepreneurship becomes a strategic national asset. Where these conditions are weak, entrepreneurial effort is too often confined to fragile, low-margin activities with limited capacity to generate sustained productivity or inclusive growth.

STRONG STARTUP ACTIVITY, WEAK BUSINESS SURVIVAL

Early-stage entrepreneurial activity remains historically strong in many regions, with six economies (Angola, Canada, Chile, Ecuador, Guatemala and Saudi Arabia) recording that more than one in four adults are actively starting or running a business. This dynamism is a powerful signal of societal adaptability. However, behind this encouraging surface lies a persistent structural fault line: in most economies, the share of Established Business Owners remains far lower than the share of startups. In practical terms, many businesses are being born but too few are surviving long enough to anchor durable employment, innovation and export capacity. This weak transition from startup to maturity reflects not a shortage of ambition but deficits in finance, regulatory efficiency, market access and skills development – domains that fall squarely within the reach of public policy.

Only 16 of 53 economies have an entrepreneurial environment rated by national experts as sufficient or better.

FEAR OF FAILURE AND THE ECONOMICS OF RESILIENCE

Across much of the world, fear of failure now constitutes one of the most powerful brakes on entrepreneurial participation. In the majority of participating economies, at least two in five adults who recognise good business opportunities are nevertheless deterred by the perceived personal and financial costs of failure. This rising risk aversion carries significant implications for innovation and business renewal.

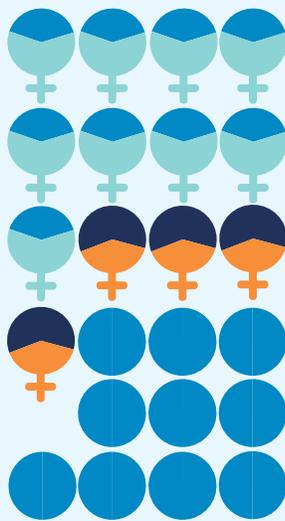
At the same time, the data reveal an important truth for policymakers: failure does not extinguish entrepreneurship — it can strengthen it. Adults who have exited a business are more likely than others to intend to start again, underscoring the importance of regulatory, financial and cultural environments that treat exit not as stigma but as a mechanism for learning and economic renewal.

While the fear of failure is clearly a very powerful deterrent to starting a business, the lived experience of having exited a business is equally clearly not such a deterrent.

A MORE DIVERSE ENTREPRENEURIAL SOCIETY

The face of entrepreneurship is changing — and policy must change with it. While men continue to outnumber women among early-stage and especially established entrepreneurs in most economies, several middle-income economies have now reached or surpassed gender parity in startups. Youth entrepreneurship is expanding in many regions, while older entrepreneurs are playing an increasingly strategic role in business sustainability and leadership. Over half of early-stage entrepreneurs are aged less than 35 in 10 economies, including Germany and the United Kingdom as well as Mexico and India. Migrant and foreign-born entrepreneurs are adding new sources of innovation and international connectedness, yet they too face distinctive institutional and financial barriers.

In middle-income economies, startups are becoming more gender-equal . . .



Out of 23 middle-income economies, 9 have reached (or are extremely close to) gender parity for TEA, while a further 4 have a ratio of more than 4 women to every 5 men

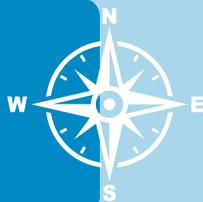
FROM PROFIT ALONE TO PROFIT WITH PURPOSE

Entrepreneurial motivation in 2025 reflects a powerful convergence of economic necessity and social purpose. Earning a living and building income remain dominant drivers across all income groups – an understandable outcome in a world of volatile labour markets. Yet, alongside these material motives, a striking share of entrepreneurs now report that they are driven by the desire to make a positive difference in the world. In most economies, a majority of new entrepreneurs actively integrate environmental and social considerations into both daily operations and long-term strategy.

For governments, this signals a strategic opportunity: entrepreneurship is no longer merely a channel for growth – it is an implementer of sustainability, social cohesion and climate transition.

A striking share of entrepreneurs are demonstrating **social purpose** . . .

51%



Average percentage across TEA in 48 economies who agree with the motivation **“to make a difference in the world”**

84%



Average percentage across TEA in 48 economies who always consider **social implications** and/or **environmental impacts** when making decisions about the future of their business

Only 4 out of 53 economies meet or exceed sufficiency on all 13 Entrepreneurial Framework Conditions: middle-income India and upper-income Lithuania, Saudi Arabia and the United Arab Emirates.

DIGITAL TRANSFORMATION AND ARTIFICIAL INTELLIGENCE

Digital tools are now embedded in the entrepreneurial mainstream, with social media, websites and digital communication forming the primary gateways to markets. Yet the transformative promise of artificial intelligence remains highly uneven. While many entrepreneurs recognise AI's productivity potential, only minorities in most economies expect it to become central to their business in the near future.

Gaps in awareness, skills, ethics frameworks and — most critically — access to finance risk creating a two-tier entrepreneurial economy: one digitally empowered, the other left structurally behind. Strategic public investment in digital infrastructure, AI literacy and responsible innovation ecosystems has therefore become an economic necessity, not a technological luxury.

In 33 of 53 economies, “Entrepreneurship Education at School” is the lowest-rated of all 13 Entrepreneurial Framework Conditions.

AI awareness and adoption remain uneven. In 19 of 48 economies fewer than 1 in 3 new entrepreneurs expect AI to become very important to their business. A majority have such an expectation only in Angola, Brazil, Thailand, Costa Rica, Chile and the United Arab Emirates (all outside Europe); the lowest percentages are in Poland, Sweden, Finland and Croatia (all Europe).

ENTREPRENEURIAL ECOSYSTEMS AS THE DECISIVE POLICY LEVER

Perhaps the clearest lesson of this report is that entrepreneurial success is not determined solely by individual effort: it is systemically produced. Only a handful of economies currently provide uniformly strong entrepreneurial Framework Conditions across finance, education, regulation, infrastructure and market access.

Entrepreneurial education at school level remains the weakest pillar globally, undermining long-term entrepreneurial capacity at its very foundation. Entrepreneurial finance continues to represent the most binding constraint on survival, scaling and digital transition. These are policy domains where targeted action can yield exceptionally high economic and social returns.

For the fifth year in a row, the United Arab Emirates is rated the most supportive environment for a new business. Lithuania leads in Europe. 7 out of the top 10 positions are in Asia (including India, the only middle-income economy) and 3 in Europe.

A STRATEGIC IMPERATIVE FOR GOVERNMENTS

This 2025/2026 GEM Global Report affirms that entrepreneurship is no longer a peripheral policy concern. It is a strategic pillar of national competitiveness, social stability and sustainable development. Entrepreneurs are building the solutions for climate adaptation, food security, healthcare access, digital inclusion and future employment.

Governments now face a defining choice: to treat entrepreneurship as a residual market outcome, or to position entrepreneurship at the heart of national development strategy, backed by coherent finance systems, modern education, digital infrastructure, inclusive institutions and credible pathways for business survival and growth.

Where policy leads with clarity, consistency and inclusion, entrepreneurship becomes one of the most powerful engines of resilience and renewal in an uncertain world.

PART 1

Introduction



What is GEM?

Stephen Hill and Aileen Ionescu-Somers

1.1 WHAT IS GEM?

Global Entrepreneurship Monitor (GEM) is the world's largest and longest-running research study that measures and monitors the level of entrepreneurial activity across multiple economies worldwide. Entrepreneurship is the process of identifying or creating opportunities, mobilising resources and taking action to start or run new ventures that create economic and/or societal value. It is operationalised as self-employment, a new business organisation or the expansion of an existing business, by an individual, a team of individuals or an established business.

GEM's principal research instruments are two complementary annual surveys: the Adult Population Survey (APS) and the National Expert Survey (NES). Each survey asks the same core questions in the same way every year, enabling comparisons across economies and allowing the evolution of entrepreneurship within individual economies to be traced over time. By combining APS and NES insights, GEM captures both the lived experience of entrepreneurs and the structural conditions that shape entrepreneurial journeys.¹ It remains the only major global research resource derived directly from the key player in the entrepreneurial landscape: the entrepreneurs themselves.

This 26th annual GEM Global Report provides a contemporary portrait of entrepreneurship worldwide, illustrating how entrepreneurial activity is adapting amid global transitions. It also represents the latest contribution to GEM's extensive longitudinal database, which offers a rich evidence base for researchers and policymakers seeking to understand the dynamics of global entrepreneurship.

GEM's broad international coverage — spanning economies of all regions and income levels — offers unique insights into entrepreneurial activities, motivations and impacts. In 2025, monitoring entrepreneurship extends beyond counting new businesses: it includes understanding how individuals respond to opportunity and adversity, how entrepreneurial ecosystems encourage or constrain them, and how entrepreneurship contributes to wider societal objectives.

This chapter introduces key relationships — between economic development, entrepreneurial participation and structural conditions — that are explored throughout the report. Recent GEM research has highlighted the mutually reinforcing links between entrepreneurship and sustainability,² showing how entrepreneurial activity can contribute to positive social and environmental impacts, as well as to the adoption of digital technologies and the growing influence of artificial intelligence (AI). After examining public attitudes toward entrepreneurship, this report turns to the actions and perspectives of new entrepreneurs, showing, for example, that many are increasingly motivated by the desire to make a difference in the world and are prioritising social and environmental goals at a time when digital tools, including AI and digital marketing, are reshaping how businesses operate and scale. Subsequent chapters also explore how demographic and social shifts bring new participants into entrepreneurship — such as youth, older (“silver”) entrepreneurs, migrants and women — at a time when transitions in the

¹ The conceptual framework of GEM, and how this helps to define measures and indicators of entrepreneurship, is outlined in Part 4.

² See GEM (Global Entrepreneurship Monitor) (2025) *Global Entrepreneurship Monitor 2023/2024 Sustainability and Entrepreneurship Report: Awareness and Actions*. London: GEM. <https://gemconsortium.org/report/gem-20232024-entrepreneurship-and-sustainability-report-awareness-and-actions> (accessed 8 December 2025).

global economy heighten the need for data-driven insights into who is starting businesses, why and with what impact.

Later chapters examine the entrepreneurial environments in which decisions to start or sustain

a business are made, how these environments support or constrain those decisions and how they differ across economies. The final chapter draws together conclusions and policy implications from across the report.

1.2 WHY ENTREPRENEURSHIP MATTERS

The creation and management of new businesses has long been a dynamic force in shaping economies, but in 2025 its significance is greater than ever. As the world contends with an increasingly intricate web of geopolitical tensions – ranging from rising conflicts to climate change, migration pressures, trade barriers and rapid technological shifts – alongside turbulence in export and labour markets, entrepreneurs are emerging as vital agents of change, resilience and renewal. They are driving adaptability and agile problem-solving, and helping societies confront pressing environmental and social challenges. Increasingly, many are motivated not only by economic opportunity but also by a commitment to social and environmental improvement.

Startups and new businesses continue to power global job creation – directly generating employment, supporting economic restructuring as industries evolve and advancing more inclusive forms of growth. Many entrepreneurs are aligning profit with purpose, embedding sustainability, ethical sourcing and social engagement into their business models, and expanding opportunities

for minorities and other underserved groups. Entrepreneurship itself is becoming more diverse, with growing participation from young people, older adults and women, each bringing distinct strengths and perspectives that enrich the entrepreneurial landscape.

New businesses are increasingly introducing new business models – from digital platforms and gig-based enterprises to AI-driven ventures. Many entrepreneurs are at the forefront of technological transformation, adopting and shaping AI tools, leveraging digital marketing to reach both local and global audiences, and deploying emerging technologies to address environmental and social challenges.

Finally, entrepreneurship is becoming more influential in shaping global governance on critical issues such as emerging technologies and climate change. Entrepreneurs are contributing to the development of collaborative frameworks, applying innovative approaches to complex challenges and demonstrating the adaptive leadership needed to navigate a rapidly evolving global landscape.

1.3 PARTICIPATING ECONOMIES IN GEM 2025

The 53 economies participating in GEM research in 2025 are listed in Table 1.1, arranged by income group using World Bank data for Gross Domestic Product (GDP) per capita.³ In a break with recent practice, and recognising that income has limited association with many key variables, this report

employs two categorisation approaches. The primary categorisation divides the 53 economies into two major groups – middle-income and upper-income – using an average GDP per capita of \$50,000⁴ as the dividing line. This simplified classification will be used in most of the analyses that follow.

However, some variables are especially sensitive to income level – for example, changes in household income (presented in Chapter 2). In such cases, each major category is further

³ Gross Domestic Product per capita is widely recognised as an imperfect measure of prosperity. Like all averages, it fails to account for an unequal distribution, while it also ignores non-monetary transactions and can misread the informal economy or the social and environmental costs of production. However, consistent internationally valid alternatives are conspicuous by their absence.

⁴ PPP, current international \$.



THE REAL WORLD BEHIND THE DATA ...

Academic entrepreneurship in action

Entrepreneurial Education Post-School — one of GEM's Entrepreneurial Framework Conditions — refers to colleges and universities offering courses that equip students with the skills to start and grow a business. This educational experience is greatly enhanced when students learn from academics who bring real-world entrepreneurial experience into the classroom.

Nataša Šarlija, a finance professor at Croatia's Josip Juraj Strossmayer University in Osijek and a member of the GEM Croatia National Team, is able to provide such an important perspective to her students. Two decades after completing a PhD on credit-risk modelling, she now straddles two domains: shaping future researchers in lecture halls and steering Alpha Score, a 13-person company that transforms data science into AI-powered risk-assessment tools.

Turning equations into a business

Šarlija's "aha" moment came when she built her doctoral scoring model for small-business creditworthiness. She realised historical financial data could do more than describe the past; they could predict the future. Armed with a government research grant, she and a partner launched Alpha Score in 2003.

Early outreach to Croatian banks was humbling. "We'd knock, present the model, and leave without a follow-up call," she recalls.

Persistence — and plenty of plain-language storytelling — eventually paid off. The firm secured its first contract in 2005, opening the door to a steady stream of analytics work.



"Looking back, it was a mix of passion, curiosity and probably just enough stubbornness to push through," she said. "I'm glad we did it that way — there's something incredibly satisfying about seeing your research come to life in the real world."

Custom software projects helped the company survive Croatia's challenging financing environment while Šarlija refined new products. Today, the venture has developed AI-driven solutions in areas such as education, nutrition, risk assessment and finance. Looking ahead, Alpha Score aims to move from "AI as a tool" to building products that are fully grounded in AI, scalable, and capable of creating lasting value.

Bridging the gap between academic research and entrepreneurship

One of Šarlija's missions is to normalise the idea that a researcher can be an entrepreneur.

Many universities don't have specific guidelines and frameworks for promoting academic entrepreneurship. Knowledge transfer can be viewed as a lofty aspiration rather than a structured mission. Teaching loads and research quotas leave little flexibility for commercialisation, and policies on IP sharing or workload allocation remain vague.

"Academic entrepreneurship is something you have to carve out on your own — quietly, persistently, and often without any roadmap. And, despite all that, or maybe because of it, I've come to really value the freedom that comes with bridging those two worlds."

Inside J.J. Strossmayer University, colleagues mostly know Šarlija as "the woman of numbers". Few realise she manages payroll, client pitches and product roadmaps after office hours.

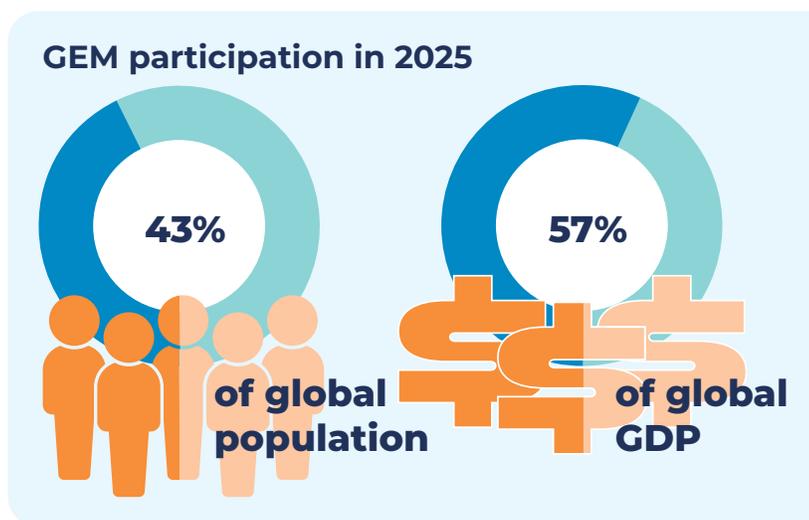
"Universities everywhere need to consider a new social contract which includes three missions: research, education and serving the community," she said. "Entrepreneurship can connect to all three."

As a co-instructor, she uses GEM data in the interdisciplinary doctoral programme Entrepreneurship & Innovativeness.

She concluded: "As an educator, it is our duty to equip future professionals with the mindset and tools to think analytically, make evidence-based decisions and understand risk not as something to fear but something to manage."

subdivided into two groups, shown in the right-hand two columns of Table 1.1 as lower middle-income, upper middle-income, lower high-income and upper high-income, using \$25,000 and \$62,000 average GDP per capita as further dividing lines.

Taken together, these 53 economies represent approximately 43% of the global population and 57% of global GDP in 2025, based on World Bank data. Figure 1.1 illustrates how GEM's coverage – as a share of both population and GDP – has evolved since 2019. These shares fluctuate over time, largely depending on whether China and/or India are included in a given year, reflecting the extent to which the scale of these economies shapes the global picture. For example, in 2019 China



Major		Minor	
Middle-income	Upper-income	Lower middle	Lower high
Algeria*	Austria*	Algeria*	Cyprus
Angola	Bahrain	Angola	France
Argentina	Canada	Brazil	Israel
Brazil	Cyprus	Ecuador	Italy
Chile	Finland	Egypt	Japan*
Costa Rica	France	El Salvador	Lithuania
Croatia	Germany	Guatemala	Poland
Ecuador	Israel	India	Puerto Rico
Egypt	Italy	Jordan	Republic of Korea
El Salvador	Japan*	Morocco*	Slovenia
Estonia	Lithuania	Peru	Spain
Guatemala	Luxembourg	South Africa	Taiwan
Hungary	Netherlands	Thailand	United Kingdom
India	Norway		
Jordan	Poland	Upper middle	Upper high
Latvia	Puerto Rico	Argentina	Austria*
Mexico	Qatar	Chile	Bahrain
Morocco*	Republic of Korea	Costa Rica	Canada
Oman	Saudi Arabia	Croatia	Finland
Peru	Slovenia	Estonia	Germany
Romania	Spain	Hungary	Luxembourg
Slovak Republic	Sweden	Latvia	Netherlands
South Africa	Switzerland	Mexico	Norway
Thailand	Taiwan	Oman	Qatar
Uruguay*	United Arab Emirates	Romania	Saudi Arabia
Venezuela	United Kingdom	Slovak Republic	Sweden
	United States	Uruguay*	Switzerland
		Venezuela	United Arab Emirates
			United States

TABLE 1.1
GEM participating economies in 2025 by income group

Of the 53 economies participating in GEM in 2025, 48 took part in both the Adult Population Survey (APS) and the National Expert Survey (NES), while five economies, denoted by *, participated in the NES but not the APS.

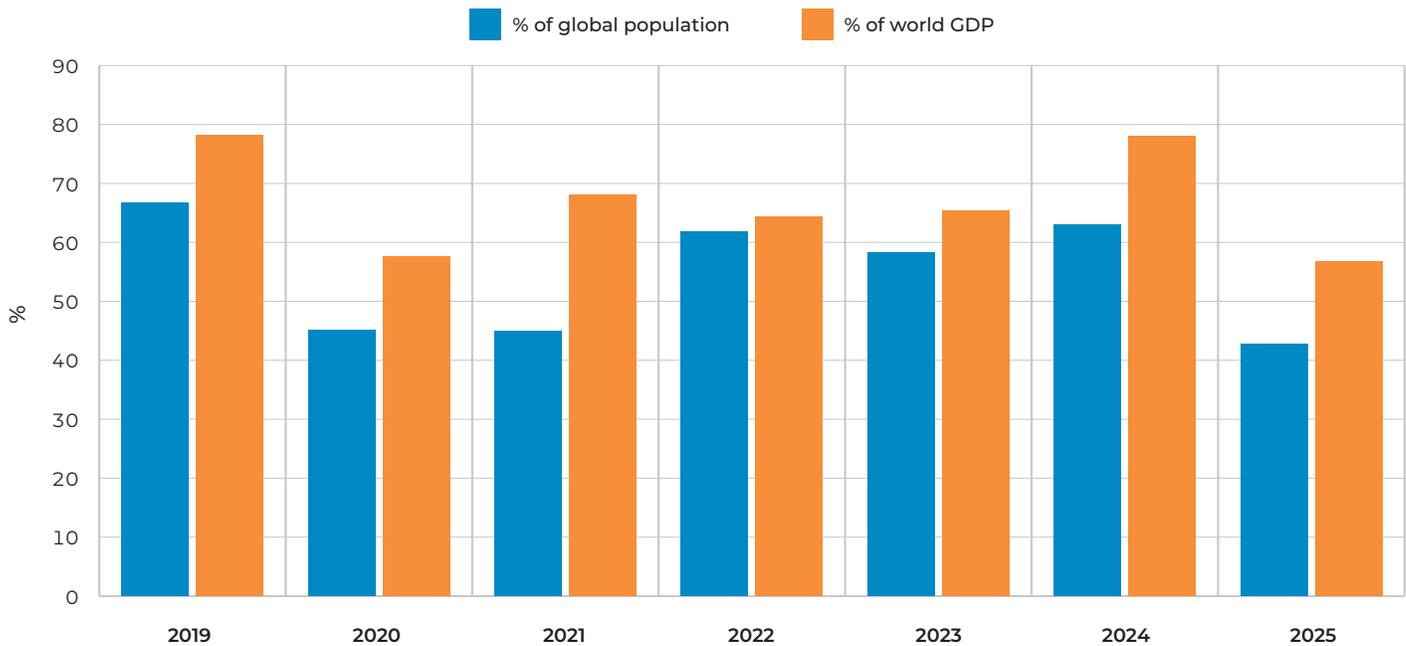


FIGURE 1.1

GEM coverage as a percentage share of global population and of world GDP

accounted for 18% of the world’s population, with India close behind at 17%.

GEM’s coverage reached its widest scope in 2019, encompassing two-thirds of the global population and more than three-quarters of world GDP when both China and India were included. Coverage contracted sharply in 2020 and 2021 due to disruptions caused by the COVID-19 pandemic. It largely recovered in 2022 and 2023, and by 2024 had nearly returned to its 2019 peak. In 2025, coverage records a modest decline, driven primarily by the absence of China, underscoring how the participation of major economies can significantly influence the global representation of entrepreneurial activity.

Overall, GEM data continue to provide a reliable picture of global entrepreneurial activity. The slightly higher share of GDP relative to population

suggests a modest bias toward more prosperous economies, which are more likely to participate in the survey. Despite this, GEM remains an invaluable resource for understanding the evolving dynamics of entrepreneurship across the world.

The policy implications of this chapter are significant. The findings highlight the importance of viewing entrepreneurship as a contributor to inclusive development, economic growth and economic resilience. They also underline how the quality of entrepreneurial ecosystems – including financial conditions, access to technology and the broader enabling environment – influences the opportunities available to diverse groups of entrepreneurs. As this report demonstrates, economies in which entrepreneurial activity is both feasible and purposeful tend to be better positioned to adapt and thrive in a period of global transition.

POLICY IMPLICATIONS

Policy area	Policy insights	Rationale
Entrepreneurship as a driver of growth and resilience	Entrepreneurship contributes to inclusive development, sustainable economic growth and national resilience.	Strong entrepreneurial activity is associated with innovation, job creation and competitiveness in a volatile global environment.
Entrepreneurial ecosystems	Supportive conditions — financial, technological and regulatory — shape how entrepreneurs engage with opportunities.	GEM data highlight the importance of ecosystem quality in enabling entrepreneurial activity.
Inclusivity and diversity	Entrepreneurship is increasingly shaped by diverse groups including youth, older adults, migrants and women.	Skills development, education and digital access influence inclusive entrepreneurial outcomes.
Purposeful and impactful entrepreneurship	Purpose-driven entrepreneurship aligns business activity with social and environmental objectives.	Understanding how enabling environments support both feasibility and purpose helps economies navigate technological and sustainability transitions.
Evidence-based policymaking	GEM data can help to understand entrepreneurial trends, monitor change and benchmark performance across economies.	Comparative evidence supports context-sensitive assessments of entrepreneurial environments.

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Be part of future Global Reports, providing a snapshot of entrepreneurial activity across the world. You can contribute towards National Reports that include international benchmarking, local context and national entrepreneurship policy recommendations.

“GEM offers academics the opportunity to be part of a prestigious network, explore various dimensions of entrepreneurship and gain a full picture about the entrepreneurial activity of a country.”

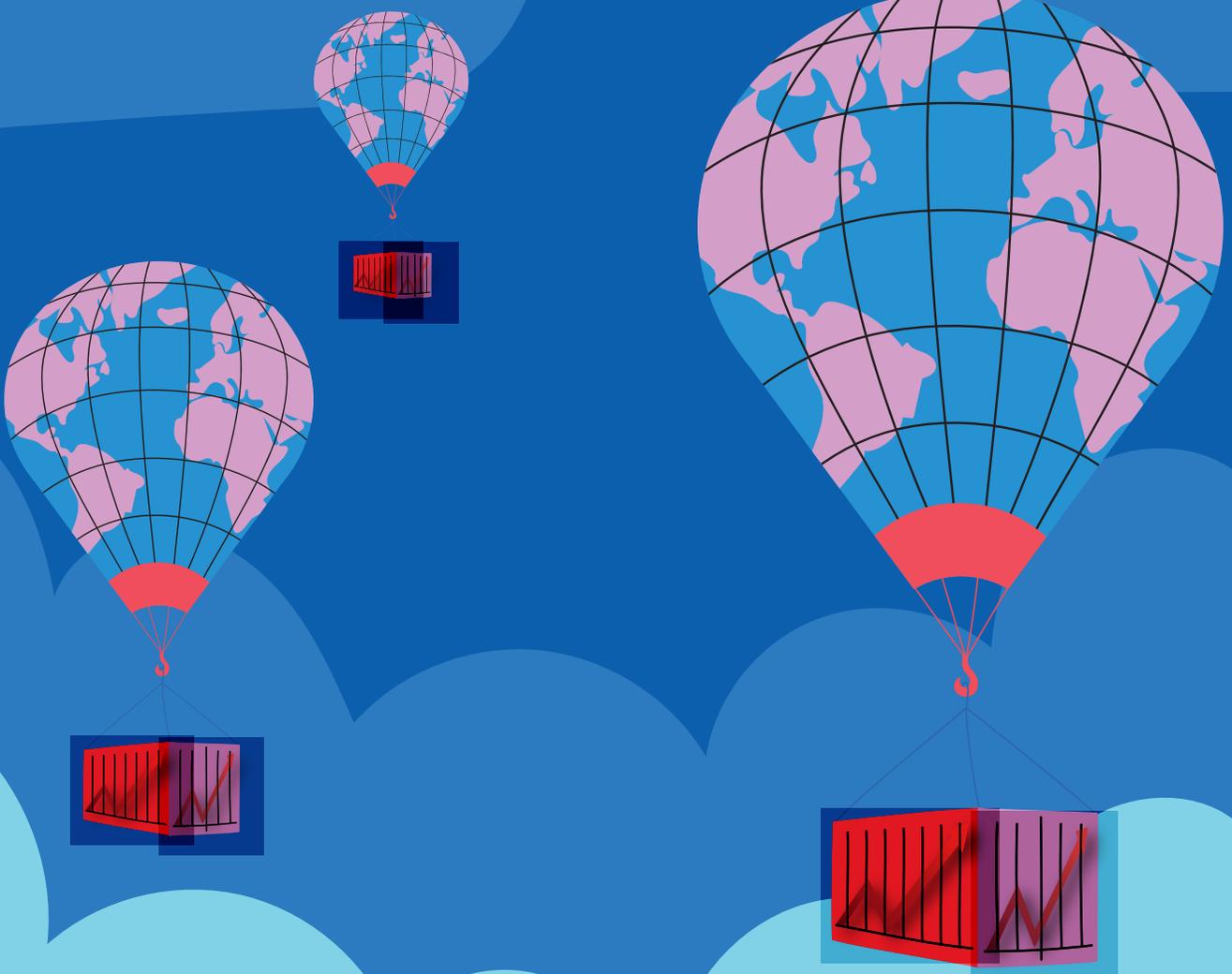
Virginia Lasio, Team Leader of GEM Ecuador and Professor at the ESPAE Graduate School of Management



For more information, visit www.gemconsortium.org or write info@gemconsortium.org

PART 2

Analysis



This part of the report presents in-depth analysis of data collected from the 2025 GEM Adult Population Survey. Analysis is presented of the social foundations of entrepreneurship, the motivating factors for starting a business, as well as the barriers and promoting factors involved in doing so. Business intentions of entrepreneurs, different levels and dimensions of entrepreneurial activity and socio-economic impacts of entrepreneurship are also explored, as are findings related to the diversity of entrepreneurs.

Global shifts shaping entrepreneurship

Stephen Hill and Aileen Ionescu-Somers

2.1 INTRODUCTION: NAVIGATING UNCERTAINTY

Entrepreneurship is unfolding amid widespread global disruption. Geopolitical tensions, armed conflicts, climate change, shifting migration patterns and the rapid deployment of artificial intelligence (AI) are reshaping economies and societies, with significant implications for entrepreneurs and the wider business environment. These forces influence not only the resources and market opportunities available to new ventures but also the conditions under which individuals decide to start or sustain a business.

This chapter examines how these global shifts are affecting the environment for early-stage entrepreneurial activity, including the emergence of new business models such as platform-based enterprises and AI-enabled ventures. These large-scale changes shape — and are shaped by — the strategies, motivations and ambitions of today’s entrepreneurs. Understanding these interactions is essential for policymakers seeking to cultivate environments that support innovation, resilience and inclusive economic growth.

2.1.1 Household income as a lens on entrepreneurial conditions

Household income provides a critical perspective on how global shifts are affecting individuals and entrepreneurial activity. The GEM Adult Population Survey (APS) asks respondents whether their household income changed in 2025 and, if so, whether that change was positive or negative. Despite modest estimates of global GDP (Gross Domestic Product) growth, these survey results reveal a more sobering reality. In 2024, for example, 31 of 51 participating economies reported more individuals experiencing a decline in household income than an increase.

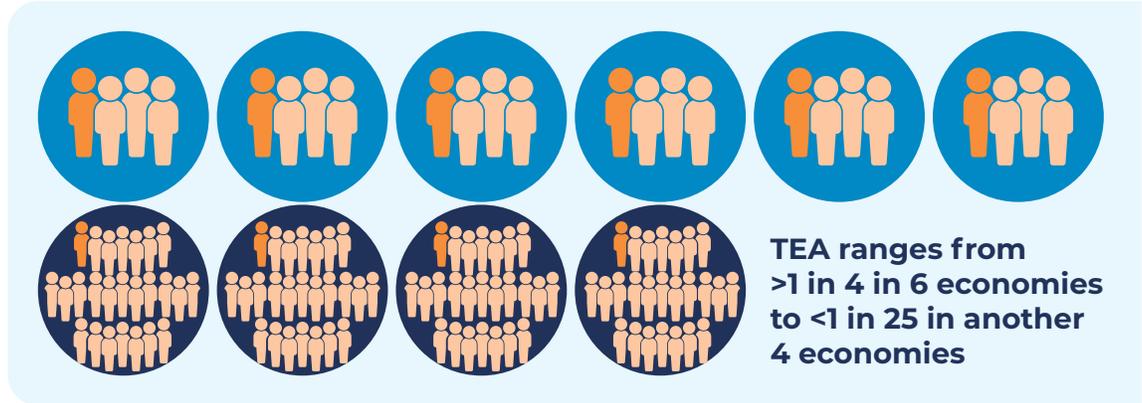
While income declines were more common in lower-income economies, they were also evident in some of the wealthiest nations. These household income trends act as a proxy for financial vulnerability and help explain differences in entrepreneurial motivations, intentions and actions. In economies facing widespread income reductions, entrepreneurial activity tends to concentrate in low-entry, low-margin sectors and flexible business models, particularly those enabled by digital technology. Conversely, in contexts where incomes are stable or rising, entrepreneurs are generally better positioned to pursue innovation, scale-up strategies and higher-risk ventures.

For policymakers, these insights highlight the importance of understanding how economic pressures shape entrepreneurial pathways and where targeted support — such as access to finance, skills development and enabling infrastructure — may help foster more resilient and inclusive entrepreneurial activity.

2.1.2 Entrepreneurial activity: TEA and EBO

The main purpose of this Global Report is to measure and monitor entrepreneurial activity. GEM assesses this through Total early-stage Entrepreneurial Activity (TEA), defined as the proportion of the adult population in each economy that is actively starting or running a new business.⁵ A business is classified as established once it has been operating for more than 42 months. The survey also measures Established Business Ownership (EBO), the proportion of adults who own and manage an established business. In this

⁵ See Part 4 for a precise definition of GEM variables.



chapter, EBO and new business activity rates are presented for each participating economy, revealing a complex and evolving entrepreneurial landscape.

In many economies across all income levels, TEA rates are rising. By 2025, six economies report that more than one in four adults is starting or running a new business — up from four economies in 2024. However, in contrast, EBO rates may be stagnant or declining, indicating that fewer businesses are surviving to maturity. This imbalance, where new businesses are outpacing established ones, suggests potential structural barriers to sustainability, such as market saturation, regulatory burdens or restricted access to finance. For policymakers, recognising these barriers is important in understanding where entrepreneurial growth may not yet be translating into durable economic impact.

2.1.3 Entrepreneurial attitudes and intentions

This chapter also presents initial findings from APS questions aimed at gauging adult attitudes

and perceptions toward entrepreneurship. Specifically, it examines whether individuals perceive starting a business in their country as easy, and whether they personally intend to launch a business within the next three years. The data reveal a nuanced picture: while a significant proportion of adults believe that starting a business is relatively easy, this perception does not always translate into entrepreneurial intent. In some economies, high perceived ease coexists with low intention to start a business, suggesting that other influences — such as cultural norms, risk aversion or fear of failure — may inhibit entrepreneurial activity. Conversely, in contexts where starting a business is perceived as challenging, intention may remain high, often driven by necessity. These findings underscore that cultivating entrepreneurship involves more than reducing procedural barriers; it also requires an understanding of the cultural, psychological and economic factors that shape entrepreneurial motivation.

2.2 CHANGES IN HOUSEHOLD INCOMES

Responses to the household income question in 2025 are summarised in Figure 2.1, showing the percentage of adults reporting that their household income had strongly increased, somewhat increased, remained more or less stable, somewhat decreased or strongly decreased in 2025, using the minor income categories outlined in Chapter 1.

While individuals in higher-income economies remain less likely to report declines in household income, such decreases are evident across all income groups, including the wealthiest. For example, in 2025, one in four adults in upper high-income economies such as Bahrain, Switzerland and Finland reported reductions in household income. By contrast, the highest share

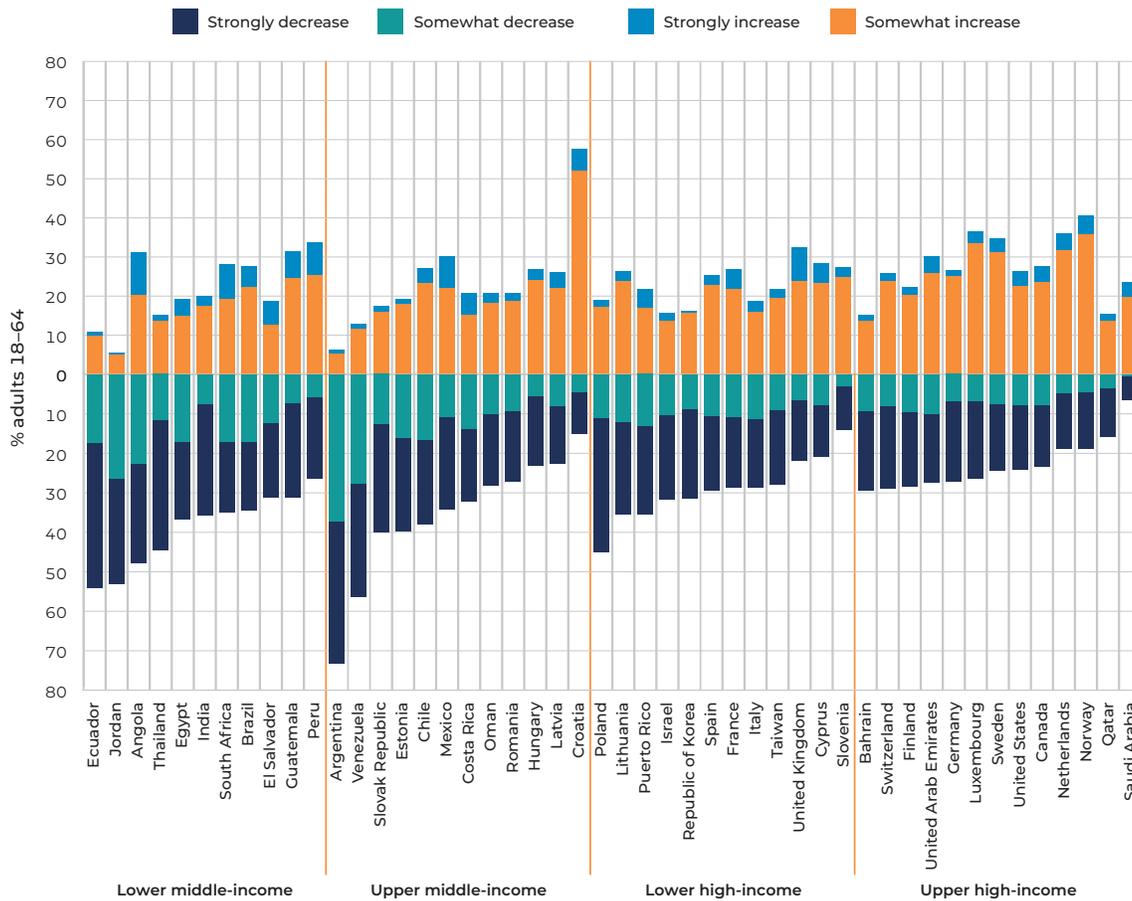
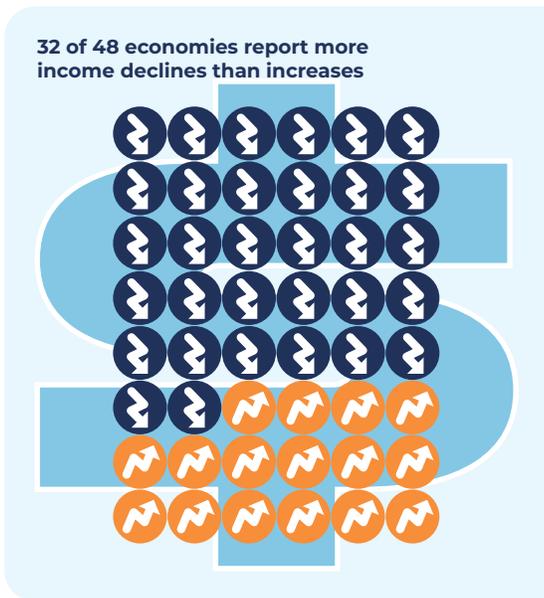


FIGURE 2.1
The percentage of adults reporting a change in household income in 2025



reporting income declines — nearly three out of four — was observed in upper-middle-income Argentina. This same income group also includes Croatia, where nearly three out of five adults reported income increases, underscoring the considerable variation within and across income categories.

As noted previously, in 2024, 31 of 51 surveyed economies saw a greater proportion of adults reporting income decreases compared to increases. In 2025, this pattern more or less recurred, with 32 of 48 economies exhibiting higher proportions of adults experiencing income declines. These findings indicate that significant segments of populations in many economies are under financial strain. Such conditions are likely to influence both the level and nature of entrepreneurial activity, making it essential to interpret entrepreneurial patterns in the context of prevailing economic pressures.



THE REAL WORLD BEHIND THE DATA...

Fixing the grid with green innovation and real policy support

Basima Abdulrahman, Founder of KESK | Cartier Women's Initiative 2021 Fellow

In Iraq, summer temperatures routinely climb above 48°C (120°F), yet the national power grid struggles to deliver more than a few hours of electricity per day to citizens. With such instability, cooling a home becomes a daily challenge as well as a matter of health and survival. Basima Abdulrahman grew up navigating this crisis first-hand.

The scale of the problem is staggering. In 2025, Iraq faces a 37,000 MW/h power production gap, with grid electricity available for less than 12 hours a day. Diesel generators, long used to bridge the shortfall, cover just 10% of demand and cost nearly 10 times more per kilowatt-hour than solar.

"The electricity crisis has been a big deal," she says. "People protest about the lack of services once or twice a year. Iraqis are constantly searching for alternative energy sources."

While studying civil engineering in the United States, Basima was introduced to green building and LEED (Leadership in Energy and Environmental Design) certification. Inspired by this sustainable approach, she returned home and launched KESK in 2018. The company offers green building services tailored for Iraq's infrastructure and energy realities.

Initially focused on consulting and design, KESK quickly evolved. In 2020, the company introduced a battery-free, solar-powered air-conditioning unit, specifically designed to work during daylight hours when cooling demand is highest. Each unit includes external solar panels and a simplified internal system, making it affordable, accessible and maintenance-friendly — particularly for households that can't afford full-scale solar installations.

"You have solar AC working all day, so your house cools down even without a battery," Basima explains.

To expand accessibility, KESK partners with financial institutions to offer instalment plans and trains local technicians, creating new jobs and building technical capacity in the green economy. Today, KESK is one of only eight companies officially qualified by Iraq's Ministry of Electricity to deploy national solar financing under the Central Bank of Iraq's \$100 million annual fund, with partnerships already channelling residential



and commercial loans into solar adoption.

KESK is also developing AI-powered solar energy assets software, which monitors energy use and provides real-time data. This innovation allows both residential and commercial customers to track savings and optimise energy efficiency, a key step toward Basima's long-term vision: turning buildings into clean energy generators, not just consumers.

"This kind of product is going to be very helpful for Iraq," she says. "It will help monetise energy usage in the future through a solar asset leasing model."

KESK plans to scale to 8,000 systems over the next five years, targeting homes, schools, universities, hospitals and commercial buildings across the country. But to truly scale climate tech innovation, Basima says policy must bridge the gap between capital availability and accessibility.

"Programmes that support women founders are helpful in theory but they need to be backed by timely and tangible outcomes," she explains. "Climate tech ventures like ours are often overlooked while investors focus on sectors like fintech and e-commerce. That needs to change."

She calls for incentives that drive capital into mission-driven startups, along with stronger pathways for alternative financing like debt instruments and blended capital.

"We don't need just mentorship. We need aligned investment, accessible financing and real follow-through. Climate solutions can't wait."

Thank you to the Cartier Women's Initiative, one of our report sponsors, for providing this material and helping to ground our data in a real-world context.

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2.3 THE GLOBAL DISTRIBUTION OF ENTREPRENEURIAL ACTIVITY

Entrepreneurial activity varies substantially both within and across income groups. Figure 2.2 illustrates this pattern for TEA and EBO, using the major income categories outlined in Chapter 1.

In 2025, six GEM-participating economies have one in four or more adults actively starting or running a new business: Angola, Ecuador, Chile, Saudi Arabia, Canada and Guatemala. Four of these economies are in the middle-income group while two are upper-income. At the other end of the distribution, four economies, spanning both income groups equally – Qatar, Egypt, Poland and Romania – have fewer than one in 25 adults engaged in early-stage entrepreneurial activity.

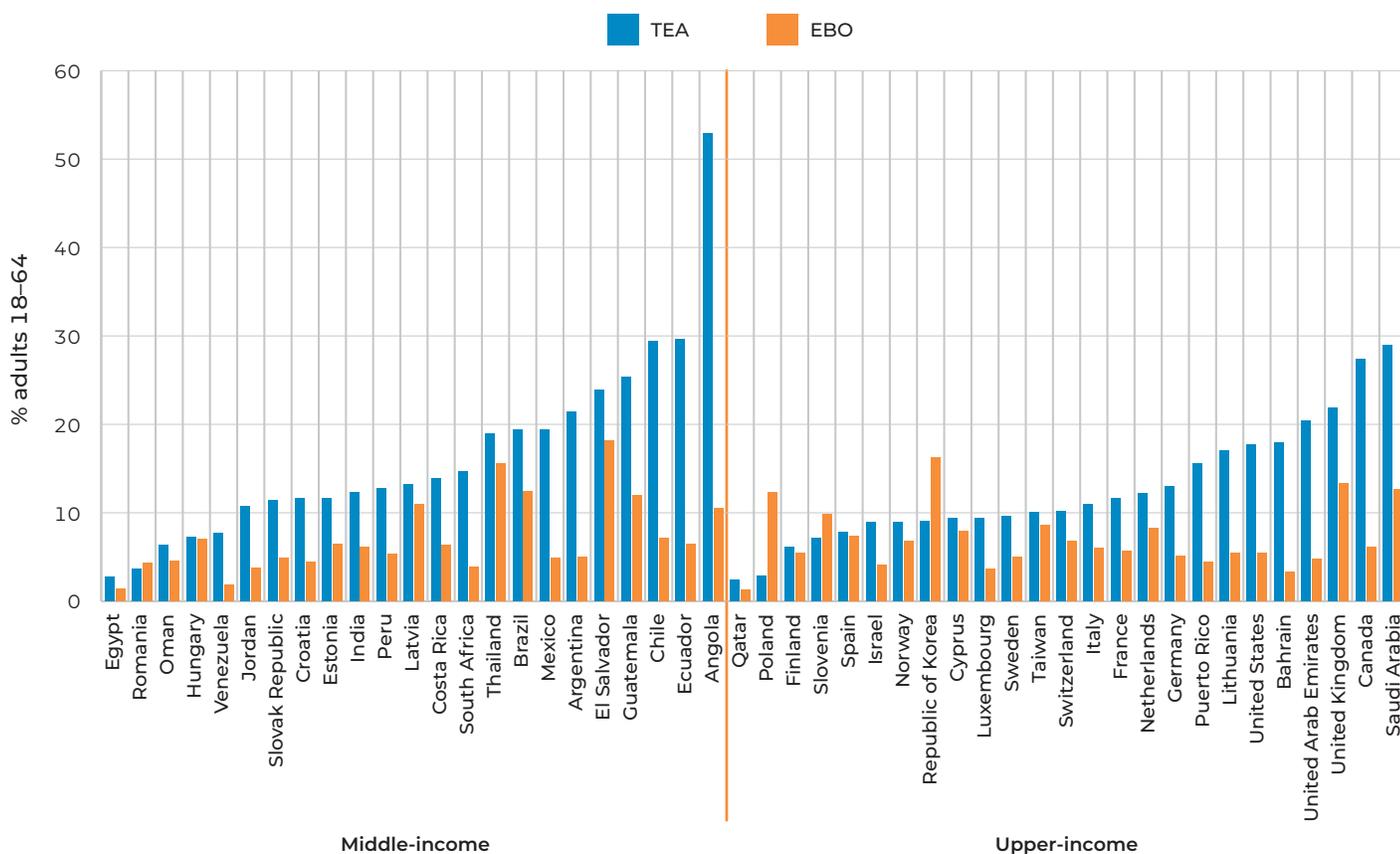
Within the upper-income group, Saudi Arabia, Canada, the United Kingdom and the United Arab Emirates stand out, each with more than one in five adults starting new businesses. Nevertheless, TEA levels in the upper-income group are generally lower than in the middle-income

group. For example, while five of the 24 middle-income economies have fewer than one in 10 adults engaged in early-stage entrepreneurship, this rises to 11 out of 24 in the upper-income group, underscoring the uneven distribution of entrepreneurial activity across economic contexts.

Figure 2.2 also shows that levels of EBO are typically lower than those of TEA. Among the 48 economies, only four – Poland, Slovenia, the Republic of Korea and Romania – report EBO levels exceeding TEA. Across the sample, only five economies have one in eight or more adults owning an established business, while seven report proportions below one in 25, revealing wide variation in the consolidation and longevity of entrepreneurial ventures.

In eight economies – Venezuela, Argentina, Chile, Ecuador, Angola, Bahrain, the United Arab Emirates and Canada – there are four or more adults starting or running a new business for every

FIGURE 2.2
Total early-stage Entrepreneurial Activity (TEA) and Established Business Ownership (EBO) rates, both as % adults



one owning an established one. Such imbalances raise questions about the sustainability and survival rates of new ventures. This concern is heightened in economies in which large shares of adults report declining household incomes. Of the four economies in which more than half of adults experienced income decreases in 2025, three appear in this group with high ratios of early-stage to established business owners.

The wide variation in TEA highlights the importance of understanding why some

individuals pursue entrepreneurial activity while others do not. A logical next step is to examine perceptions and intentions – whether adults believe starting a business is easy, and whether they intend to start a business in the next three years – both measured by the APS. These indicators provide essential context for policymakers seeking to design interventions that not only encourage business creation but also support the growth and sustainability of entrepreneurial ventures.

FIGURE 2.3

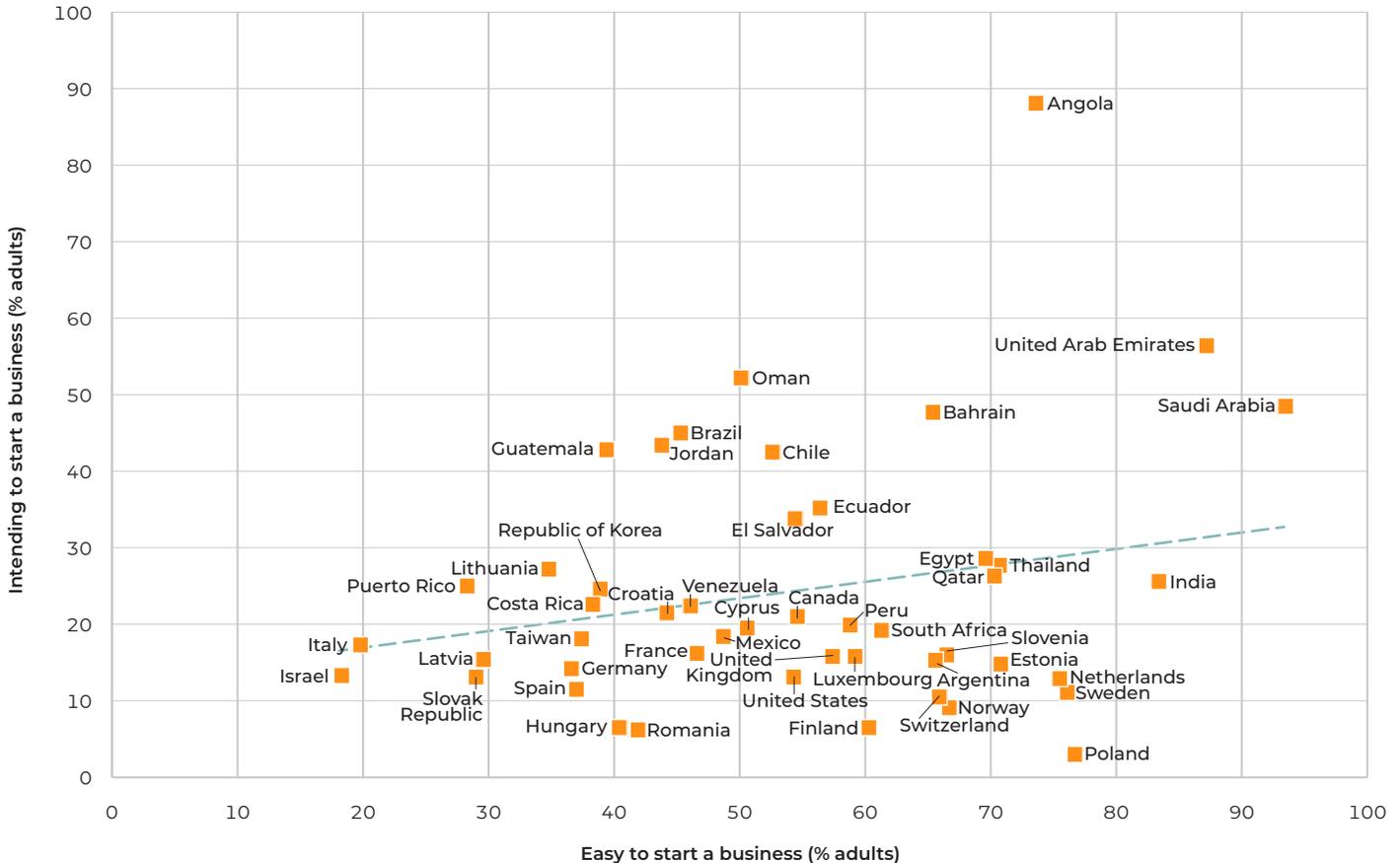
The percentage of those adults who are not already involved in entrepreneurial activity who agree “it is easy to start a business in my country”, versus the percentage intending to start a business in the next three years in that country

2.4 EASE OF ENTRY AND INTENTION TO START A BUSINESS

Entrepreneurs often demonstrate extraordinary resilience, launching and sustaining ventures even under difficult conditions, as illustrated by the relatively high levels of TEA in Ukraine reported in last year’s GEM Global Report. Nonetheless, the perceived ease of starting a business varies widely

across economies, and subsequent chapters will show that entrepreneurial environments range from highly enabling to markedly restrictive, with many situated between these extremes.

The GEM APS asks respondents whether they agree that “it is easy to start a business in my



country” and, separately, whether they intend to start a business within the next three years. It is reasonable to expect a positive relationship between these measures: when starting a business is seen as easy, entrepreneurial intent should be higher. Figure 2.3 presents these findings in a simple scatterplot.

While a general positive association is visible, the relationship is far from uniform. In several economies, high perceived ease does not correspond to high entrepreneurial intent. For example, in some northern European economies – Poland, Sweden, Norway and Finland – around three in five adults agree that starting a business is easy, yet only about one in 10 intend to start a business in the next three years. Conversely, in Guatemala, Jordan, Brazil, Angola and Oman, the proportion intending to start a business approaches or even exceeds the share who perceive starting one as easy.

The line of best fit slopes gently upward, indicating a positive association; however, the relatively low correlation implies that perceived ease is only one of several factors shaping entrepreneurial intention. Cultural norms, economic incentives, risk tolerance and necessity also play significant roles. Understanding these dynamics is essential for policymakers seeking

to encourage entrepreneurial activity that is both vibrant and sustainable.

The relationship between perceived ease of starting a business and actual entrepreneurial intent varies widely across economies, suggesting that lowering procedural barriers alone is not enough to stimulate new venture creation. Policymakers must address the deeper economic, cultural and psychological factors – such as income insecurity, risk tolerance and motivation – that shape whether individuals act on perceived opportunity.

SUSTAINABILITY FOCUS

Household income pressures and uneven entrepreneurial opportunities shape whether people can prioritise social and environmental goals. In economies facing financial strain, entrepreneurship shifts toward necessity, leaving less room for sustainability-driven ventures. Where economic conditions are more stable, entrepreneurs are better positioned to align business creation with social and environmental impact. Understanding these contrasts helps identify where supportive conditions are needed to enable sustainable entrepreneurship.

2.5 CONCLUSIONS AND POLICY IMPLICATIONS

The global entrepreneurial landscape in 2025 reveals a mix of opportunity and uncertainty. Declining household incomes in many economies, uneven distributions of early-stage and established business activity, and varied perceptions of how easy it is to start a business highlight the complex interplay between economic conditions, individual motivations and entrepreneurial outcomes. In some economies, entrepreneurs continue to display remarkable resilience – launching ventures despite financial strain – while in others structural and cultural barriers inhibit both the intention to start a business and the likelihood that new ventures will survive.

These patterns demonstrate that enabling entrepreneurship requires more than reducing administrative barriers or encouraging business creation. Effective policy must address the broader conditions shaping entrepreneurial behaviour, including financial vulnerability, risk perceptions and societal attitudes. By strengthening economic stability, improving access to resources and cultivating an enabling cultural environment, policymakers can help ensure not only that more individuals are willing to start businesses but that those businesses are positioned to grow, endure and generate lasting economic and social value.

POLICY IMPLICATIONS

Policy area	Policy insights	Rationale
Regulatory environment	Understanding how administrative and compliance burdens affect business entry	Lowering complexity and costs can reduce informal activity and influence decisions to start and formalise businesses.
Digital infrastructure	Monitoring the availability of digital platforms and connectivity as part of the entrepreneurial environment	Digital capacity enables innovative business models and broadens access to markets.
Education and training	Examining how entrepreneurship education and skills development shape intent and capability	Human capital influences entrepreneurial confidence, opportunity perception and venture quality.
Social security and income stability	Considering how income volatility influences entrepreneurial motivation and fear of failure	Financial vulnerability affects whether individuals feel able to start and sustain a business.
Market access	Understanding barriers and enablers to domestic and international market participation	Access to markets shapes opportunities for innovation, growth and competitiveness.
Cultural support and societal attitudes	Tracking societal perceptions of entrepreneurship, including attitudes toward risk, success and failure	Cultural norms influence entrepreneurial intent and resilience, shaping who participates and how ventures evolve.

By bringing together structural, financial, educational and cultural considerations, policymakers can help shape entrepreneurial ecosystems that are productive, sustainable, adaptive and inclusive. An integrated perspective reinforces the potential for entrepreneurship to contribute to economic resilience, innovation and long-term growth across a wide range of contexts.

Fear, resilience and opportunity

Stephen Hill and Jeffrey Shay

3.1 ENTREPRENEURIAL COURAGE IN AN AGE OF UNCERTAINTY

Entrepreneurship is widely celebrated for its optimism, perseverance, determination and capacity for innovation. Yet behind each new venture lies a complex set of emotions, among which fear of failure is especially influential – often limiting entrepreneurial action even when opportunities appear strong. Successive GEM Global Reports have documented a continued rise in this fear. The 2025 GEM Adult Population Survey (APS) shows that, in 41 of the 48 participating economies, at least two in five adults who perceive good local opportunities would not start a business because they fear it might fail. This chapter explores how fear of failure shapes entrepreneurial intentions and activity, and how these patterns vary across economies and income groups. In doing so, it highlights the tension between recognising opportunities and acting on them, while showing that resilience – particularly among those who have exited a business – can serve as a powerful counterweight.

GEM data over time show an inverse relationship between fear of failure and entrepreneurial intentions, particularly in higher-income economies where opportunity recognition is typically stronger but fear remains a substantial deterrent. Lower-income economies often report lower levels of fear, possibly reflecting the greater prevalence of necessity-driven entrepreneurial activity. Since the introduction of the fear-of-failure question in 2019, responses indicate a clear upward trend in this sentiment. This increase is unsurprising

given heightened global uncertainty, economic volatility and rapid technological change, all of which contribute to insecurity and diminishing confidence.

Fear of failure is not only a psychological barrier; it also operates as a structural constraint. It can discourage capable individuals from pursuing potentially promising opportunities, particularly in contexts where the perceived cost of failure – financial, cultural and psychological – is high. Yet GEM 2025 data reveal a compelling contradiction: adults who have exited a business in the past 12 months are more likely to intend to start another business than those who have not exited a business. This holds true in all but one⁶ of the 48 economies, across regions, income groups and economic structures. This pattern suggests that experience, even when associated with failure,⁷ can build resilience and confidence, calling into question the assumption that exit necessarily reduces future entrepreneurial engagement.

The chapter also examines reasons for business exit, which may be positive (for example, selling the business or pursuing alternative opportunities) or negative (such as financial losses or excessive taxation or bureaucracy). While negative reasons dominate – particularly in lower-income economies – a considerable proportion of exited businesses continue under new ownership. Exit can therefore function as a transition rather than an end point – reallocating resources, experience and knowledge towards new entrepreneurial activity.

⁶ In Ecuador in 2025, 41% of those who had exited a business intended to start another, compared to 43% of other adults.

⁷ Many exits are not failures, despite the majority of exits being for negative reasons.



THE REAL WORLD BEHIND THE DATA . . .

Fuel, not failure: the entrepreneurial mindset of Moritz Lumetsberger

Fear of failure is one of several indicators GEM uses to gauge a society's entrepreneurial potential. While starting a business has become more accessible in many countries, an increasing number of aspiring entrepreneurs are held back by the perceived risks. Aspiring entrepreneurs can't view setbacks as doom-and-gloom failures but as part of the learning process. Austrian entrepreneur Moritz Lumetsberger (pictured on the left in the photo) captures this perspective well: "Startups are just constant experiments."

As CEO and co-founder of rendersnek, a Graz-based creative studio specialising in eye-catching 3D animations and ads, Lumetsberger adds: "Fear of failure is real, but it's also fuel. You learn by doing — and messing up."

That trial-and-error mindset shaped the early days of rendersnek, a venture he co-founded with Tim Haderer (pictured on the right in the photo). What began as a curiosity-fuelled exploration of architectural and product visualisations evolved into a full-fledged business working with top brands like Coca-Cola, dm, Volvo and Red Bull. Key was the constant testing, tinkering and social media activity. Their breakout moment was a client campaign that racked up 2.4 million views online.

Those early wins were backed by a culture of experimentation that Lumetsberger credits to his time at FH JOANNEUM, one of Austria's leading universities of applied sciences. There, he pursued the Digital Entrepreneurship Masters, an international degree programme in which students are encouraged to incubate their own ideas, bolstered by a foundation of academic excellence.

"Our studies emphasised learning-by-doing. We worked in diverse teams, tackled hands-on projects, and had access to mentors who had started real companies. That gave us the confidence to take risks and to recover from mistakes."

And there *were* mistakes. From hiring missteps to overestimating timelines, the journey hasn't always been smooth.

"The ones that sting the most are the ones that teach you the most," Lumetsberger says. "That's what education should be about: giving students space to try, fail and grow."



That ethos also underpins rendersnek's second venture: FOOH.com, a curated platform showcasing the best commercial work in the emerging FOOH (Fake Out-of-Home) advertising space. The fact that Lumetsberger and his team were able to bootstrap this second company themselves without outside investors marks a significant milestone.

"That was a moment of real validation," he says. "It proved we're building something sustainable. I want both of our companies to be places where people love to work. I want to keep learning, keep building, and surround myself with other curious creators and entrepreneurs."

His advice for universities looking to nurture future founders is to give students real-world challenges, connect them to the startup ecosystem, and expose them to entrepreneurs who've walked the path, stumbles and all. After all, embracing failure isn't just part of entrepreneurship: it's the entry point.

Concluded Lumetsberger: "You don't build a company by avoiding mistakes. You build it by making them — and learning fast."

This mindset, exemplified by Lumetsberger and many other successful entrepreneurs, highlights the importance of building strong support systems that reduce the fear of failure and instil confidence. From financial assistance and accessible training to mentorship programmes and simplified regulations, entrepreneurial ecosystem actors play a critical role in enabling more people to view failure as stepping stones to success — and take the leap to start a business!

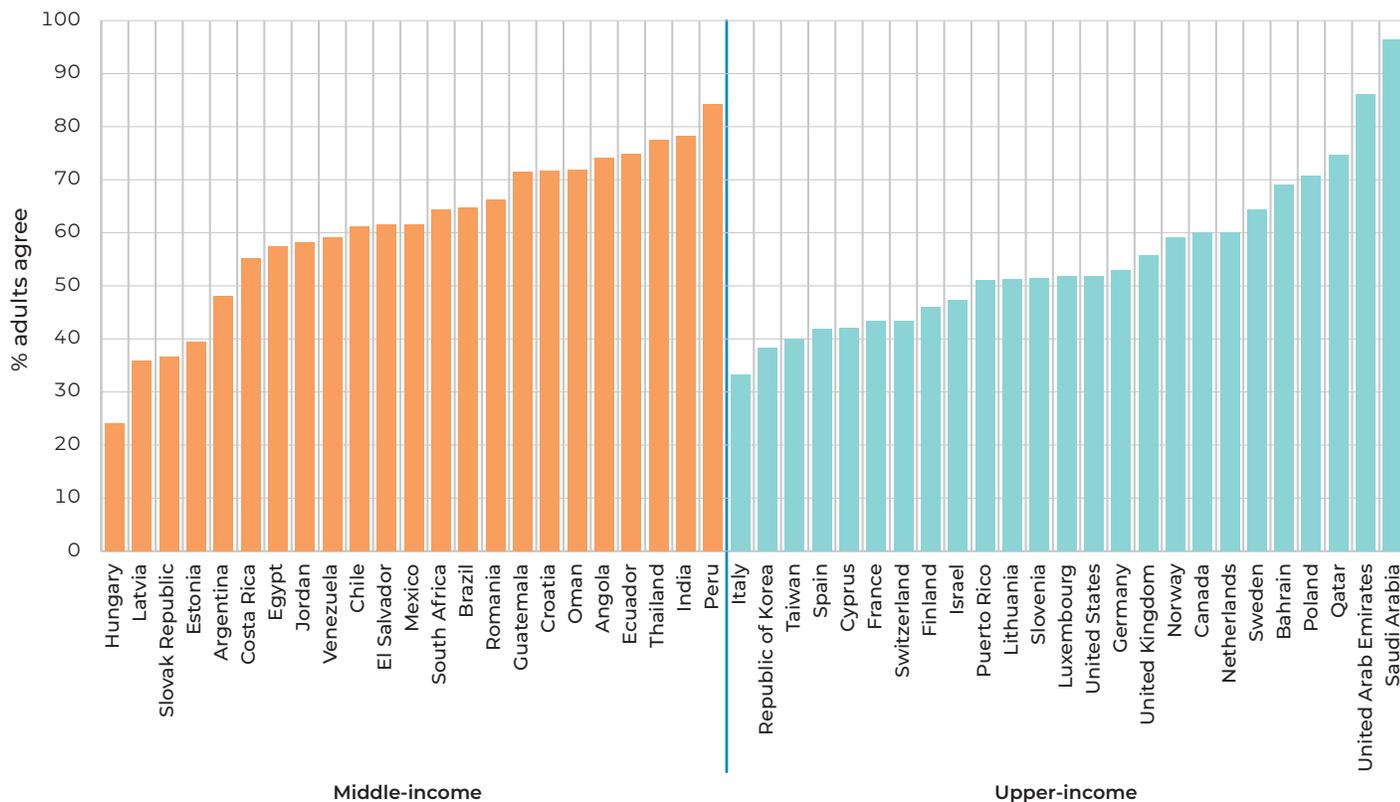


FIGURE 3.1
In the next six months, there will be good opportunities to start a business in my area (% adults agree)

3.2 OPPORTUNITIES AND CHALLENGES

The ability to recognise viable business opportunities is an important driver of entrepreneurial decisions. The GEM APS therefore asks respondents whether they agree⁸ that there are good opportunities to start a business locally. Figure 3.1 shows the proportion of adults in each participating economy who perceive such opportunities. There is a modest negative association with income group: fewer than three in five adults see good opportunities in 17 upper-income economies compared with only nine middle-income economies. Notably, both income groups appear among the five economies with the highest perceived opportunity levels (Saudi Arabia, United Arab Emirates, Peru, Thailand and India), as well as among those with the lowest levels (Hungary, Italy, Latvia, the Slovak Republic and the Republic of Korea).

Recognising good opportunities does not necessarily translate into entrepreneurial action.

⁸ In this and the charts that follow, “% adults agree” encompasses both those who “somewhat agree” and those who “strongly agree”.

As observed in successive GEM Global Reports, an increasing proportion of adults perceive strong local opportunities yet refrain from starting a business due to fear of failure. Conceptually, this decision reflects an interplay between the perceived probability of failure and the perceived cost of failure, filtered through individual risk preferences. Evidence presented later in this chapter suggests that adults who have not yet started a business may either overestimate the likelihood or cost of failure compared with those who have already engaged in entrepreneurial activity, or they may have such strong aversion to risk that even modest probabilities or costs of failure are considered unacceptable.

Figure 3.2 shows the proportion of adults who, despite seeing good opportunities, would not act on them due to fear that the venture might fail. (The denominator in this figure differs from Figure 3.1 so the percentages are not directly comparable.)

There is little observable relationship between fear of failure and income level, although variability appears greater among middle-income economies

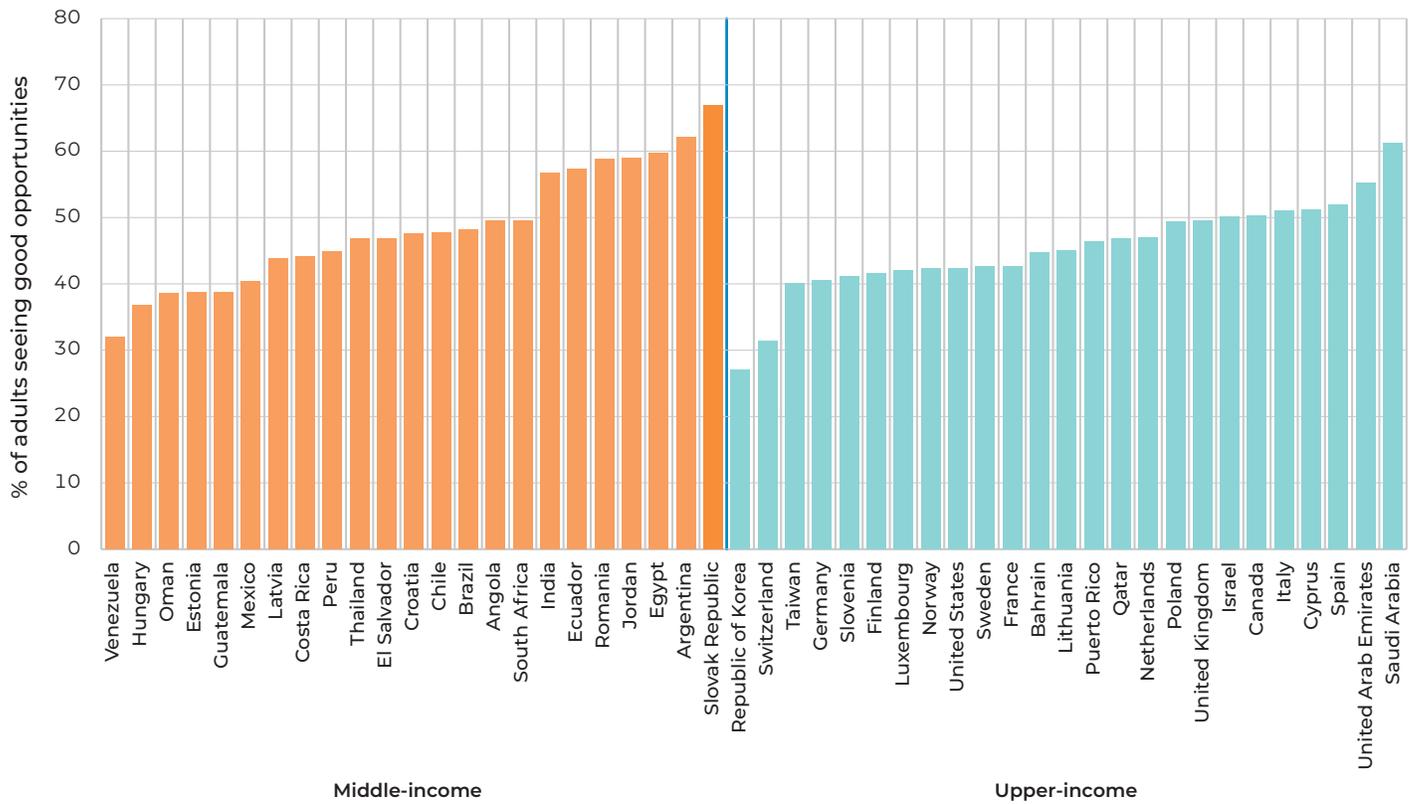


FIGURE 3.2 There are good opportunities but I would not start a business for fear it might fail (% of those adults seeing good opportunities)

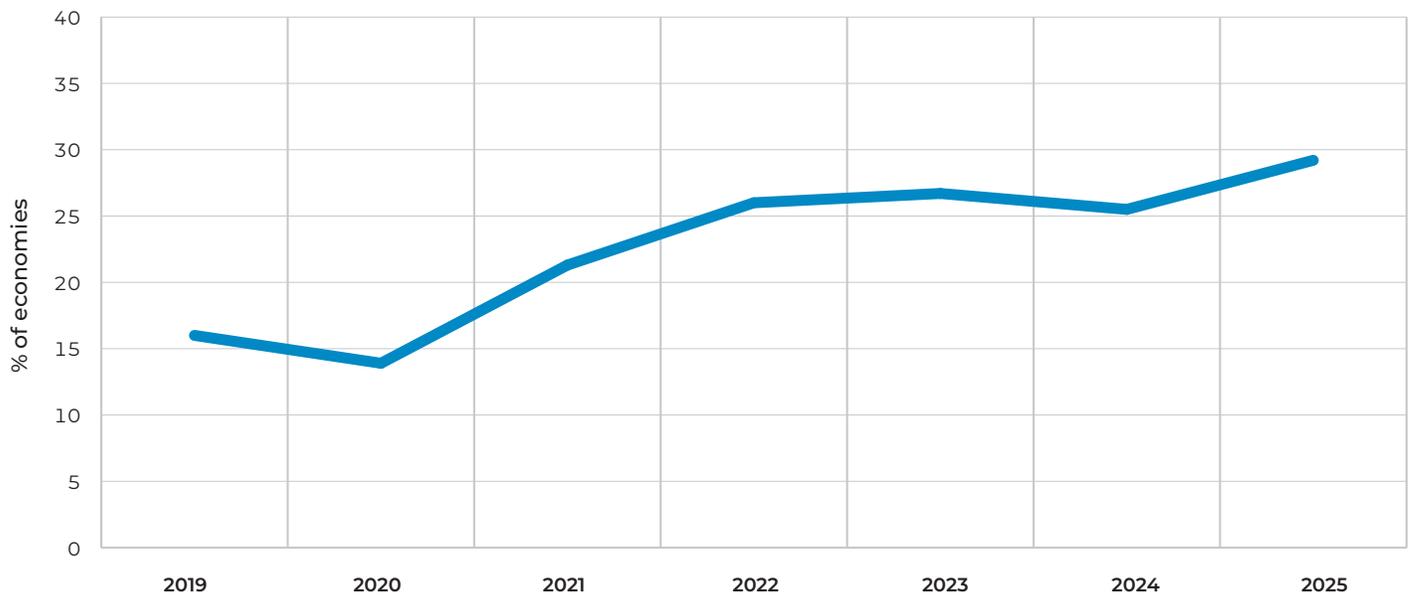


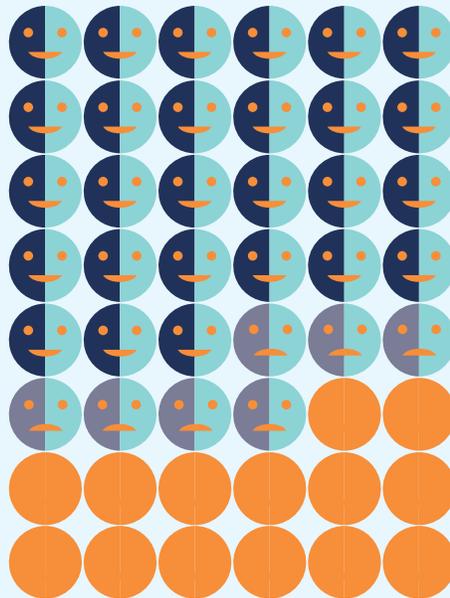
FIGURE 3.3 The percentage of GEM-participating economies in which a majority of those seeing good opportunities would not start a business for fear it might fail, 2019–2025

than among upper-income ones. While the highest levels of fear are found in the Slovak Republic, Argentina and Saudi Arabia, and the lowest in the Republic of Korea, Switzerland and Venezuela, in most economies (27 of 48), between four and five in ten of those adults who perceive good opportunities report that fear would deter them from starting a business.

Finally, this chapter has asserted that the fear of failure has been increasing in recent years. Figure 3.3 presents the annual share of GEM-participating economies in which, since the introduction of this question in the 2019 GEM APS, a majority of adults (more than 50%) who perceive good business opportunities report that fear of failure would prevent them from starting a business.

This proportion stood at 16% in 2019, fell during the first year of the pandemic, and has generally risen steadily since, apart from a small decline in 2024. By 2025, 29% of GEM economies reported that over half of adults recognising good opportunities were deterred by fear of failure — almost twice the 2019 share. Yet while fear continues to be a powerful deterrent, the experience of exiting a business does not diminish entrepreneurial intent.

In 34 of 48 economies, a majority see good opportunities to start a business . . .



. . . but in 7 of these, over half of those seeing good opportunities would not start a business for fear it might fail

3.3 ENOUGH IS ENOUGH: BUSINESS EXITS

Although this report emphasises new business creation, business exits form an integral part of the entrepreneurial process. The ability to exit, and the perceived costs associated with doing so, play a crucial role in the decision to start a business in the first place. High perceived exit costs — financial, social or psychological — can strongly discourage entrepreneurial entry. However, previous GEM Global Reports, and the findings in this chapter, show that many exited businesses continue operating after the original owner departs, and that a notable share of exits are driven by positive reasons. Most importantly, many individuals who exit a business intend to start a new one in the near future, drawing on the knowledge, experience and networks they have developed.

Exit rates vary widely across economies. Angola reports by far the highest rate (35%), nearly double that of the next highest, Oman (18%). Most economies have far lower exit rates, including 21 in which fewer than one in 20 adults exited a business in the preceding year.

Comparing exit rates with startup rates — captured in the Total early-stage Entrepreneurial Activity (TEA) measure presented earlier in Figure 2.2⁹ — provides further insight. In four economies (Oman, Egypt, Qatar and Poland), exit rates exceed startup rates — more people are leaving businesses than starting them. This implies a short-term contraction in the number of active firms, a pattern that is unlikely to be sustainable in the longer term. Conversely, in five other economies (Puerto Rico, India, Switzerland, Guatemala and Chile), approximately four adults are starting a business for every one adult who exits.

Across all participating economies (except Romania, which has a uniquely low exit rate), at least one in eight exited businesses continues under new ownership (Figure 3.4). In five upper-income

⁹ The simple correlation between TEA and exit rate is 0.76, implying an association that is positive and highly significant. This association is an area worthy of future research.



THE REAL WORLD BEHIND THE DATA...

From frustrated dog dads to startup founders: the PetPax story

For many early-stage entrepreneurs, the biggest challenge isn't coming up with an idea. It's what comes after.

"There's this messy middle where you've validated demand but need capital to really prove scale," say Anthony Gatti and Nathan Ruff, co-founders of PetPax Co. "You're beyond friends-and-family but still too early for traditional venture capital. That's where a lot of great ideas stall out."

This funding gap is a recurring theme across countries in GEM research. Gatti and Ruff believe that targeted policies — such as early-stage operational grants, R&D subsidies, or credits for small-batch production — could be game-changers for startups, helping founders move forward without taking on risky debt or prematurely giving away equity.

PetPax Co. is a fast-growing startup focused on simplifying pet wellness through easy-to-give, science-backed solutions because they believe pet care should be doable, not daunting. PetPax Co. utilises its signature method, the SupplaMelts™, to deliver holistic active ingredients in under 90 seconds, far quicker than the 35 minutes that traditional pills take. The SupplaMelt is a strip that dissolves in a dog's cheek pocket, making for both extremely easy delivery and fast absorption through the oral mucosa. This speedy and easy delivery method is also a feature of two other products: ZenMelts® helps support dogs with anxiety, while DentalMelts™ provides dogs with daily oral health and fresh breath.

The products were born out of personal frustration: both Gatti and Ruff were owners of dogs struggling with anxiety issues.

"We were overwhelmed by the supplement options: confusing labels, messy formats and limited effectiveness," they explained. "If it was hard for us, we knew it had to be worse for other pet parents. We built the product we wish we had: something effective, easy to give, and transparent about what's inside."

Their journey as co-founders began at Babson College, where they met during their MBA studies. Babson played a pivotal role — through coursework, mentorship, and competitions like the annual BETA (Babson Entrepreneurial Thought & Action®) challenge.



Gatti and Ruff note that it was the entrepreneurial mindset, not just the degree, that helped shape their path. "Entrepreneurship education gave us the toolkit and the community to build something new, to ask the right questions, and to keep moving forward when things got tough."

Sustainability is important to the co-founders. From avoiding plastic tubs to relocating manufacturing to the US to reduce emissions, the company is actively designing its systems to scale sustainably.

"We care about what we're building long-term. Sustainability wasn't an afterthought; it's baked in," said Gatti.

Looking ahead, the team plans to expand their product line to address broader pet health needs, including digestion, mobility and allergies, while keeping the focus on trust and usability.

"We're not trying to be the biggest brand overnight," said Ruff. "We're trying to be the most trusted."

While tools like AI are helping the team streamline customer research and forecasting, Gatti is quick to note that real human connection remains central. "You can't automate trust."

We thank Babson College, one of GEM's founding organisations, for providing this material and helping to ground our data in a real-world context.

**BABSON
COLLEGE**

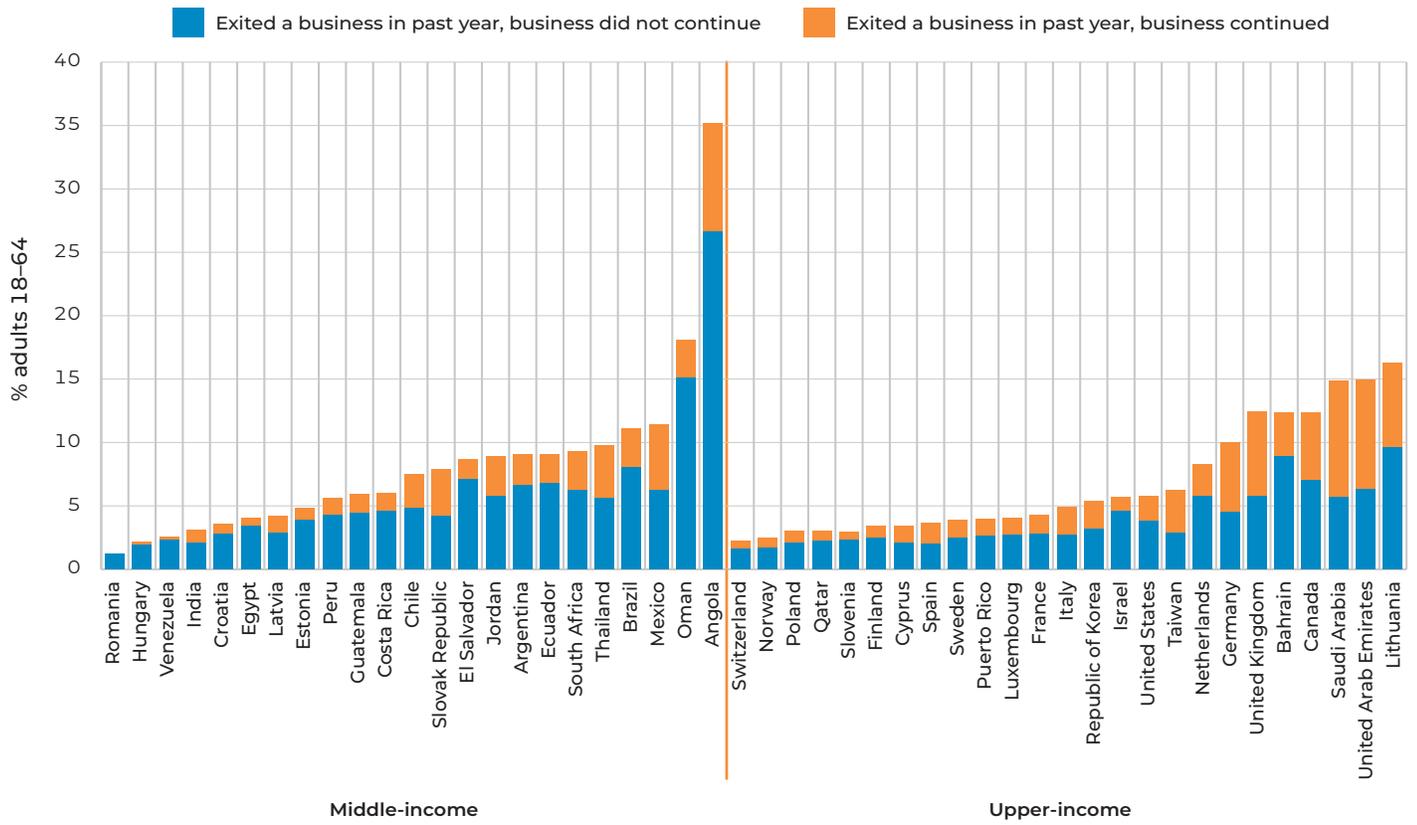


FIGURE 3.4 The percentage of adults who have exited a business in the past 12 months, and whether that business continued under new ownership/management

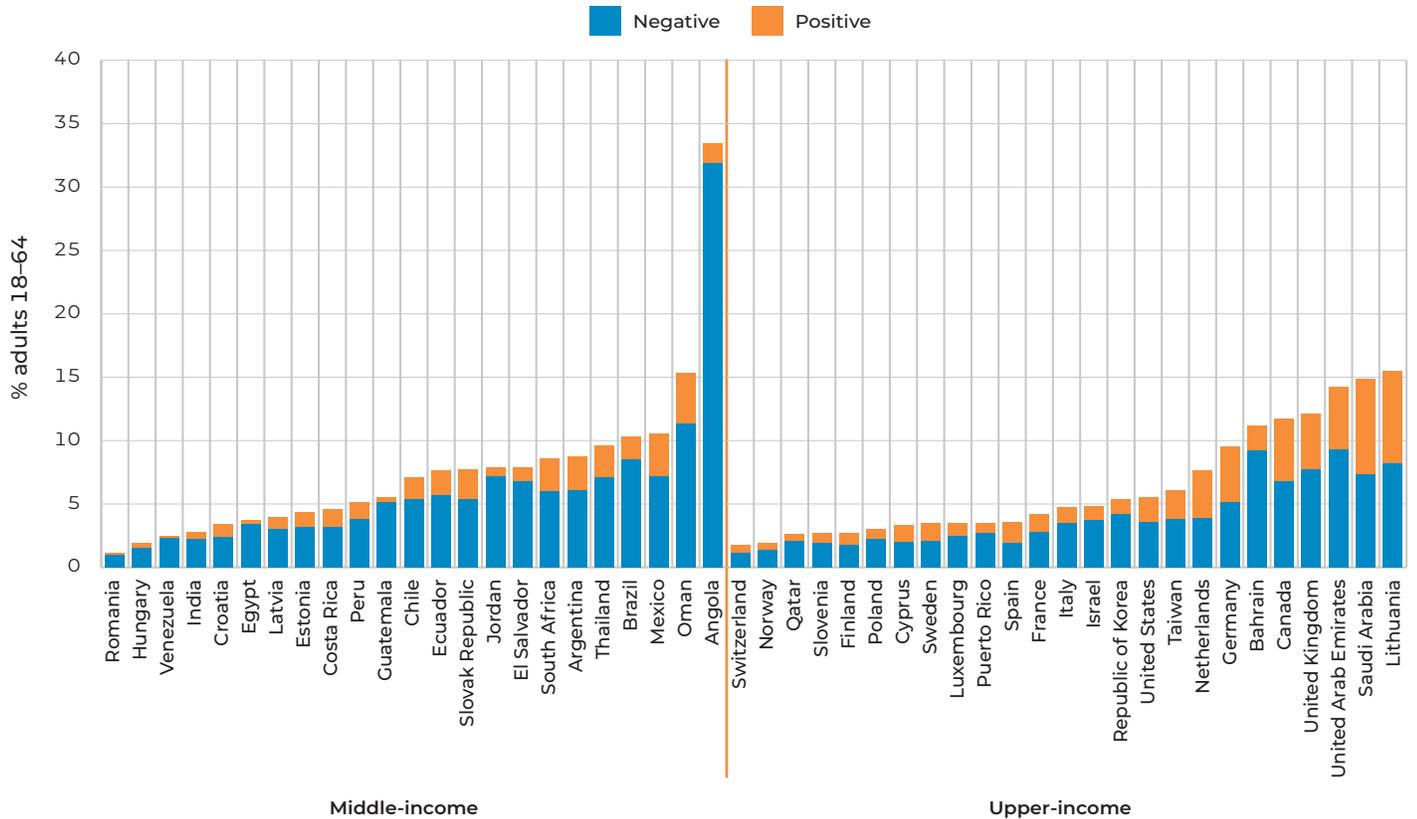


FIGURE 3.5 Reasons for exiting a business: negative or positive (% adults)

economies (Saudi Arabia, United Arab Emirates, Germany, the United Kingdom and Taiwan), more than half of exited businesses continue. While continuation is more common in higher-income economies, it is important not to assume that exit necessarily results in closure.

Exit reasons range from positive (such as selling the business, pursuing another opportunity or retirement) to negative (including financial losses, excessive taxation or

bureaucracy), as shown in Figure 3.5. Only one economy (Saudi Arabia) reports more exits for positive reasons than negative ones, although another six upper-income economies (Sweden, Spain, Netherlands, Germany, Canada and Lithuania) record at least two in five exits driven by positive motives. At the opposite end of the scale, 18 economies (13 middle-income and five upper-income) show at least three out of four exits occurring for negative reasons.

3.4 RESILIENCE: STARTING OVER

Resilience refers to the capacity to adapt and continue following adversity, managing pressure and learning from challenging experiences. It is not an innate trait but a skill that can be developed over time. Entrepreneurship contributes to economic resilience, particularly during recovery periods such as those following the pandemic. At the same time,

individual entrepreneurs demonstrate resilience when they recover from adverse business outcomes and prepare to start again — equipped with more knowledge and renewed determination.

In the GEM APS, resilience is captured through the entrepreneurial intentions of those who have exited a business but expect to start a new one.

FIGURE 3.6
Those who have exited a business in the last 12 months and expect to start a business in the next three years (% of those exiting) compared to other adults (% of remaining adults)

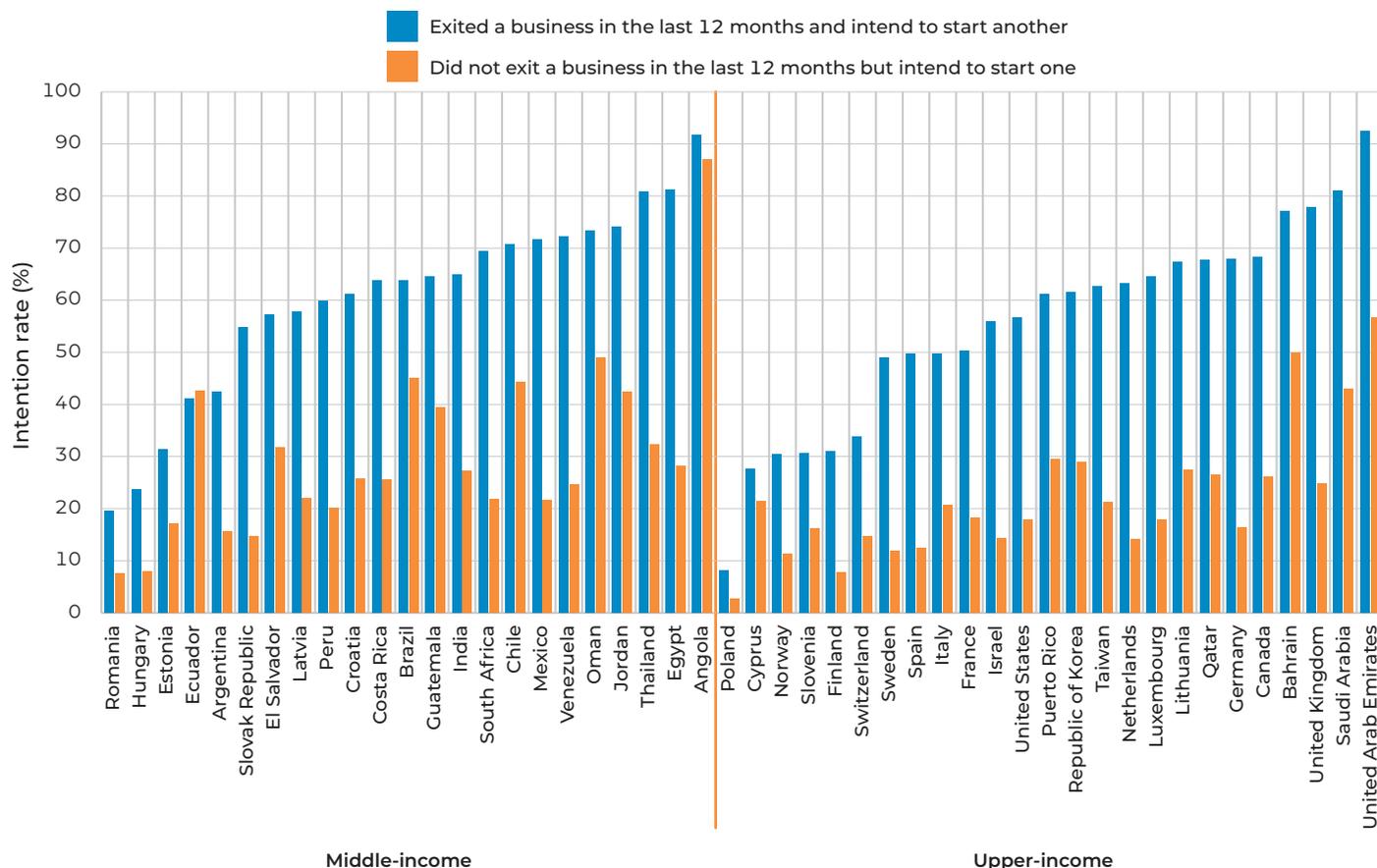
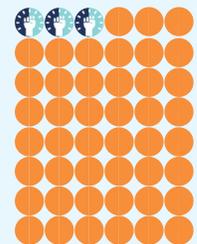
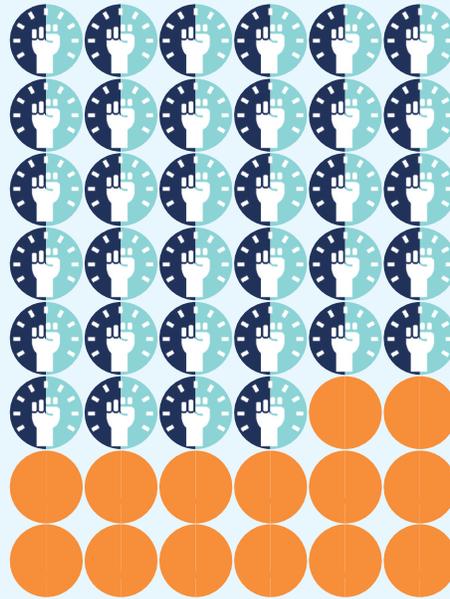


Figure 3.6 compares the intention rate¹⁰ among those who exited a business in the previous 12 months (typically around one in 10 adults, as Figures 3.4 and 3.5 show) with the intention rate among adults who did not exit a business during that period.

The pattern is consistent with findings from recent GEM Global Reports. With the exception noted earlier (Ecuador), adults who exited a business are more likely than other adults to expect to start a business within the next three years, often by a substantial margin. In 14 of 24 middle-income economies and 20 of 24 upper-income economies, those who exited are at least twice as likely as others to expect to start again. Overall, in 34 of the 48 economies, a majority of those who exited a business expect to start again.

While fear of failure is clearly a very powerful deterrent to starting a business, the lived experience of exiting a business is equally clearly not such a deterrent.

In 34 of 48 economies, over half of those who exited a business in the last 12 months intend to start another . . .



. . . but in only three economies do over half of those who have not exited a business intend to start one

3.5 CONCLUSIONS AND POLICY IMPLICATIONS

This chapter has highlighted the widespread and increasing influence of fear of failure on entrepreneurial activity worldwide. Although fear represents a significant barrier — particularly in upper-income economies — the findings also reveal notable resilience among entrepreneurs with recent experience of a business exit. Many such individuals are not discouraged by their experience; on the contrary, they are often more inclined to start again, drawing on insights gained from previous ventures. These findings point to the importance of reducing the perceived cost and stigma of failure and supporting entrepreneurs as they navigate setbacks. Fostering an environment that values learning from adversity and enables second chances may help economies unlock greater entrepreneurial dynamism.

The evidence presented in this chapter suggests that entrepreneurial ecosystems contain both deterrents that limit entry and latent capacities that can drive renewal when conditions allow. The growing share of adults who see good opportunities yet hold back due to perceived risks highlights the influence of psychological, cultural and structural factors on entrepreneurial decision-making. At the same time, the strong entrepreneurial intentions of

SUSTAINABILITY FOCUS

Economic conditions shape the context in which entrepreneurs pursue social and environmental goals. Chapter 2 has previously shown that many individuals are starting businesses amid income pressures and uncertainty, often through necessity-driven and low-entry models. These conditions may influence the scope, risk tolerance and time horizon of new ventures, with implications for how sustainability considerations are incorporated.

10 The intention rate is the proportion of adults who answer yes to the GEM APS question “Are you, alone or with others, expecting to start a new business, including any type of self-employment, within the next three years?”

POLICY IMPLICATIONS

Policy area	Actions	Rationale
Reduce stigma around failure	Elevate evidence-based narratives — through national platforms, mentorship networks and founder spotlights — that demonstrate constructive learning from early setbacks and successful entrepreneurial re-entry.	Strengthens cultural acceptance of entrepreneurial risk, reducing psychological barriers that suppress opportunity-driven activity
Transparency on entrepreneurial risks and outcomes	Provide accessible, evidence-based information on typical business risks, failure patterns and post-exit pathways to support more accurate expectations.	The chapter notes that non-entrepreneurs may overestimate the likelihood or cost of failure, deterring them unnecessarily.
Knowledge-sharing from exited entrepreneurs	Facilitate structured opportunities for exited entrepreneurs to share practical insights with new or prospective entrepreneurs.	Exited entrepreneurs demonstrate higher resilience and stronger intention to restart, indicating valuable experiential knowledge that could benefit others.
Support for business exits	Institutionalise streamlined, predictable exit pathways (e.g. simplified procedures, consolidated service points and accessible advisory support), complemented where appropriate by transitional financial mechanisms.	Lowers perceived and actual exit costs, enabling smoother reallocation of resources and supporting productive transitions rather than permanent disengagement
Resilience development	Integrate structured resilience-building components — risk management, adaptive planning, iterative experimentation — into entrepreneurship education systems and accelerator programmes.	Enhances entrepreneurs' ability to manage uncertainty, recover from setbacks and maintain engagement in entrepreneurial activity
Opportunity recognition	Expand access to entrepreneurship education, exposure programmes and community-based platforms that help individuals identify and assess opportunities with greater accuracy and realism.	Broadens the pipeline of opportunity-driven entrepreneurs and strengthens decision-making around venture initiation
Data monitoring and insight generation	Systematically track trends in fear of failure, exit drivers, business continuation rates and post-exit intentions, disaggregated by key demographic groups, to sharpen policy targeting	Enables evidence-informed intervention design and ensures policy responses remain responsive to emerging patterns in entrepreneurial behaviour.

exited entrepreneurs demonstrate that experience — whether positive or negative — can enhance confidence and capability.

The chapter also shows that exit often functions as a point of transition rather than a final withdrawal from entrepreneurship. The continuation of many exited businesses under new ownership, and the widespread intention among exited entrepreneurs to start again, highlight the

importance of understanding entrepreneurial churn as a dynamic process in which resources and knowledge are continuously reallocated.

Together, these findings suggest that fostering environments in which individuals can engage with opportunities confidently, manage uncertainty and navigate exit processes smoothly may support a more resilient and opportunity-driven entrepreneurial landscape.

The new face of entrepreneurship

Stephen Hill and Przemysław Zbierowski

4.1 DIVERSITY AND THE INCLUSION PREMIUM

Entrepreneurship is not defined by a single archetype. It is dynamic and multifaceted, shaped by economic, social and cultural forces, and by the individuality of each entrepreneur. This chapter examines diversity in entrepreneurship – by gender, age and, for the first time, place of birth – and explores how these dimensions influence entrepreneurial activity and outcomes. By challenging the persistent stereotype of the entrepreneur as a young male graduate, the chapter broadens understanding of who starts businesses and why this matters for inclusion, innovation and economic growth.

Diversity is not simply a matter of representation. It is a driver of creativity, innovation and economic value, including job creation and value-added. Entrepreneurs from different backgrounds bring varied motivations, perspectives and lived experiences, often resulting in new approaches to problem-solving. These differences can support more innovative solutions, products and services. For example, women and older entrepreneurs frequently prioritise social or environmental objectives, while entrepreneurs from under-represented groups may focus on niche or underserved markets.

GEM data have long documented substantial disparities in entrepreneurial participation, including gender differences: in most economies, men are more likely than women to be starting new businesses and far more likely to own established ones. Graduates are also more likely than non-graduates to engage in entrepreneurship. These disparities reflect systemic barriers – unequal access to finance, training or networks – that restrict capable individuals from pursuing entrepreneurial opportunities. This is not merely inequitable: economies lose the benefits of new businesses that are never formed.

New variables that have been introduced and are discussed in this chapter examine differences in entrepreneurial activity between native-born adults and those born abroad (foreign-born), where sample sizes permit. Foreign-born entrepreneurs may experience additional challenges, such as legal restrictions, language or cultural barriers, or limited access to resources. Yet they may also bring unique strengths, including cross-cultural perspectives, international networks and a strong determination to succeed. Their participation contributes to entrepreneurial dynamism and also supports social cohesion and inclusion.

Understanding these relationships is essential in designing effective policies. Entrepreneurial ecosystems that enable diverse founders are more likely to generate resilient and sustainable businesses. Barriers such as unequal access to finance, knowledge and mentoring remain persistent in many contexts, including some upper-income economies. However, other economies have reduced such constraints over time through targeted support – for example, inclusive financing initiatives and flexible work-life policies – which can narrow diversity gaps and unlock entrepreneurial potential. In doing so, economies can advance inclusive growth and contribute to sustainable development objectives including **SDG 5 (Gender Equality)**, **SDG 8 (Decent Work and Economic Growth)** and **SDG 10 (Reduced Inequalities)**. The emphasis on equitable access to entrepreneurial knowledge, training and mentoring reflects the aims of **SDG 4 (Quality Education)**, while the contribution of diverse entrepreneurs to new products, services and problem-solving connects directly to **SDG 9 (Industry, Innovation and Infrastructure)**. Moreover, the discussion of legal, cultural and institutional barriers links to the



THE REAL WORLD BEHIND THE DATA ...

Redesigning supplement delivery, one Candy Capsule at a time

Corina Huang, Founder of Boncha Bio | Cartier Women's Initiative 2021 Fellow

For Corina Huang, health innovation began while witnessing her grandmother's stroke recovery. The supplements she needed for healing kept getting stuck in her throat.

"I had to break pills in half or open the capsules," Corina recalls. "That impacted their efficacy and slowed her recovery."

Corina learnt that about one in two people experience difficulty swallowing pills or capsules at some point, often because they are too large to swallow, have an unpleasant aftertaste, or can trigger vomiting. As a result, many people skip the essential nutrients and supplements they need.

Corina responded with a user-friendly solution: Boncha Bio, a company that transforms traditional supplements into easy-to-swallow, better-absorption "Candy Capsules". Drawing on her experience from a previous high-tech confectionery venture, she envisioned a format that combines a pleasant mouthfeel, sufficient dosing of active ingredients and a science-based design. Her team developed a proprietary manufacturing process, NutrientDeliveryOptimizer®, which uses advanced

low-temperature and micro-suspension techniques to help preserve nutrient integrity and help optimise absorption. The breakthrough platform reimagines supplement delivery for all ages.

Since launch, the company has delivered over 20 million Candy Capsules and partnered with nutraceutical brands worldwide, producing at commercial scale across Asia, Europe and North America to address needs around eye health, sleep support, digestion and immunity. The format is especially helpful for seniors and children, while its appeal spans age groups and markets because it makes healthy routines easier, more enjoyable and easier to stick with.

"The big goal for me is to help everyone take nutrients with ease," Corina says. "It's about preventing illness, supporting caregivers and helping people stay healthier for longer."

Despite Boncha Bio's impact, Corina remains acutely aware of the structural barriers facing women founders, especially those innovating in health and science-based fields. Persistent challenges include slow regulatory updates and outdated classifications, caregiving constraints and unequal access to capital.

[continued on next page]

inclusive governance dimensions of **SDG 16 (Peace, Justice and Strong Institutions)**, and the cross-cultural networks and international perspectives brought by foreign-born entrepreneurs underscore

the relevance of **SDG 17 (Partnerships for the Goals)**. Together, these relationships reinforce the broader role of diversity-driven entrepreneurship in advancing sustainable and inclusive development.

4.2 THE ENTREPRENEURIAL GENDER GAP

Successive GEM Global Reports confirm that, in most economies, men are more likely than women to be starting new businesses or owning established ones. The persistence of this gender gap reflects structural barriers to women's participation, as documented in multiple GEM Special Topic Reports on Women's Entrepreneurship.¹¹ Critically, this gap also represents a large number of potential businesses that could have existed had women participated at comparable levels, implying forgone jobs and entrepreneurial potential.

Figure 4.1 shows the level of male and female Total early-stage Entrepreneurial Activity (TEA) across the 48 GEM Adult Population Survey (APS)-participating economies in 2025. In 2025, male Total early-stage Entrepreneurial Activity (TEA) remains more prevalent than female TEA

11 The latest of which is Global Entrepreneurship Monitor (GEM) (2025). *2024/2025 Women's Entrepreneurship Report: Navigating Challenges, Driving Change*. London GEM. <https://www.gemconsortium.org/report/gem-20242025-womens-entrepreneurship-report-navigating-challenges-driving-change-2>

With thoughtful, practical policy support, safe and effective innovations can reach users sooner.

She respectfully offers three actions for policymakers:

1. Enable agile regulation

Establish fast-track, sandbox pathways to evaluate innovative health products and new dosage forms, such as Boncha Bio's Candy Capsules, based on scientific merit and alignment with existing standards, and set clear criteria and timelines. This reduces delays from legacy classifications and supports predictable, science-based review across markets, improving public health and delivering user benefits.

2. Support caregiving and flexible work policies

Many women founders balance building companies and caregiving. Fund co-working spaces with on-site childcare and promote flexible work options, including flexible grant and reporting windows, to help entrepreneurs start, grow and sustain their businesses.

3. Unlock gender-responsive capital

Women founders often receive a small share of venture and growth capital, especially in science-intensive fields. Launch dedicated funds for women-led ventures and offer incentives to investors who channel capital to these businesses, with transparent outcome reporting to scale

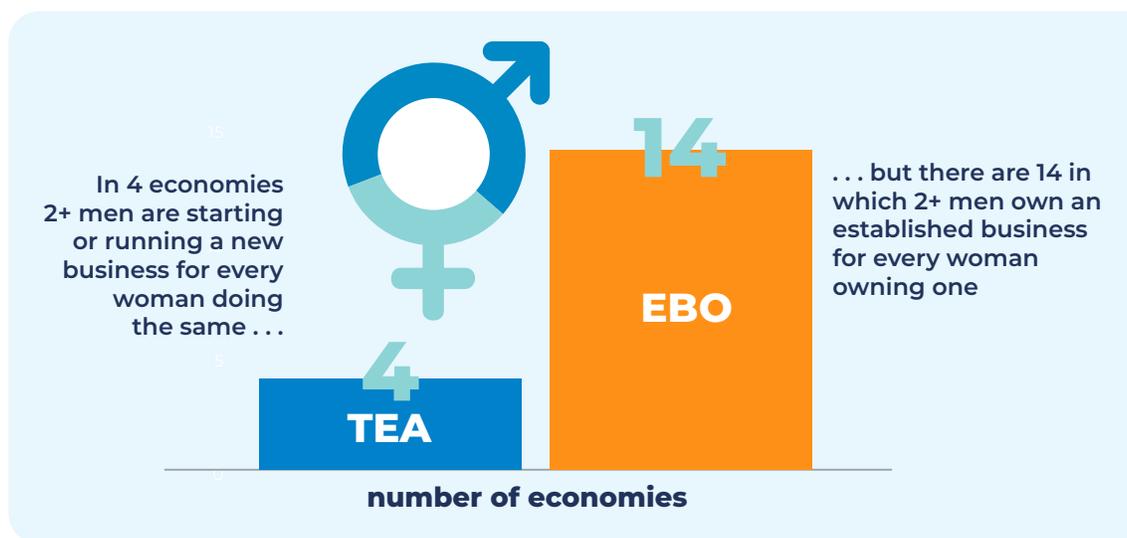


what works, rewarding impact-driven investment and accelerating innovation.

These actions are about unlocking untapped innovation. When women like Corina are given the tools to lead, they are best positioned to deliver solutions that improve lives, strengthen public health and drive inclusive economic growth.

Thank you to the Cartier Women's Initiative, one of our report sponsors, for providing this material and helping to ground our data in a real-world context.

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WOMEN'S
INITIATIVE



across most of the 48 GEM APS-participating economies. However, in seven middle-income economies — India, Peru, El Salvador, Ecuador, Oman, Costa Rica and Chile — female TEA exceeded male TEA. A further six economies recorded gender gaps of one percentage point or less: the Republic of Korea, Israel and Poland (upper-income), and South Africa, Hungary and Venezuela (middle-income).

There are still some economies in which at least two men start new businesses for every woman. In 2025, these included Egypt (middle-income) and three upper-income northern European economies: Sweden, Norway and Finland. Their geographic and cultural proximity may suggest shared underlying barriers.

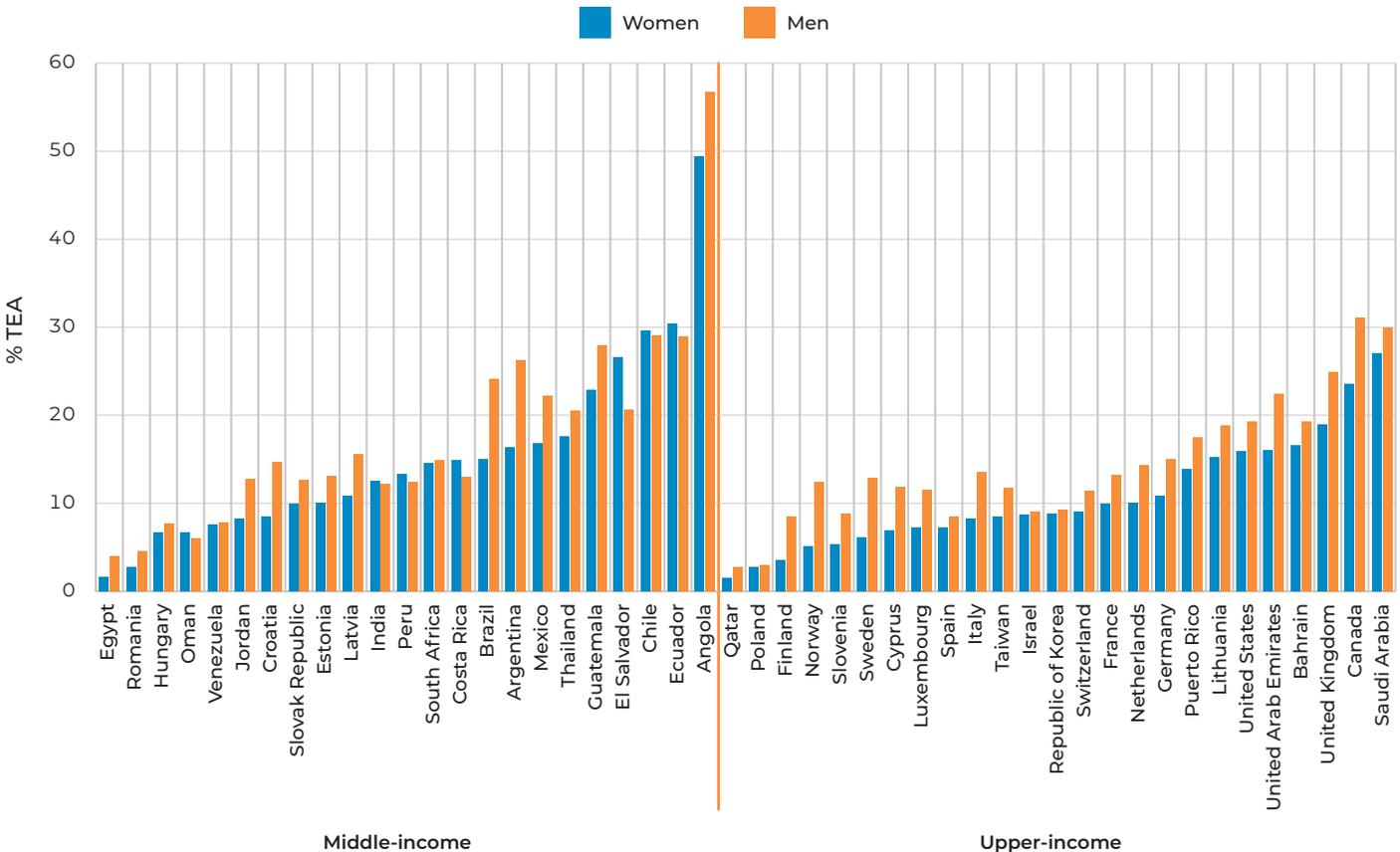
Established Business Ownership (EBO) has consistently been even more male-dominated than TEA, and Figure 4.2 shows this pattern persisting in 2025. Not one of the 48 GEM APS-participating economies recorded a higher share of EBO among women than among men. Moreover, in 16 economies — equally divided between middle- and upper-income groups — there were at least two

men owning an established business for every woman doing so. This highlights the depth and persistence of gender disparities at later stages of the entrepreneurial lifecycle, where continued participation may depend on access to capital, networks and institutional support.

While levels of EBO tend to be lower than those of startups, there are six economies in which the established business gender gap was less than one percentage point: Poland, Luxembourg, Angola, Ecuador, Peru and Venezuela. However, in another 10 economies this gap was at least five percentage points: five from the middle-income group (Argentina, Latvia, Guatemala, Brazil and Oman) and five from the upper-income group (Taiwan, United Kingdom, Italy, Cyprus and Norway). These contrasting patterns illustrate the wide variability in women's participation across economies and underscore the influence of structural and contextual factors on sustained entrepreneurial engagement.

While established businesses remain more male-dominated than startups, notable

FIGURE 4.1
Levels of Total early-stage Entrepreneurial Activity (TEA) by gender (% women, % men)



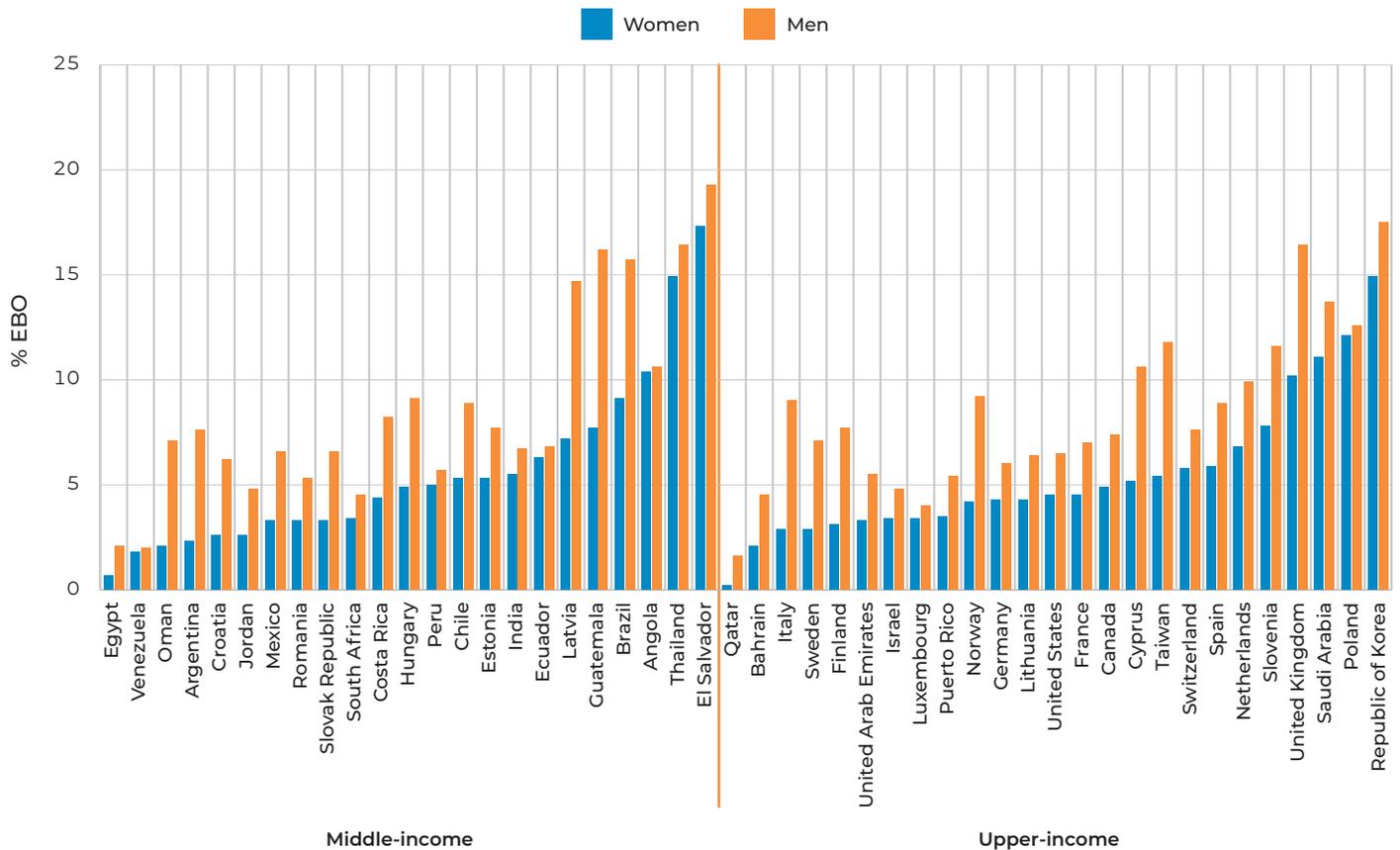


FIGURE 4.2
Levels of Established Business Ownership (EBO) by gender (% women, % men)

differences emerge across economies. In seven economies – Luxembourg, Angola, Slovenia, Norway, Romania, Thailand and Poland – the degree of male dominance actually decreases as businesses mature, whereas in the remaining economies it increases. In Argentina, Costa Rica, Oman and Qatar, the relative share of

female ownership declines by half or more between early-stage and established firms (Figure 4.3). This pattern may suggest that female-owned businesses are more likely to exit in the early stages, although it could also reflect a recent increase in women entering business ownership.

4.3 THE ENTREPRENEURIAL AGE GAP

Entrepreneurial activity varies by age. Younger adults may have more energy, stronger familiarity with emerging technologies and social trends, fewer family or financial obligations, and longer time horizons. Older adults may bring experience, wider networks, sector-specific knowledge and better access to resources, but may also be more aware of their limitations.

Empirical evidence from the 2025 GEM APS (Figure 4.4) shows that in 33 of the 48 economies, younger adults (18–34) are more likely to be

starting or running businesses than older adults (35–64), although there are three economies (Germany, Cyprus and Slovenia) in which younger adults are twice as likely as older adults to be engaged in early-stage entrepreneurship. Fifteen economies show the opposite pattern, with higher TEA among older adults. This group includes eight Asian economies and five from Latin America & Caribbean, with Switzerland and Egypt representing Europe and Africa respectively.

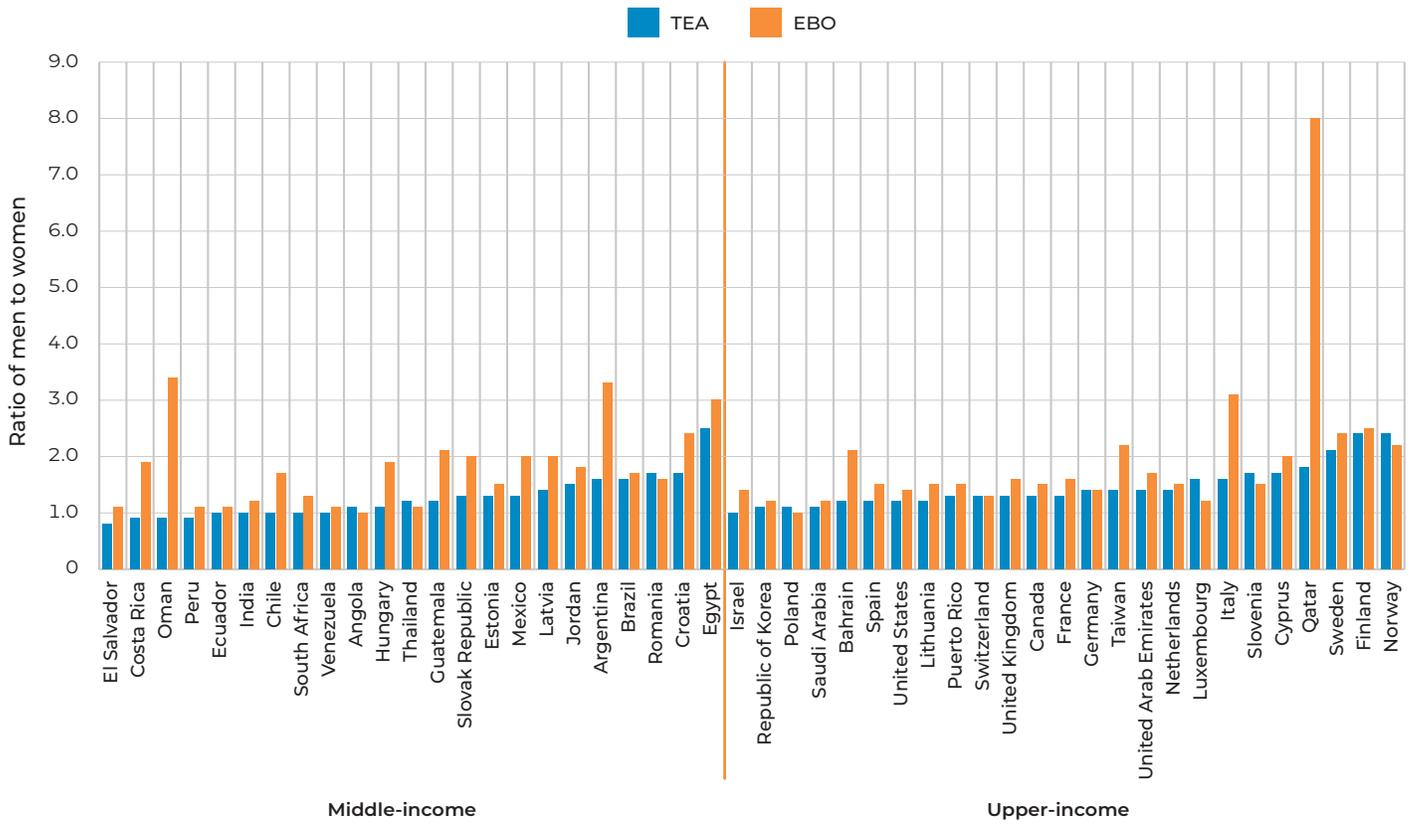


FIGURE 4.3 The ratio of men to women early-stage entrepreneurs (TEA) and the ratio of men to women Established Business Owners

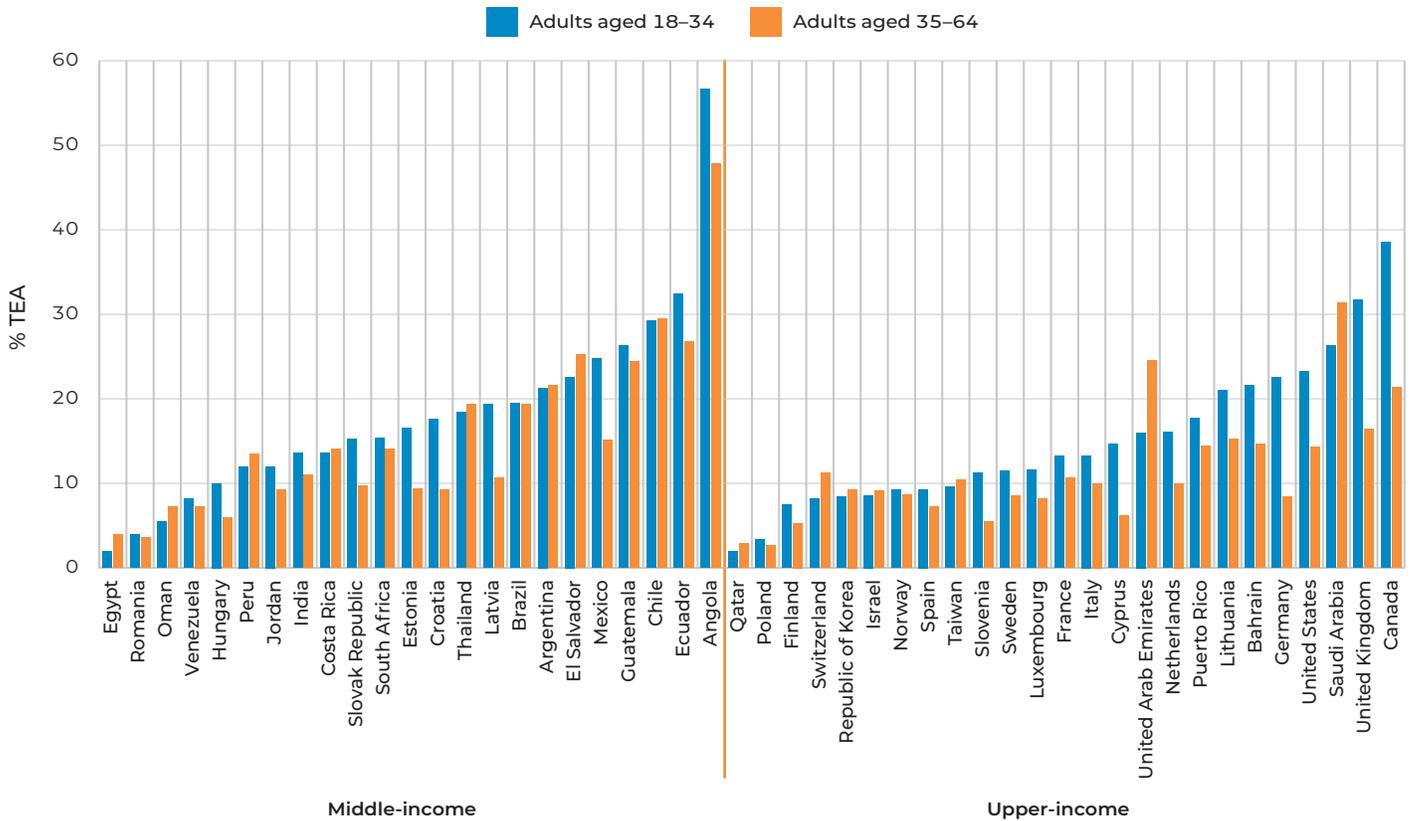


FIGURE 4.4 The level of Total early-stage Entrepreneurial Activity (TEA) for adults aged 18-34 and for those aged 35-64 (% adults in each group)

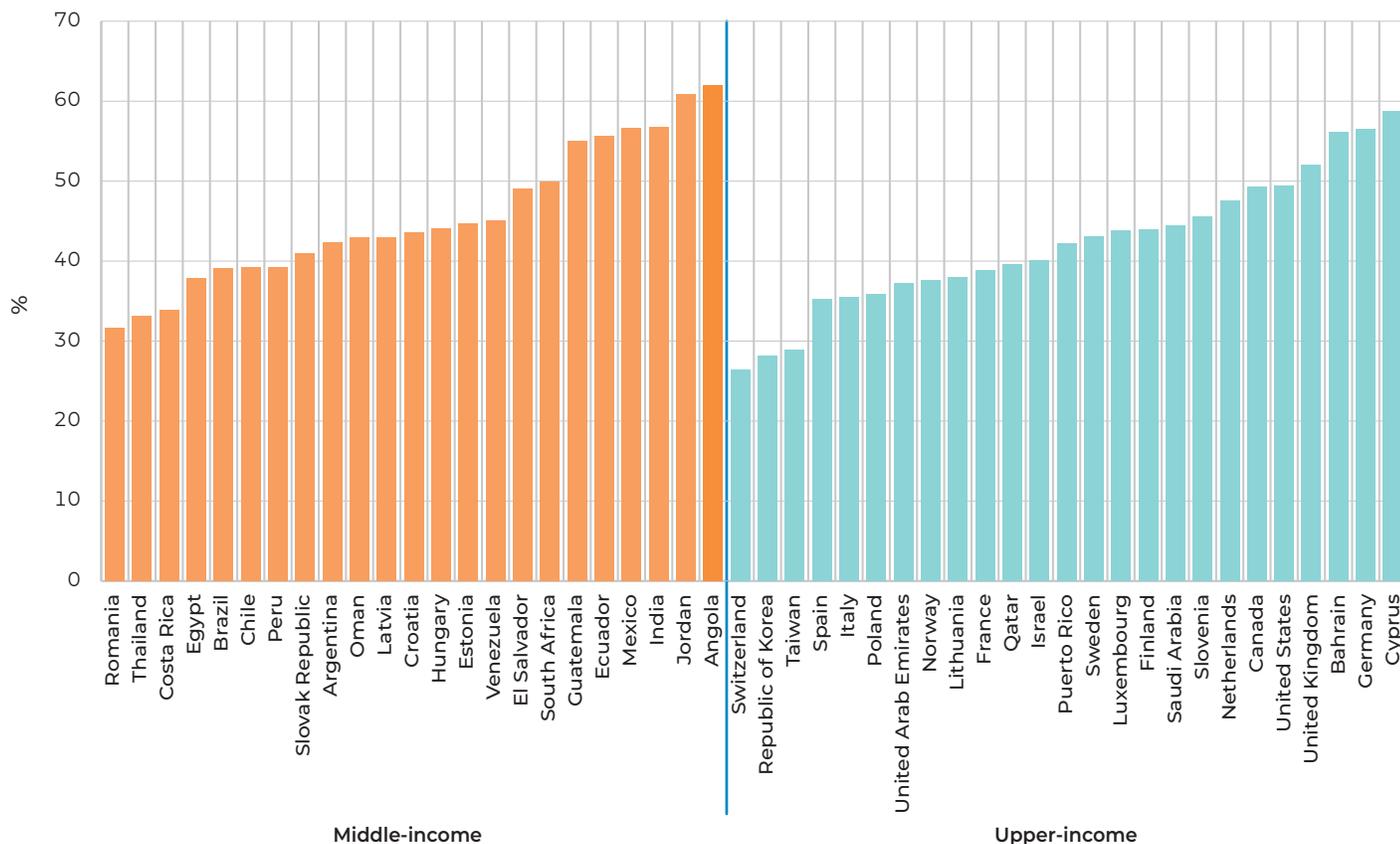
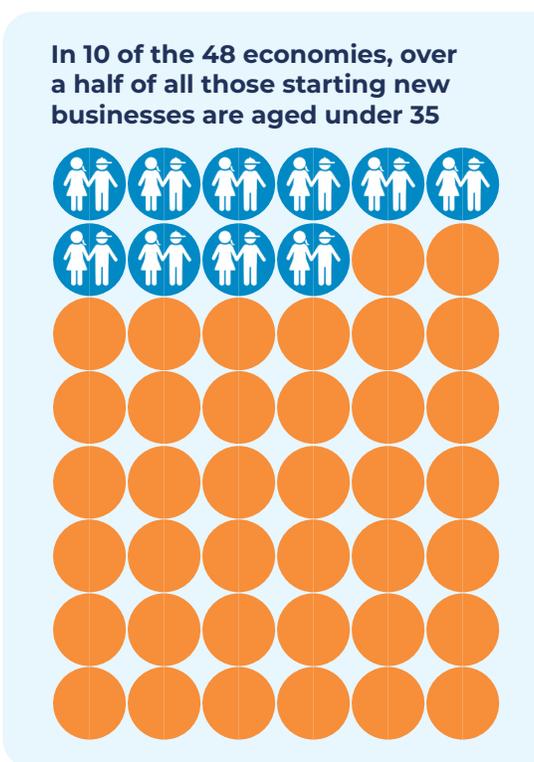


FIGURE 4.5
The percentage of those starting or running new businesses who are in the age group 18–34 (% TEA)

So far, differences in TEA by age group have been examined. The next chart (Figure 4.5) considers these groups in a different way, by showing what proportion of the total number of adults who are starting or running a new business belong to the younger age category. In other words, it asks whether entrepreneurs are predominantly younger or older adults. The answer reflects not only differences in entrepreneurial activity rates but also the underlying age composition of the adult population.¹²

Over half of all entrepreneurs are aged under 35 in 10 economies: six from the middle-income group (Angola, Jordan, Mexico, India, Ecuador and Guatemala) and four from the upper-income group (Cyprus, Germany, Bahrain and the United Kingdom). This dominance may be expected in some young, rapidly growing middle-income economies, such as Angola or India, but it is



¹² Note that the chart shows the percentage of entrepreneurs aged 18–34, with the percentage aged 35–64 calculated as simply 100 minus this.



THE REAL WORLD BEHIND THE DATA...

Investing in women solving real problems: a policy imperative

Salma Bougarrani, Co-founder and CEO of GREEN WATECH | Cartier Women's Initiative 2024 Fellow

"When you invest in women solving real problems, you invest in the future of the country."

This is the message that entrepreneur Salma Bougarrani believes policymakers need to hear.

In Morocco, 14.6 million people living in rural areas face a daily crisis: limited water access, poor sanitation and contaminated water sources. Wastewater often flows untreated into rivers, posing serious health risks and putting pressure on already-scarce water supplies.

"Many people in these communities only have running water for four hours a day," says Salma. "We need to mobilise unconventional resources to treat and reuse wastewater — especially for agriculture, which consumes up to 80% of our water."

Salma's connection to this issue is personal. During childhood visits to her father's village, she witnessed the environmental damage caused by untreated wastewater. That experience inspired her to pursue a PhD in water treatment and eventually to launch GREEN WATECH (short for Green Water Technology). The company offers low-tech, soil-based filtration systems that treat domestic wastewater for agricultural reuse.

Launched in 2018, GREEN WATECH offers a practical, affordable solution tailored for rural communities. The filtration system works passively, without electricity, and removes contaminants through natural biological processes. Treated water can then be reused to irrigate crops, reducing freshwater consumption by up to 70% and supporting local food production.

"It's a low-tech, passive solution," explains Salma. "That's key for rural communities that can't afford high energy costs."

The system is also designed to be simple to operate, requiring minimal maintenance and lasting up to 20 years. Salma's team engages each village through pre-installation training sessions to ensure community ownership and long-term success.

"We work through a participatory approach," she says. "That's why our system keeps working long after we leave."



To date, GREEN WATECH has served more than 80,000 people across 32 rural communities, helping treat over 600 million litres of wastewater and enabling the production of over 80,000 tons of food through reuse irrigation. The impact is environmental, economic and deeply human.

"This technology also creates new job opportunities," Salma adds. "People can irrigate their land and sell their produce. It becomes a positive cycle."

But Salma knows first-hand the challenges of working in civil engineering as a woman in a male-dominated field.

"It's not easy to start from zero and work in rural areas as a woman," she says. "It was really challenging."

She believes policymakers have a critical role to play in levelling the playing field.

"We don't need charity; we need the chance to compete fairly. Open up public markets to women-led businesses, simplify procedures, and support mothers who are building and raising at the same time."

Thank you to the Cartier Women's Initiative, one of our report sponsors, for providing this material and helping to ground our data in a real-world context.

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also evident in highly developed upper-income economies, including Germany and the United Kingdom.

There are also five economies in which two-thirds or more of those starting or running new businesses are aged 35–64: Switzerland, Taiwan, the Republic of Korea, Thailand and

Romania. While each of these economies (except Romania) has a TEA rate for the older age group that is higher than for the younger group, the differences are small. Consequently, the high proportion of older entrepreneurs largely reflects the greater share of older adults within the overall population.

4.4 DOES PLACE OF BIRTH IMPACT ENTREPRENEURSHIP?

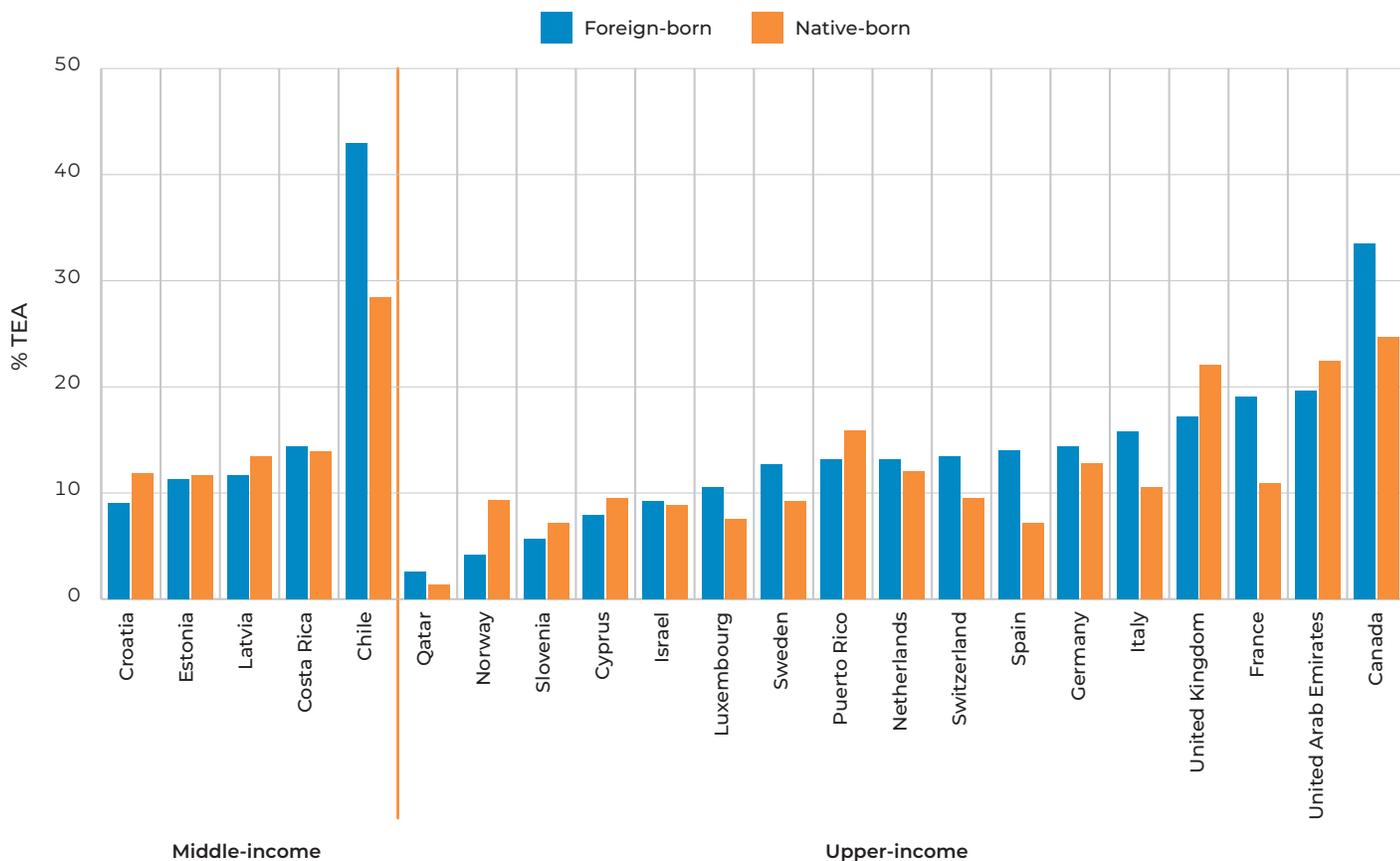
New 2025 GEM APS questions identify whether respondents were born in the country in which they live or elsewhere. Being foreign-born does not necessarily imply migrant status, nor does native birth imply native heritage; however, the analysis focuses strictly on whether the respondent was born in that country. But there is a further issue. In many economies, the proportion of adults not born in that country is very small; even when combined with substantial sample sizes, this can make estimates of entrepreneurial activity rates

arbitrary or unreliable. To address this, a cut-off point of 5% was applied in this analysis, meaning that an economy was excluded if fewer than one in 20 adults were foreign-born.

As Figure 4.6 shows, having applied this criterion 22 economies remained of the 46 GEM APS participants that asked this question.¹³ Of these 22, 17 are upper-income and five are middle-income,

¹³ This question was not asked by the teams in the United States and in Bahrain.

FIGURE 4.6
The level of Total early-stage Entrepreneurial Activity (TEA) for those born in that country (native-born) and for those born elsewhere (foreign-born), both as a percentage of their respective groups



reflecting the generally higher incidence of foreign-born adults in upper-income economies.

Across these 22 economies, TEA is higher among foreign-born adults in 13 cases, although differences are generally small. Only five economies — Chile, Luxembourg, Spain, France and Canada — show significantly¹⁴ higher TEA among foreign-born adults. Norway is the single case with significantly lower TEA among foreign-born adults.

Overall, it remains difficult to draw strong conclusions from this data set. While the

entrepreneurial activity rate among those born elsewhere appears, in many economies, to be somewhat higher than that of native-born adults, the differences are generally small and vary considerably across contexts. These patterns suggest that place of birth may contribute to differences in entrepreneurial participation but that its influence is neither uniform nor dominant, highlighting the need to interpret such comparisons cautiously and in light of broader structural and demographic factors.

¹⁴ There is less than a 5% probability that these differences occurred by chance.

POLICY IMPLICATIONS

Policy area	Actions	Rationale
Address structural barriers	Identify and reduce systemic obstacles that limit participation for women, older adults and foreign-born entrepreneurs	Persistent disparities are linked to unequal access to finance, networks, knowledge and institutional support.
Education and training	Targeted entrepreneurship training and outreach to women and minority groups	Build skills and confidence among groups that encounter additional barriers.
Promote diverse role models	Highlight entrepreneurs from varied backgrounds through visibility and storytelling initiatives	Stereotypes about “who becomes an entrepreneur” can constrain participation and aspiration.
Work–life balance	Encourage flexible work–life and family-support policies for entrepreneurs.	Enable participation by women and older adults with greater caregiving responsibilities.
Inclusive entrepreneurial ecosystems	Ensure that entrepreneurship support programmes are accessible across gender, age and place-of-birth groups.	Ecosystems that support diverse founders contribute to resilience, innovation and sustainable growth.
Regulations	Simplify business registration processes and reduce legal barriers.	Foster inclusion and reduce reliance on informal working.
Data and monitoring	Collect and publish disaggregated data on entrepreneurship, including by age and gender.	Inform evidence-based policies and monitor progress over time.

4.5 CONCLUSIONS AND POLICY IMPLICATIONS

Entrepreneurship is diverse and continually evolving, shaped by factors including gender, age and place of birth. Despite progress in some areas, substantial disparities persist, particularly for women and older adults. Reducing these gaps is not only a matter of fairness but also an economic imperative. Inclusive entrepreneurial activity expands the number of potential businesses, strengthens innovation capacity and enhances economic resilience. Targeted interventions remain essential for addressing persistent barriers and unlocking the entrepreneurial potential of under-represented groups.

These findings also underline the importance of

recognising that entrepreneurial diversity is shaped by intersecting structural factors. Gender, age and place of birth each influence access to essential entrepreneurial resources, but their effects are often cumulative, reflecting broader patterns of opportunity and constraint across economies. The wide variation observed across contexts suggests that ecosystem conditions can either amplify or mitigate participation gaps, with implications for long-term innovation potential and economic dynamism. Strengthening inclusive entrepreneurial ecosystems therefore requires attention not only to those who participate but also to the conditions under which participation is sustained over time.

The drivers of entrepreneurship

Stephen Hill and Sreevas Sahasranamam

5.1 WHY MOTIVATION MATTERS

Entrepreneurial motivation lies at the centre of the business creation process. Understanding why individuals choose to start a business is essential not only in interpreting entrepreneurial behaviour but also in designing effective policies that foster sustainable and inclusive economic growth.

This chapter examines the diverse and evolving motivations of early-stage entrepreneurs across 48 economies, drawing on data from the 2025 GEM Adult Population Survey (APS). Earlier chapters considered the reasons entrepreneurs exit their businesses and the conditions under which they may re-enter entrepreneurship, as well as the diverse groups that constitute the contemporary entrepreneurship landscape. Building on the social, economic and demographic foundations established in those chapters, this section develops a clearer understanding of the personal drivers behind entrepreneurial activity.

The reasons for starting a business are multiple and multifaceted. While the desire for independence and autonomy remains universal, GEM research highlights four core motivations: to make a difference in the world, to build great wealth or very high income, to continue a family tradition, and to earn a living because jobs are scarce. The relative prevalence of these motivations varies considerably across income groups and cultural contexts. For example, purpose-driven entrepreneurship — particularly the desire to make a meaningful difference — is more common in lower middle-income economies such as Angola and Guatemala, whereas continuing a family tradition features prominently in Saudi Arabia and India, for example. Material motivations, including earning a living or building wealth, dominate in many contexts and across all income groups, especially where formal employment opportunities are constrained.

These motivations are not static. They evolve in response to broader socio-economic shifts, including labour market dynamics, cultural change and global challenges such as sustainability and digital transformation. Previous GEM Global Reports have demonstrated the importance of global context. For instance, the 2020/2021 Report documented a surge in necessity-driven entrepreneurship linked to COVID-19-related job losses, particularly in low- and middle-income economies. By contrast, the 2022/2023 Report highlighted an increase in opportunity-motivated entrepreneurship in digitally advanced economies, in which individuals were more frequently driven by digital innovation and social impact. The 2025 APS data will enable an assessment of how motivations are responding to new global pressures — including inflation and the adoption of artificial intelligence (AI) — as well as a brief review of how motivations have evolved since these questions were introduced in the 2019 APS.

Understanding entrepreneurial motivation is essential in designing effective and context-sensitive policies. Governments and policymakers must recognise that motivations vary widely across economies, population groups and income levels, and that these motivations influence not only the likelihood of business creation but also the types of ventures that emerge and their potential contribution to broader development goals. Policies that reduce barriers to entry, facilitate business transfer or resale, and enable purpose-driven entrepreneurship — particularly among under-represented groups — can enhance both the inclusiveness and the resilience of entrepreneurial ecosystems. Moreover, as motivations evolve in response to economic, technological and social pressures, policy frameworks must remain

adaptable to ensure continued relevance. By supporting entrepreneurs motivated to generate social or environmental value, policymakers can further align entrepreneurial activity with

wider national and global priorities, including the UN Sustainable Development Goals (SDGs), strengthening innovation, adaptability and inclusive progress.

5.2 WHY START A BUSINESS?

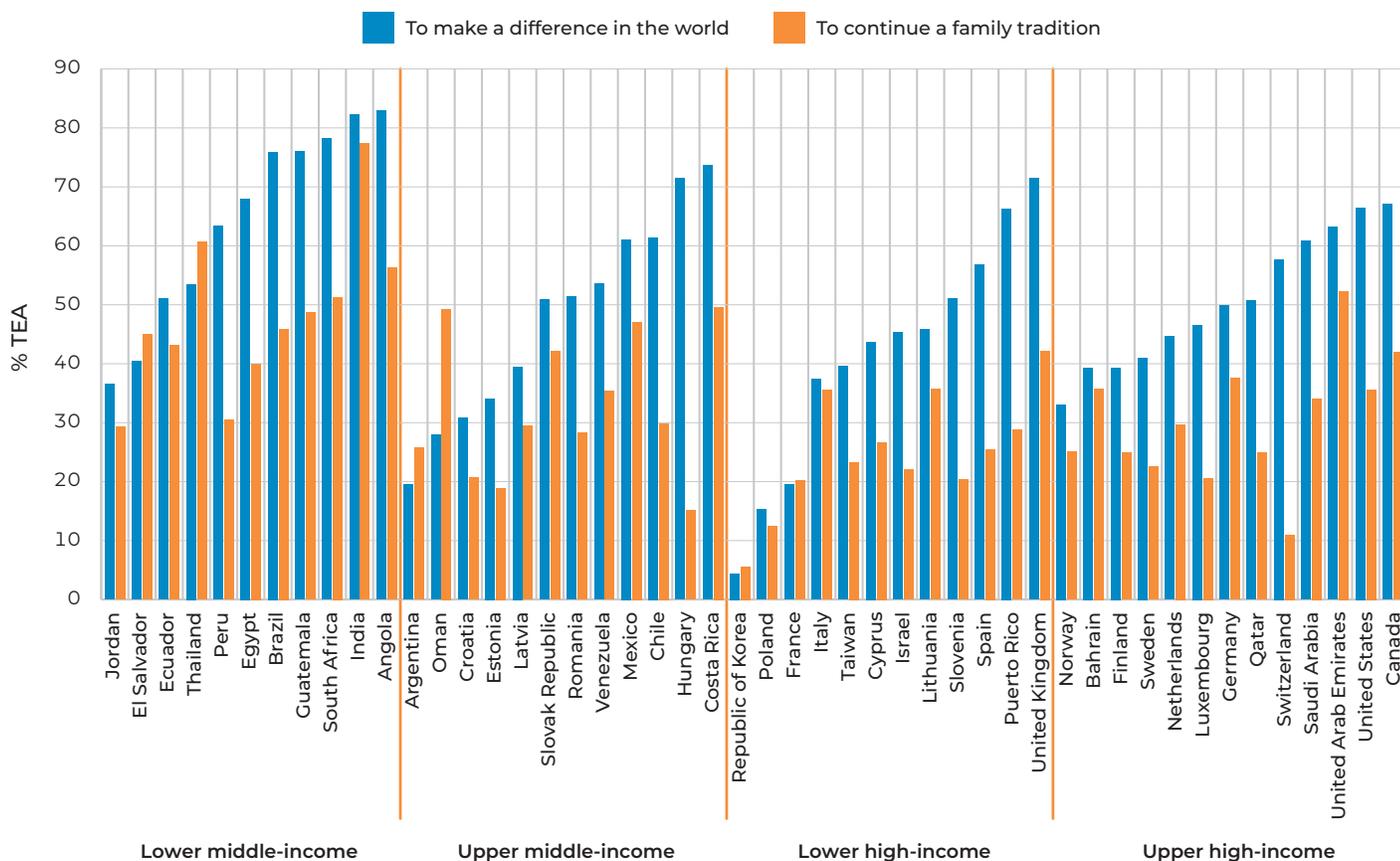
There are, of course, as many individual reasons for starting a business as there are individuals starting businesses. Each entrepreneur brings a unique set of personal circumstances, including perceived opportunities, access to resources, skills, confidence and self-awareness, as well as their own hopes, ambitions and limitations. The GEM APS seeks to generalise across individuals by asking entrepreneurs to what extent they agree with the four motivations outlined above:

- To make a difference in the world
- To continue a family tradition
- To build great wealth or very high income
- To earn a living because jobs are scarce

Respondents identified as starting or running a new business score each motive on a five-point scale: strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree and strongly disagree. Entrepreneurs may agree or disagree with any or all of these four motivations.

Figure 5.1 shows the percentage of respondents who agreed (either somewhat or strongly) with the motivations “to make a difference in the world” or “to continue a family tradition”, sorted by minor income groups. Several patterns emerge. First, the proportion agreeing with “to make a difference in the world” appears to decline with income group. For example, there are nine economies in the lower middle-income group in which more than half of

FIGURE 5.1 Motivations “to make a difference in the world” and “to continue a family tradition”, somewhat or strongly agree as a percentage of early-stage entrepreneurs (%TEA)





THE REAL WORLD BEHIND THE DATA...

Digitising urban living with Kolonus

A spark of curiosity, a real-world problem and a drive to improve community life — these were the ingredients that led Francisco Macedo to co-found Kolonus, one of Latin America's fastest-growing property technology startups.

The inspiration struck nearly a decade ago when Francisco visited a friend in a gated community in Mexico. A food delivery led to an unexpected call from the front gate, prompting Francisco to ask a simple question: What personal information did the security team have access to? The response unsettled him. The process was manual, inconsistent and lacked safeguards for resident privacy. That moment sparked an idea that would soon evolve into a powerful entrepreneurial venture.

Reimagining security and community management

Founded in 2015 in Monterrey, Mexico, Kolonus set out to revolutionise how residential communities are managed by digitising and automating day-to-day processes. Today, the platform connects over 270,000 residents across Mexico, Honduras, Colombia and Ecuador, with expansion plans across all of LATAM.

Kolonus functions as a comprehensive superapp that facilitates communication between residents, administrators, landlords and suppliers. From booking common spaces to receiving secure QR code access for visitors, the platform enhances both convenience and safety.

"We saw that by streamlining access control and communication, we could not only improve daily life but also raise the standard of security in residential areas," explained Francisco.

Kolonus started as Proptech and in 2023 launched its own gateway payment, Kolonus Pay, underscoring the importance of fintech within its history.

A solution born from urban realities

With over 80% of Latin Americans living in urban areas, efficient property management is increasingly vital. The pandemic further highlighted this need, as the rise of delivery apps pushed communities to seek seamless, secure solutions to manage entry and logistics.



Kolonus has emerged as a standout. It was awarded "Best Property Technology Solution in Latin America" in 2022 and 2024 for its innovative approach, market impact and impressive growth trajectory. Previous accolades, such as being named one of Las 100 PRO in 2020, 2021, 2022 and 2023, have been reinforcing its credibility in the region's growing tech landscape. Kolonus was also recognised as one of *Forbes México's* "30 Promesas de los Negocios" (30 Business Promises) in 2024.

Francisco remains focused on the broader mission. "We're flattered by this award but also committed to society," he notes, emphasising that digital innovation must always serve people first.

A platform with purpose

GEM research tracks how entrepreneurs are using technology. Kolonus serves as an example of how entrepreneurship can bridge daily life with smart technology. By connecting people, improving security and enhancing community living, Kolonus shows how a single idea, born from a simple delivery experience, can scale to positively impact hundreds of thousands.

Learn more at www.kolonus.com.

We thank GEM Mexico, host of the GEM 2025/2026 Global Report Launch, for providing this material and helping to ground our data in a real-world context.

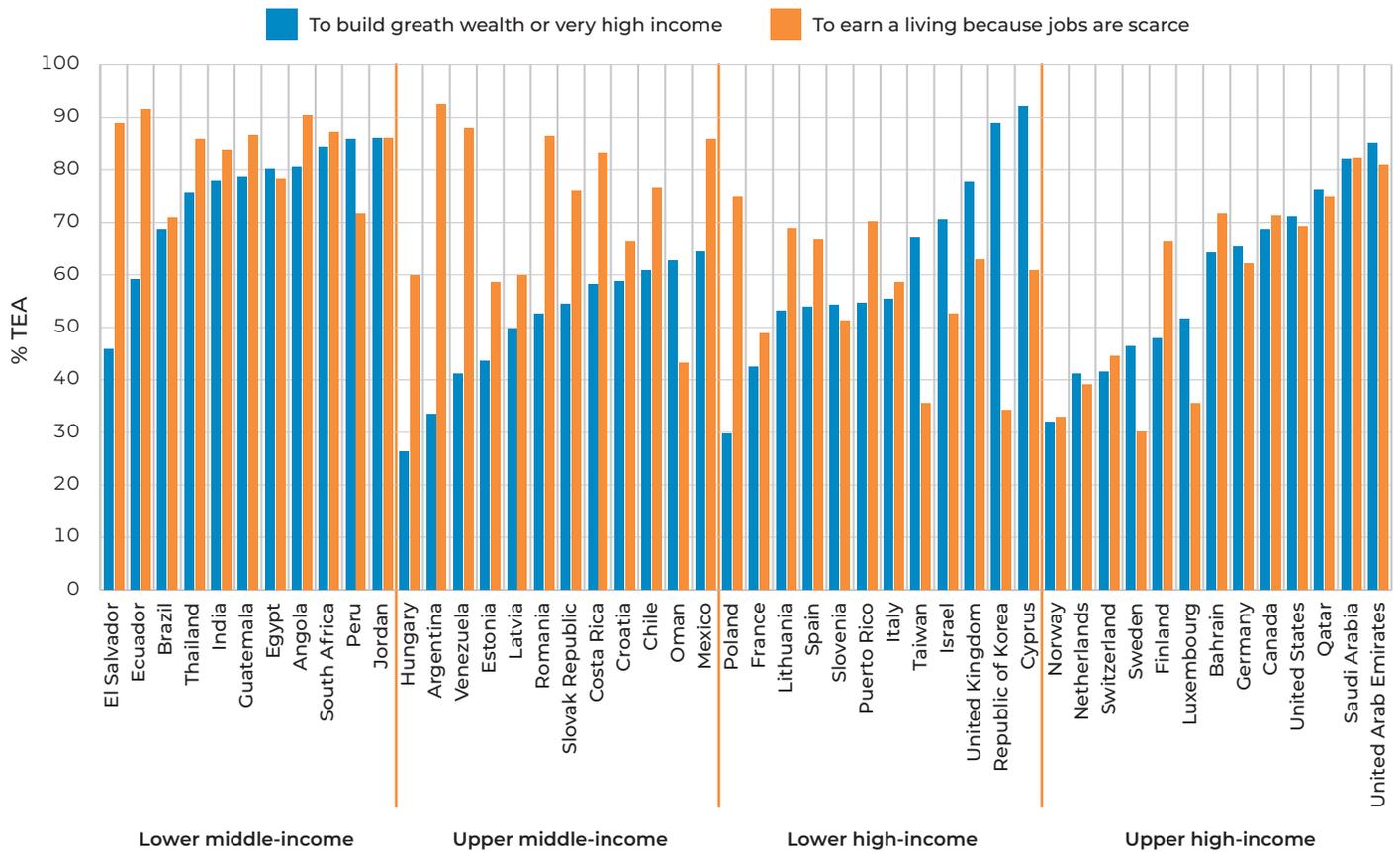


FIGURE 5.2
Motivations “to build great wealth or very high income” and “to earn a living because jobs are scarce”, somewhat or strongly agree as a percentage of early-stage entrepreneurs (% TEA)

new entrepreneurs agree with this motivation, compared with seven in the upper middle-income group, four in the lower high-income group and six in the upper high-income group. The five economies with the highest proportions agreeing with this motivation are all from the lower middle-income group (Angola, India, South Africa, Guatemala and Brazil), while the five lowest proportions are from the lower high- and upper middle-income groups (the Republic of Korea, Poland, Argentina, France and Oman).

Turning to “to continue a family tradition”, this motivation has relatively high levels of agreement in a small number of economies, but low levels across most others. Only five economies report more than half of their new entrepreneurs agreeing with this motivation: four from the lower middle-income group (India, Thailand, Angola and South Africa) and one from the upper high-income group (United Arab Emirates). Fourteen economies report fewer than one in four new entrepreneurs agreeing with this motivation: five from the upper high-income group, six from the lower-high income group and

three from the upper middle-income group, with none from the lower middle-income group. This suggests a negative association with income level.

Finally, and perhaps surprisingly, there is a significant positive correlation¹⁵ between the two motivational categories, which may indicate that many individuals pursuing a startup to continue a family tradition are also motivated by a desire to make a difference in the world.

Figure 5.2 shows the level of agreement with the other two motivations: “to build great wealth or very high income” and “to earn a living because jobs are scarce”.¹⁶ There is some evidence of a positive association between these two motivations, although it is weak.¹⁷ Substantial levels of agreement are evident in both cases: in 35 of the 48 economies, more than half of new entrepreneurs agree with the motivation “to build great wealth

¹⁵ The correlation coefficient between proportions is 0.61.

¹⁶ These motivations are sometimes interpreted as corresponding to the previous GEM classifications of “opportunity” and “necessity” entrepreneurship.

¹⁷ Correlation coefficient is 0.26.

or very high income”, rising to 39 of 48 for “to earn a living because jobs are scarce”. For each motivation, three of the five lowest levels occur among European economies. By contrast, only one of the five highest proportions for “to build great wealth” is in Europe (Cyprus). None of the highest levels for “to earn a living” are found in Europe; instead, these are concentrated in Latin America & Caribbean (with the exception of Angola).

There are also indications that agreement with each of these motivations may decline with income group. For example, three-quarters or more of new entrepreneurs agree with the motivation to build great wealth in eight lower middle-income economies, compared with only three upper high-income economies. The corresponding figures for the “to earn a living” motivation are nine and two. These patterns highlight how motivations remain strongly present across income groups, but their prevalence varies in ways that reflect broader labour market conditions and economic opportunities.

These differences matter for policy design. Where purpose-driven motivations are prevalent, policymakers may find strong foundations for initiatives that channel entrepreneurial activity towards social or environmental value creation. Conversely, where continuing a family tradition is more common, policies that facilitate business transfer, succession planning and intergenerational support may be particularly relevant. The widespread agreement with material motivations – both the aspiration to build wealth and the necessity of earning a living where jobs are scarce – highlights the importance of policies that address structural constraints in labour markets and improve the enabling environment for enterprise formation. Importantly, the coexistence of multiple motivations, and the positive associations between them, suggests that entrepreneurs often respond to overlapping economic and personal factors. For policymakers, this reinforces the need for flexible support mechanisms that reflect the diversity of motivations across contexts and income groups.

5.3 ENTREPRENEURIAL MOTIVATION AND INCOMES

The association between material motivation and income is an interesting one. Both material motivations show substantial levels of agreement across all income groups. While a shortage of jobs may be relatively clear in low-income economies, do individuals in high-income economies also feel compelled to start businesses because jobs are scarce? The answer, according to new entrepreneurs in those economies, is a resounding yes. There are six upper high-income economies in which two out of three new entrepreneurs or more agree with this motivation: the United States (69%), Canada (71%), Bahrain (72%), Qatar (75%), United Arab Emirates (81%) and Saudi Arabia (82%). These percentages are not dissimilar – although slightly lower – than those observed in many lower middle-income economies.

Figure 5.3 explores this issue further by plotting the percentage of new entrepreneurs who agree with the motivation “to earn a living because jobs are scarce” against the average level of Gross Domestic Product (GDP) per capita, using World Bank data. While the line of best fit just about suggests a negative association



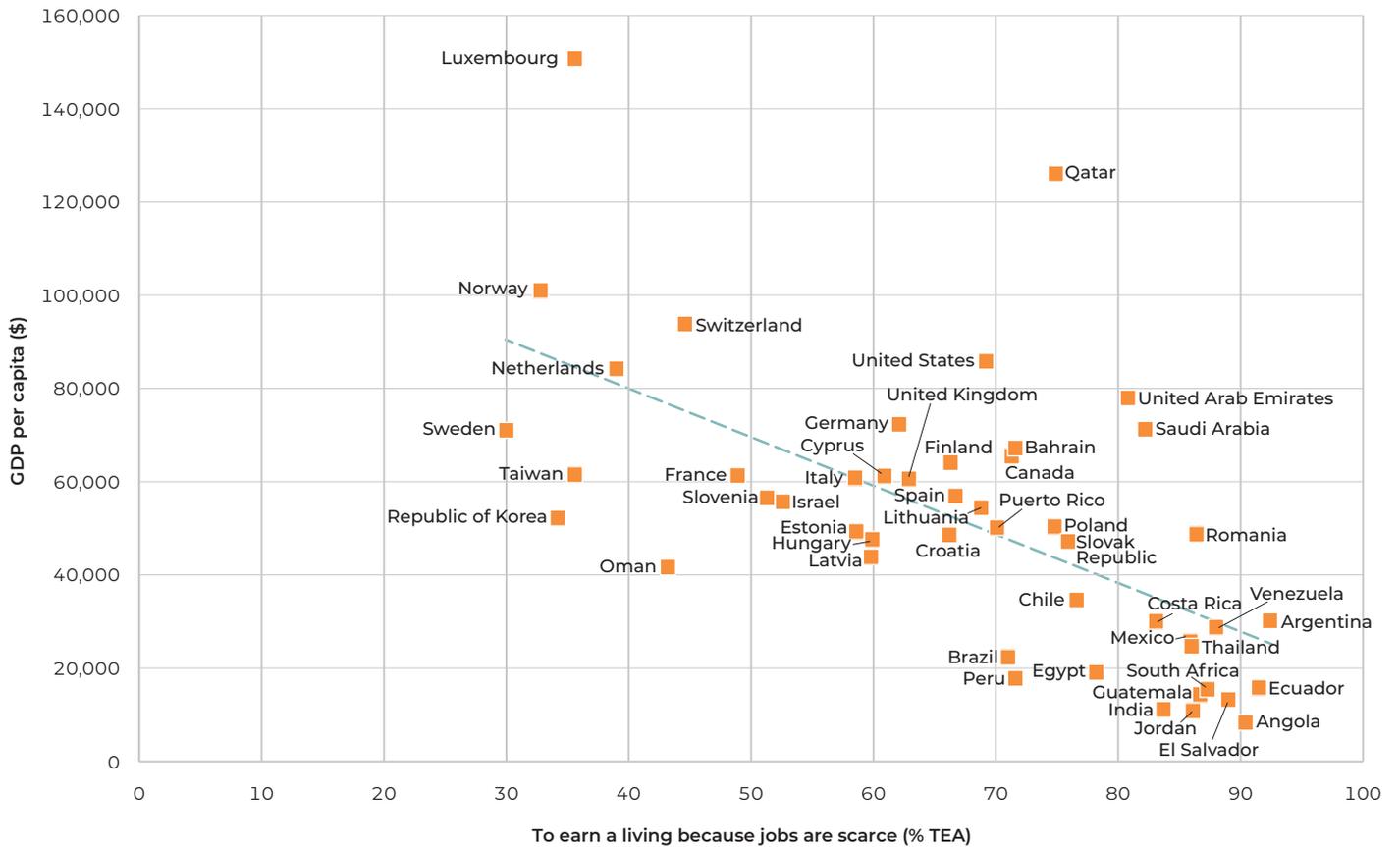


FIGURE 5.3 Levels of agreement by new entrepreneurs with the motivation “to earn a living because jobs are scarce” (% TEA) plotted against GDP per capita for each economy (current international \$, PPP: World Bank data)

between the two variables, many economies deviate substantially from this pattern. Outliers with much higher levels of agreement than their GDP would predict include upper-high-income Luxembourg and Qatar, as well as the United States. Conversely, economies with lower levels of agreement than their GDP might suggest include the Republic of Korea, Peru and Oman. Such deviations indicate that economic conditions alone do not fully explain perceptions of job scarcity among new entrepreneurs. Even in

high-income economies, substantial proportions of early-stage entrepreneurs report starting a business because employment options feel limited, suggesting that labour market conditions, expectations and individual experiences may diverge from aggregate economic indicators. Understanding why individuals perceive employment constraints – even in prosperous contexts – can support more responsive labour market policies and more effective forms of entrepreneurial assistance.

5.4 THE EVOLUTION OF ENTREPRENEURIAL MOTIVATIONS

The evolution of entrepreneurial motivations over time provides valuable insight into how broader economic and social conditions shape early-stage entrepreneurial behaviour. Since 2019, the GEM APS data have allowed the share of participating economies in which a majority (>50%) of new entrepreneurs agree with each of the

four motivations to be tracked. Although annual patterns fluctuate, several consistent trends emerge.

Figure 5.4 shows that the motivation “to earn a living because jobs are scarce” has persistently had the highest share of economies, with well over seven in 10 each year reporting majority agreement. There is also some evidence of a



THE REAL WORLD BEHIND THE DATA...

From leaving to leading: how a training programme helped a Bosnian entrepreneur stay and succeed

GEM research over the years has highlighted the important role of entrepreneurial training centres in strengthening ecosystems for startup activity. The story of Hasan Gvozden, an entrepreneur from the village of Pridvorci in central Bosnia and Herzegovina, brings this to life.

Born in 1991, Hasan grew up during the difficult post-war period in Bosnia and Herzegovina. Hasan's older brother went abroad in search of a better life and learnt the ceramic trade. During a visit, Hasan had the opportunity to learn how to be a ceramicist. He excelled in this area of work in the following years and eventually considered joining his brother and leaving Bosnia and Herzegovina. But thanks to the support of a local entrepreneurial initiative, he chose a different path.

While waiting for his emigration documentation, Hasan applied for the "Start Your Business" training programme, organised by the LINK Entrepreneurial Centre. LINK is a membership organisation dedicated to developing entrepreneurship in the country and serves as the lead institution of the GEM Bosnia and Herzegovina team. Hasan's experience in the programme was pivotal. It provided not only valuable training but also the practical support he needed to start his own business at home. He decided to stay put in Bosnia and Herzegovina and launch his business.

"I don't regret staying," Hasan said. "I really have a lot of work, not just in Gornji Vakuf and the surrounding area but also in other parts of the country. When I arrange work, I do it for an entire team of craftsmen — from ceramicists to plumbers to electricians. So far, there haven't been any complaints about my work: only praise and satisfaction."

Unlike many in his profession, Hasan carries out his physically demanding work with an added challenge — he was born without a left hand. He never mentions this as an obstacle.

"Fear was present at the beginning because I was afraid of how people wanting to hire a ceramicist would react when they see that I'm a person with a disability," he shared. "But I was wrong; as soon as we start discussing the job and the client becomes convinced of my expertise, everything changes. Job completed, all parties satisfied."



Today, Hasan is not only sustaining his own business but is planning to expand. He intends to open a ceramics showroom in his home town, providing sales, delivery and installation services. His goal is to employ at least 10 local workers.

"Although it's difficult to find qualified workers in the labour market, I believe that with the offer of good salaries and fair treatment, I will succeed," Hasan said. "I believe that my effort and work will pay off."

Hasan's journey reflects the impact of training initiative like LINK's Start Your Business can empower individuals to build lasting opportunities in their own communities.

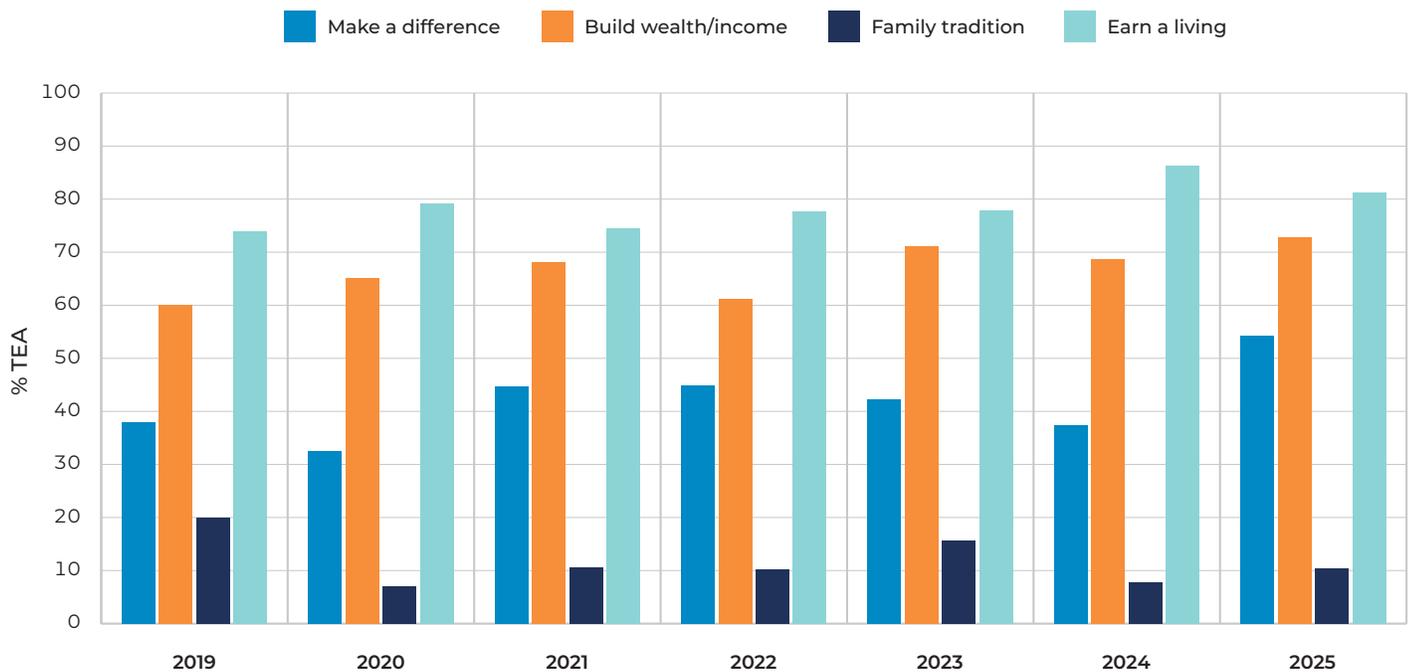


FIGURE 5.4
The percentage of GEM-participating economies with a majority of new entrepreneurs (>50%) agreeing with each motivation

gentle upward drift. The motivation “to build great wealth or very high income” is the next most prevalent, with more than six in 10 economies each year showing majority agreement. The proportion of economies in which a majority agree with “to make a difference in the world” increased during the pandemic, dipped slightly thereafter, but has since recovered to surpass its pre-pandemic level in 2025.

The greatest variability over time is found in the motivation “to continue a family tradition”, which displays no consistent pattern aside from a marked drop at the onset of the pandemic. As

this motivation generally has the lowest overall levels of agreement – except in a small number of economies with notably high levels – these fluctuations may simply reflect changes in the composition of GEM-participating economies in particular years.

Taken together, these shifting patterns underscore the importance for policymakers of monitoring how entrepreneurial motivations evolve in response to wider economic and social conditions, ensuring that support frameworks remain responsive, inclusive and aligned with the changing drivers of entrepreneurial activity.

5.5 CONCLUSIONS AND POLICY IMPLICATIONS

This chapter has shown that the reasons for starting a business are complex and context-dependent, shaped by economic conditions, cultural values and personal ambitions. Levels of agreement with motivations such as making a difference, continuing a family tradition, building great wealth or earning a living because jobs are scarce vary widely across economies and over time. These differences matter, as motivations can influence

both the pathways entrepreneurs take and the types of ventures they pursue.

Effective policies must recognise this diversity. By tailoring support to the varied drivers of entrepreneurship, policy can encourage more resilient and inclusive entrepreneurial ecosystems. Recognising how motivations shift in response to broader economic and social changes also allows policy frameworks to remain adaptive and relevant.

POLICY IMPLICATIONS

Policy area	Actions	Rationale
Recognise diverse motivations and segment support	Design support programmes that acknowledge the full range of entrepreneurial motivations (e.g. social values, family tradition, necessity).	Increase relevance and improve uptake of support measures.
Awareness and education	Integrate entrepreneurship education that highlights multiple motivations and pathways into business creation.	Build confidence and broaden participation across population groups.
Integrate labour market insights	Use labour market diagnostics alongside entrepreneurship indicators when designing support measures.	Perceptions of job scarcity influence entrepreneurial decisions even where economic indicators suggest otherwise.
Business transfer and succession	Strengthen mechanisms for business transfer and succession where family tradition is a significant driver.	Some economies show consistently high motivation to continue family traditions.
Social impact support	Promote and incentivise purpose-driven startups, including social enterprises and environmentally oriented ventures.	Align entrepreneurial activity with SDGs and wider societal needs.
Data and monitoring	Collect and analyse data on entrepreneurial motivations on a regular basis.	Inform evidence-based policy and track changes over time.

Entrepreneurship: responding to global challenges

Stephen Hill, Fatima Boutaleb and Natanya Meyer

6.1 INTRODUCTION: RIDING THE TIGER

Entrepreneurship is increasingly shaped by the global challenges that characterise the current era: climate change, geopolitical instability, shifting economic power and the rapid evolution of technology. One major challenge is the changing balance of global trade. Entrepreneurship has long been a vehicle for global connectivity, with many new businesses seeking customers beyond their borders — an internationalisation closely associated with innovation and growth. Yet, in many economies, trade barriers are rising, contributing to global uncertainty and heightened geopolitical tensions. These developments raise important questions. Are such barriers prompting entrepreneurs to look inward for customers while simultaneously managing the social and environmental impacts of their businesses? Rather than signalling dramatic shifts in cross-border activity, the more compelling story may lie in how entrepreneurs are prioritising sustainability, resilience and social impact in response to these uncertainties.

This chapter, using GEM data, assesses how the international reach of new entrepreneurs is evolving. It then examines how entrepreneurs are integrating environmental and social considerations into their actions and strategies, often placing these above profitability or growth. Many entrepreneurs are re-evaluating their customer base and embracing sustainability as a source of innovation, differentiation and long-term value. In at least 33 of the 48 GEM 2025 Adult Population Survey (APS) economies, more than half of those starting or running new businesses report that they prioritise social

and environmental impacts above profitability or growth — a pattern observed particularly, although perhaps unexpectedly, among older (“silver”) entrepreneurs. These entrepreneurs are actively minimising environmental harm, maximising social benefits and embedding sustainability into their long-term strategies. The association between environmental and social action is both positive and strong: economies with high levels of one tend to have high levels of the other. Understanding these patterns is essential for policymakers. Entrepreneurs are not only economic actors; they are agents of change. Their responses to global challenges can be amplified or constrained by the environments in which they operate. Where these conditions are supportive, entrepreneurs are more likely to thrive and to contribute meaningfully to sustainable development goals.

Governments and institutions should recognise and support the evolving role of entrepreneurship in addressing global challenges. This includes designing policies that reward sustainability, investing in digital infrastructure and ensuring that entrepreneurial education reflects the realities of a changing world. In doing so, they can help unlock the full potential of entrepreneurship — not only as a driver of economic growth but also as a force for global resilience and renewal.

This chapter examines how entrepreneurs worldwide are responding to these pressures — not only by adapting their business models but also by actively contributing new solutions and driving change. It further explores the

rise of sustainability-focused entrepreneurs and considers how supportive entrepreneurial ecosystems and innovation-oriented cultural

norms enable purpose-driven ventures that seek to address systemic challenges extending beyond personal economic gain.

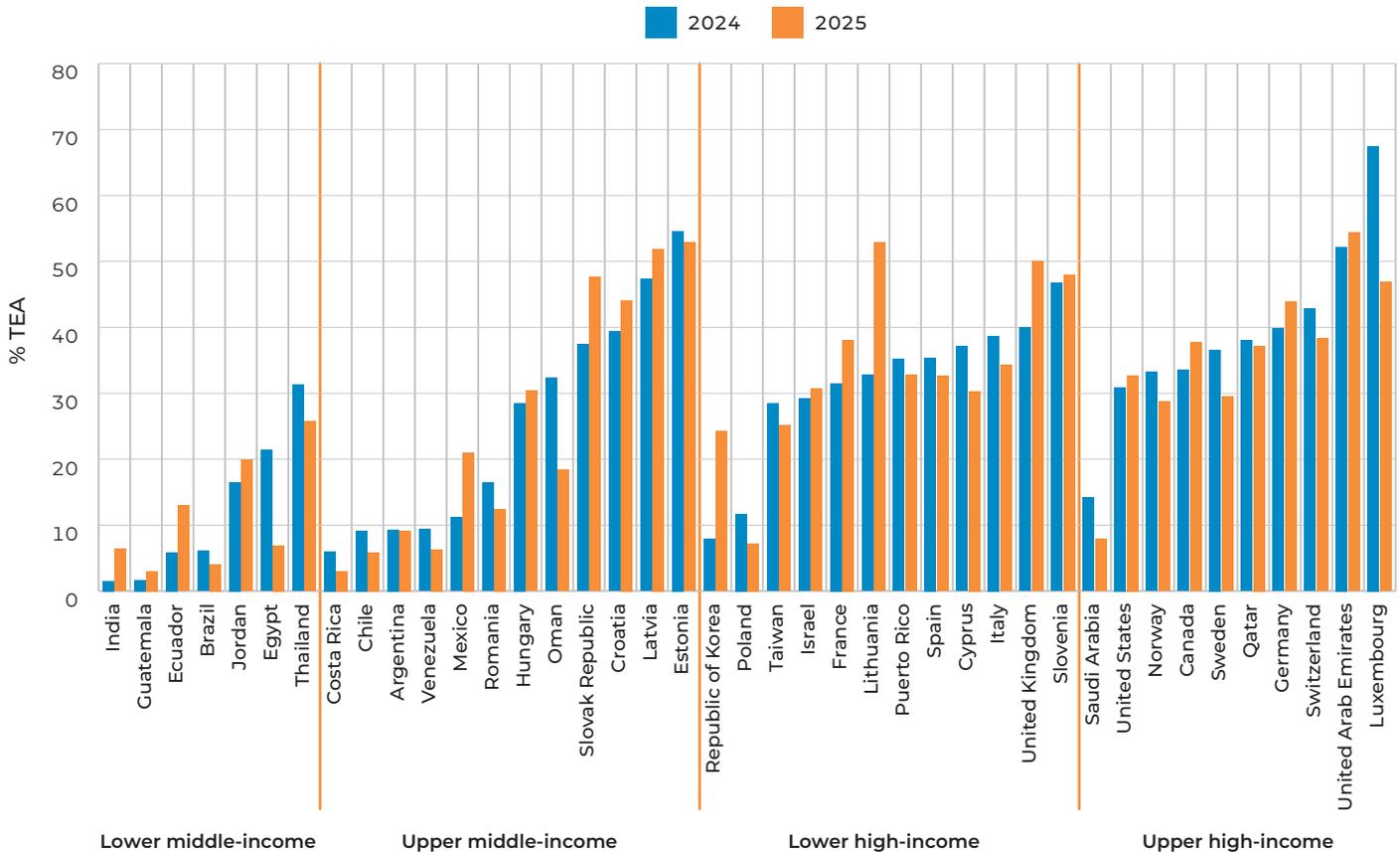
6.2 INTERNATIONAL REACH

The GEM APS asks those starting or running new businesses whether they have customers in their local area, elsewhere in their country or outside their country. Figure 6.1 illustrates the percentage of early-stage entrepreneurs with international customers for the economies participating in the GEM APS in both 2024 and 2025, grouped by income level. A clear association with national income level is evident, with the proportion of entrepreneurs serving foreign customers increasing as income rises. For example, the five lowest levels in 2025 are all found in Latin America & Caribbean (Costa Rica, Guatemala, Brazil, Venezuela and Chile), all within the lower or upper middle-income groups. By contrast, the five highest levels are

recorded in economies from the upper middle-, lower high- or upper high-income groups, and are located either in Europe or the Gulf (United Arab Emirates, Lithuania, Estonia, Latvia and the United Kingdom). In 2025, eight economies in the lower middle- and upper middle-income groups report that fewer than one in 10 new entrepreneurs have customers outside their own country. Among the high-income groups, only two economies fall into this category: Poland and Saudi Arabia.

When comparing 2025 with 2024, there is little evidence of a broad retreat from international markets. Of the 41 economies included in both years, 22 experienced a decrease in the share of new entrepreneurs with foreign customers, while

FIGURE 6.1
The percentage of early-stage entrepreneurs (%TEA) with customers outside their own countries: all economies participating in the GEM APS in both 2024 and 2025



19 recorded an increase. Significant declines were observed in Luxembourg (from 68% to 47%), Oman (from 32% to 18%) and Egypt (from 21% to 7%). These were offset by substantial increases in other economies, such as Lithuania (from 33% to 53%) and the Republic of Korea (from 8% to 24%). Notably, among the economies frequently cited in international trade tariff debates, changes were relatively modest: the United States (from

31% to 33%), Canada (from 34% to 38%), India (from 2% to 6%) and Mexico (from 11% to 21%). All saw increases. These patterns highlight the importance for policymakers of understanding how international engagement varies across income levels and economic contexts, enabling the design of support measures that help entrepreneurs sustain and expand their global reach even amid shifting trade conditions.

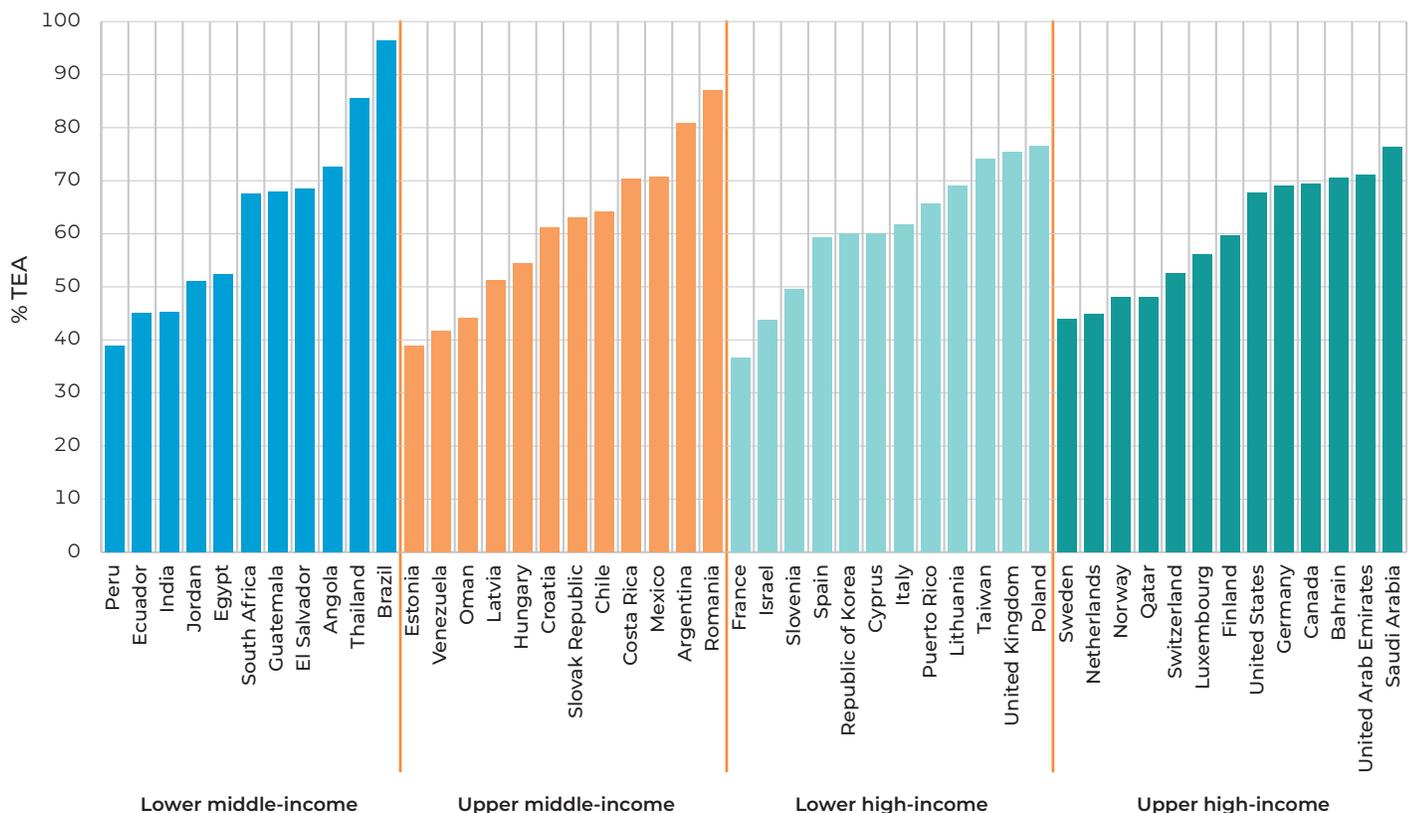
6.3 SUSTAINABILITY ACTIONS AND STRATEGIES

Previous Global Reports, as well as the GEM 2023/2024 Sustainability and Entrepreneurship Report, have emphasised the complementarity between entrepreneurship and sustainability. New businesses can promote the Sustainable Development Goals (SDGs) through their actions and strategies, while many are established specifically to address sustainability challenges such as climate change or social justice. The drive for sustainability can generate new

business opportunities, while the pursuit of those opportunities can, in turn, produce enterprises with sustainable impacts.

The GEM APS asks those identified as starting or running new businesses whether they have taken steps over the past year to minimise the environmental impact of their business, and whether they have taken steps to maximise its social impact. Figure 6.2 presents these results in terms of the percentage of new businesses reporting

FIGURE 6.2
The share of early-stage entrepreneurs who have taken steps to minimise the environmental impacts and/or to maximise the social impacts of their business in the past year (%TEA)



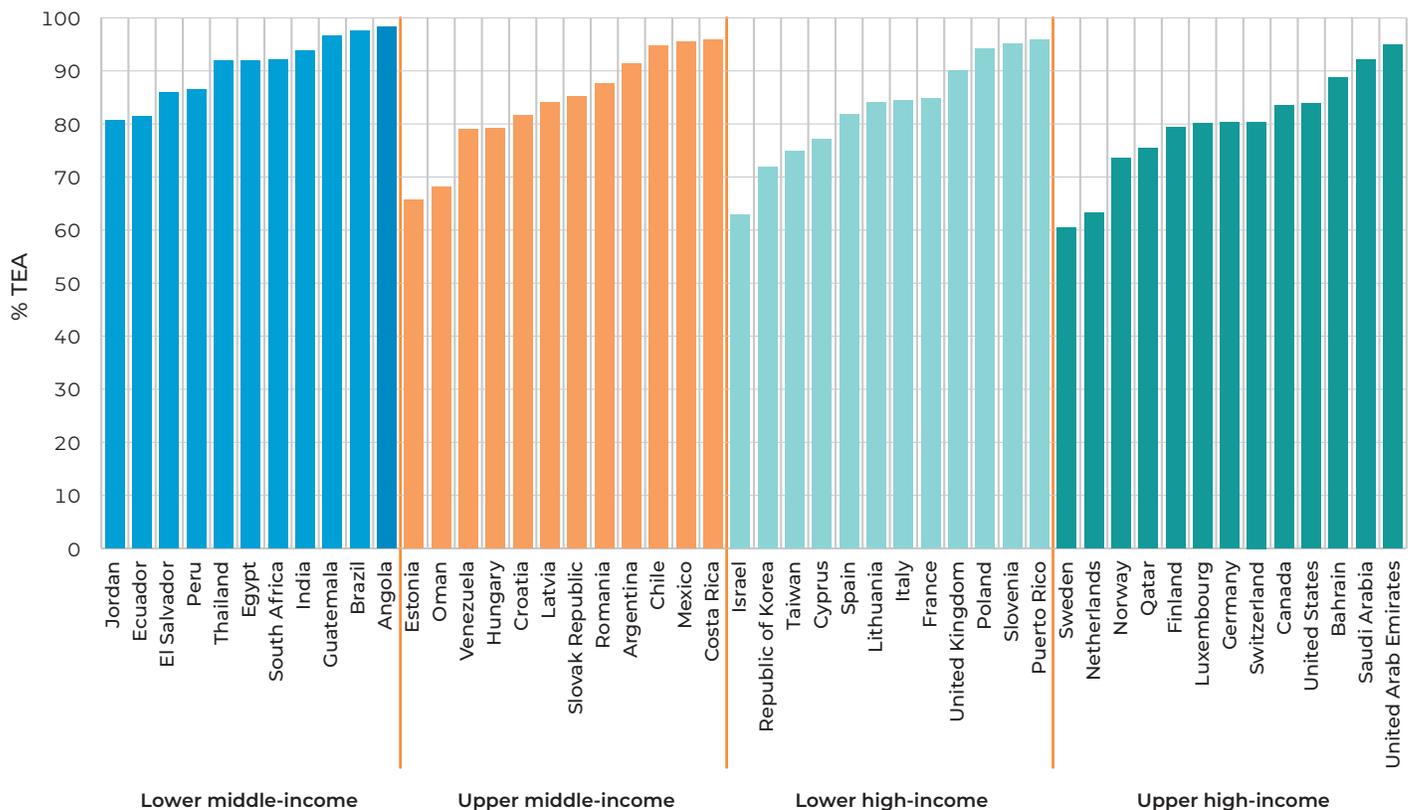


FIGURE 6.3

The share of early-stage entrepreneurs who always consider social implications and/or environmental impacts when making decisions about the future of their business (%TEA)

that they have acted sustainably — either by reducing environmental harm, enhancing social benefits, or both.

There is widespread evidence of substantial proportions of entrepreneurs acting sustainably across all regions and income groups. In 35 of the 48 economies, a majority of those starting new businesses report having acted sustainably. There is also some indication that the proportion of new entrepreneurs acting sustainably declines as income increases: four of the five highest levels are found in lower- and middle-income economies (Brazil, Thailand, Romania, Argentina, and lower-high-income Poland). The lower middle-income group exhibits the widest variation, ranging from 39% in Peru to 96% in Brazil, while the upper high-income group shows the narrowest range, from 44% in Sweden to 76% in Saudi Arabia. One noteworthy shift concerns India. In the 2024 Global Report, India had the lowest share of new entrepreneurs taking either type of sustainability action — fewer than one in five. In the current data, India shows a modest level of 45%, placing it far from the lowest category.

Acting sustainably is important, but integrating sustainability into longer-term strategy represents a further step. The APS therefore asks new entrepreneurs whether they always consider social implications or environmental impacts when making decisions about the future of their businesses. Figure 6.3 shows that the overwhelming majority of new entrepreneurs — across all regions and income groups — report that they do.

There is widespread agreement among those starting or running new businesses that sustainability impacts — defined here as either social or environmental — are always considered in future-oriented decisions. In the lower middle-income group, at least four in 10 entrepreneurs agreed in every economy. In the upper middle- and lower high-income groups, only four economies fell below this threshold, and in the upper high-income group only five did so. The lowest levels of agreement were observed in Sweden, the Netherlands and Israel, yet even in these economies at least three in five entrepreneurs agreed.

6.4 PRIORITISING SUSTAINABILITY AND SUSTAINABILITY-FOCUSED ENTREPRENEURSHIP

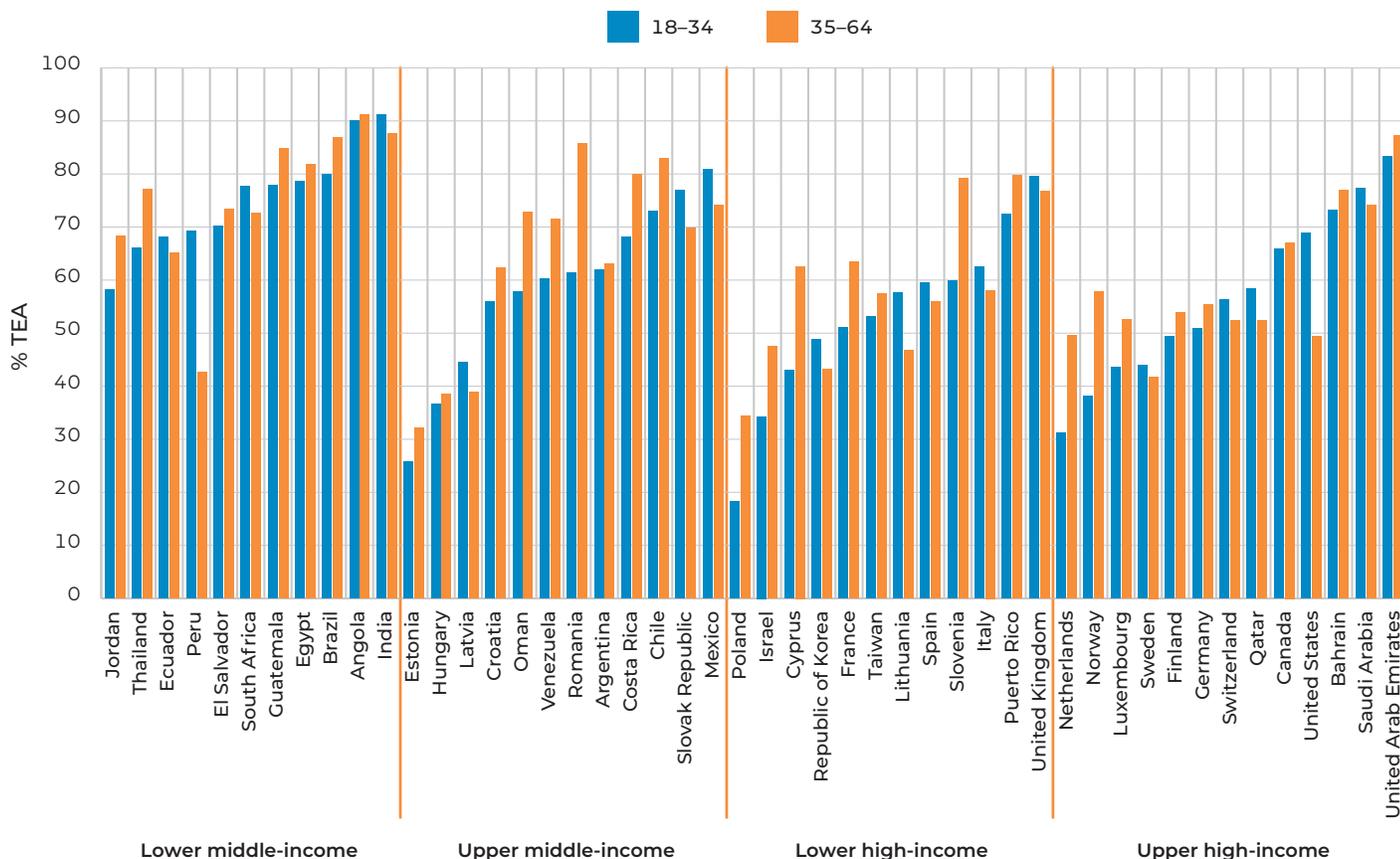
Acting sustainably or integrating sustainability into business strategies can be entirely compatible with seeking to maximise profits or achieve rapid growth. In some markets, being perceived as sustainable may be a prerequisite for commercial success, while claiming to integrate sustainability into business strategies may function as a useful marketing device. To understand the extent to which sustainability is prioritised above financial outcomes, the GEM APS asks new entrepreneurs whether they agree that they “prioritise the social and/or environmental impact of your business above profitability or growth”.

Previous GEM Global Reports have shown that women and graduate early-stage entrepreneurs are more likely to agree with purpose-driven motivations; that younger people are more likely to start new businesses; and that older people are more likely to operate established ones. This

report extends that analysis by examining whether, among those starting new businesses, younger people (aged 18–34) are more likely than older people (aged 35–64) to prioritise sustainability above profitability or growth. There are a number of grounds for such an expectation, including assumed higher levels of idealism, greater exposure to social and cultural trends, and stronger concern for long-term impacts. Figure 6.4 challenges these assumptions, however. In 31 of the 48 economies, younger entrepreneurs are less likely than so-called “silver” entrepreneurs to prioritise sustainability – almost twice the number of economies (17) in which the reverse is true.

The first clear message from Figure 6.4 is the widespread agreement among new entrepreneurs of all ages that they prioritise sustainability above profitability or growth. In 33 of the 48 economies, at least half of both younger and older entrepreneurs

FIGURE 6.4
The share of new younger (18–34), and older (35–65), new entrepreneurs who agree that they prioritise sustainability above profitability or growth (%TEA)



agree. A second pattern is that agreement declines as income increases. In the lower middle-income group, the only level below one-half is among older entrepreneurs in Peru. In the upper middle-income group, fewer than half of both age groups agree in Estonia, Latvia and Hungary. Among the lower high-income group, fewer than one-half agree in both age groups in Poland, Israel and the Republic of Korea, as well as among younger entrepreneurs in Cyprus and older entrepreneurs in Lithuania. In the upper high-income group, fewer than half of both younger and older entrepreneurs agree in the Netherlands and Sweden; fewer younger entrepreneurs agree in Norway and Finland; and fewer older entrepreneurs agree in the United States.

Although, on the whole, older entrepreneurs are more likely than younger ones to prioritise sustainability above profitability or growth, notable exceptions remain. As noted earlier, in 17 economies, younger entrepreneurs exhibit higher

levels of agreement. The largest positive differences occur in Peru (69% of younger entrepreneurs agree, compared with 43% of older ones), the United States (69% and 49%) and Lithuania (58% and 47%). Conversely, economies in which older entrepreneurs' agreement substantially exceeds that of younger entrepreneurs include Romania (61% compared with 86%), Cyprus (43% and 63%) and Norway (38% and 58%).

There are plausible explanations as to why older entrepreneurs might be more inclined to prioritise sustainability. With greater experience, they may hold different views of success or be more willing to sacrifice short-term returns to build a longer-term legacy. Younger entrepreneurs, while well informed about sustainability, may face more immediate pressures relating to business survival and profitability, rendering sustainability aspirations less actionable in practice.

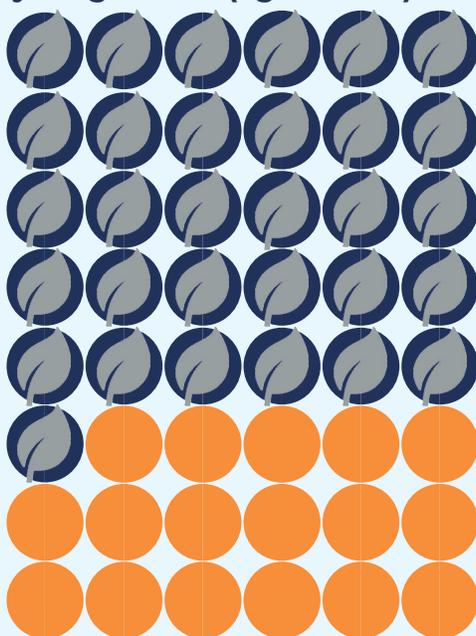
GEM recently introduced the concept of sustainability-focused entrepreneurship.¹⁸ This category identifies the subset of new entrepreneurs who meet all four of the following criteria:

1. Agree with the motivation “to make a difference in the world”
2. Have taken actions to minimise environmental impact or maximise social impact in the past year
3. Always consider social or environmental implications in their long-term strategy
4. Agree that they prioritise social or environmental impact above profitability or growth

The proportion of early-stage entrepreneurs meeting all four criteria is shown in Figure 6.5. The chart includes confidence intervals, as the estimates are based on samples of new entrepreneurs within each economy. A relatively wide interval (for example, in Qatar, Romania and Egypt) indicates a smaller sample of entrepreneurs, while a narrow interval (as in Spain, Poland and France) indicates a larger and therefore more reliable sample.

The data reveal striking concentrations of sustainability-focused entrepreneurs:

In 31 of 48 economies, “silver” early-stage entrepreneurs (aged 35–64) are more likely to prioritise sustainability over profits or growth than younger ones (aged 18–34)



¹⁸ See the *Global Entrepreneurship Monitor 2023/2024 Sustainability and Entrepreneurship Report: Awareness and Actions*.



THE REAL WORLD BEHIND THE DATA ...

Fuelling sustainable solutions through Elcove

GEM research consistently highlights the role of entrepreneurship education in contributing towards vibrant ecosystems that can empower founders to build sustainable, impactful businesses. Stacia Yefimenko's journey at Babson College is one such example.

Armed with entrepreneurial skills from her education at Babson, she transformed a personal health challenge into a mission-driven company focused on sustainability. After struggling for years with severe allergies and asthma, Stacia discovered that everyday cleaning products were often filled with harmful chemicals — and that they contributed significantly to environmental waste. Recognising a gap in the market, she co-founded Elcove in 2021 to offer affordable non-toxic, eco-friendly cleaning and personal care solutions, minimising both human and environmental harm.

Sustainability is at the heart of Elcove's operations. From compostable refill packaging to reusable aluminium bottles and sustainable shipping materials, every detail is designed with the full product lifecycle in mind.

"At Elcove, we focus on reducing waste and creating lasting impact at every step," Stacia explained.

Entrepreneurship education has been instrumental in Stacia's success. She is quick to credit Babson's Entrepreneurial Thought & Action® (BETA), a proven methodology for developing the skill set and mindset needed not just to launch a new business but also make change in an established company, lead a team, or create social impact.

"Babson taught me to approach everything with curiosity and an understanding that I can learn whatever I need to learn if I put my mind to it," she said. "Entrepreneurship education is so important because, when you're first starting out, there are a thousand different steps you could take and paths you could follow. Having a strong foundation — basic principles, guidelines and the core values of how successful businesses operate — gives you something to carry with you at every stage of the journey."

Also important is the role of mentors that Stacia has come in contact with through Babson's programmes.



"Learning from those who have walked the path before me saved invaluable time and helped me navigate challenges more strategically," she said.

As a woman entrepreneur, Stacia has also seen first-hand the barriers that female founders often face. She highlighted the importance of surrounding herself with supportive networks — particularly other women entrepreneurs who understand the unique challenges — and emphasised that mentorship has been critical in navigating these hurdles.

"The best support has been surrounding myself with other incredible female entrepreneurs: especially those who have been in my shoes and have been kind to mentor me throughout the entire process."

She believes policymakers should design more accessible funding opportunities and meaningful support systems that address the root challenges women entrepreneurs face, not just surface-level solutions.

To date, Elcove has saved an estimated 34,000 plastic bottles from being thrown away and polluting our planet. Looking ahead, Stacia envisions expanding Elcove's product offerings to create a one-stop shop for sustainable, non-toxic living. She also sees AI playing a greater role in streamlining operations, such as inventory planning and customer education.

Stacia's story illustrates what GEM research shows time and again: entrepreneurship education and support systems play an important role in helping entrepreneurs launch companies that make a positive difference.

We thank Babson College, one of GEM's founding organisations, for providing this material and helping to ground our data in a real-world context.

**BABSON
COLLEGE**

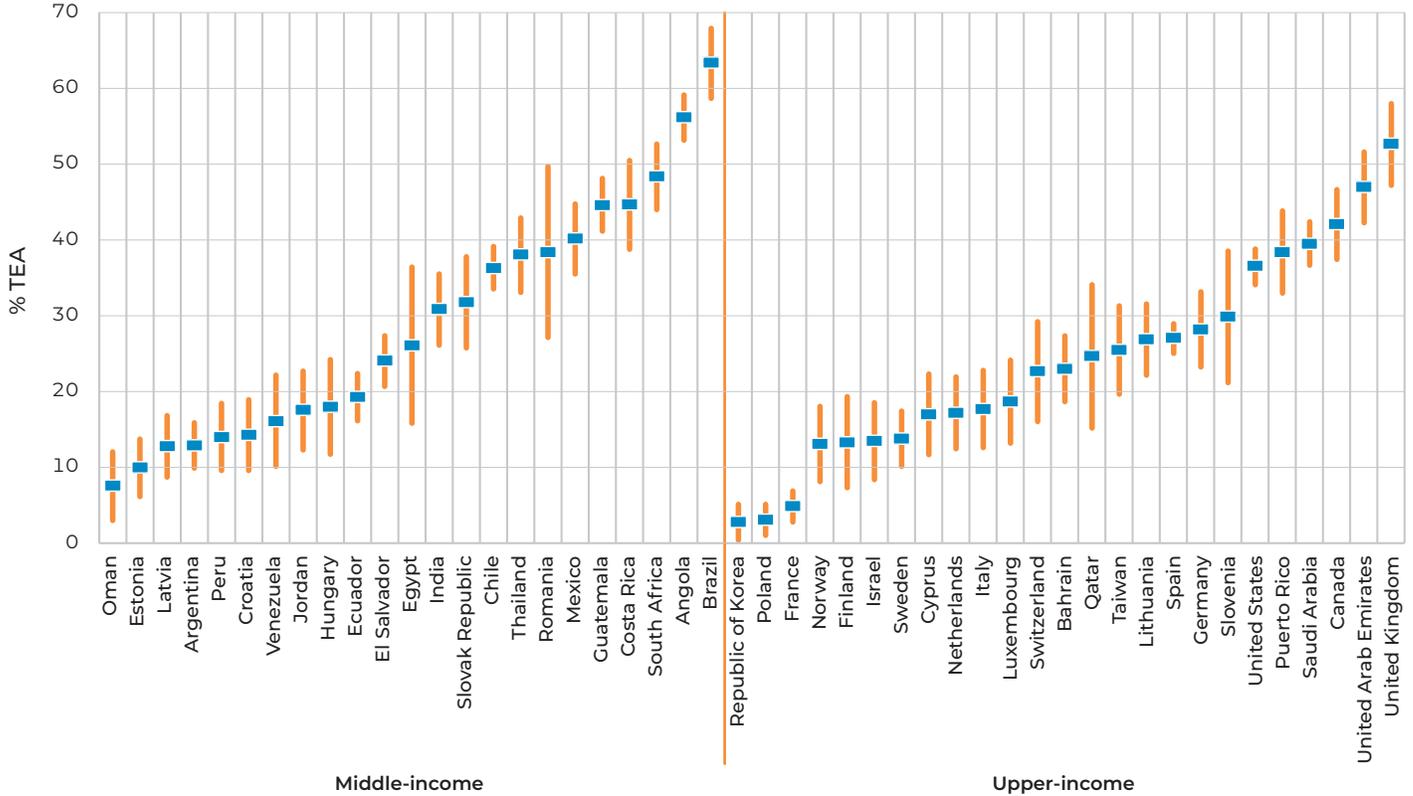


FIGURE 6.5

Early-stage entrepreneurs (% TEA) categorised by GEM as “sustainability-focused” because they agree with the motive of making a difference, are taking sustainable actions, build sustainability into their strategies and prioritise sustainability over profits

- **Highest prevalence.** More than half of all new entrepreneurs fall into this category in just three economies: Brazil, Angola and the United Kingdom. Both Brazil and the United Kingdom are showing an increase in this metric compared to 2024.
- **Lowest prevalence.** Four economies have fewer than one in 10 new entrepreneurs classified as sustainability-focused: the Republic of Korea, Poland, Oman and France.

The first three, now joined by France after a sharp one-year decline, have consistently ranked toward the lower end of the distribution.

As sustainability-focused entrepreneurship emerges across different age groups and economic contexts, supportive policy environments that reinforce sustainable business practices can help entrepreneurs translate their intentions into meaningful social and environmental contributions.

SUSTAINABILITY FOCUS

Early-stage entrepreneurs in most economies are actively taking steps to reduce environmental harm and enhance social impact. Many incorporate these considerations into longer-term strategy, even amid uncertainty. Patterns across age groups and income levels show sustainability priorities are broadly shared, though shaped by local conditions. These variations point to where entrepreneurial environments may better support sustainability-oriented behaviour.

POLICY IMPLICATIONS

Policy area	Actions	Rationale
Sustainability incentives	Reward businesses that prioritise sustainable outcomes beyond profitability or growth. Possible measures include grants, tax incentives or preferential access to public markets.	Encourage a mindset shift whereby sustainability is viewed not as an obligation but as a valuable source of competitive advantage.
Digital infrastructure	Invest in robust and accessible digital networks and tools, including high-speed internet, collaborative platforms and technologies that support remote operations and international expansion.	Ignite innovation and expand the global reach of businesses, enabling them to overcome geographical barriers and address global challenges.
Entrepreneurial education	Revise curricula and training programmes to explicitly incorporate sustainability, global challenges and purpose-driven entrepreneurship. Equip future entrepreneurs to develop impactful business models.	Prepare the next generation to navigate complex global issues and empower them to innovate responsibly.
Strengthened institutional conditions	Reinforce regulatory and institutional settings — such as streamlined procedures, transparent standards and accessible sustainability guidelines — that enable sustainable entrepreneurial practices.	Supportive institutional conditions help entrepreneurs expand sustainable actions and contribute more effectively to social and environmental objectives.
Promotion of innovation and risk-taking culture	Foster cultural norms that frame failure as a learning opportunity and encourage calculated risk-taking.	A vibrant entrepreneurial ecosystem depends not only on resources but on cultural attitudes that empower individuals to innovate and take initiatives.
Support ecosystems	Strengthen mentoring systems, business networks and access to finance for firms pursuing social and environmental goals. This may include dedicated funds, specialised incubators and peer-mentoring initiatives.	Enable purpose-driven entrepreneurship by providing the resources and connections required for such businesses to flourish and expand their impact.
Data and measurement	Track entrepreneurial trends, including motivations and sustainability-related actions. Collect data on environmental and social impacts and evaluate the effectiveness of different approaches.	Inform and refine evidence-based policies to ensure interventions remain relevant, effective and aligned with evolving forms of sustainable entrepreneurship.

6.5 CONCLUSIONS AND POLICY IMPLICATIONS

Entrepreneurship is increasingly defined by its response to global challenges. The 2025 GEM APS data show that, across diverse economies, early-stage entrepreneurs are neither withdrawing from international markets nor disregarding the importance of sustainability. Instead, a growing number are integrating social and environmental priorities into their business models, often valuing these above profitability or growth. Older entrepreneurs are frequently at the forefront of this shift, challenging conventional assumptions regarding generational differences in purpose-driven entrepreneurial behaviour.

As entrepreneurs assume a more prominent role as agents of change, their capacity to contribute to sustainable development goals depends significantly on the environments in which they operate. Policies that incentivise innovation, reinforce sustainable business practices and strengthen enabling conditions for entrepreneurship become increasingly important. Recognising and supporting this evolving role presents a direct challenge to policymakers, who need to ensure that entrepreneurial ecosystems remain conducive to both economic dynamism and the pursuit of wider societal and environmental objectives.

Entrepreneurship in an age of digital tools

Stephen Hill, Maya Dougoud and Christian Friedl

7.1 A DIGITAL WORLD

Entrepreneurship is being shaped not only by global challenges such as international trade and sustainability but also by new technologies and digital platforms that are transforming how businesses are started, built and scaled. At the heart of this transformation is artificial intelligence (AI), long viewed as a distant prospect but, since the rise of generative AI and large language models (LLM), increasingly a dominant influence on how new businesses prosper and endure. This chapter examines how entrepreneurs are adopting digital tools, including AI, to develop, market and deliver their goods and services. Importantly, this is not a one-way process: AI is itself being shaped by the needs, creativity and ambitions of entrepreneurs.

By 2025, digital marketing has become a foundation of most entrepreneurial strategies, enabling new ventures to reach global markets quickly and cost-effectively. In 32 of the 48 GEM Adult Population Survey (APS) economies, more than one in two early-stage entrepreneurs regard social media as very important, with email communications and websites also playing substantial roles. These digital tools allow new businesses to reach global audiences, personalise customer experiences and respond rapidly to market trends. AI amplifies these capabilities through predictive analytics, automated content creation and personalised customer engagement. Entrepreneurs can use AI to identify market gaps, prototype solutions and even simulate customer reactions – tasks once reserved for large teams or expensive consultants.

Yet AI awareness and adoption remain very uneven. In 19 of the 48 economies, fewer than one in three new entrepreneurs expect AI to become

very important to their business in the next three years, rising to 25 out of 48 among Established Business Owners. These gaps may reflect differences in knowledge, confidence, ecosystem support and technological access, as entrepreneurs cannot use what they do not know, or apply effectively what they do not understand. Raising awareness and providing training are therefore essential if AI is to serve as an effective tool for digital agility. Given that early-stage entrepreneurs are more likely than Established Business Owners to anticipate AI becoming very important, new businesses may be more open than established ones to technological innovation.

This age of increasing digitisation requires governments to invest in digital infrastructure, including cybersecurity, and to promote AI literacy and training if their economies are to keep pace with the rapid rate of change. At the same time, the expansion of AI inevitably raises questions about its ethical use and application, particularly given the risks of misinformation, exclusion and bias, meaning that training initiatives must incorporate guidance on responsible AI use alongside the potential productivity gains offered by digital technologies.

New businesses can prosper when entrepreneurs have access to affordable digital technology and are encouraged by policy environments that support experimentation and innovation, recognising that entrepreneurs are not merely users of these technologies but also co-creators. By supporting responsible AI-enabled entrepreneurship, governments can widen opportunities and foster more inclusive growth while preparing their economies for the challenges and opportunities that lie ahead.

7.2 DO ENTREPRENEURS SEE A DIGITAL FUTURE?

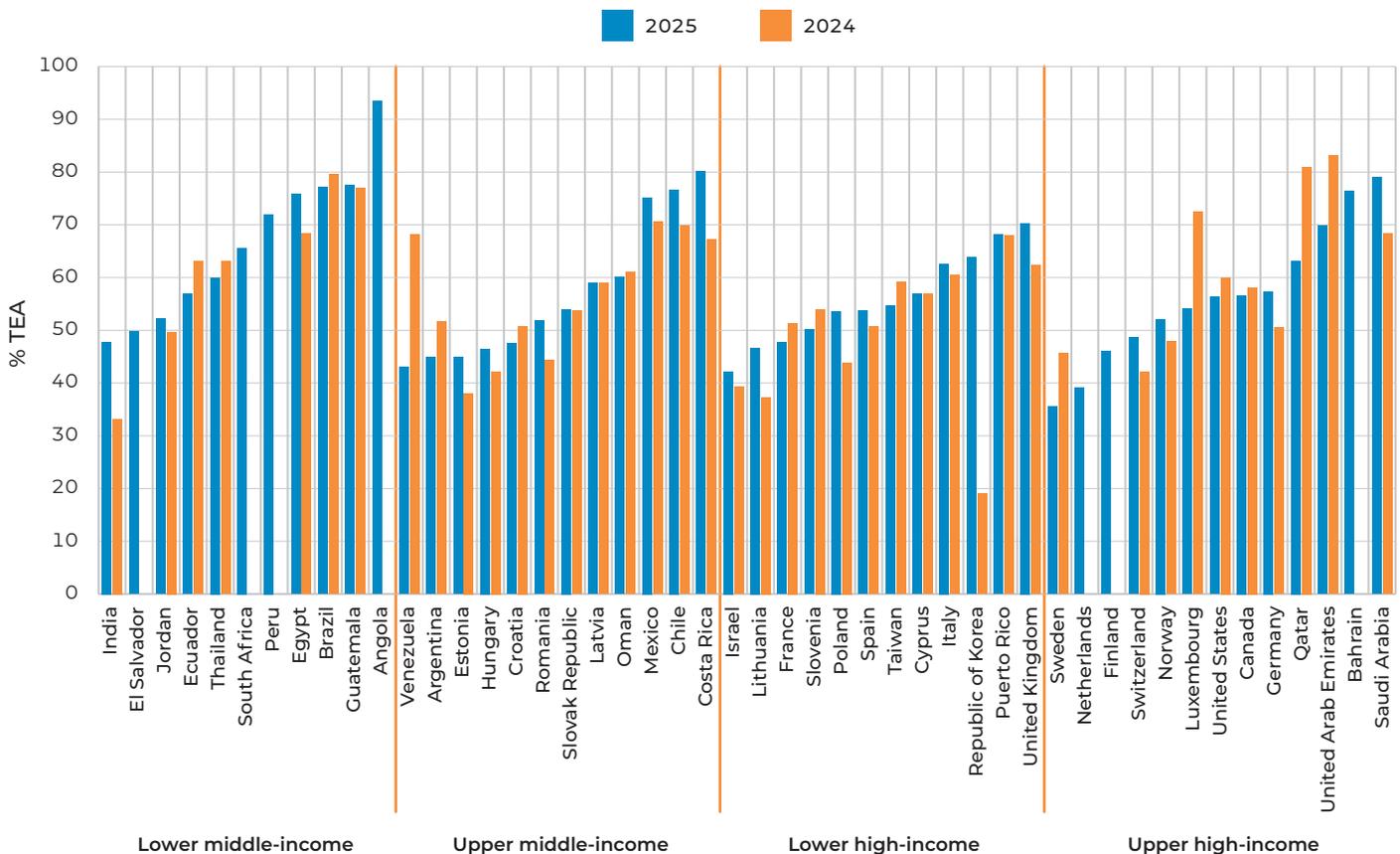
Entrepreneurs are intrinsically optimistic: even the most necessity-driven new business is started with the intention of making things better. Starting a business involves looking ahead and taking deliberate steps to shape the future. If entrepreneurs anticipate a more digital future, one way to prepare is by developing and using more digital marketing tools. The GEM APS asks early-stage entrepreneurs directly: “Do you expect your business will use more digital technologies to sell your products or services in the next six months?” The proportions responding positively in each economy in 2025 are shown in Figure 7.1, alongside the corresponding responses in 2024.

The chart shows all economies participating in the 2025 GEM APS, with data for 2024 included for those economies that also participated in the APS that year

The most striking feature of Figure 7.1 is the generally high level of positive responses. Of the

48 economies, 34 report more than one in two entrepreneurs expecting to increase their use of digital technologies in the next six months. While there are wide variations within each income group, there is also some indication that this expectation declines as income rises. Only two lower middle-income economies report fewer than one in two entrepreneurs expecting to use more digital technologies, compared to five upper middle-, three lower high- and four upper high-income economies. At the higher end, seven out of 10 or more entrepreneurs expect to increase their use of digital technologies in five lower middle-, three upper middle-, one lower-high- and two upper high-income economies. High and low levels appear across all income groups and regions: the highest proportions are in Angola (93%), Costa Rica (80%), Saudi Arabia (79%) and Guatemala (78%), while the lowest are in Sweden (36%), the Netherlands

FIGURE 7.1
The percentage of early-stage entrepreneurs expecting to use more digital technologies to sell their products or services in the next six months (% TEA)





THE REAL WORLD BEHIND THE DATA ...

Empowering patients through AI: How Eman Alaskandrani is helping to transform cancer care

Eman Alaskandrani's entrepreneurial journey began with a simple but powerful insight from her work as a nurse: too many patients feel lost in the healthcare system, particularly when facing a terminal diagnosis.

Drawing on the experience of her Executive MBA with a Healthcare Concentration from Prince Mohammed Bin Salman College of Business & Entrepreneurship — and driven by a passion to improve access to care and empower patients in their treatment journeys — Eman



founded REAITI Navigator, an innovative AI-powered platform designed to transform how individuals navigate complex healthcare decisions.

"Many patients face challenges navigating the healthcare system, often feeling left out of critical decisions regarding their treatment journey," Eman explains. "I was inspired by the need to improve access to care while ensuring patients are actively involved in forming their care plan and making decisions about it."

At its heart, REAITI Navigator is more than a digital tool. It serves as a personalised companion for patients, simplifying fragmented and overwhelming experiences into a journey marked by clarity, empowerment and hope. Using advanced artificial intelligence, the platform not only predicts patient risk but also builds personalised care pathways tailored to each individual's unique story, blending precision medicine with deep human understanding. She has received numerous awards.

GEM research shows that many entrepreneurs are driven to make a difference in the world. Eman and her team are personifying this. Through REAITI Navigator, they are helping to redefine the cancer care experience, ensuring that high-risk individuals receive timely, effective and personalised support at every step. Their work stands as a testament to how entrepreneurship and innovation can bring profound humanity back into healthcare.

This story originally appeared in the GEM 2024/2025 Saudi Arabia National Report.

(39%), Israel (42%) and Venezuela (43%). Even the lowest figure indicates that more than one in three entrepreneurs expect to use more digital technology.

Comparing results from 2025 and 2024 shows that levels often changed only modestly. Among the 41 economies participating in both years, 21 recorded differences of less than five percentage points. Of the remaining 20 economies, 13 experienced increases and seven decreases. The largest increases were in the Republic of Korea,

rising from 19% to 64%, and in India, from 33% to 48%. The largest decreases occurred in Venezuela, falling from 68% to 43%, and in Luxembourg, from 72% to 54%.

Overall, the results present a mixed picture, with generally high expectations of increased use of digital technologies for selling, and some modest increases since 2024. The question that follows is: which digital technologies are entrepreneurs expecting to use more? The next section explores this in detail.

7.3 WHICH DIGITAL TOOL?

The GEM APS introduced new questions in 2024 to assess which digital tools new entrepreneurs consider important to their day-to-day business operations, distinguishing between four categories:

- Email communication with customers
- Email marketing to customers
- Company-branded websites
- Social media

Those identified as starting or running a new business were asked how important each tool was to their daily operations, with response options ranging from not important to somewhat important and very important. Email communications are personalised, and typically focus on nurturing relationships or addressing specific needs, whereas email marketing generally involves mass campaigns to promote products. Company-branded websites provide and promote product information and frequently allow customers to place orders or communicate with the business. Social media platforms such as LinkedIn, Instagram

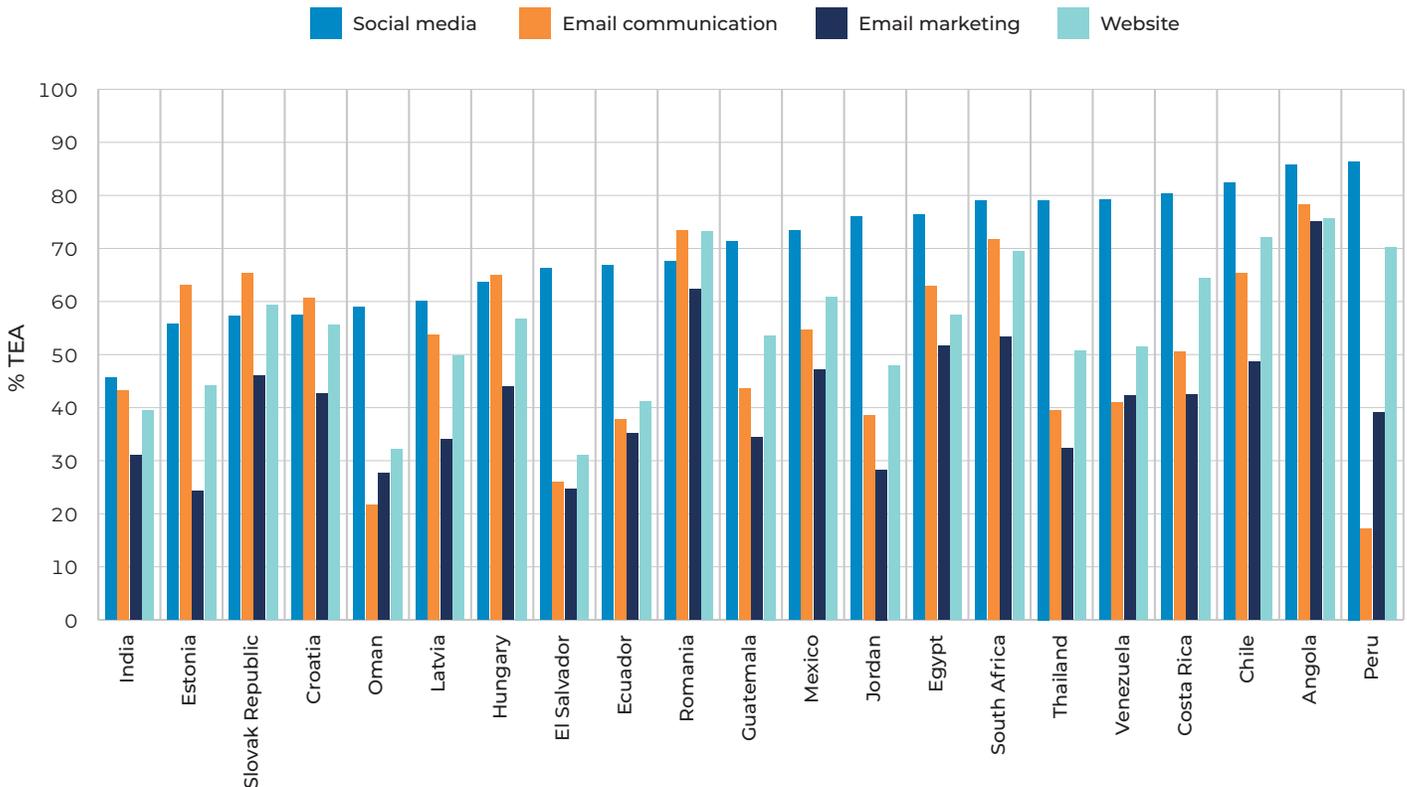
and Facebook are used to promote products and experiences, either directly through advertising or indirectly through content placement or influencers.

These optional APS questions were answered in 21 middle-income economies and 15 upper-income ones. Figures 7.2 and 7.3 show the proportion of new entrepreneurs who regard each tool as very important, grouped by income level.

There are differences, as well as similarities, both within and between the two charts. Combining all responses shows that in 32 of the 36 economies, social media has a majority (over one in two) of new entrepreneurs identifying it as very important, compared with 24 for company websites, 23 for email communication and only four for email marketing.

Similarly, social media has the highest proportion of entrepreneurs regarding it as very important in both income groups, ranking highest in 16 of 21 middle-income economies and 10 of 15 upper-income economies. In all remaining economies, email communications

FIGURE 7.2
The percentage of those starting new businesses in middle-income economies who report each digital marketing tool as being very important (% TEA)



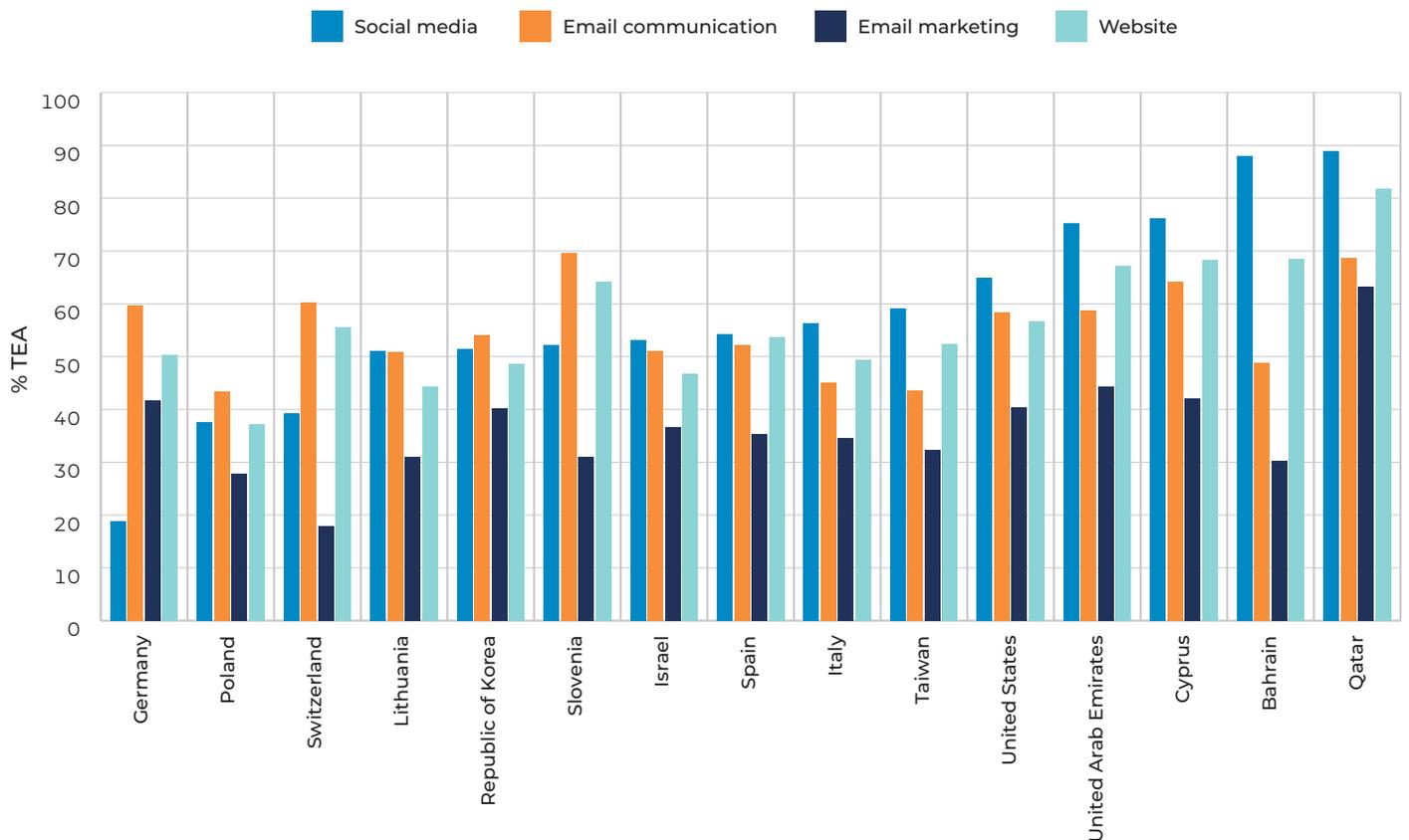


FIGURE 7.3
The percentage of those starting new businesses in upper-income economies who report each digital marketing tool as being very important (% TEA)

is the tool with the highest proportions. Email marketing consistently shows the lowest proportions, across both groups, who identify it as very important, being lowest in 18 of the 21 middle-income economies and in all 15 upper-income economies. No economy records company websites as having either the highest or lowest proportion of entrepreneurs viewing it as very important.

These differences indicate variation in the relative importance attached to each digital marketing tool, with social media typically viewed as most important, email communications and company websites occupying intermediate positions, and email marketing regarded as least important. This may reflect varying degrees of trust in each tool. The broader question, however, is how important these tools are overall to new entrepreneurs.

One indicator is the proportion of early-stage entrepreneurs in each economy who regard any of these tools as very important. As far as upper-income economies are concerned, in Poland,

for example, the sum of the four proportions is 146, an average of 37% per tool, indicating relatively low levels of perceived importance. At the other end of the scale, the corresponding sum for Qatar is 303, or an average of 76% per tool. Among the 15 upper-income economies, nine record an average below 50%. The middle-income economies show a somewhat different pattern: the highest average is in Angola (79%) and the lowest in Oman (35%), almost mirroring the upper-income group. Seven middle-income economies have an average below 50%, meaning that one in three economies in this group fall below this threshold, compared with six in 10 among the high-income group. On average, therefore, these digital tools are more important to entrepreneurs in middle-income economies than in upper-income ones.¹⁹

¹⁹ This is confirmed by the overall average, which is 51% for the high-income group and 57% for the middle income group.

7.4 ARTIFICIAL INTELLIGENCE: THE RISE OF THE MACHINE

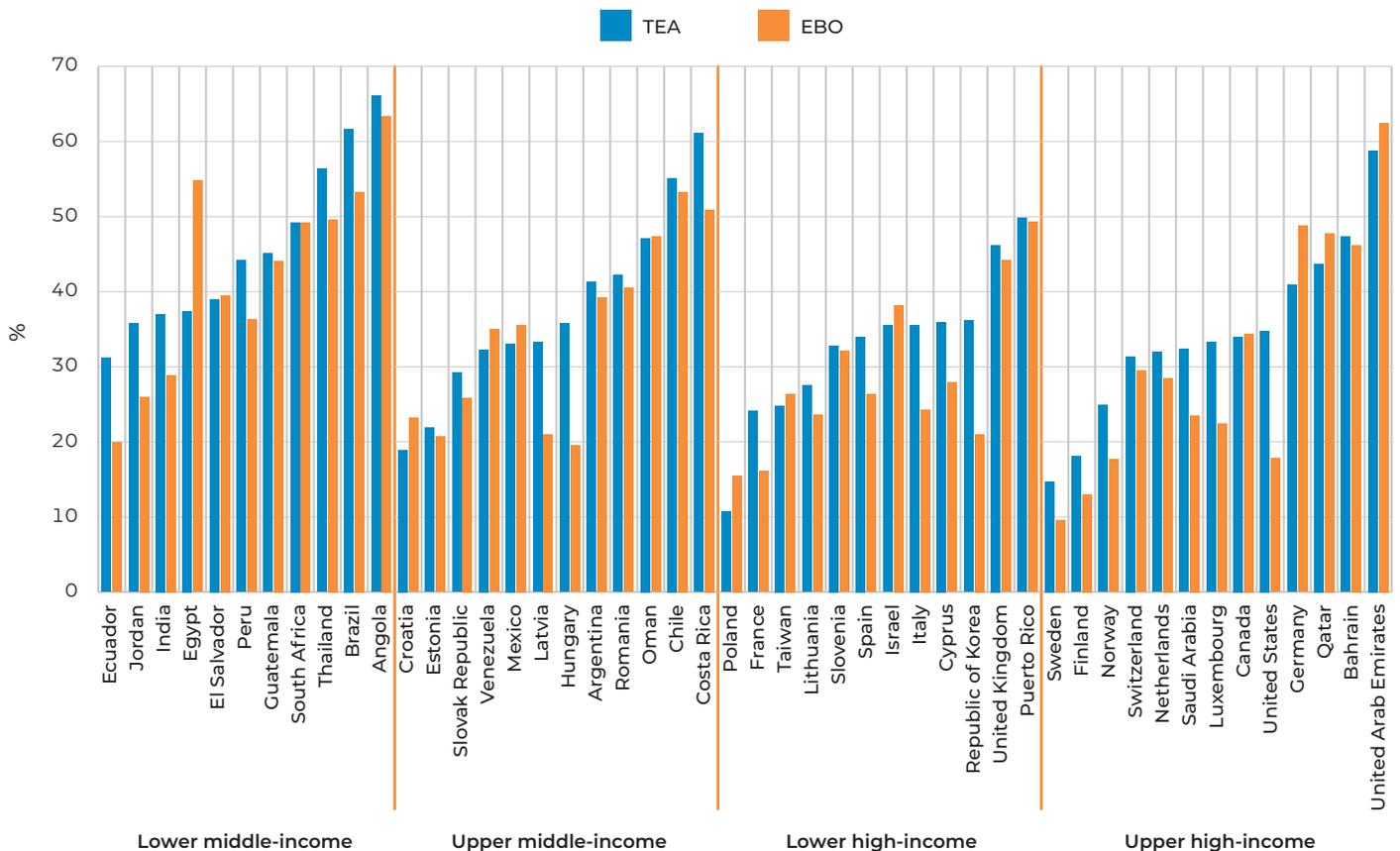
The introduction to this chapter argued that one of the reasons AI is important to entrepreneurship is that it can magnify the impact of other digital tools, enhancing the ability to reach global audiences while personalising individual experiences or segmenting the market into carefully targeted niches. Each swipe at a checkout or card reader can enhance customer profiles, manage stock and reordering levels, establish market trends and help shape the next marketing campaign. Cloud services and digital infrastructures are critical, given that most data are hosted on non-local servers and that most businesses remain dependent on foreign platforms for marketing, sales and payments – conditions that help explain disparities in digital adoption.

AI is also revolutionising production flows and shortening lead times, driven by advances in automation across both goods and services. Service sectors are being transformed by real-time

traffic analysis to improve delivery times, the re-creation of artwork – including music – and the development of AI-guided text, from basic chatbots to more sophisticated applications. Translation can now be virtually instantaneous, eliminating some skilled tasks while creating others. The next decade will centre on the application of AI across fields such as autonomous robotics, generative biotechnology and quantum computing, each transformative and offering a wide array of challenges and opportunities for entrepreneurs. Within this opportunity space, the imaginative will identify new gaps while routine activities become automated or obsolete. AI gives entrepreneurs leverage by allowing small teams to operate with an analytical capacity once accessible only to large organisations with substantial budgets and staff.

It is within this broader context that the GEM APS asks entrepreneurs: “How important do you anticipate artificial intelligence tools will be in

FIGURE 7.4
The percentage of early-stage entrepreneurs (% TEA) and Established Business Owners (% EBO) who anticipate artificial intelligence becoming very important to their business in the next three years





THE REAL WORLD BEHIND THE DATA ...

Tech education for all: building equity through code

Kyla Bolden, Founder and CEO of Wiz Learning | Cartier Women's Initiative 2024 Fellow

When Kyla Bolden was 10 years old, she had already begun teaching herself how to code. But, in school, there was no pathway to nurture that passion.

"It was easy for my parents to find great coaches for my track hobby," she recalls. "But when it came to technology, there was nothing for me."

That early experience stuck with her. Years later, as a university student, she was part of an organisation that helped connect women and minorities to corporate jobs. Through this project, she noticed that candidates with coding experience were getting hired faster.

In response, Kyla launched Wiz Learning in 2016, an edtech company offering live, interactive courses in STEM, coding, AI, game design, animation and entrepreneurship. With most programmes delivered remotely, Wiz Learning's mission is to make tech education accessible to all students, regardless of location, income or learning differences.

"We craft a personalised education so they're able to have autonomy over what they're learning," Kyla says, noting that many students have learning differences, including being on the autism spectrum. "Our biggest goal is to make sure that all students have the proper technical, future-focused learning skills to have successful careers in the future."

Wiz Learning partners with schools and youth organisations to fill critical gaps in technical instruction. Classes are delivered digitally but always with a live instructor present. The platform also includes "learning boosts" — on-demand activities that help students revisit concepts and apply them through creative projects.

Over 9,000 students from 30 countries have completed the company's courses — and nearly half are girls. Many of the students come from under-represented communities, and about 80% of participants don't pay for the courses directly. Instead, Wiz Learning works with organisations and school districts to provide funded access to high-quality tech learning.

While Wiz Learning's initial focus was on supporting kids, the company expanded in 2023 to serve



lifelong learners as well. The rise of AI and the urgent need for upskilling drove this evolution. Today, in addition to working with schools, Wiz Learning offers hands-on courses in coding, AI, cybersecurity and career-readiness, paired with powerful AI tools that make learning easier, more personalised and more future-focused.

The platform's flexibility is a key part of making tech inclusive. Beyond technical skills, Wiz Learning is reshaping who belongs in tech.

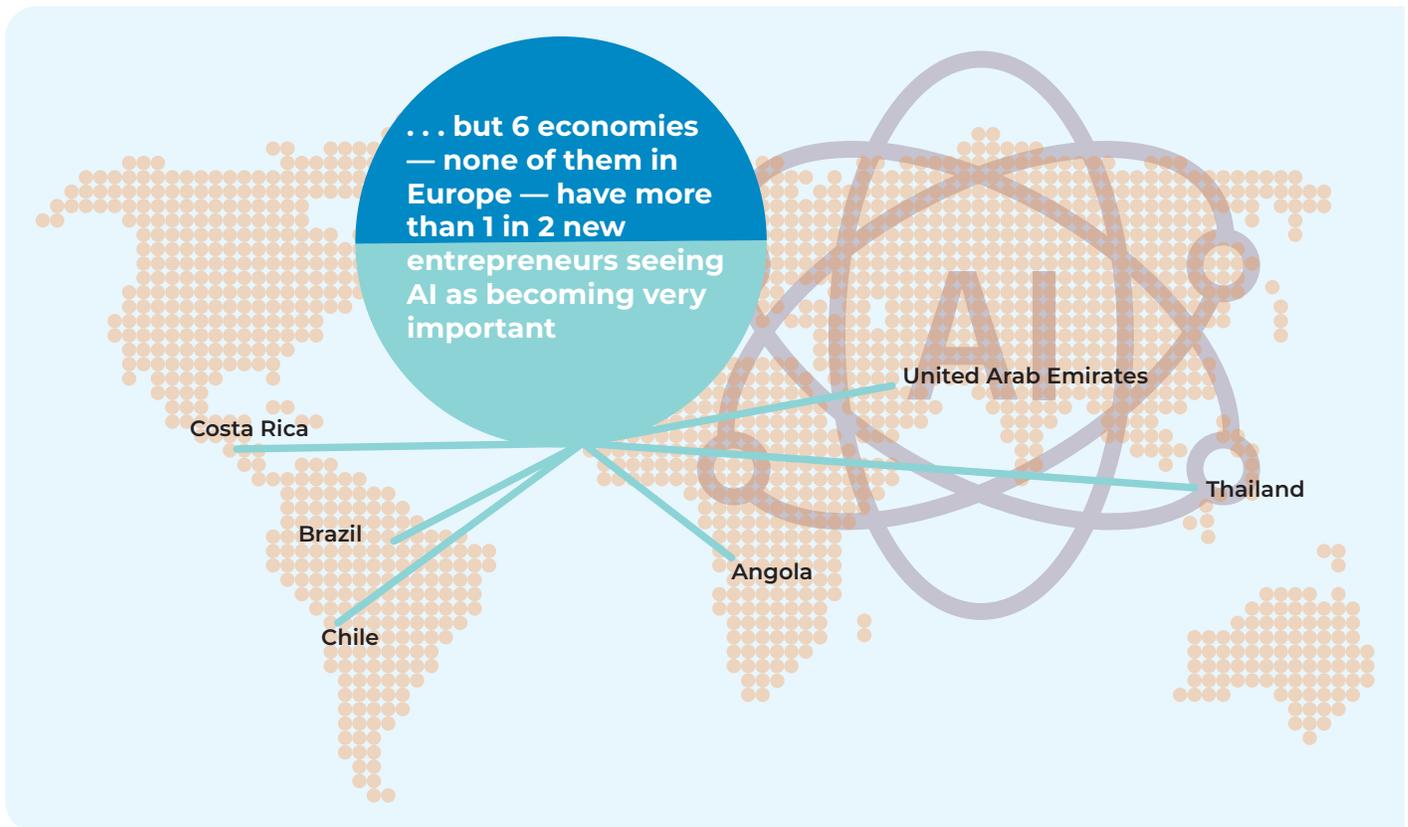
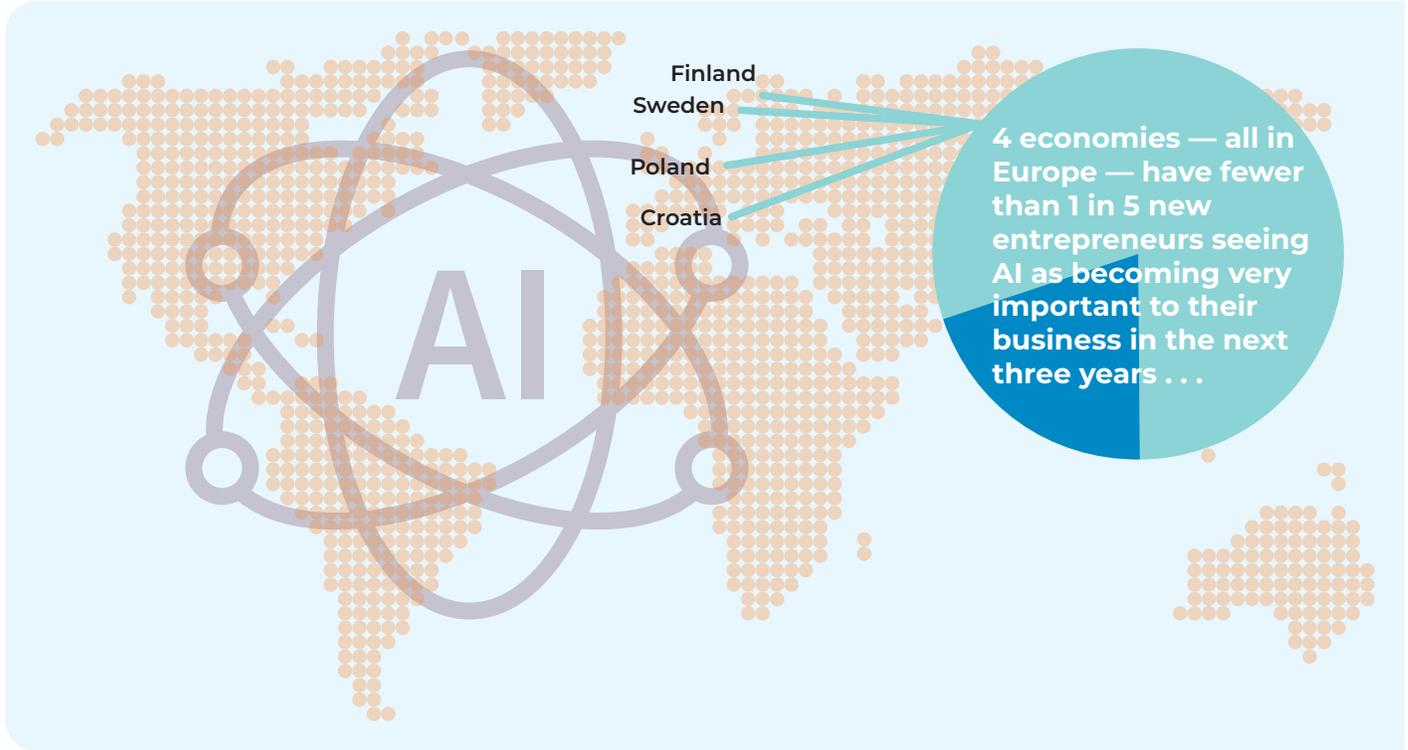
"I want to make sure that the tech industry is more diverse," Kyla says. "Everyone deserves to be here — and technology drives our world."

Kyla also knows that real change requires policy-level action.

"A lot of funding systems still have built-in bias, whether people realise it or not, and that makes it harder for women entrepreneurs (especially women of colour) to get the resources we need," she says. "Policymakers should be more intentional about changing that. That means designing grant programmes, investment funds and procurement opportunities that actively support women-led businesses, and track where the money is actually going."

Thank you to the Cartier Women's Initiative, one of our report sponsors, for providing this material and helping to ground our data in a real-world context.

Cartier
WOMEN'S
INITIATIVE



implementing your business model and strategy in the next three years?” As before, respondents can choose between very important, somewhat important or not important. Figure 7.4 presents the results, showing the percentage of both new entrepreneurs (% TEA [Total early-stage Entrepreneurial Activity]) and % EBO [Established Business Owners]) who expect AI to become very important.

The proportion of new entrepreneurs expecting AI to become very important ranges from around one in 10 (Sweden) to two out of three (Angola), with most economies – 38 of the 48 – falling between two in 10 and five in 10. Only six economies have a majority of new entrepreneurs anticipating that AI will become very important to their business (Angola, Brazil, Thailand, Costa Rica, Chile and the United Arab Emirates, although Puerto Rico comes close). None of these economies is in Europe. At the opposite end of the scale, four economies have fewer than one in five early-stage entrepreneurs expecting AI to become very important: Poland, Sweden, Finland and Croatia – all European. There is a loose inverse association with income: among economies

with a majority expecting high importance, only one is high-income, whereas three out of four of those with less than one in five expecting high importance are high-income.

Turning to established businesses, Figure 7.4 suggests a close correlation between TEA and EBO proportions expecting AI to become very important, with economies reporting higher expectations among new entrepreneurs also tending to report higher expectations among Established Business Owners.²⁰ However, the chart also indicates that EBO expectations appear somewhat lower than TEA expectations, and, indeed, in 34 of the 48 economies the TEA percentage exceeds EBO. The largest positive differences include the United States (TEA 35%, EBO 18%), Hungary (36, 20) and the Republic of Korea (36, 21). Among the few economies where EBO exceeds TEA, the largest differences are found in Egypt (37, 55) and Germany (41, 49). Despite these contrasts, the overriding conclusion from Figure 7.4 is that new entrepreneurs are much more likely than Established Business Owners to anticipate AI becoming very important to their business over the next three years.

7.5 CONCLUSIONS AND POLICY IMPLICATIONS

Digital tools, especially AI, are reshaping the entrepreneurial landscape by offering unprecedented opportunities for innovation, market reach and operational efficiency. At the same time, tension is emerging between rapid technological advancement and increasingly strict regulation, particularly in Europe. Innovators tend to prioritise speed, experimentation and market impact, while regulators focus on safety, accountability and risk mitigation, creating a dynamic in which technological progress and regulatory frameworks evolve at different speeds.

The uneven adoption of AI highlights persistent gaps in knowledge, confidence and ecosystem support. Ensuring that digital transformation is inclusive and sustainable therefore requires policymakers to prioritise investment in digital infrastructure, promote AI literacy and encourage responsible experimentation. By empowering entrepreneurs as both users and co-creators

of digital technologies, governments can help build a more dynamic, resilient and equitable entrepreneurial ecosystem, better prepared for the opportunities and challenges of the digital age. The GEM approach, with its granular assessment

SUSTAINABILITY FOCUS

The accelerating adoption of digital tools and AI carries important social and environmental sustainability implications. Uneven access to digital infrastructure, skills and confidence can widen existing inequalities, while those better equipped to use advanced technologies gain greater efficiency and competitive advantage. At the same time, digital systems can reduce waste, optimise resource use and support more sustainable operations. Ensuring that digital technologies are accessible, reliable and responsibly deployed will be essential in promoting both social inclusion and environmentally conscious entrepreneurial growth.

²⁰ The correlation coefficient is 0.88.

POLICY IMPLICATIONS

Policy area	Actions	Rationale
Digital infrastructure and cloud capacity	Invest in high-speed connectivity, sovereign cloud solutions and data-sharing platforms.	Provide foundational infrastructure, reduce dependency on non-local platforms.
Cybersecurity and data protection	Support SMEs with cybersecurity audits, compliance and certification schemes.	Build trust, protect data and ensure resilience across the digital economy.
AI literacy, advanced skills and workforce reskilling	Fund training, leadership programmes and sector-specific AI upskilling initiatives.	Address gaps in knowledge and confidence. Enable effective adoption, reduce skill shortages and support digital transformation.
Ecosystem strengthening and access to finance	Targeted funding for digital and AI adoption.	Support early-stage ventures and the scaling of digital ventures.
Ethical and responsible AI adoption	Embed ethical frameworks into training and encourage risk assessments for high-impact applications.	Promote trustworthy AI and mitigate risks related to bias, misinformation and safety.
Inclusion and accessibility	Ensure digital tools are affordable, multilingual and accessible.	Broaden participation and prevent widening digital divides.
Innovation, experimentation and open data	Support pilot projects, open-data ecosystems, grants and incentives for deep-tech experimentation.	Accelerate discovery, encourage responsible risk-taking and broaden AI applications.
Regulatory clarity and innovation alignment	Strengthen communication of digital and AI regulations, provide guidance frameworks and consult entrepreneurs in regulatory development.	Reduce uncertainty for innovators and help balance the tension between rapid technological change and evolving regulatory expectations.
Support for SMEs and sector-specific adoption, including established businesses	Provide tailored digital toolkits, diagnostics and AI solutions for key sectors (e.g. industry, health, retail, agriculture).	Address diverse needs and the established business gap; improve competitiveness.
Monitoring, evaluation and impact measurement	Track adoption rates, economic impacts and societal risks.	Enable evidence-based and responsive policymaking.

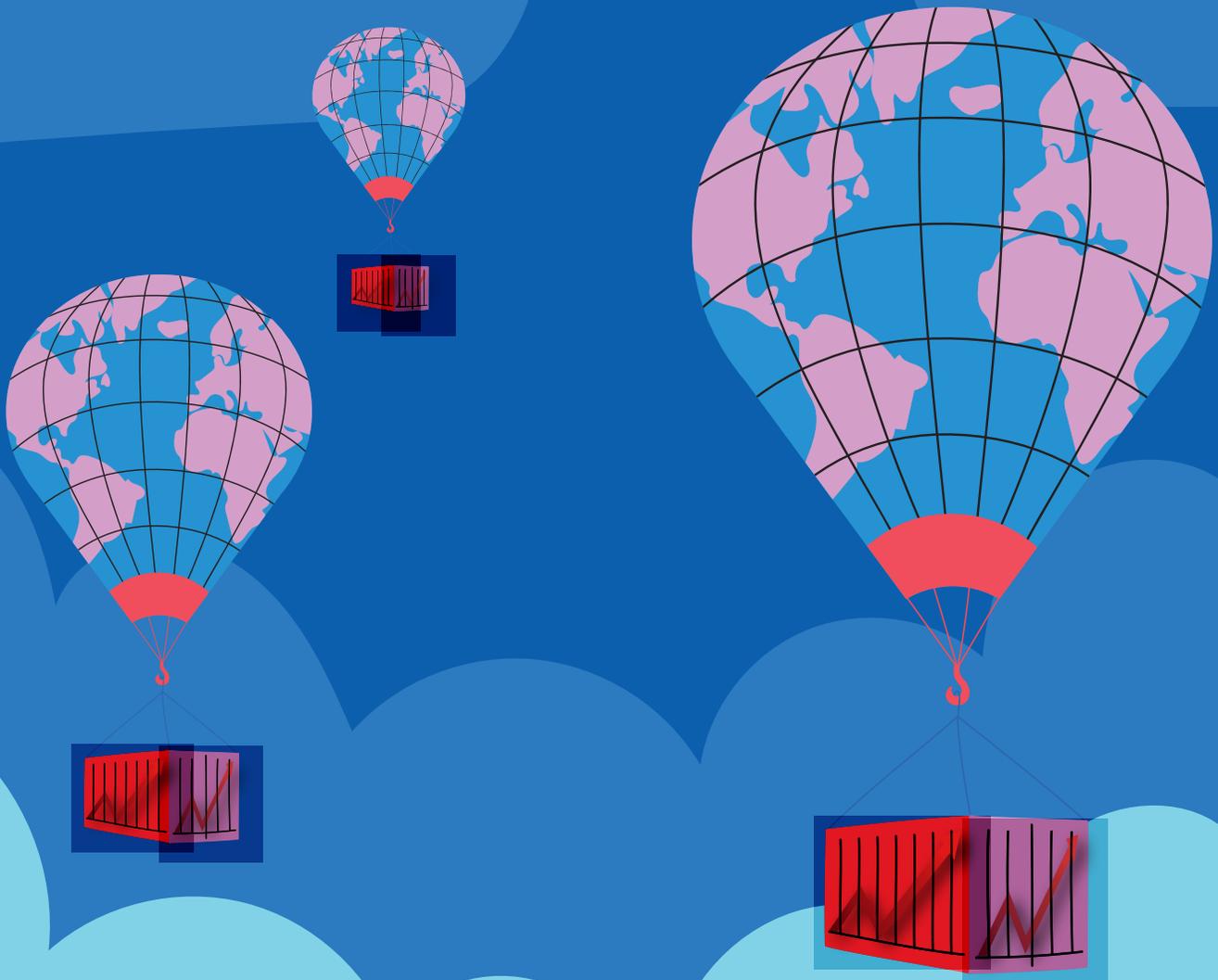
of digital transformations across different types of digital tools, offers policymakers nuanced evidence that can support more targeted interventions and country-specific strategies.

Patterns observed across regions, income groups and business stages indicate structural differences in digital readiness that shape how entrepreneurs engage with AI and other digital tools. These variations suggest that the broader enabling environment — including infrastructure, regulatory clarity and support systems — plays a

critical role in determining where digital adoption accelerates or slows. Differences between early-stage and established entrepreneurs shows that digital transformation does not unfold uniformly across the business lifecycle. Continued monitoring through instruments such as the GEM APS can therefore help policymakers identify where digital capabilities are advancing, where gaps persist and where entrepreneurs may require additional support to navigate the rapidly evolving technological and regulatory landscape.

PART 3

National Contexts, Policy Implications and Individual Economy Profiles



This part of the Global Report concerns the significance of place, first by setting out the GEM approach to analysing the characteristics of place that matter most to entrepreneurial activity, and then by assessing each economy against those characteristics. A brief assessment of the policy implications of the report is followed by a set of Economy Profiles, one for each of the GEM 2025 participating economies, including a “bird’s-eye view” of key country-specific GEM research results alongside basic socio-economic data for that economy. Each is accompanied by a Policy Roadmap which identifies strengths and weaknesses in individual entrepreneurial ecosystems as well as recent trends in entrepreneurial activities.

Shaping the entrepreneurial environment

Stephen Hill, Alicia Coduras and Mahsa Samsami

8.1 UNDERSTANDING THE CONDITIONS FOR ENTREPRENEURIAL SUCCESS

Earlier chapters focused on the individual decision to start a new business, highlighting the role of societal attitudes, motivations, sustainability and digitalisation, using evidence from the GEM Adult Population Survey (APS). This decision, however, sits within a broader local and national context that can either enable and support the new business – through accessible markets and suppliers, widespread low-cost internet, favourable tax conditions, professional services and affordable utilities – or constrain and stifle it through bureaucracy, hostile competitive conditions, high property and labour costs, restrictive regulations or monopolistic supply structures. Context matters, and the survival and growth of new businesses are more likely in environments that are positive and supportive.

Entrepreneurship does not occur in isolation; it is fundamentally shaped by the surrounding environment. This chapter examines how that environment can be defined, assessed and measured through the Entrepreneurial Framework Conditions that underpin entrepreneurial activity, with particular attention to entrepreneurial education and the prioritisation of sustainability. These Framework Conditions influence not only the rate of entrepreneurial activity and the transition from new to established businesses, but also their quality, inclusiveness and resilience. The National Entrepreneurial Context Index (NECI) provides a comparative lens to view how economies support entrepreneurship through policies, infrastructure and social norms. Challenging environments may push entrepreneurs into low-cost, low-barrier

and therefore highly competitive sectors, where low margins contribute to high failure rates. The environment matters because entrepreneurial outcomes are strongly mediated by these external conditions. Economies with robust entrepreneurial ecosystems tend to nurture entrepreneurs with strong growth aspirations and high innovative capacity.

Entrepreneurial education warrants particular attention, as high-quality education widens entrepreneurial opportunities while equipping individuals with the skills to navigate uncertainty, leverage technology and integrate sustainability into business models. The increasing prioritisation of sustainability and digital transformation reflects the interplay between individual agency and systemic support. Where education systems embed digital literacy and sustainability, entrepreneurs are better positioned to respond to global challenges and seize emerging opportunities.

This chapter draws on the GEM National Expert Survey (NES) to complement insights from the APS. APS findings revealed that early-stage entrepreneurs often prioritise social and environmental impacts over profitability. NES ratings will show whether such priorities are mirrored at the policy level, highlighting any gaps between entrepreneurial aspirations and institutional support. Economies in which both entrepreneurs and experts emphasise sustainability provide fertile ground for green innovation, whereas divergence may signal a need for policy recalibration.



THE REAL WORLD BEHIND THE DATA...

Building bridges in Arabic literacy through community and purpose

When Rama Kayyali couldn't find quality Arabic educational content for her children, she didn't just accept the gap. Instead, she built a bridge across it.

What began as a passion project between friends has grown into Little Thinking Minds, a regional edtech platform which today reaches more than half a million learners across the Middle East and beyond.

Kayyali, a native of Jordan and the company's CEO and co-founder, recalls those early days with clarity and conviction. "I wanted my children to love their language, but the tools simply weren't there. That opened my eyes to a much deeper issue: millions of children in our region were being left behind because the resources weren't relevant or accessible."

Fuelled by this realisation, and the staggering statistic that 60% of students in the region face learning poverty, Kayyali set out to change the narrative around Arabic literacy.

Little Thinking Minds now operates in over four countries, delivering culturally resonant, digitally driven learning tools. Its platforms are used in public, private and refugee schools alike across the region, and

independent studies show up to a 30% improvement in literacy outcomes among users.

Kayyali's journey has not been without obstacles. As a woman entrepreneur in the Arab region, Kayyali has often found herself navigating rooms where she's the only woman present, particularly in dealings with public sector stakeholders or investors.

"You have to work twice as hard to earn trust," she said. "And motherhood doesn't pause just because you're running a business."

What has made the difference, she notes, is community. Access to networks like the Entrepreneurs' Organization and Endeavor Jordan, and support from initiatives like the Cartier Women's Initiative, helped her realise that purpose and leadership are not mutually exclusive.

For example, being part of the Entrepreneurs' Organization has enabled Kayyali to grow as a leader through peer-to-peer learning, while also amplifying the voices of other Arab women founders through local and regional chapters.

The Cartier Women's Initiative has provided global visibility, mentorship and catalytic funding, giving her

[continued on next page]

Governments directly shape several Framework Conditions and influence most others. Importantly, strengthening the entrepreneurial environment does not necessarily require substantial public expenditure; political commitment, regulatory reform and targeted support can all play meaningful roles. Even less prosperous economies can sustain high-quality entrepreneurial environments. NES evidence provides guidance for action by identifying areas for improvement

and enabling comparison across economies. Enhancing the entrepreneurial environment can facilitate more inclusive, resilient and sustainable entrepreneurship. A clear understanding of these Framework Conditions can help policymakers identify where entrepreneurial ecosystems are most constrained, where support is strongest and where targeted improvements may enhance the inclusiveness, resilience and sustainability of entrepreneurial activity.

8.2 DEFINING CONTEXT

GEM conceptualises the entrepreneurial environment through a set of Entrepreneurial Framework Conditions (EFCs), developed over two decades of comparative research and practical experience. These conditions capture the key elements of an economy that influence whether entrepreneurial activity can

emerge, survive and grow, and together they provide a structured way to assess the strengths and weaknesses of national entrepreneurial ecosystems. Table 8.1 summarises the 13 EFCs, each of which encompasses multiple dimensions that shape the quality and inclusiveness of the entrepreneurial environment.



the platform to scale impact while staying grounded in her values.

“Mentorship and peer networks really do move the needle,” she said.

In April 2025, Little Thinking Minds was acquired by Seesaw Learning, one of the world’s fastest-growing edtech companies. The strategic exit marks a new chapter, one focused on scaling impact even further. Together, they aim to become the leading K-12 edtech

platform for learning outcomes, teacher empowerment and parent engagement in the region.

Sustainability is central to their vision, not only in environmental terms but in building tools and messaging that create lasting value.

“We develop content that teaches children about climate change, gender equity, empathy and citizenship,” she said. “We collaborate with local creatives and publishers, supporting regional ecosystems along the way.”

Looking ahead, Kayyali sees artificial intelligence as a powerful force for equity and personalisation. From adaptive learning journeys to teacher-facing insights, auto-generated content and corrective feedback, AI is helping Little Thinking Minds tailor its offerings to the diverse needs of learners, while maintaining a deep commitment to cultural relevance and educational quality.

“But it’s not a silver bullet,” she cautions. “We need to approach AI with both ambition and care. It’s a tool, not a replacement for real pedagogical wisdom. Entrepreneurs like me aren’t just building businesses. We’re trying to solve systemic problems. With the right support, from policymakers, funders and communities, we can build solutions that last.”

This article was made possible thanks to the Ministry of Digital Economy and Entrepreneurship (MoDEE). The Ministry plays a vital role in supporting Jordanian startups and entrepreneurs within the ecosystem.



- A1. Entrepreneurial Finance:** there are sufficient funds for new startups
- A2. Ease of Access to Entrepreneurial Finance:** and those funds are easy to access
- B1. Government Policy — Support and Relevance:** policies promote and support startups
- B2. Government Policy — Taxes and Bureaucracy:** new businesses are not over-burdened
- C. Government Entrepreneurial Programmes:** quality support programmes are widely available
- D1. Entrepreneurial Education at School:** schools introduce entrepreneurial ideas
- D2. Entrepreneurial Education Post-School:** colleges offer courses in how to start a business
- E. Research and Development Transfers:** research is easily transferred into new businesses
- F. Commercial and Professional Infrastructure:** quality services are available and affordable
- G1. Ease of Entry — Market Dynamics:** markets are free, open and growing
- G2. Ease of Entry — Burdens and Regulations:** regulations encourage not restrict entry
- H. Physical Infrastructure:** good-quality, available and affordable
- I. Social and Cultural Norms:** encourage and celebrate entrepreneurship

TABLE 8.1
National Entrepreneurial Framework Conditions (EFCs)

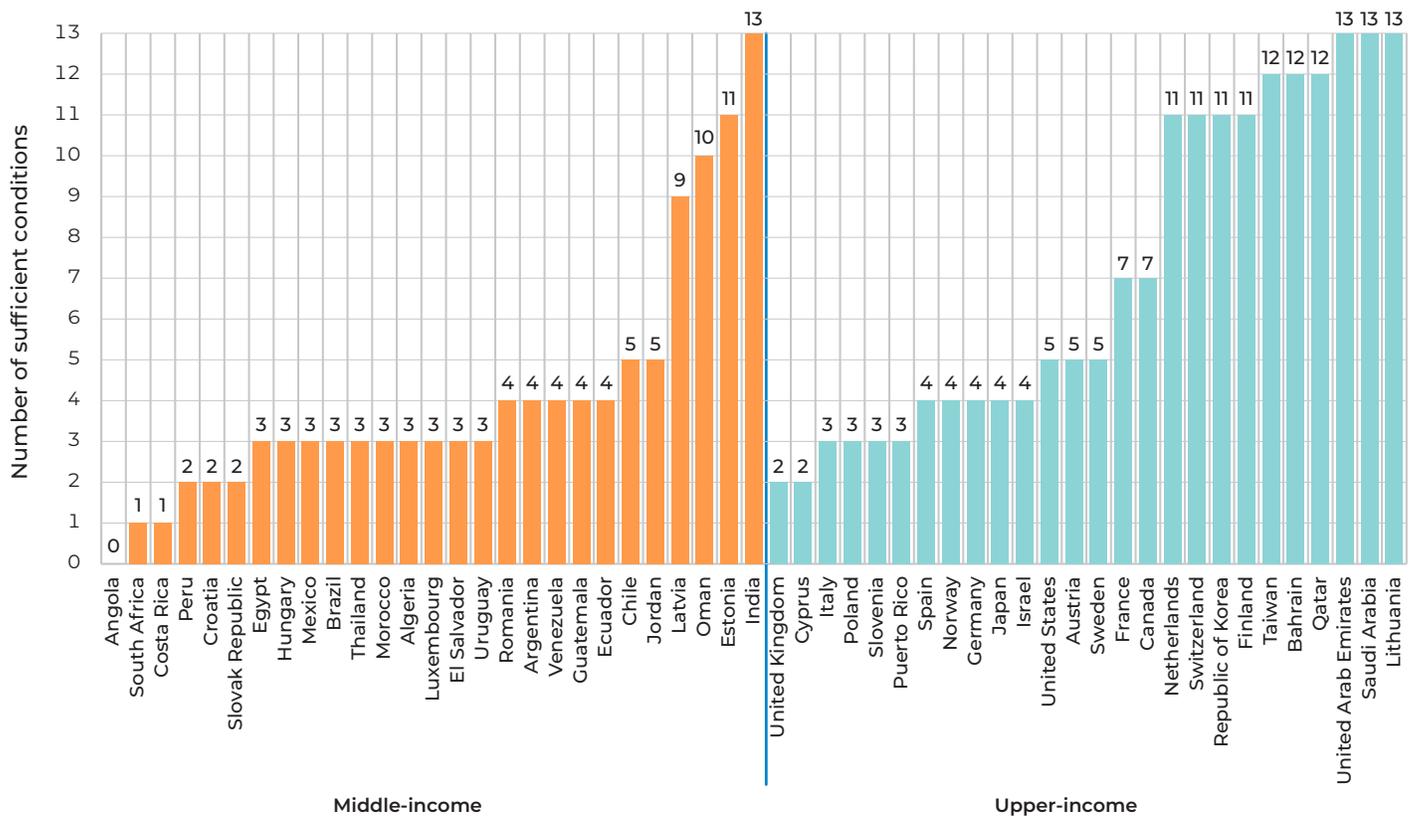


FIGURE 8.1

Number of Entrepreneurial Framework Conditions (from 13) scored as sufficient or better (score ≥ 5.0): 53 economies, 2025

Each Framework Condition is assessed by means of national expert evaluations. At least 36 experts per economy provide ratings via the online NES. These subjective assessments are aggregated and analysed to produce a collective score for each EFC. The resulting framework scores for each economy appear in the individual Economy Profiles later in this Global Report.

Scores for each condition range from 0 to 10, with 5.0 regarded as sufficient. Figure 8.1 shows the number of EFCs scored as sufficient or better in each economy in 2025. The results reveal that only four of the 53 GEM economies meet or exceed sufficiency on all 13 EFCs: India, Lithuania, Saudi Arabia and the United Arab Emirates. India is a middle-income economy; the others are upper-income. At the opposite end of the distribution, one economy (Angola) has no EFCs rated as sufficient, while two (Costa

Rica and South Africa) have only one sufficient condition; all three are middle-income. Although income group appears related to performance, the association is complex and non-linear. For instance, 32 economies have four or fewer EFCs rated as sufficient. While 21 of these are middle-income, the remainder are upper-income economies, such as Japan, Germany and the United Kingdom. Conversely, 13 economies have 10 or more sufficient conditions, 10 of which are upper-income, but three — India, Estonia and Oman — are middle-income.

For national policymakers, it is important to understand which specific conditions are enabling entrepreneurial activity and which may be holding it back. This can clarify where the entrepreneurial environment is functioning well and where focused attention could make the greatest difference to entrepreneurial outcomes.

8.3 EXPERT ASSESSMENTS OF ENTREPRENEURIAL EDUCATION

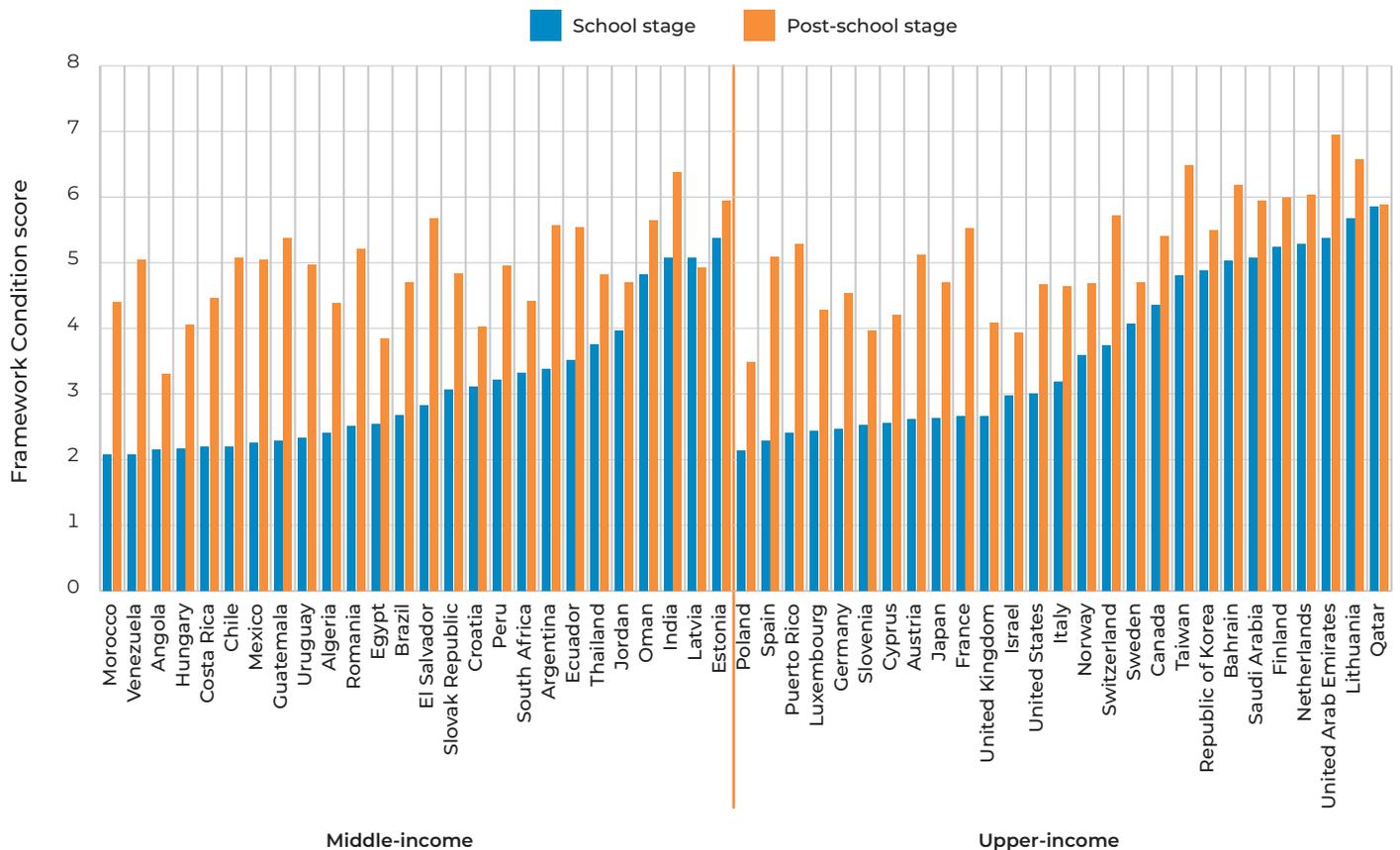
Education is the subject of two critical Framework Conditions: Entrepreneurial Education at School and Entrepreneurial Education Post-School (which includes colleges and universities). Both remain under-prioritised and under-resourced in most economies. In 2025, Entrepreneurial Education at School was the lowest-rated condition in 33 of the 53 GEM NES economies.

Entrepreneurial education raises awareness about the potential of starting a business as a career option, which can be especially important in economies or regions with few visible entrepreneurial role models. It can also equip young adults with the skills and motivation needed to succeed as entrepreneurs. While technical and scientific skills matter in a digital age, broader capabilities – such as creativity, communication, risk assessment and self-confidence – remain equally important.

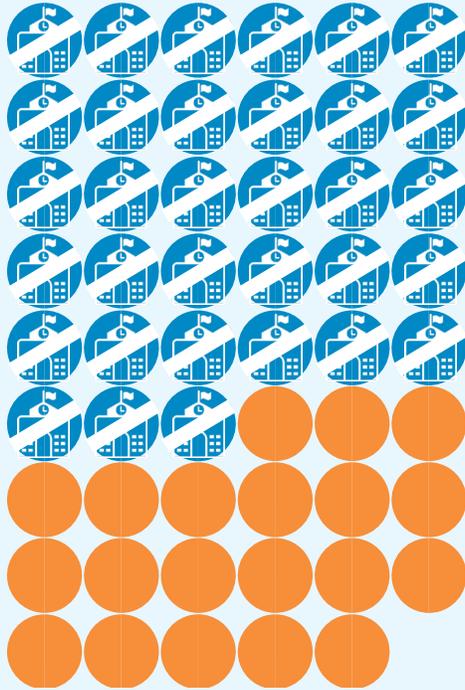
Figure 8.2 shows the national expert Framework Condition scores for Entrepreneurial Education at

School and Entrepreneurial Education Post-School in 2025. Several features stand out. First, in all but one economy (Latvia), Entrepreneurial Education Post-School receives higher ratings than Entrepreneurial Education at School, often by a substantial margin. This suggests that entrepreneurial learning opportunities are far more prevalent in colleges and universities than in school systems. Second, few economies reach sufficiency (≥ 5.0) for Entrepreneurial Education at School: only three middle-income economies (India, Latvia and Estonia) and seven high-income economies. Of these high-income economies, four are in the Gulf region (Qatar, Saudi Arabia, United Arab Emirates and Bahrain) and three in northern Europe (the Netherlands, Lithuania and Finland). Entrepreneurial Education Post-School performs somewhat better, with 10 middle-income and 15 upper-income economies rated sufficient or more. Finally, as with most Framework Conditions, there is a weak positive association with income level.

FIGURE 8.2
Framework Condition scores for Entrepreneurial Education at School and Entrepreneurial Education Post-School



**In 33 of 53 economies,
Entrepreneurship Education at
School is the lowest-rated of
all 13 Framework Conditions**



Given that both education conditions fall below sufficiency in a majority of economies (43 of 53 for at School, 27 for Post-School), it is useful to

examine the distribution of low scores. If scores below four are considered poor and scores below three very poor, then national experts rated Entrepreneurial Education at School as poor in eight middle-income economies and very poor in 14, while in three upper-income economies it scored as poor and in 12 as very poor. For these upper-income economies, sufficiency of resources does not mean sufficiency of school-level entrepreneurial education. Entrepreneurial Education Post-School scored better overall: only two middle-income economies (Angola and Egypt) and three upper-income economies (Poland, Slovenia and Israel) were rated as poor, and none rated as very poor.

Policymakers in very few economies can look at Figure 8.2 with confidence. While the weaknesses in entrepreneurial education are clearly visible, what is less apparent are the businesses that never started – and the jobs that never emerged – because young people did not perceive entrepreneurship as a viable path or lacked the skills and confidence to pursue it. Understanding these gaps is therefore essential in strengthening the foundations of future entrepreneurial activity.

Entrepreneurial education operates as a foundational component of the wider entrepreneurial environment, shaping long-term capability development in ways that are not immediately visible in short-term activity indicators. Persistent weaknesses in this area represent a structural constraint on future entrepreneurial potential.

8.4 SUMMARISING CONTEXT IN ONE NUMBER

Most economies have mixed results across the EFCs – strong in some areas and weaker in others – making it difficult to determine which economies offer the most supportive environments for starting a business. To summarise overall performance, GEM defines a single measure: the National Entrepreneurial Context Index (NECI). An economy’s NECI score is simply the average of its 13 EFCs; and the 2025 results are presented in the league table shown in Figure 8.3, colour-coded by income group.

For the fifth consecutive year, the United Arab Emirates is rated as the most supportive environment in which to start a new business,

followed by Taiwan and Saudi Arabia. Lithuania ranks highest among European economies, while seven of the top ten positions are held by economies in Asia, with Europe also occupying the remaining two. Nine of the top ten are upper-income economies, with India the sole middle-income economy. Among the bottom ten, six are in Latin America and the Caribbean, two in Africa and two in Europe. Nine of these are middle-income economies, with Puerto Rico the only upper-income economy in this group.

If a NECI score of five or more is considered sufficient or better, then only 16 of the 53 GEM economies – fewer than one in three – have a



THE REAL WORLD BEHIND THE DATA ...

Transforming communications and shaping policy for entrepreneurial growth in the MENA region

Jordanian entrepreneurs Fouad Jeryes and Sinan Taifour, co-founders of Maqsam, are transforming customer communication across the Arab world through a pioneering Arabic AI-powered platform.

Their journey began with CashBasha, an e-commerce platform designed to address shipping obstacles for MENA consumers. While building that business, the founders repeatedly encountered communication roadblocks that existing tools failed to resolve.

“We built Maqsam out of necessity,” explained Jeryes, Maqsam’s President. “While solving e-commerce challenges with CashBasha, we couldn’t find a business communications platform that truly understood our region, so we built one ourselves.”

The result was Maqsam, a platform that provides localised voice, WhatsApp, and CRM-integrated communications tailored to the MENA market. What truly sets it apart are its advanced Arabic AI capabilities, including real-time call transcription, analytics, and its flagship AI agent: an intelligent Arabic-speaking virtual assistant that enables companies to scale customer service without compromising on quality.

“AI doesn’t just impact our business; it is our business,” said Taifour, the company’s CEO. “Our mission goes beyond using AI tools. We created an in-house LLM, trained on millions of real conversations, to master Arabic in all its dialects and deliver truly intelligent interactions.”

The founders envision a future in which even small businesses can use Maqsam’s tools to offer enterprise-grade customer experiences.

“We see a future where a single entrepreneur, using Maqsam, can offer the same customer experience as a call centre of 50,” said Jeryes. “We’re not just building software for the region. We’re proving that tech from the Arab world can outperform global giants, especially when it comes to solving problems that matter here.”

However, scaling a startup across the Arab world remains complex. Fouad and Sinan highlight regulatory fragmentation and investment gaps as key barriers to growth.



“The complexity of regulations across MENA slows down digital growth,” notes Taifour. “Removing those roadblocks will unleash a new wave of homegrown innovation.”

“Entrepreneurs need stable, transparent environments where innovation is encouraged,” adds Jeryes. “Startups require a nurturing business environment to thrive; this includes clear access to funding and favourable financial incentives like tax breaks and subsidies.”

They also stress the importance of policymaker support for scaling startups, not just those at the ideation stage.

“Dedicated support units for scaling startups like Maqsam can make a meaningful difference in encouraging long-term growth and steady job creation,” the founders stated. “We see this as a win-win approach!”

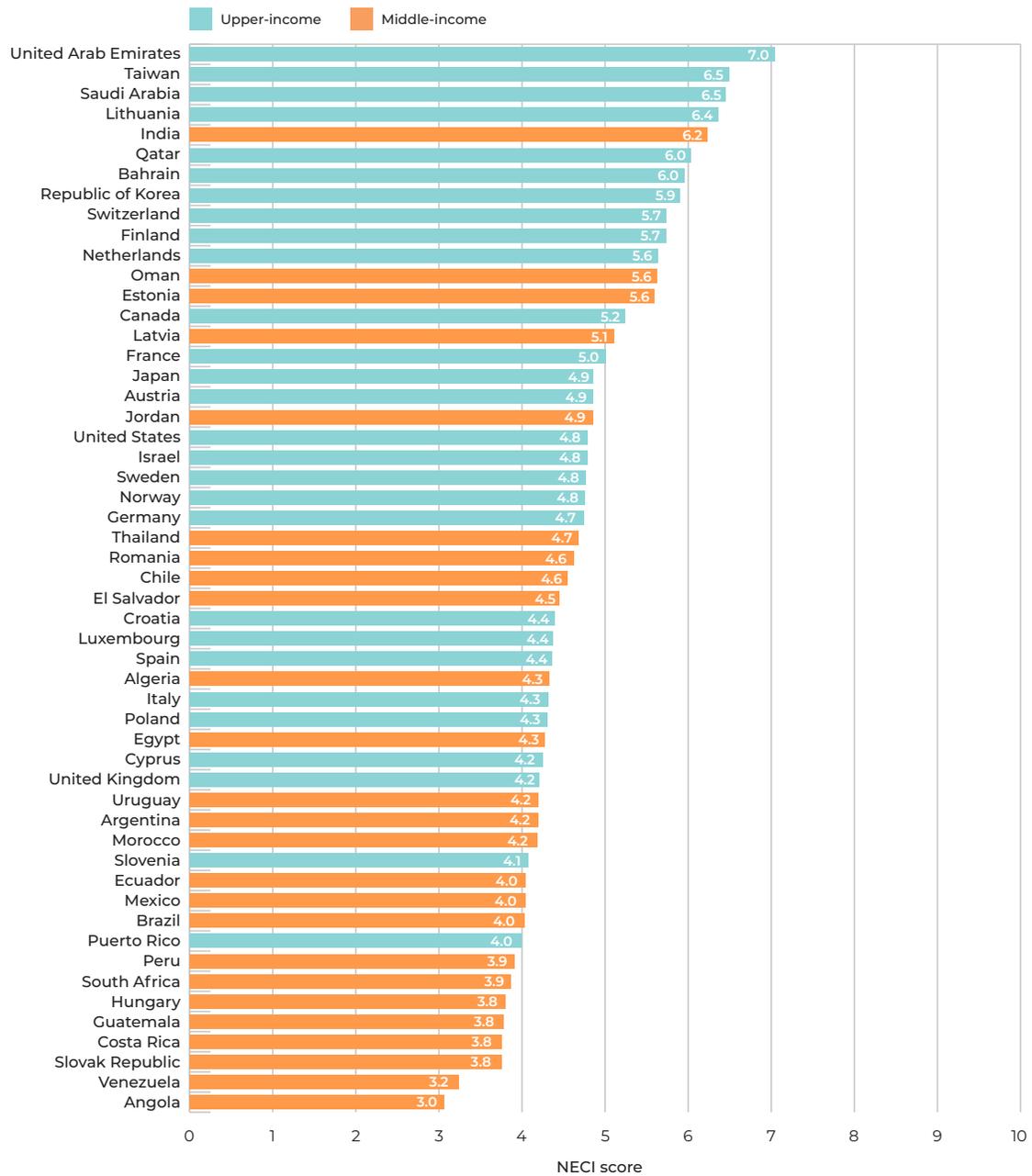
Maqsam integrates sustainability into its operations, promoting remote work to reduce carbon emissions, establishing recycling programmes, and supporting employee-led community initiatives. Its AI tools further help clients boost operational efficiency by automating routine tasks and enabling their teams to focus on higher-value work.

This article was made possible thanks to the Ministry of Digital Economy and Entrepreneurship (MoDEE). The Ministry plays a vital role in supporting Jordanian startups and entrepreneurs within the ecosystem.



FIGURE 8.3

National Entrepreneurial Context Index (NECI) scores for 53 GEM economies in 2025



sufficiently supportive entrepreneurial environment according to their national experts. This leaves 37 economies below sufficiency, including 15 upper-income economies such as Japan, the United States, Norway, Spain and the United Kingdom. Four economies with sufficient NECI scores are middle-income: Latvia, Estonia, Oman and India.

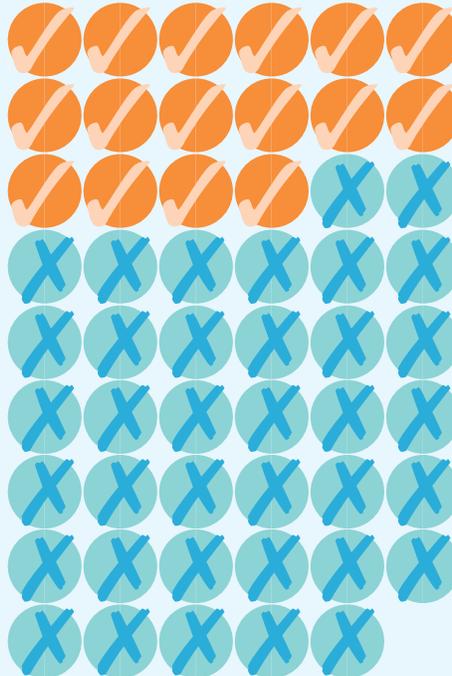
A high-quality entrepreneurial environment does more than improve the prospects for starting

a business: it also supports business development and growth, helping new ventures transition into established firms. As more new businesses make this transition, the ratio of new to established businesses typically falls. Chapter 2 presented GEM APS data on the proportions of adults starting or running new businesses and those owning established ones. Of the bottom 10 economies in the NECI table, only one – Hungary – has fewer

than three adults starting a business for every two owning an established one. Among the top 10, four economies fall below this ratio: Finland, Switzerland, the Republic of Korea and Taiwan. However, the relationship between NECI scores and the ratio of new to established businesses is complex. Both the top- and bottom-10 groups include economies with at least three adults starting a business for every Established Business Owner: Angola, South Africa and Puerto Rico in the bottom 10, and Bahrain, the United Arab Emirates and Lithuania in the top 10.

These patterns highlight the importance for policymakers of understanding not only how entrepreneurial environments perform overall but also how variations in context shape the conditions under which new and established businesses can emerge, grow and contribute to broader economic development.

Only 16 of 53 economies have an entrepreneurial environment rated by national experts as sufficient or better, leaving 37 insufficient



8.5 EXPERTS' ASSESSMENT OF SUSTAINABILITY

National experts also assessed the priority given to sustainability by new and growing firms, with the results shown in Figure 8.4. This presents a generally positive picture, with a majority of economies rated as sufficient or better (34 of 53). Economies scoring poorly (<4.0) include two middle-income economies (Hungary and Egypt) and four upper-income economies (Israel, Cyprus, the United States and Poland). The highest scores are observed in Finland, Norway, Taiwan, Sweden and the United Arab Emirates.

National expert assessments of how they perceive new and growing firms' prioritisation of sustainability (NES data) can be compared with how entrepreneurs themselves report their behaviour. GEM defines "sustainability-focused" early-stage entrepreneurs as those who report being motivated to make a difference in the world, act to minimise environmental impacts or maximise social impact, consider these impacts in longer-term decisions, and prioritise social or environmental impact above profitability or growth. Figure 8.5 plots national expert scores for perceived prioritisation of sustainability (Figure 8.4) against the proportion of early-stage entrepreneurs meeting

GEM's criteria for being sustainability-focused (APS data from Figure 6.5). There is no clear association between the two.

Figure 8.5 also reveals the degree of alignment – or misalignment – between policy-level expert assessments and how entrepreneurs themselves report acting. There is reasonable alignment across a broad band of the chart from lower left to upper right: economies with low expert scores and low proportions of sustainability-focused entrepreneurs include Hungary, Israel and Venezuela, while those with high expert scores and high proportions include Canada, Costa Rica and the United Arab Emirates.

More challenging are those economies that display a clear disconnect between policy-level expert assessments and reported entrepreneurial behaviour. These include Angola (expert score 4.0; 56% sustainability-focused entrepreneurs), South Africa (4.7; 48%) and the United States (4.6; 37%), as well as Finland (7.5; 13%), Oman (6.2; 8%) and the Republic of Korea (6.9; 3%). In such cases, there may be value in revisiting the assumptions that shape policy perspectives on how sustainability is being prioritised in practice.

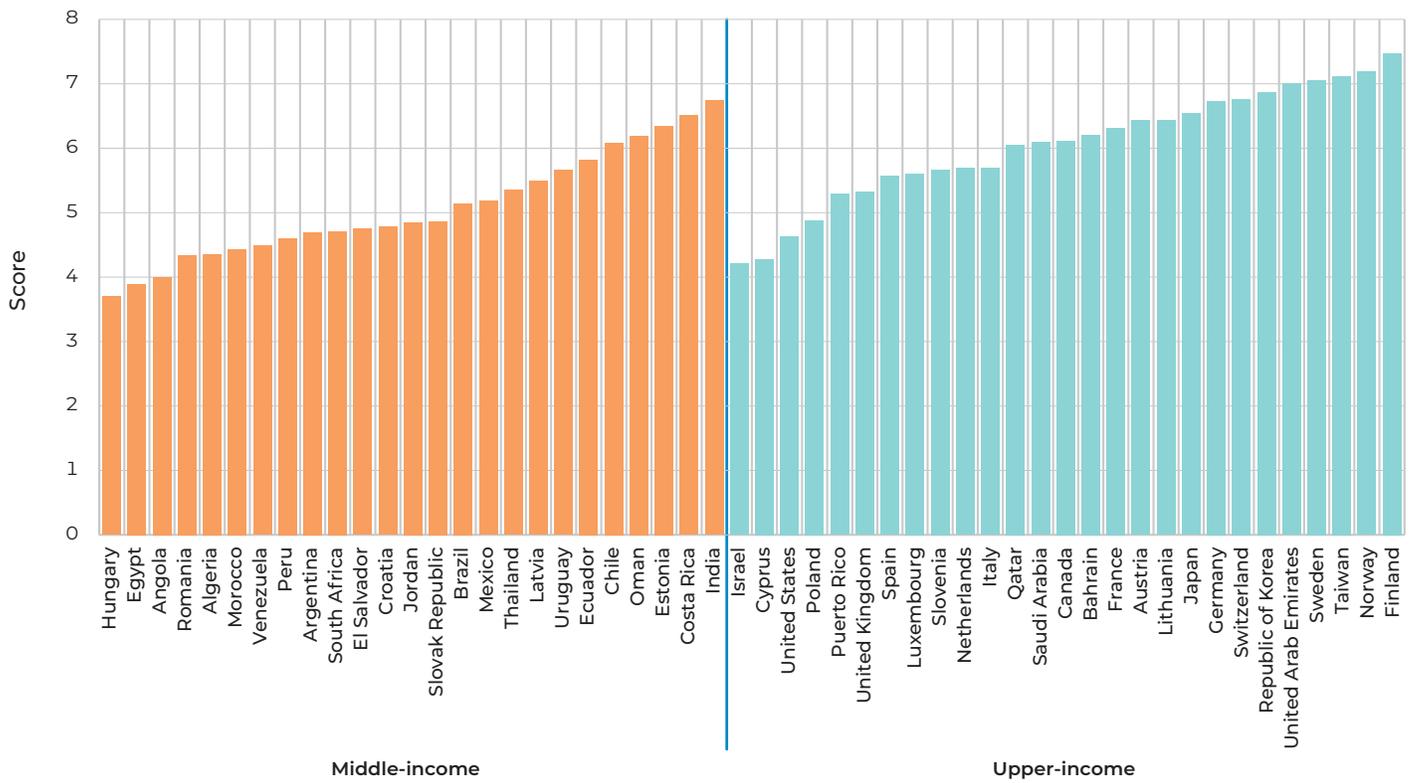


FIGURE 8.4 National expert scores for the perceived prioritisation of sustainability by new and growing firms

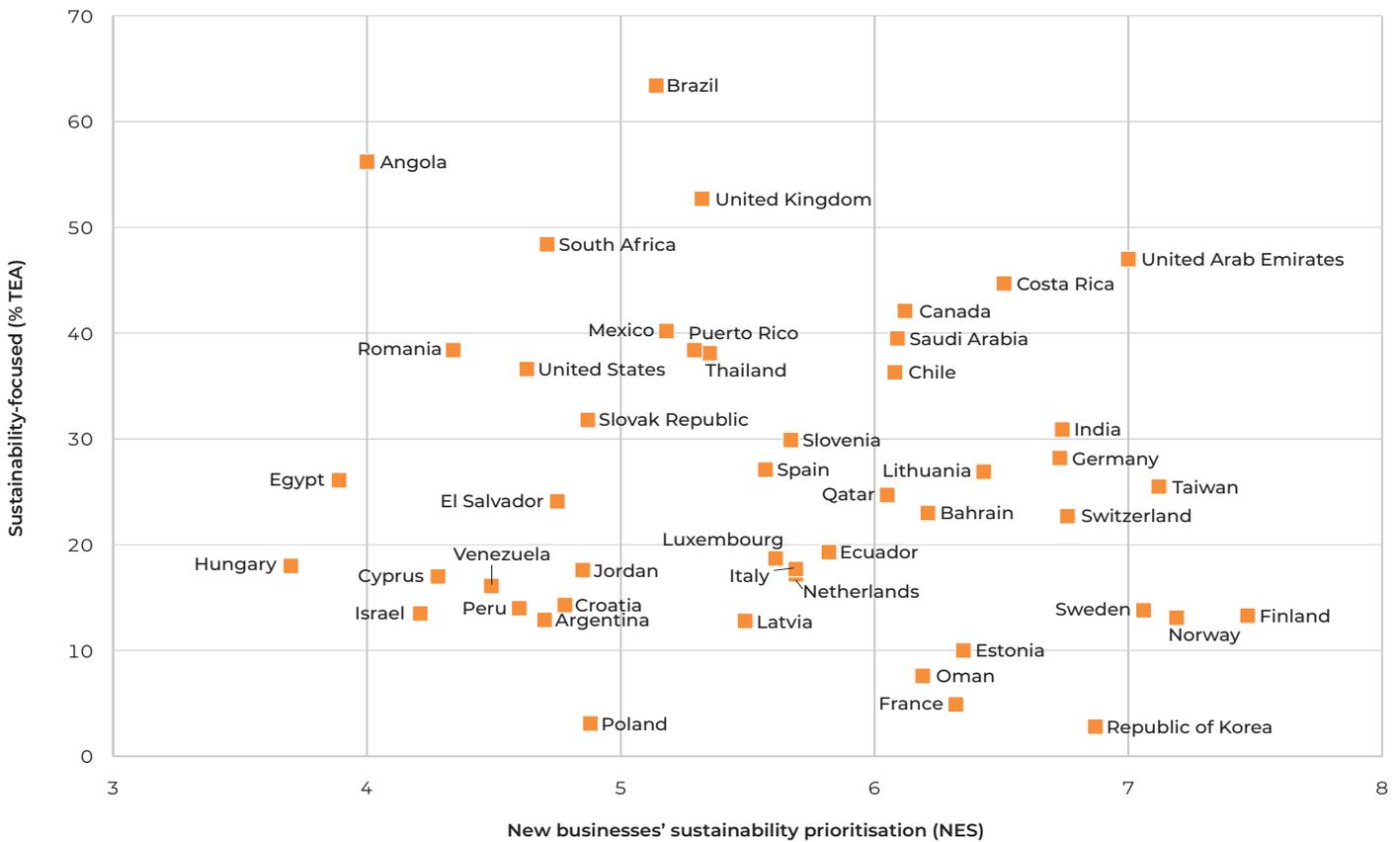


FIGURE 8.5 National expert scores for new businesses sustainability prioritisation and the percentage of early-stage entrepreneurs meeting GEM criteria as “sustainability-focused” (vertical axis)

8.6 CONCLUSIONS AND POLICY IMPLICATIONS

The entrepreneurial environment can be decisive in shaping the formation, success, resilience and sustainability of new businesses. Many national entrepreneurial environments are rated by their own experts as insufficient, often reflecting significant gaps in the quality of entrepreneurial education provision and, in some cases, misalignment between policy expectations and the sustainability priorities reported by entrepreneurs themselves. Entrepreneurial Education at School remains particularly under-prioritised and under-resourced, a situation that has persisted for many years, even though it is one of the Framework Conditions most amenable to improvement compared with more structurally embedded conditions such as Physical Infrastructure or Social and Cultural Norms.

Strengthening the entrepreneurial environment therefore depends on improving the quality and coherence of the Framework Conditions,

including the integration of sustainability as a core consideration. Doing so can support the development of more inclusive, innovative and resilient entrepreneurial ecosystems, enabling entrepreneurial activity to contribute more fully to long-term economic development and social benefit.

The evidence across Chapter 8 also shows that entrepreneurial environments are rarely uniform: economies often perform well in some Framework Conditions while facing notable weaknesses in others, and expert assessments do not always align with the behaviours reported by entrepreneurs themselves. These variations underline the importance of understanding the specific configuration of each entrepreneurial ecosystem, as the balance of strengths and constraints can shape not only the amount of entrepreneurial activity but also its sustainability, inclusiveness and long-term potential.

POLICY IMPLICATIONS

Policy area	Actions	Rationale
Framework Conditions	Focus country-specific efforts on strengthening those Framework Conditions rated as insufficient.	Support new business formation and improve the transition from early-stage to established businesses.
Entrepreneurial education	Reinforce the integration of entrepreneurship in school curricula and promote digital literacy and sustainability across all levels of education.	Build foundational skills, awareness and confidence needed for resilient and future-oriented entrepreneurship.
Sustainability	Align incentives with sustainability priorities and encourage innovation that advances social and environmental goals.	Encourage responsible entrepreneurship and strengthen long-term value creation.
Perception-behaviour alignment	Review areas where expert assessments and entrepreneurial behaviour diverge.	Misalignment between policy expectations and entrepreneurs' reported priorities may signal where assumptions need re-evaluation.
Monitoring	Continuously measure the development of Framework Conditions and benchmark performance against comparable economies.	Identify emerging gaps and opportunities for targeted improvements.

Entrepreneurship reality check: integrating insights and implications

Stephen Hill, Aileen Ionescu-Somers, Anna Tarnawa and Mahsa Samsami

9.1 INTRODUCTION: SHAPING THE FUTURE OF ENTREPRENEURSHIP

Chapter 1 laid the groundwork for this 2025/2026 Global Entrepreneurship Monitor Global Report. This final chapter serves as its capstone – bringing together evidence from across the report and situating entrepreneurship within today’s rapidly evolving global context. Drawing on data from both the Adult Population Survey (APS) and the National Expert Survey (NES), earlier chapters examined entrepreneurial activity, motivations, impacts and ecosystem conditions across 53 NES and 48 APS economies. They demonstrated how these elements interact with broader structural factors, enabling or constraining entrepreneurial outcomes. This concluding chapter offers a reality check on these narratives, challenging assumptions about who entrepreneurs are, what propels them and how systemic conditions shape what they can achieve. In doing so, it underscores entrepreneurship’s essential contribution to economic dynamism, particularly its role in navigating uncertainty, addressing social challenges and advancing environmental priorities.

The chapters also reveal a set of persistent challenges, each containing opportunities for policy attention. First, although Total early-stage Entrepreneurial Activity (TEA) remains robust – and in many cases is rising – the transition to Established Business Ownership (EBO) is comparatively weak, raising concerns about the long-term sustainability and resilience of new ventures.

Second, disparities persist both within and across economies. Differences between younger and older entrepreneurs, and between men and women, are more than descriptive patterns: they point to structural inequities with tangible policy implications. For example, while men continue to be more likely to start and sustain businesses in most economies, women entrepreneurs – particularly in upper-income contexts – are more likely to prioritise sustainability, signalling significant transformative potential if gender gaps in entrepreneurial activity and support can be narrowed.

Third, although higher-income economies tend to score better on entrepreneurial ecosystem quality, the relationship is far from linear. Many middle-income economies outperform their upper-income peers in areas such as sustainability orientation, entrepreneurial education and market dynamism. This highlights the importance of targeted, context-specific policy approaches rather than assumptions based solely on income level.

Finally, the rise of artificial intelligence (AI) and broader digitalisation is reshaping entrepreneurship–innovation dynamics. Yet adoption and awareness remain uneven, particularly in resource-constrained economies, suggesting that digital inclusion and capability-building will be essential in unlocking entrepreneurship’s full potential.

Before drawing together the policy implications of this report, this chapter highlights

three interrelated themes that are critical to entrepreneurial success: the importance and ongoing inadequacy of access to entrepreneurial finance, the role of AI in shaping early-stage ventures, and the interplay between sustainability priorities and AI awareness. Finance remains the lifeblood of new businesses, yet persistent gaps exist in both the availability and accessibility of financial resources across all income groups and regions — particularly in middle-income Latin America & Caribbean. Equally significant are entrepreneurs' expectations of AI. While AI offers the potential for competitive advantage, there is a clear risk that its benefits will accrue disproportionately to well-capitalised, knowledge-intensive businesses, leaving smaller and newer ventures further behind. Similarly, sustainability priorities promise wide-ranging positive impacts but can be constrained by limited resources. Understanding how entrepreneurs navigate these competing

demands is essential in designing effective, targeted policies.

This chapter reframes entrepreneurship as a lever for economic, social and environmental transformation. It highlights the growing tension between opportunity recognition and rising fear of failure — a barrier that discourages potential entrepreneurs even in otherwise supportive environments. It also draws attention to the emergence of purpose-driven entrepreneurship: in most economies, a majority of early-stage entrepreneurs prioritise social and environmental impact over profitability or growth. This trend aligns with global imperatives, including the Sustainable Development Goals (SDGs), the 2030 targets of which are increasingly urgent yet remain off track. The findings underscore the need for inclusive entrepreneurial ecosystems that integrate digital transformation with sustainability, ensuring that entrepreneurship contributes meaningfully to a more equitable, innovative and resilient future.

9.2 A FOCUS ON FINANCE

If entrepreneurial finance is the lifeblood of early-stage ventures, Figure 9.1 helps explain why so many new businesses struggle to survive or reach maturity. Only 10 upper-income economies — five in Europe, three in the Gulf and two in East Asia — and four middle-income economies (Latvia, Estonia, India and Oman) are rated by national experts as sufficient or better on both finance Framework Conditions (provision of entrepreneurial finance and ease of access). By contrast, in 36 of the 53 GEM economies, both conditions are judged insufficient — 14 upper-income and 22 middle-income. Scores for the two conditions are strongly and positively correlated: economies performing well in one area tend to perform well in the other, though notable differences remain.

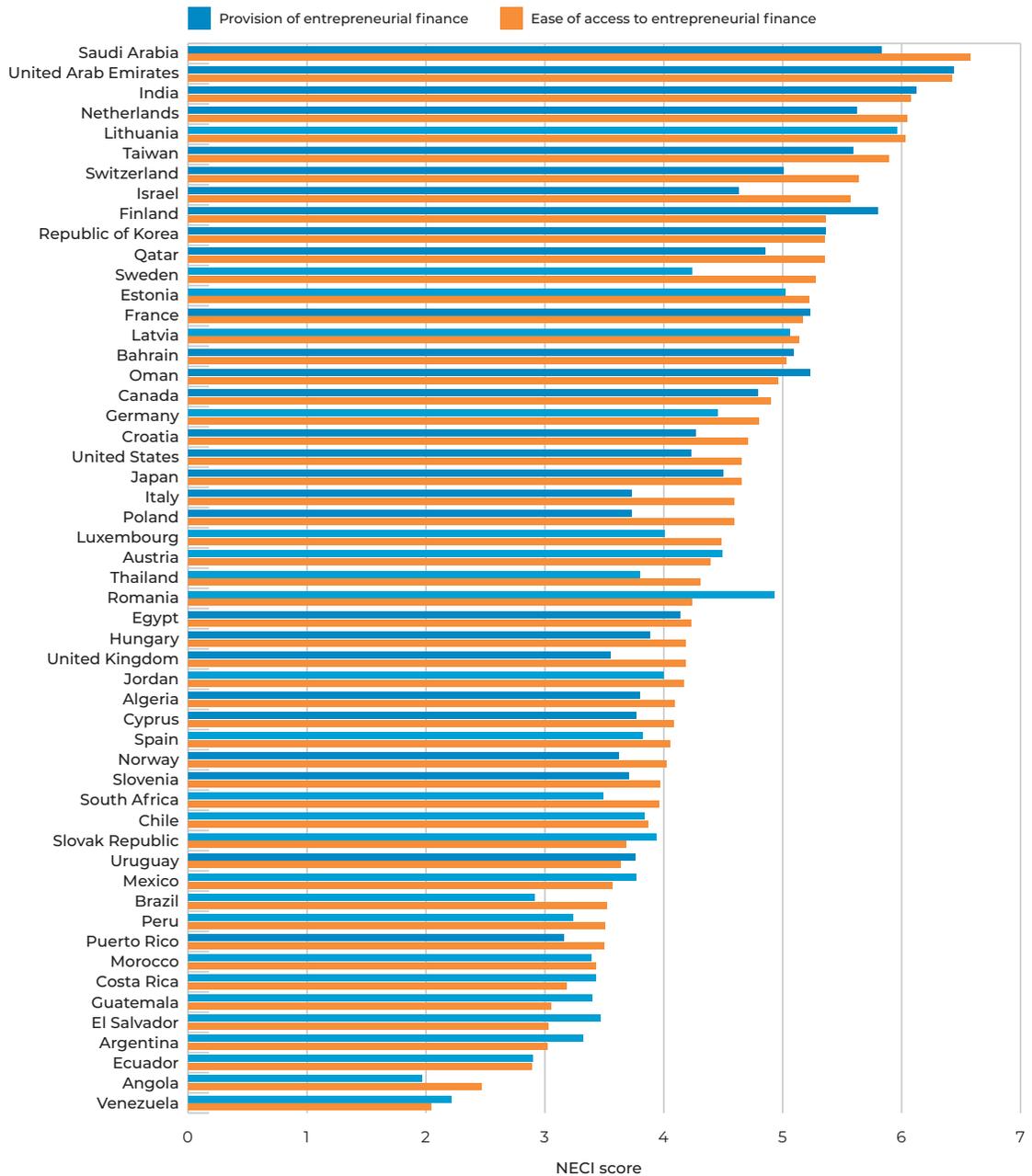
While higher income is generally associated with stronger finance conditions, the relationship is far from linear. Using expert ratings, if scores below four are considered poor and below three very poor, three middle-income economies — Venezuela, Angola and Ecuador — score very poorly on both the provision and accessibility of funding. Twelve others score poorly on both, nine of which are in Latin America & Caribbean, along with Morocco,

the Slovak Republic and South Africa. Only two upper-income economies — Puerto Rico and Slovenia — score poorly on both.

Yet the data also reveal more nuanced gaps. In four upper-income European economies (Italy, Poland, Sweden and Israel) and two middle-income economies (Angola and Brazil) the provision of finance is relatively stronger than ease of access, indicating that availability alone does not guarantee usability. Indeed, in 35 of the 53 economies, provision scores better than ease of access, leaving 18 economies in which access is comparatively better than provision. Notably, only one economy (Oman) shows sufficient access where provision is insufficient; however, Israel, Qatar and Sweden demonstrate the reverse — sufficient provision but insufficient access.

This analysis underscores that, with few exceptions, both the provision of entrepreneurial finance and the ease with which entrepreneurs can access it remain inadequate. Such gaps can significantly constrain digital transformation in new ventures and increase the likelihood that the benefits of AI accrue disproportionately to larger, capital-intensive businesses, potentially

FIGURE 9.1
 Framework
 Condition scores
 for the provision
 of Entrepreneurial
 Finance and for
 Ease of Access to
 Entrepreneurial
 Finance



widening digital divides and limiting inclusive innovation.

Figure 9.1 shows how uneven both the provision of entrepreneurial finance and the ease of accessing it remain across economies, reinforcing that funding availability alone is not enough to support new ventures. These

disparities highlight structural constraints that can shape which entrepreneurs are able to start and grow businesses, and indicate where gaps in financial conditions may limit the capacity of early-stage firms to innovate, adopt new technologies and contribute to broader economic development.

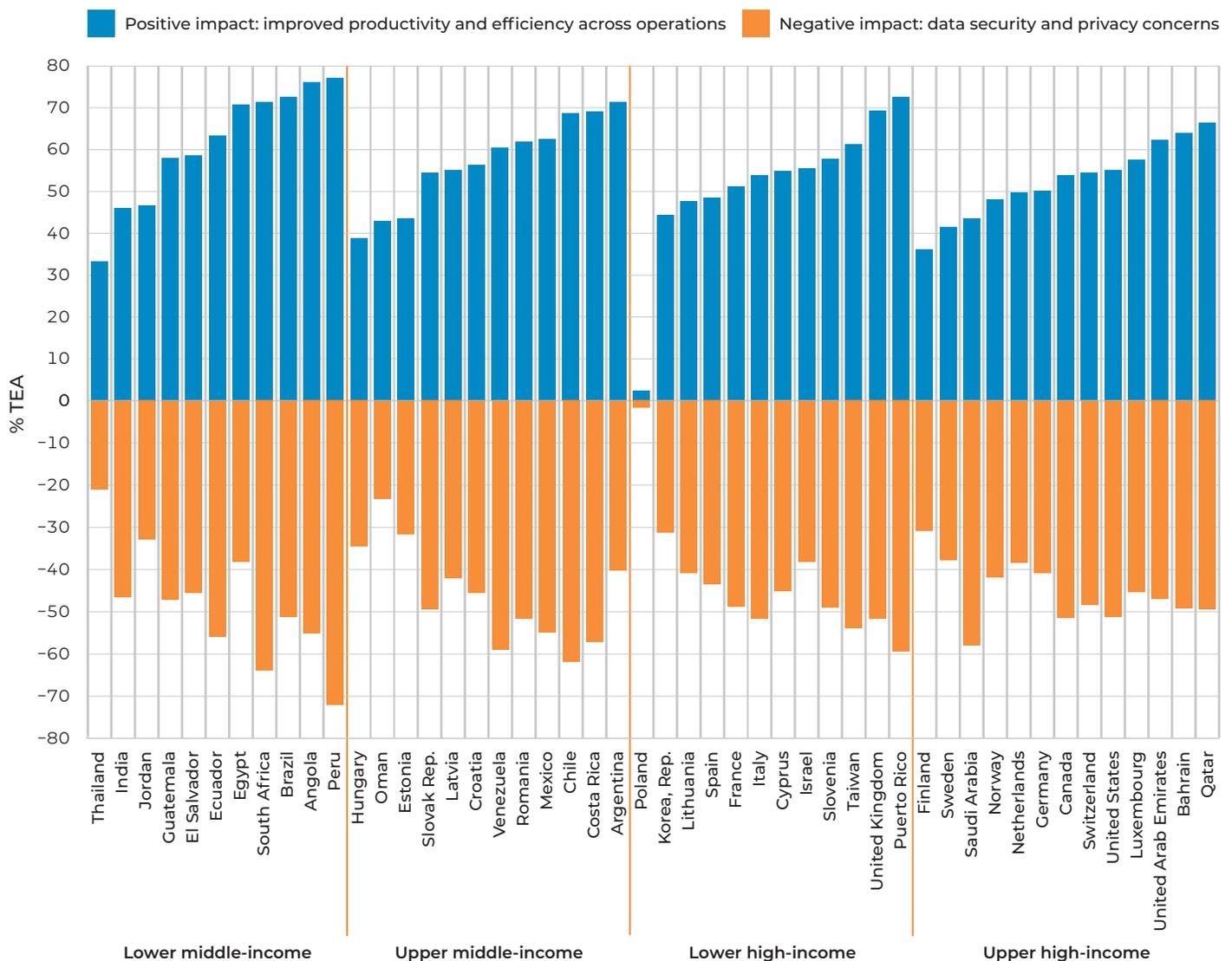
9.3 THE IMPACTS OF ARTIFICIAL INTELLIGENCE

In Chapter 7, early-stage entrepreneurs expressed mixed expectations regarding the importance of Artificial Intelligence (AI) for their businesses over the next three years. Only in six economies did a majority anticipate AI becoming very important, while in five economies fewer than one in five shared this expectation. National experts further report that, in most middle-income economies, awareness among new firms of the need for AI solutions remains insufficient. These findings suggest that, although AI has the potential to drive transformative change, both awareness and perceived relevance remain uneven.

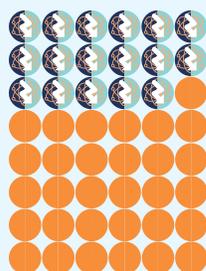
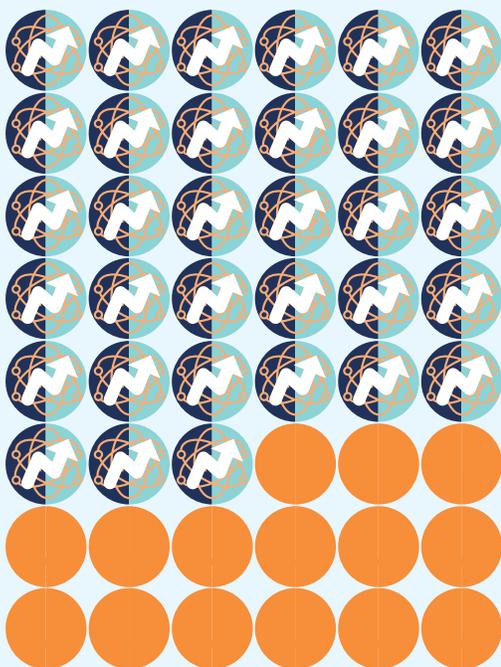
The GEM APS also explores early-stage entrepreneurs’ perceptions of AI’s potential impacts. Among the perceived positive effects, improving productivity and efficiency is most frequently cited as highly impactful. Among potential negatives, data security and privacy concerns are rated as the highest-impact challenges. Figure 9.2 illustrates the proportion of early-stage entrepreneurs in 2025 identifying each factor as high-impact, with negative impacts displayed below the horizontal axis.

Expectations of AI’s positive impacts are substantial. In 33 of the 48 economies, at least

FIGURE 9.2
The percentage of early-stage entrepreneurs (%TEA) selecting “Improved productivity and efficiency” as a positive high impact and “Data security and privacy concerns” as a negative high impact, both as a result of introducing AI into their business



In 33 of 48 economies, more than half of new entrepreneurs see productivity increases as high positive impacts of AI . . .



. . . but in 17 economies more than half see data security and privacy concerns as high-impact drawbacks of AI

half of early-stage entrepreneurs believe that introducing AI would significantly improve productivity. Seven economies stand out, with over 70% holding this view — six from the middle-income group and one from an

upper-income economy. Four of these are in the Latin America & Caribbean region and three in Africa. Conversely, in 15 economies, fewer than one in two early-stage entrepreneurs consider productivity improvements a high-impact benefit of AI. Of these, six are middle-income and nine upper-income, spanning nine European and six Asian economies.

On the negative side, in 17 of the 48 economies, more than half of early-stage entrepreneurs perceive data security and privacy concerns as major potential drawbacks of introducing AI. The highest levels are observed in Peru (72%), South Africa (64%) and Chile (62%), with eight of these 17 economies in Latin America & Caribbean, three in Europe and two in North America. Only seven economies have fewer than one in three early-stage entrepreneurs expressing such concerns: four in Asia and three in Europe. Overall, entrepreneurial perceptions of negative impacts show less variation than perceptions of positive impacts.

These results are strongly and positively correlated: economies in which many early-stage entrepreneurs see AI as enhancing efficiency also tend to have many perceiving data security and privacy as high-impact risks. Figure 9.2 visually reflects this relationship, with negative impacts displayed below the horizontal axis largely mirroring the positive impact responses.

9.4 ARE SUSTAINABILITY PRIORITIES CONSISTENT WITH AI AWARENESS?

The NES asked experts to assess both the sustainability priorities of new and growing firms and entrepreneurs' awareness of the need to develop and implement AI solutions. This section examines the consistency between these priorities — specifically, whether AI is being viewed as a tool to advance sustainability, or whether sustainability ambitions risk being overshadowed by the appeal of adopting cutting-edge technologies.

While NES results have highlighted relatively weak sufficiency in entrepreneurial education and finance, perceptions of sustainability priorities and AI awareness tell a different story.

Across 53 GEM economies, national experts rated 18 as less than sufficient in terms of new businesses' sustainability priorities, and only six as insufficient for entrepreneurs' awareness of the need to develop and implement AI solutions. Notably, all six economies deemed insufficient for AI awareness are also insufficient for sustainability priorities: Hungary, Angola, South Africa, Morocco, Algeria and El Salvador — all middle-income economies. At the other extreme, four economies — Taiwan, Norway, Sweden and the United Arab Emirates — scored as excellent for both sustainability priorities and AI awareness

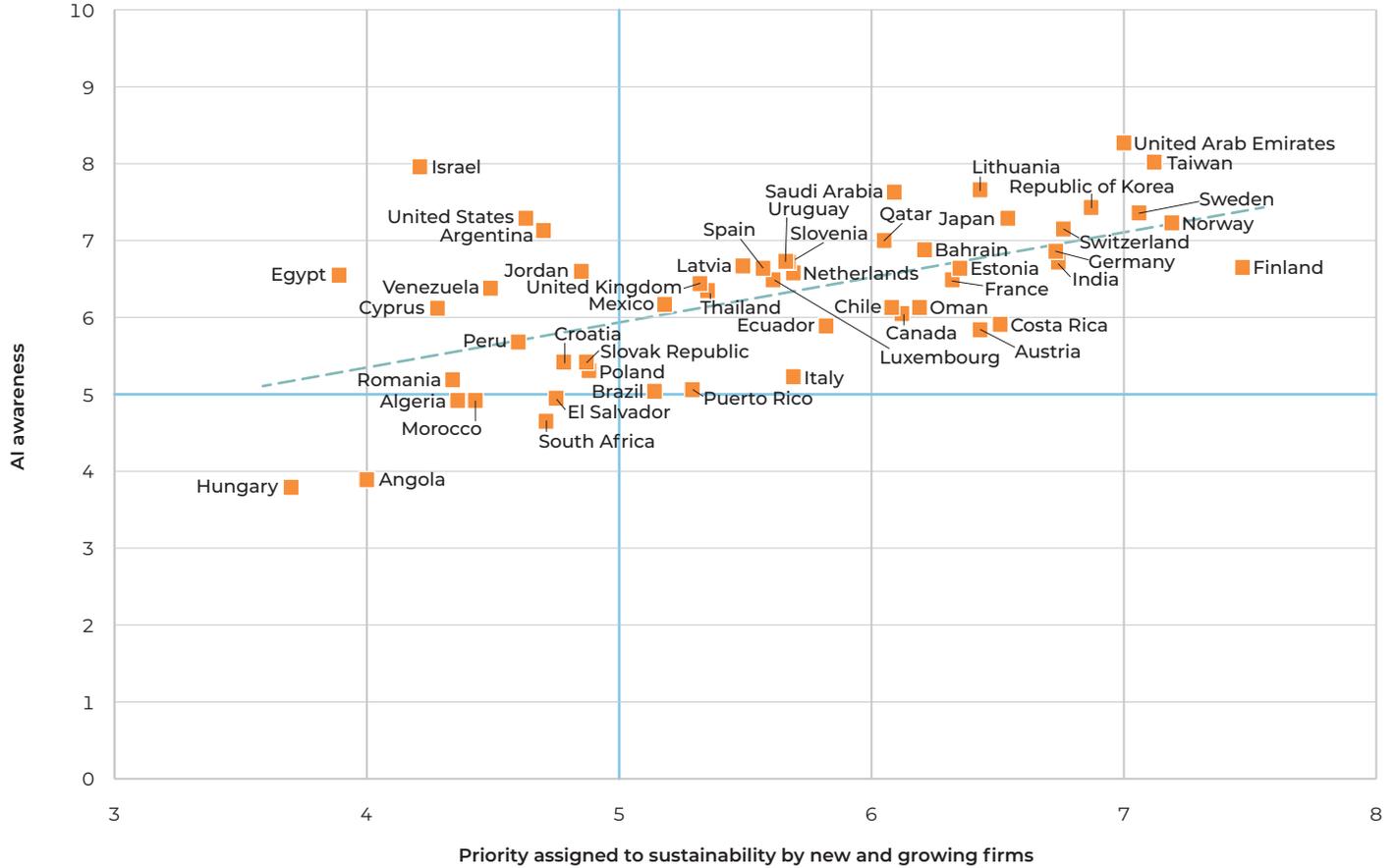


FIGURE 9.3
National expert scores for new businesses prioritisation of sustainability and entrepreneurs' awareness of the need to develop and implement AI solutions

(with a score of seven or more representing excellence).

The correlation between sustainability prioritisation and AI awareness is positive but not perfect. For example, Argentina, Israel and the United States were rated insufficient for sustainability but excellent for AI awareness, while Jordan, Egypt, Venezuela and Cyprus were insufficient for sustainability but good (≥ 6) for AI awareness.

Figure 9.3 plots each economy's sustainability priority score against its AI awareness score, along with the line of best fit. The key message is clear: national experts perceive new businesses' sustainability priorities and AI awareness as complementary rather than competing. This suggests that, in practice, new ventures are likely to seek AI solutions as part of their efforts to advance sustainability objectives.



THE REAL WORLD BEHIND THE DATA ...

The role of innovation districts in supporting entrepreneurship

The decision to start a business is shaped by both local and national contexts, which can support, encourage and nurture entrepreneurship. The entrepreneurial environment includes many dimensions, such as access to affordable workspaces and the strength of professional and commercial networks. Innovation districts — geographic areas where research institutions, startups and established companies cluster and connect — can play a vital role in fostering collaboration, driving innovation and supporting new ventures.

One example is the innovation district being developed by Tecnológico de Monterrey (Tec), a national hub for entrepreneurship, innovation and business development in Mexico. Through a combination of physical infrastructure, research-led initiatives and community engagement, the university is redefining how entrepreneurship is embedded into the urban ecosystem. In November 2022, the district officially launched with the inauguration of Latin America's first Science Gallery, marking a significant milestone in its development.

Mario Adrián Flores, Vice President of the Monterrey Region and General Director of the Monterrey Campus, emphasised the importance of bridging gaps between

sectors: “We’re developing a larger view of what innovation districts should be like. We believe that we can have a greater impact by connecting with the community and minimising the gap between science, technology and society through the dissemination of the arts.”

The Expedition Building

One of the flagship projects within the Monterrey Innovation District is the Expedition FEMSA building. Inaugurated on campus in December 2024, this space was designed to combine applied research, creativity and entrepreneurial leadership to collaboratively address global challenges. It houses 29 initiatives

[continued on next page]





Looking ahead: the Eduardo Garza T. Innovation and Entrepreneurship Hub

Scheduled to open in late 2026, the Eduardo Garza T. Innovation and Entrepreneurship Hub will further advance Tec's vision. The building is being designed as a place for connection, outreach and engagement between entrepreneurs, researchers, organisations and students.

Rector Murra explained: "We believe this will be a space not only for students and professors from the Tec community but also for anyone with the capacity to innovate, to create, to be inspired, and who believes they can build something with others. The idea is to attract more and better talent — students, professors and entrepreneurs — who can help change the culture and help us change our behaviours to do things differently and better."

from Tec's national schools and three interdisciplinary research institutes.

Tec Rector Juan Pablo Murra stated: "These new spaces invite us to find a new way of working, influencing, innovating and making an impact. They invite us to work more collaboratively, in an interdisciplinary fashion, thinking about the impact they can achieve and yielding results from the dreams that led to their creation."

José Antonio Torre, Director of the Center for the Future of Cities at Tec, echoed this sentiment: "This building is not only a physical space; it's a platform where ideas, talent and sustainability converge. We believe in the potential of our cities to be more human, sustainable and prosperous, and this building is the engine driving us to that future."

Conclusion

Innovation districts like the one at Tecnológico de Monterrey are reshaping how entrepreneurship ecosystems function. By integrating research, business, education and community, these districts become engines of inclusive, sustainable and innovation-led growth. As GEM data increasingly highlights the importance of local contexts and institutional support in entrepreneurship development, examples like Tecnológico de Monterrey offer a powerful model for how innovation can be spatially and socially embedded in the cities of tomorrow.

We thank GEM Mexico, host of the GEM 2025/2026 Global Report Launch, for providing this material and helping to ground our data in a real-world context.

POLICY IMPLICATIONS SUMMARY

Policy area	Actions	Rationale
Entrepreneurial Framework Conditions	Identify Framework Conditions assessed as insufficient and consider where improvements in the business environment may support entrepreneurial activity.	Reducing contextual constraints can enhance new business creation and support transitions from early-stage to established firms.
Entrepreneurship in education	Strengthen the integration of entrepreneurial, digital and sustainability-related skills across education levels.	Building awareness, confidence and capability can influence opportunity recognition and reduce fear of failure.
Fear of failure and entrepreneurial confidence	Examine factors contributing to rising fear of failure even in supportive environments.	Fear of failure influences opportunity-startups, affecting both TEA levels and entrepreneurial inclusiveness.
Gender gaps	Examine disparities in access to resources, networks and support systems that contribute to persistent gender differences in entrepreneurial activity.	Addressing structural inequities can broaden participation and support sustainability-oriented ventures.
Sustainability and the SDGs	Assess how sustainability priorities are reflected in entrepreneurial ecosystems and how they align with national development goals.	Clear sustainability orientations can encourage environmentally and socially responsible entrepreneurship.
Digitalisation and AI	Promote understanding of AI's opportunities and risks, especially where awareness and capability gaps are evident.	Strengthening digital literacy can widen innovation potential and mitigate emerging digital divides.
Entrepreneurial finance	Review gaps in financial provision and accessibility that constrain early-stage ventures.	Expand opportunities for new firms and support innovation-oriented entrepreneurship.
Ecosystem monitoring	Use GEM evidence to monitor changes in entrepreneurial activity, perceptions and Framework Conditions over time.	Tracking ecosystem development helps identify pressure points and support targeted, evidence-based responses.

In sum, the future of entrepreneurship hinges on the interplay between access to finance, the adoption and strategic use of AI, and a strong commitment to sustainability. Across economies, persistent gaps in funding, uneven awareness of digital technologies and varying prioritisation of social and environmental objectives shape both the opportunities available to new ventures and their constraints. These challenges also highlight clear levers within entrepreneurial ecosystems, where improvements in financial conditions, digital capability and sustainability orientations may influence the extent to which entrepreneurs can innovate, scale and generate wider social and environmental value. Understanding how these factors interact is essential in strengthening the resilience and dynamism of economies and in ensuring that entrepreneurship contributes meaningfully to inclusive growth, technological advancement and sustainable development in a rapidly changing global landscape.

9.5 POLICY IMPLICATIONS

This chapter has examined three interconnected dimensions shaping the future of entrepreneurship: access to finance, entrepreneurs' expectations of AI impacts, and the alignment of sustainability priorities with AI awareness. These themes are critical because they influence entrepreneurial success in a rapidly evolving global economy. The findings illustrate how gaps in financial conditions, varying levels of AI readiness and

differing sustainability priorities each affect the opportunities available to new ventures. Considering these dimensions together helps clarify where entrepreneurial ecosystems may be well positioned to support innovation and where contextual constraints may limit the pursuit of economic, social and environmental value in an era defined by digital transformation, sustainability and inclusivity.

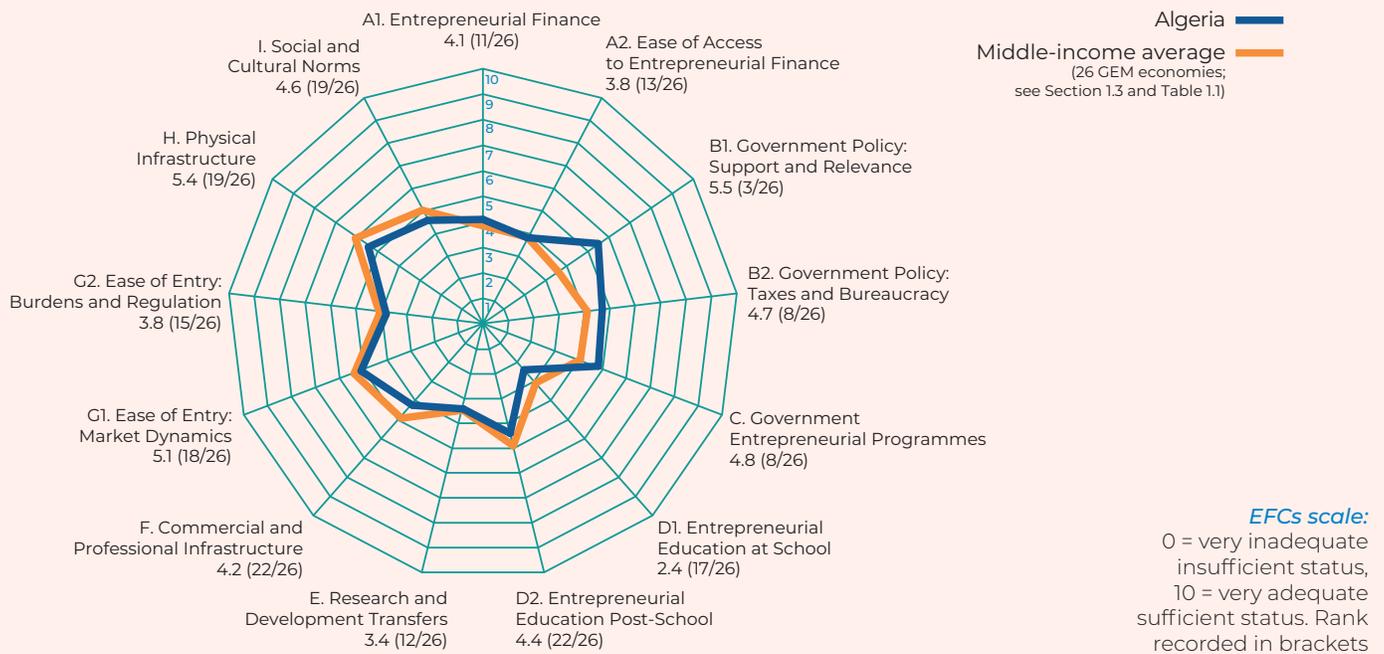


Algeria

■ Population (2024): **46.8 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **17.5 thousand** (World Bank)

Algeria did not participate in the 2025 Adult Population Survey.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Algeria has recently adopted a new economic growth model aimed at diversifying the economy while reducing dependence on hydrocarbons. The development of an efficient e-commerce sector, facilitated by a new legal and regulatory framework, should contribute to this. This includes adopting new laws on e-commerce, cybercrime, electronic signatures and certification, electronic mail and communications, and personal data protection. The simplification of foreign trade formalities and the financial and economic inclusion of the Algerian diaspora, which is a promising market segment, will help to boost exports via e-commerce.

Algeria's strategy to facilitate and simplify trade and customs clearance for goods in international and cross-border e-commerce has opened up new opportunities for entrepreneurs in local and international markets. The use of mobile payments, facilitated by QR codes, has grown significantly since its introduction in 2022. The launch in June 2024 of Switch Mobile, which ensures the interoperability of mobile payment applications, has further boosted the electronic payments market and diversified payment solutions in e-commerce.

2025 Framework Conditions Review

Algeria recorded a NECI (National Entrepreneurial Context Index) score of 4.3 in 2025. This is the first year Algeria has participated in the GEM National Expert Survey (NES), so no previous NECI data is available for comparison. The country ranks 32nd out of 53 economies, placing it in the upper half of its income group (middle-income). This score suggests a moderately conducive

environment for entrepreneurship, with room for improvement in several key areas.

Algeria meets the sufficiency threshold (a score of ≥ 5) for three Framework Conditions: Government Policy: Support and Relevance (5.5), Physical Infrastructure (5.4) and Ease of Entry: Market Dynamics (5.1). These areas represent Algeria's strongest institutional supports for entrepreneurship. Just one condition ranked close to the global top 10 among the 53 GEM NES-participating economies: Government Policy: Support and Relevance — ranked 11th. However, four of Algeria's Framework Conditions were in or close to the bottom 10: Entrepreneurial Education at School (ranked 42nd globally), Physical Infrastructure (43rd), Entrepreneurial Education Post-School (also 43rd) and Commercial and Professional Infrastructure (49th).

New entrepreneurs' prioritisation of sustainability is scored by national experts at 4.4, while their awareness of the need to develop AI solutions scored better at 4.9, but still insufficient.

Algeria's entrepreneurial ecosystem in 2025 shows moderate strength, with notable performance in infrastructure and government support. However, education and AI-readiness remain areas for improvement. With strategic investment and policy focus, Algeria could significantly enhance its entrepreneurial capacity in future years.

2025 Entrepreneurial Activity Review

Algeria did not participate in the 2025 GEM Adult Population Survey.

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Angola

■ Population (2024): **37.9 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **8.3 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024*
Know someone who has started a new business	81.4	–
Good opportunities to start a business in my area	74.2	–
It is easy to start a business	73.6	–
Personally have the skills and knowledge	87.4	–
Fear of failure (opportunity)	49.5	–
Entrepreneurial intentions**	88.1	–

Entrepreneurship impact	% TEA	
	2025	2024*
Job expectations (expecting to employ six or more people in five years' time)	56.8	–
International (25%+ revenue)	4.8	–
Always consider social impact	94.3	–
Always consider environmental impact	91.6	–
Prioritise social and/or environmental impact above profit or growth	90.4	–
Industry (% TEA in business services)	3.1	–

* Did not participate in 2024.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

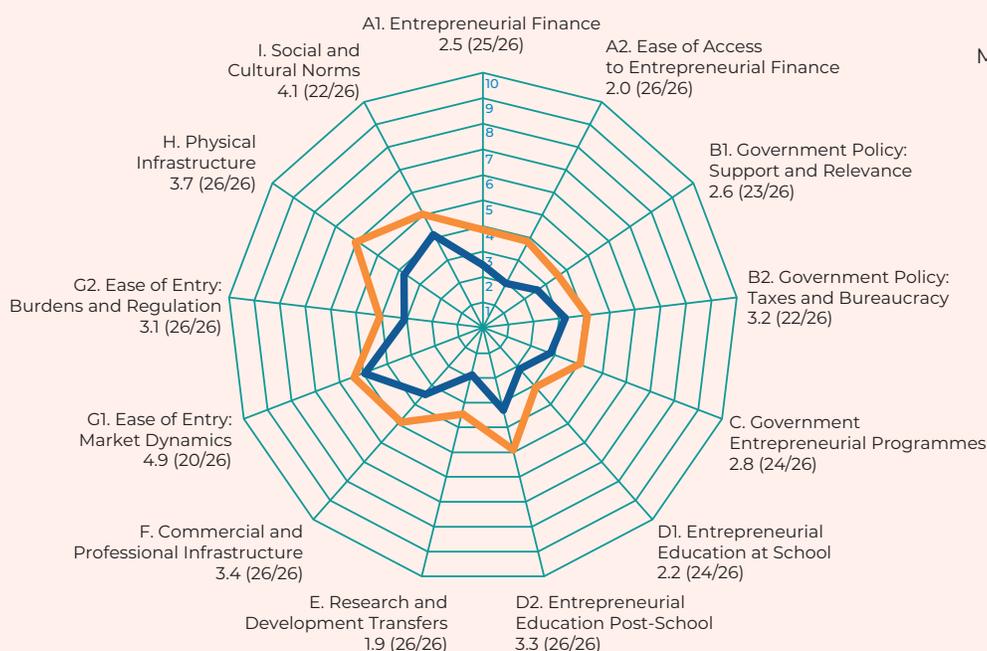
Motivational	% TEA	
	2025	2024*
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	82.9	–
To build great wealth or very high income	80.4	–
To continue a family tradition	56.3	–
To earn a living because jobs are scarce	90.4	–

Activity	% Adults			
	2025	2024*	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	52.9	–	49.4	56.7
Established Business Ownership	10.5	–	10.4	10.6

Recent changes	% Adults	
	2025	2024*
Household income has decreased in the current year***	47.9	–

	% TEA	
	2025	2024*
Starting a business is more difficult than a year ago	65.8	–
Use more digital technology to sell products or services	93.4	–

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Access to international markets for entrepreneurs in Angola has been evolving positively in terms of policy direction and institutional frameworks, but practical improvements remain limited. One example is the newly created Angola Export and Trade Development Facility to boost exports, promote regional investment and reinforce Angola's position in Africa's trade and industrial development. Despite improvements, market-access challenges remain, mostly related to infrastructure, which constrains entrepreneurial presence in international markets. However, digitalisation has facilitated the internationalisation of businesses by opening doors to new markets and global opportunities.

The government of Angola has established a dedicated legal framework for startups and put incentives in place to promote innovative entrepreneurship, including: three-year exemptions from industrial tax, property tax and customs duties for qualifying startups; and a 75% reduction in capital investment tax for investors, to encourage financing of technological and creative ventures. This initiative aligns with the National Development Plan 2023–2027 and reflects the government's commitment to economic diversification and modernisation.

2025 Framework Conditions Review

Angola recorded a NECI (National Entrepreneurial Context Index) score of 3.1 in 2025, up slightly from 2.9 in 2022. No GEM data is available for 2023 or 2024. Despite this improvement, in 2025 Angola ranked 53rd out of 53 economies, pointing to a challenging entrepreneurial environment.

All 13 Framework Conditions scored less than sufficient (<5.0), with the lowest scores in Research and Development Transfers (1.9), Ease of Access to Entrepreneurial Finance (2.0) and Entrepreneurial Education at School (2.2). Angola ranks in the bottom 10 globally for 12 of the 13 Framework Conditions, including for Ease of Access to Entrepreneurial Finance, Entrepreneurial Education Post-School, Research and Development Transfers, Commercial and Professional Infrastructure, and Physical Infrastructure (all 53rd).

The national expert score for business prioritisation of sustainability is 4.0, indicating some awareness of sustainability among new and growing firms. Entrepreneurs' awareness of the need to develop AI solutions scored 3.9, suggesting that Angola's entrepreneurial sector is still in the early stages of digital transformation and AI adoption.

Angola's entrepreneurial ecosystem in 2025 remains underdeveloped, with widespread low rankings. However, the modest awareness of sustainability and AI offer entry points

for targeted policy and investment. Significant improvements in education, infrastructure and institutional support will be essential in developing a more enabling environment for entrepreneurship.

2025 Entrepreneurial Activity Review

Nearly one in two adults in Angola reported that their household income had fallen in 2025, while an exceptionally high nine out of 10 of adults intend to start a business in the next three years — among the highest rates recorded in GEM 2025.

Entrepreneurial awareness, confidence and opportunity recognition in Angola are all very high. Over four in five adults know someone who has recently started a business, with even more seeing themselves as having the skills and experience to start their own. Meanwhile, three in four see good opportunities to start a business locally, although just under half of these would not start a business for fear it might fail.

Over half of adults (52.9%) in Angola are starting or running a new business in 2025 — the highest TEA rate among all GEM 2025 economies. One in 10 adults (10.5%) own an established business. The ratio of new to established businesses suggests a highly dynamic and youthful entrepreneurial landscape, as well as some issues in sustaining new businesses. Men are slightly more likely than women to be starting a new business, but with a relatively narrow gender gap.

The most agreed motivation among new entrepreneurs is “to earn a living because jobs are scarce”, agreed by nine out of 10, although eight out of 10 also agree with “to make a difference in the world” or “to build great wealth or very high income”. An outstanding nine in 10 new entrepreneurs expect to use more digital technology to sell their product in the next six months — the highest rate recorded in GEM 2025. A more modest one in six have customers beyond Angola. Well over half of new entrepreneurs anticipate employing six or more people in five years' time — a strong indicator of growth-oriented entrepreneurship. Three in five of these new entrepreneurs have taken steps to minimise environmental impacts in the past 12 months, with a little fewer taking steps to maximise social impacts. However, nine out of 10 report that they prioritise such impacts above profitability or growth — the highest proportion among all GEM 2025 economies.

In summary, Angola stands out for its exceptionally high rates of entrepreneurial intention, TEA, digital technology use and prioritisation of social and environmental impact. These figures suggest a vibrant and socially conscious entrepreneurial ecosystem, despite economic challenges.

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Type of institution

Private Company
University

Funder

BFA — Banco de Fomento Angola, S.A.R.L.

APS vendor

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Argentina

■ Population (2024): **45.7 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **30.2 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	55.5	54.6
Good opportunities to start a business in my area	48.0	57.0
It is easy to start a business	65.6	35.0
Personally have the skills and knowledge	49.1	74.8
Fear of failure (opportunity)	62.1	18.8
Entrepreneurial intentions*	15.3	17.4

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	6.4	14.8
International (25%+ revenue)	4.6	5.6
Always consider social impact	88.7	86.8
Always consider environmental impact	86.2	88.9
Prioritise social and/or environmental impact above profit or growth	62.6	51.9
Industry (% TEA in business services)	19.0	15.9

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

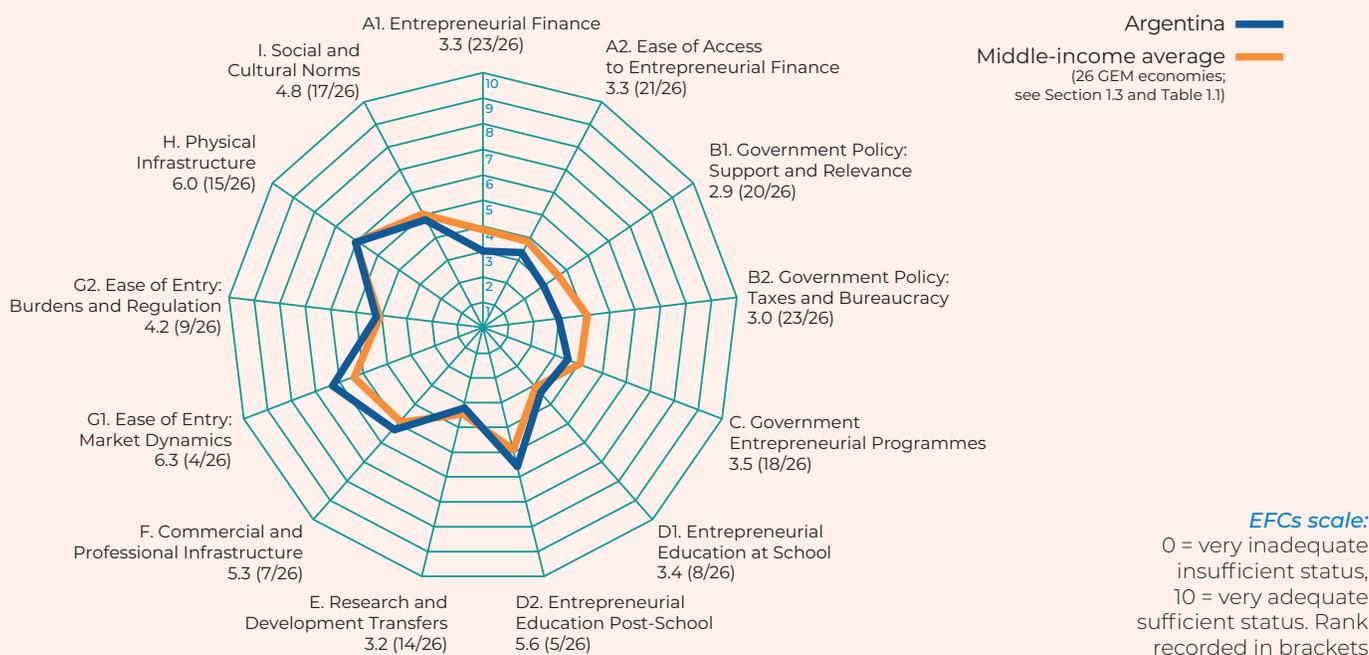
Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	19.5	24.3
To build great wealth or very high income	33.4	42.1
To continue a family tradition	25.8	25.3
To earn a living because jobs are scarce	92.4	88.0

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	21.4	23.4	16.4	26.2
Established Business Ownership	5.0	6.4	2.3	7.6

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	73.2	83.5

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	39.9	62.0
Use more digital technology to sell products or services	44.9	51.6

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Over the past two years, the Argentine government has made significant efforts through its economic policy to expand the availability of financing for entrepreneurs — particularly foreign financing. First, it removed capital controls that had hindered inflows of foreign currency. Second, it achieved a substantial reduction in the country's risk premium, signalling an improvement in international perceptions of Argentina so that access to external credit now carries a lower spread over the global risk-free interest rate.

Argentina's current economic policy is focused on macro-financial stability. After years of volatility — marked by low growth, high inflation and persistent uncertainty — the primary objective is to reduce inflation, restore fiscal discipline and steer the country toward a more predictable economic environment. The government aims to improve the overall business climate for innovation and investment indirectly by fostering stability and predictability through an agenda of deregulation, including trade liberalisation and simplification of business procedures. Furthermore, progress is expected on labour market and tax reforms, which would help reduce costs, improve profit margins and enhance overall efficiency.

2025 Framework Conditions Review

Argentina's entrepreneurial environment has shown notable improvement in 2025. The NECI (National Entrepreneurial Context Index) score rose to 4.2, up from 4.0 in 2024, continuing a positive trend since 2022. This places Argentina 39th out of 53 countries.

Argentina exceeds the sufficiency threshold (a score of ≥ 5.0) for four Framework Conditions: Entrepreneurial Education Post-School (5.6), Commercial and Professional Infrastructure (5.3), Ease of Entry: Market Dynamics (6.3) and Physical Infrastructure (6.0). A majority of the Framework Conditions improved their scores in 2025, with notable increases including Entrepreneurial Education at School, from 2.6 to 3.4; and Government Policy: Taxes and Bureaucracy, from 2.5 to 3.0. However, Entrepreneurial Finance, Research and Development Transfers and Social and Cultural Norms all had lower scores in 2025. Argentina's ranking for Ease of Entry: Market Dynamics was 11th of the 53 GEM NES economies, but both government policy conditions were in the bottom 10, alongside both entrepreneurial finance conditions and Government Entrepreneurial Programmes, highlighting persistent structural challenges that may hinder entrepreneurial growth.

Argentina's national experts also assessed the perceived priority entrepreneurs give to sustainability and their awareness of the need to develop AI solutions. The former had a lower score than in 2024, suggesting a weakening emphasis on sustainability among new and growing firms. However, Argentina demonstrates exceptional awareness and engagement with AI, with an expert score of 7.1 for new entrepreneurs' recognition of the need to develop AI solutions.

Argentina's entrepreneurial ecosystem in 2025 reflects steady progress, particularly in education, infrastructure and AI awareness. However, financial access and government support remain areas for improvement. Strengthening these dimensions will be key to sustaining Argentina's upward trajectory in global entrepreneurship rankings.

2025 Entrepreneurial Activity Review

Nearly three in four Argentinian adults report that their household income has fallen in 2025, a high proportion but less than a year earlier. The percentage of adults expecting to start their own business in the next three years also fell slightly in the same period, from 17% to 15%.

More than half of adults know someone who has recently started their own business, slightly more than the proportion of adults seeing themselves as having the skills and experience to do the same, or seeing good opportunities to start a business locally, although three in five of the latter would not start that business for fear it might fail. The proportion of adults actually starting or running a new business in Argentina fell slightly in 2025 to 21%, from 23% in 2024, while those running an established business fell from 6% to 5%. So in 2025, four people started new businesses for every person running an established one. More men than women were starting new businesses, with the gap widening over the past year.

More than nine out of 10 new entrepreneurs agree with the motivation "to earn a living because jobs are scarce". The proportion of new entrepreneurs with customers beyond Argentina is unchanged at nearly one in 10 in 2025. Less than one in two new entrepreneurs expect to use more digital technology to sell their products in the next six months, while job expectations are low, with just one in 20 anticipating employing six or more people in five years' time. Four out of five new entrepreneurs report having taken steps to minimise environmental impacts, while almost as many have taken steps to maximise social welfare. More than three out of five claim to prioritise such impacts above profitability or growth.

Team

Team leader

Silvia Torres Carbonell

Team members

Carolina Donnelly
Victoria Galera

Institution

IAE Business School



Type of institution

Business School

Other institutions involved

Austral University

Funder

IAE Business School

APS vendor

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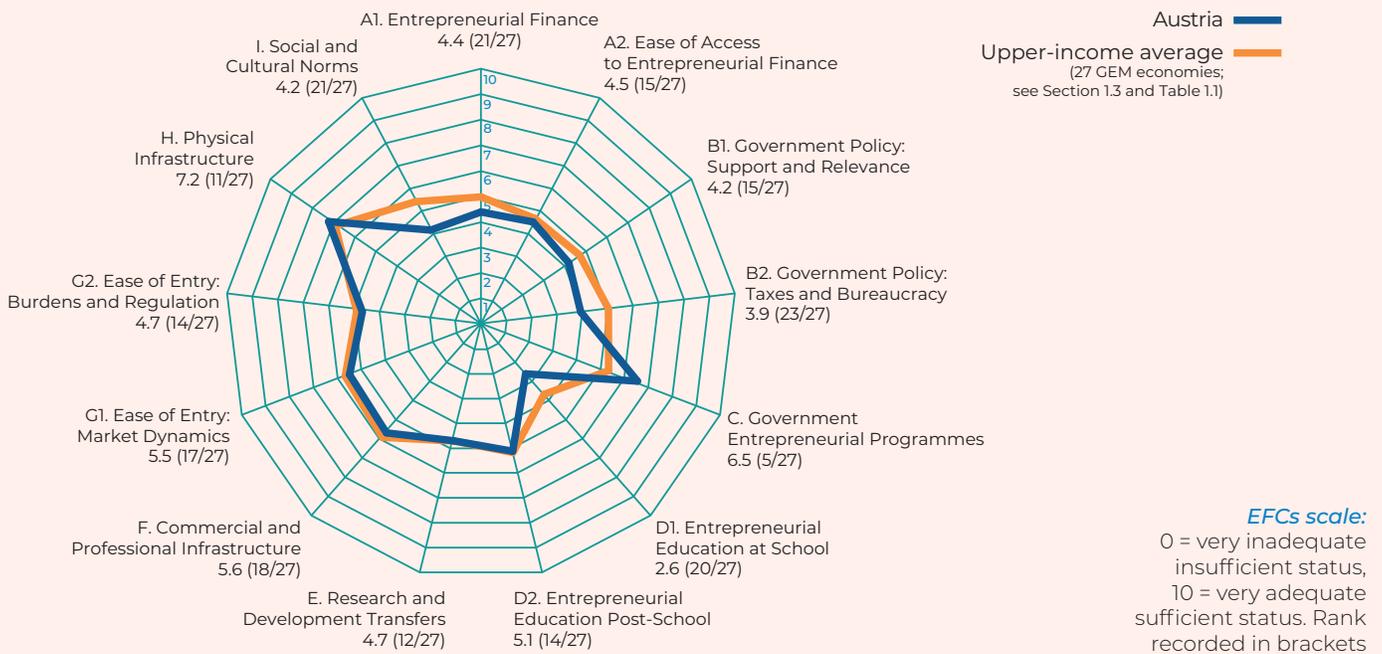


Austria

■ Population (2024): **9.2 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **71.6 thousand** (World Bank)

Austria did not participate in the 2025 Adult Population Survey.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

In the first half of 2025, Austria's exports declined by 3% year-on-year, with US tariffs and weak foreign demand putting significant pressure on the trade balance (Statistik Austria, 2025). Earlier in 2024, Austria introduced the Flexible Capital Company (FlexCo), a new legal form that lowers startup entry barriers and simplifies employee equity participation. The government is currently developing a national fund-of-funds to address the country's persistent capital gap, with startup investments having fallen sharply in the first half of 2025.

2025 Framework Conditions Review

Austria recorded a NECI (National Entrepreneurial Context Index) score of 4.9 in 2025, a slight increase from 4.8 in 2024. This places Austria 18th out of 53 economies. The improvement reflects modest gains in several Framework Conditions, particularly Education and Research and Development Transfers.

Austria's national expert scores meets the sufficiency threshold (≥ 5.0) in five framework conditions: Government Entrepreneurial Programmes (6.5), Entrepreneurial Education Post-School (5.1), Commercial and Professional Infrastructure (5.6), Ease of Entry: Market Dynamics (5.5) and Physical

Infrastructure (7.2). Five conditions improved their scores in 2025, but six saw their scores decline, most notably Government Policy: Taxes and Bureaucracy: from 4.5 to 3.9. Austria ranks in the global top 10 for just one condition: Government Entrepreneurial Programmes (fifth).

Austrian national experts' score for business prioritisation of sustainability is 6.4, down from 7.3 in 2024. Despite the drop, this remains a strong result, indicating that sustainability continues to be a priority for Austrian entrepreneurs. Finally, entrepreneurs' awareness of the need to develop AI solutions scored 5.8, down from 6.4 in 2024.

Austria's entrepreneurial ecosystem in 2025 remains robust, with strong infrastructure, education and programme support. However, declines in AI awareness and in some policy areas suggest the need for renewed focus to regain momentum and bolster global competitiveness.

2025 Entrepreneurial Activity Review

Austria did not participate in the 2025 GEM Adult Population Survey.

Team

Team leader

Christian Friedl

Team member

Rene Wenzel

Institution

FH JOANNEUM University of Applied Sciences

FH | JOANNEUM
University of Applied Sciences

Type of institution

University of Applied Sciences

Funders

Federal Ministry for Economy, Energy and Tourism (BMWET)

Austrian Economic Service (AWS)

Austrian Research Promotion Agency (FFG)

eXplore!-Foundation, EY Austria and WU Wien

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Bahrain

■ Population (2024): **1.6 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **67.2 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024*
Know someone who has started a new business	68.0	–
Good opportunities to start a business in my area	69.1	–
It is easy to start a business	65.4	–
Personally have the skills and knowledge	67.0	–
Fear of failure (opportunity)	44.7	–
Entrepreneurial intentions**	47.7	–

Motivational	% TEA	
	2025	2024*
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	39.3	–
To build great wealth or very high income	64.2	–
To continue a family tradition	35.8	–
To earn a living because jobs are scarce	71.6	–

Entrepreneurship impact	% TEA	
	2025	2024*
Job expectations (expecting to employ six or more people in five years' time)	50.2	–
International (25%+ revenue)	25.7	–
Always consider social impact	80.0	–
Always consider environmental impact	74.6	–
Prioritise social and/or environmental impact above profit or growth	74.9	–
Industry (% TEA in business services)	17.0	–

Activity	% Adults		2025: % Female	2025: % Male
	2025	2024*		
TEA (Total early-stage Entrepreneurial Activity)	17.9	–	16.6	19.3
Established Business Ownership	3.3	–	2.1	4.5

Recent changes	% Adults	
	2025	2024*
Household income has decreased in the current year***	29.3	–

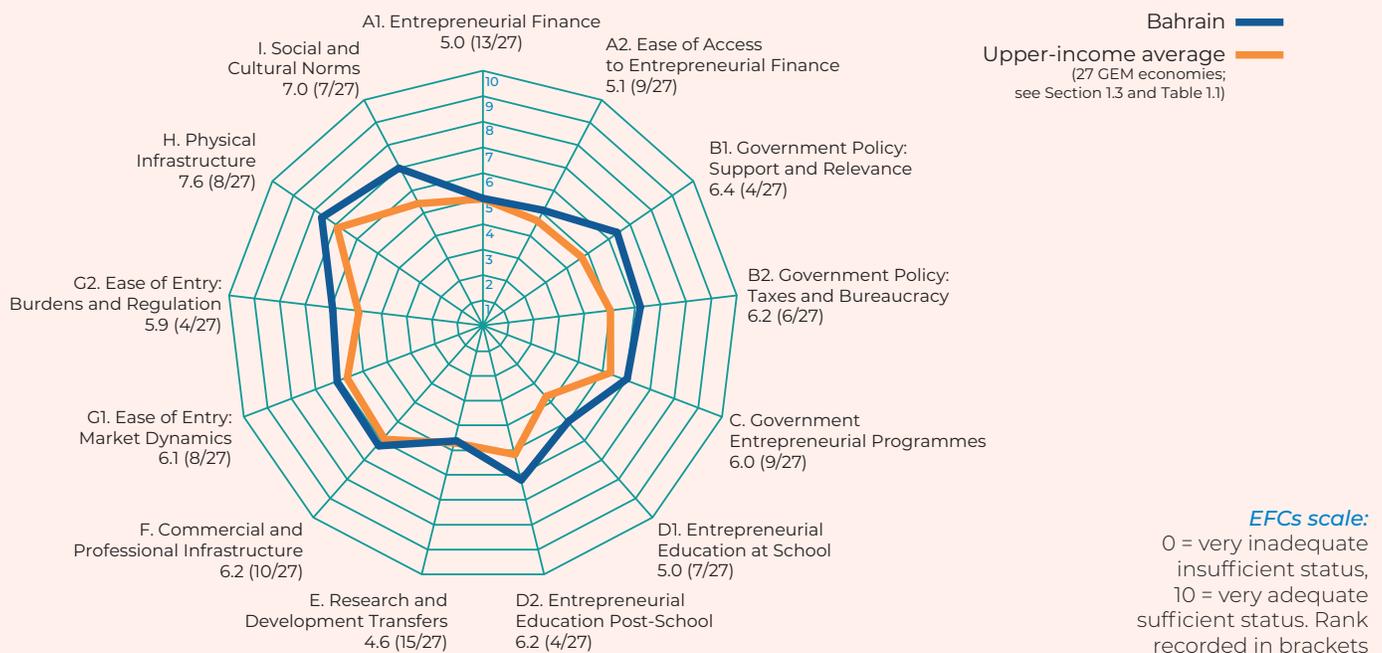
	% TEA	
	2025	2024*
Starting a business is more difficult than a year ago	40.1	–
Use more digital technology to sell products or services	76.4	–

* Did not participate in 2024.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Access to international markets for Bahraini entrepreneurs is generally improving, thanks to strong government support (from Tamkeen and the EDB [Bahrain Economic Development Board]), a business-friendly environment (100% ownership, streamlined processes), strategic location, and growing innovation hubs (FinTech Bay), fostering global competitiveness. Initiatives focusing on enabling export and global expansion for local firms include the new “Digital Business Champions Overseas Program”.

Bahraini government key initiatives include the launch of the National Innovation Strategy 2025–2035, aiming to position Bahrain as a leading regional hub for innovation, including specific goals such as doubling national patent registrations by 2027 and increasing R&D investment to 2% of GDP by 2035. A new \$185 million SME Fund provides accessible, Sharia-compliant financing for small and medium enterprises, while the Labour Fund (Tamkeen) will cover up to 50% of the profit rate, reducing borrowing costs for entrepreneurs. Ongoing digital enhancements include streamlining the business registration process via the Sijilat portal and offering automatic municipal approvals for certain businesses, reducing red tape and improving efficiency.

2025 Framework Conditions Review

Bahrain continues to demonstrate a robust entrepreneurial landscape, with its NECI (National Entrepreneurial Context Index) score rising to 5.9 in 2025, up from 5.8 in 2024. This incremental improvement secures Bahrain’s position as seventh globally, reflecting consistent progress in key areas such as government support, infrastructure and education. The upward trend suggests that policy efforts and institutional reforms are having a positive impact on the business climate.

Of the 13 Framework Conditions assessed by its national experts, 12 scored 5.0 or higher, making them sufficient or better, and indicating a broadly supportive environment for entrepreneurship. Bahrain is especially strong in Physical Infrastructure and in Social and Cultural Norms. These scores reflect strong institutional support, particularly in infrastructure, education and government engagement. The only condition not meeting the sufficiency threshold was Research and Development Transfers.

Relative to 2024, 11 out of 13 conditions improved, suggesting broad-based progress. The most notable increase was for Education Post-School, up from 5.6 to 6.2. These and other improvements point to enhanced policy effectiveness and growing societal support for entrepreneurship. As a result, Bahrain ranks in the top 10 globally in several key areas including both areas of government policy, Government Entrepreneurial Programmes and Physical Infrastructure, all pointing to substantial government support for entrepreneurship.

In 2025, Bahraini new businesses are increasingly prioritising sustainability, with an expert score of 6.2, and also show strong awareness and readiness to engage with AI technologies. National experts scored Bahrain entrepreneurs’ recognition of the need for AI solutions at 6.9.

So Bahrain’s entrepreneurial ecosystem in 2025 is marked by steady improvement, strong institutional support and growing inclusivity, although with still some way to go. The country’s top-tier global rankings in several Framework Conditions, combined with rising scores in sustainability and AI awareness, suggest a dynamic and resilient environment for entrepreneurs. Continued investment in education and infrastructure will be key to sustaining this momentum and driving future innovation.

2025 Entrepreneurial Activity Review

Just under one in three adults in Bahrain reported that their household income had fallen in 2025, and a little less than a half of adults intend to start a business in the next three years — a relatively high level of entrepreneurial intent.

Opportunity recognition, entrepreneurial awareness and confidence are all high, with a little over two in three adults knowing someone who has recently started a business, seeing themselves as having the skills and experience to start their own or seeing good opportunities to start a business locally. Of the latter, just under half would not start a business for fear it might fail.

Just less than one in five adults are starting or running a new business in Bahrain in 2025. Far fewer (one in 30) adults own an established business. The ratio of new to established businesses suggests a strong surge in early-stage activity, with few businesses reaching maturity. Men are slightly more likely than women to be starting a new business, with a relatively narrow gender gap.

The most agreed motivation among new entrepreneurs is “to earn a living because jobs are scarce”, agreed by seven in 10, with just a little fewer agreeing with “to build great wealth or very high income”. More than three in four new entrepreneurs expect to use more digital technology to sell their products in the next six months — a notably high proportion. Almost a half have customers beyond Bahrain — indicating strong international orientation. A similar proportion anticipate employing six or more people in five years’ time — a strong signal of growth-oriented entrepreneurship. So Bahrain shows a strong profile of growth-oriented and internationally minded entrepreneurship, with high digital adoption and a balanced gender participation. More than half of new entrepreneurs have taken steps to minimise environmental impacts in the past 12 months, while even more have taken steps to maximise social impacts. Finally, three out of four report that they prioritise such impacts over profitability or growth.

Team

Team leaders

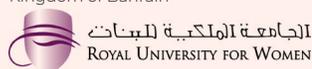
Dr. Abeer Ahmed
Dr. Nehal ElNaggar

Team members

Dr. Dwa bint Khalid Al-Khalifa
Ms. Shaika Abdulla Alfadhel
Mr. Jalal M. Naser
Dr. Rania Mohy Nafea

Institution

Women’s Research Centre
Royal University for Women
Kingdom of Bahrain



Type of institution

University Research Centre

Other institutions involved

The Ministry of Industry and Commerce



Funder

Royal University for Women
Tamkeen

APS vendor

Ipsos | Global Market Research and
Public Opinion Specialist

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Brazil

■ Population (2024): **212.0 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **22.3 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	70.4	74.1
Good opportunities to start a business in my area	64.7	64.5
It is easy to start a business	45.3	46.1
Personally have the skills and knowledge	68.7	67.4
Fear of failure (opportunity)	48.2	51.5
Entrepreneurial intentions*	45.0	49.8

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	33.9	35.3
International (25%+ revenue)	1.1	2.0
Always consider social impact	92.7	91.8
Always consider environmental impact	94.2	91.1
Prioritise social and/or environmental impact above profit or growth	84.2	86.2
Industry (% TEA in business services)	17.7	17.3

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	75.9	74.6
To build great wealth or very high income	68.7	69.3
To continue a family tradition	45.9	35.4
To earn a living because jobs are scarce	71.0	73.9

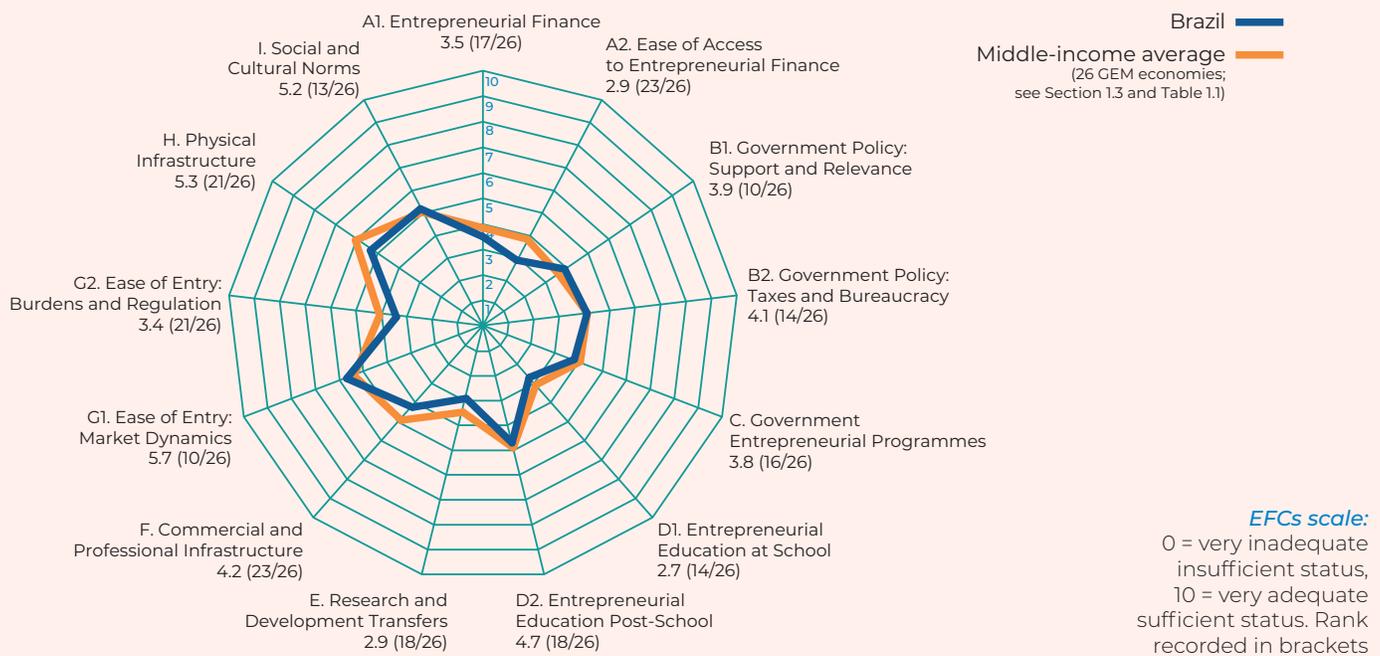
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	19.4	20.3	15.0	24.1
Established Business Ownership	12.4	13.2	9.1	15.7

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	34.4	34.6

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	56.2	44.7
Use more digital technology to sell products or services	77.2	79.6

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

For Brazil, access to international markets is improving. According to the Ministry of Development, Industry, Commerce and Services, between January and October 2025 Brazil achieved record levels of exports (US\$289.7 billion). This performance is supported by continued market diversification and sustained global demand for Brazilian products — conditions that indirectly benefit new entrepreneurs, especially those in tradable sectors.

In 2024 the federal government launched the Nova Indústria Brasil, a long-term industrial policy aimed at innovation, digital transformation and the strengthening of small and medium-sized enterprises. In addition, new programmes, allowing small and micro firms to renegotiate debts and restore access to credit, have directly supported early-stage entrepreneurs. The national strategy for the startup ecosystem was also updated, with new initiatives for innovation, impact businesses and deep-tech development.

2025 Framework Conditions Review

Brazil's NECI (National Entrepreneurial Context Index) score in 2025 is 4.0, little changed from 2024. This places Brazil 44th out of 53 economies.

Of the 13 Framework Conditions, only three are scored by national experts as sufficient or better (≥ 5.0), showing limited systemic support for entrepreneurship. These are Ease of Entry: Market Dynamics (5.7), Physical Infrastructure (5.3) and Social and Cultural Norms (5.2). The remaining conditions — including both finance conditions, both government policy conditions and both areas of education at school — remain below the sufficiency threshold, highlighting areas for policy attention. Since 2024, five conditions have improved their scores but the other eight worsened. The biggest score improvement was for Ease of Entry: Market Dynamics while the largest fall was for Social and Cultural Norms. These mixed results suggest that, while some reforms are taking hold, others may be losing momentum or facing implementation challenges.

Brazil ranks in the bottom 10 globally for five conditions: Ease of Access to Entrepreneurial Finance, Commercial and Professional Infrastructure, Research and Development Transfers, Ease of Entry: Burdens and Regulation, and Physical Infrastructure.

Brazil's national expert score for sustainability priority is 5.1, down from 5.7 in 2024, while Brazilian entrepreneurs show

moderate but growing awareness of AI, with a score of 5.0 for entrepreneurs' awareness of the need for AI solutions.

Brazil's entrepreneurial ecosystem in 2025 reflects some incremental progress, particularly in market dynamics and policy support. However, the overall environment remains constrained by weak infrastructure, limited access to finance and underperforming education systems. To accelerate entrepreneurial growth, Brazil must prioritise reforms in infrastructure, education and institutional support — especially in digital and sustainability domains.

2025 Entrepreneurial Activity Review

Just one in three Brazilian adults report that their household income has fallen in 2025, more or less the same proportion as a year earlier. However, the percentage of adults expecting to start their own business in the next three years, although still relatively high, has declined slightly in the same period, from 50% to 45%.

Entrepreneurial awareness is strong, with more than seven in 10 adults knowing someone who has recently started their own business, and only slightly fewer seeing themselves as having the skills and experience to do the same, or seeing good opportunities to start a business locally — although nearly half of the latter would not start that business for fear it might fail. The proportion of adults actually starting or running a new business in Brazil remains fairly stable at about one in five, while those running an established business are a little scarcer (about one in eight). Brazil has over three men starting a new business for every two women doing the same, with the gender gap widening in the past year.

More than three out of four new entrepreneurs agree with the motivation "to make a difference in the world", although seven out of 10 also agree with the motivations "to build great wealth or very high income" or "to earn a living because jobs are scarce". The proportion of new entrepreneurs with customers beyond Brazil fell from 6% in 2024 to just 4% in 2025. Three out of four new entrepreneurs expect to use more digital technology to sell their products in the next six months, while job expectations are high, with one in three anticipating employing six or more people in five years' time. Almost all new entrepreneurs (95%) report having taken steps to minimise environmental impacts, while almost as many have taken steps to maximise social welfare. More than four out of five claim to prioritise such impacts above profitability or growth.

Team

Team leader

Simara Greco

Team members

Vinicius Larangeiras de Souza
Edmundo Inácio Júnior
Rose Mary Almeida Lopes
Edmilson de Oliveira Lima
Paulo Alberto Bastos Jr
Roberto Pessoa de Queiroz Falcão
Joana Paula Machado

Institution

ANEGEPE



ANEGEPE
Associação Nacional de Estados em
Empreendedorismo e Gestão de Pequenas Empresas

Type of institution

Non-governmental organisation

Other institutions involved

Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (SEBRAE)

Funder

Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (SEBRAE)

APS vendor

Strategy Point Pesquisas

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Canada

■ Population (2024): **41.3 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **65.5 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	60.0	58.1
Good opportunities to start a business in my area	60.1	61.3
It is easy to start a business	54.6	53.2
Personally have the skills and knowledge	61.2	58.9
Fear of failure (opportunity)	50.3	48.0
Entrepreneurial intentions*	21.0	22.0

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	28.3	20.8
International (25%+ revenue)	26.2	21.7
Always consider social impact	73.0	75.0
Always consider environmental impact	72.5	76.3
Prioritise social and/or environmental impact above profit or growth	66.5	69.8
Industry (% TEA in business services)	20.7	21.3

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	67.1	63.1
To build great wealth or very high income	68.6	70.0
To continue a family tradition	41.9	35.8
To earn a living because jobs are scarce	71.3	71.9

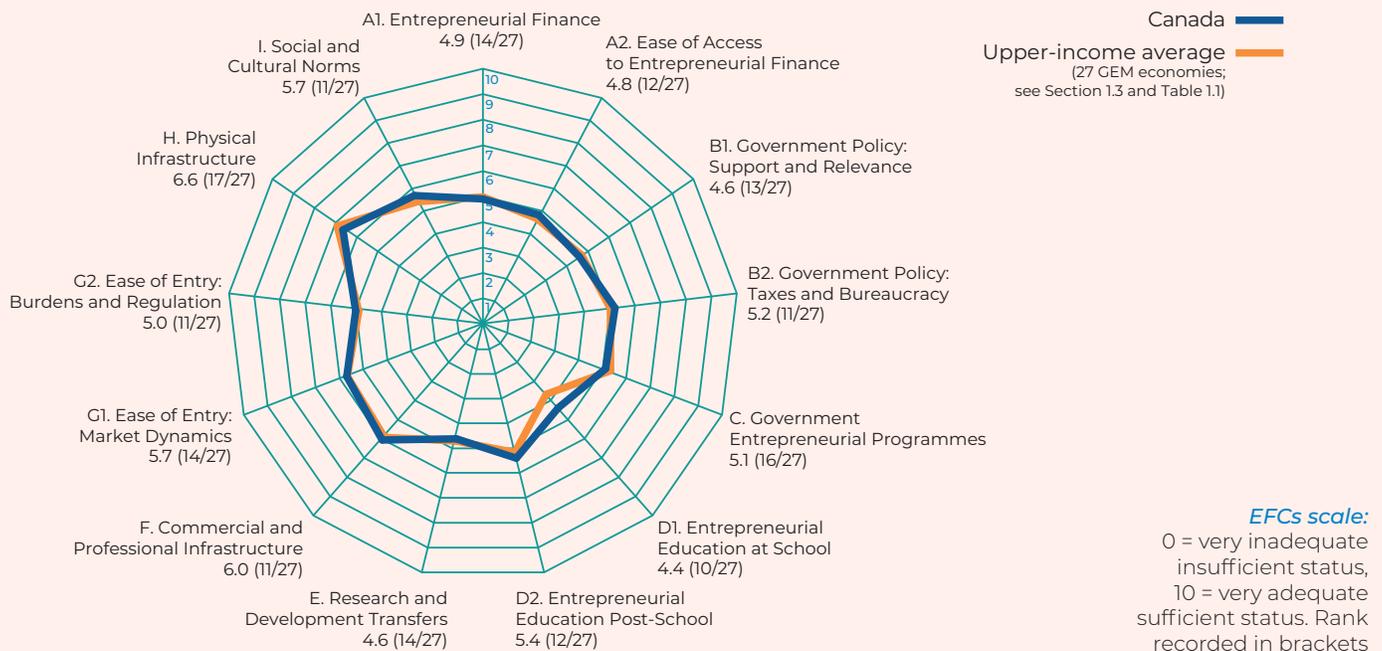
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	27.4	25.4	23.6	31.1
Established Business Ownership	6.1	5.8	4.9	7.4

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	23.4	27.6

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	50.1	50.0
Use more digital technology to sell products or services	56.6	58.1

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

The new Canadian government is trying to establish free trade agreements with many countries, including the EU, India and China, aiming to increase access to international markets for Canadian entrepreneurs.

Recent policy changes to support entrepreneurship include:

- Launching the Canadian Entrepreneurs' Incentive (CEI) to lower the inclusion rate on certain capital gains and increase the lifetime maximum
- Expanding the "Buy Canadian" procurement strategy, making it obligatory for many federal departments, agencies and Crown corporations to prioritise Canadian-made products and Canadian firms
- Enhancing the Business Development Bank of Canada (BDC)'s "Pivot to Grow" programme to help small and medium-sized enterprises with liquidity
- Introducing a CAN\$100 million initiative to support rural and remote entrepreneurs

2025 Framework Conditions Review

Canada's NECI (National Entrepreneurial Context Index) score rose to 5.2 (with a score of sufficient being ≥ 5.0) in 2025, up from an insufficient 4.6 in 2024. This marks a strong recovery and elevates Canada to 14th out of 53 economies, a notable improvement from 24th the previous year. The rise reflects broad-based gains across policy, infrastructure and education.

Out of the 13 Framework Conditions, according to Canada's national experts, seven met the sufficiency threshold (≥ 5.0), compared to just two in 2024. These include Commercial and Professional Infrastructure (6.0), Social and Cultural Norms (5.7) and Ease of Entry: Market Dynamics (5.7). While All 13 conditions improved their scores in 2025, notable gains included: Entrepreneurial Education Post-School (up from 4.5 to 5.4), Social and Cultural Norms (up from 4.7 to 5.7) and Ease of Entry: Burdens and Regulation (up from 4.0 to 5.0). While having no conditions in the global (53 GEM economies) top 10, Canada ranks in the global top 20 for Commercial and Professional Infrastructure, Ease of Entry: Burdens and Regulation and for Social and Cultural Norms.

New entrepreneurs' prioritisation of sustainability is scored by national experts at 6.1, up from 5.8 in 2024, which may reflect a growing commitment to environmental and social responsibility

among Canadian startups and SMEs. Entrepreneurs' awareness of the need to develop AI solutions rose to 6.0, up from 5.6 in 2024, indicating increasing digital-readiness, although suggesting some room for further advancement in AI integration.

Canada's entrepreneurial ecosystem in 2025 shows strong momentum, with improvements across nearly all Framework Conditions. To sustain this progress, targeted efforts in AI capability development will be essential.

2025 Entrepreneurial Activity Review

Less than one in four adults in Canada report that their household income has fallen in 2025, a proportion that has been reducing steadily from the two in five during the pandemic in 2020, when this question was first introduced by GEM.

Entrepreneurial awareness, confidence and opportunity recognition are all reasonably high, with around three in five adults knowing someone who has recently started a business, seeing themselves as having the skills and experience to start their own, or agreeing that there are good opportunities to start a business locally. Of the latter, about one in two would not start that business for fear it might fail. Business intentions are stable, with around one in five adults expecting to start a business in the next three years, more or less the same as in 2024.

The percentage of adults actually starting or running a business has been rising steadily in Canada, going from 17% in 2022 to 27% in 2025. Meanwhile, the percentage running an established business has stayed fairly constant at around 6%, implying that the increase in people starting new businesses has yet to lead to an increase in established ones. Men continue to be more likely than women to be starting new businesses, perhaps reflecting that decline in women's relative access. The proportion of new entrepreneurs with customers outside Canada increased slightly, from 34% in 2024 to nearly 38% in 2025, a less dramatic change than elsewhere. More than one in two new entrepreneurs expect to use more digital technology to sell their products in the next six months, with a relatively high one in four anticipating employing six or more people in five years' time. Nearly two in three new entrepreneurs claim to have acted to minimise environmental impact in the last 12 months, or to have maximised social impact, or to have prioritised such impacts over profitability or growth.

Team

Team leader

Peter Josty, PhD

Team members

Chad Saunders
Tasha Richard
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Brian Wixted
Blair Winsor
Yves Bourgeois
Kevin McKague
Marc Duhamel
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Howard Lin
Geoff Gregson
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Institution

The Centre for Innovation Studies (THECIS)



Type of institution

Research Institute

Other institutions involved

The Centre for Innovation Studies
University of Calgary
Memorial University of Newfoundland
Cape Breton University
Mount Allison University
University of PEI
Université du Québec à Trois-Rivières
University of Ottawa
Toronto Metropolitan University
University of Manitoba
University of Regina
University of British Columbia
University of Saskatchewan
Mount Royal University
University of Alberta

Funders

Government of Canada
Government of Alberta
Government of Quebec
PacifiCan
PrairiesCan
Atlantic Canada Opportunities Agency
Innovation Science and Economic Development (ISED)

APS vendor

Elemental Data Collection Inc.

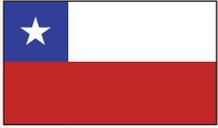
Websites

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ECONOMY PROFILE



Chile

■ Population (2024): **19.8 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **34.6 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	68.5	70.4
Good opportunities to start a business in my area	61.2	60.2
It is easy to start a business	52.6	49.3
Personally have the skills and knowledge	71.2	69.9
Fear of failure (opportunity)	47.7	46.6
Entrepreneurial intentions*	42.5	38.5

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	31.9	32.1
International (25%+ revenue)	2.9	3.6
Always consider social impact	89.0	85.7
Always consider environmental impact	89.7	85.5
Prioritise social and/or environmental impact above profit or growth	79.1	74.1
Industry (% TEA in business services)	17.9	23.5

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	61.4	54.1
To build great wealth or very high income	60.9	59.5
To continue a family tradition	29.9	30.3
To earn a living because jobs are scarce	76.6	76.8

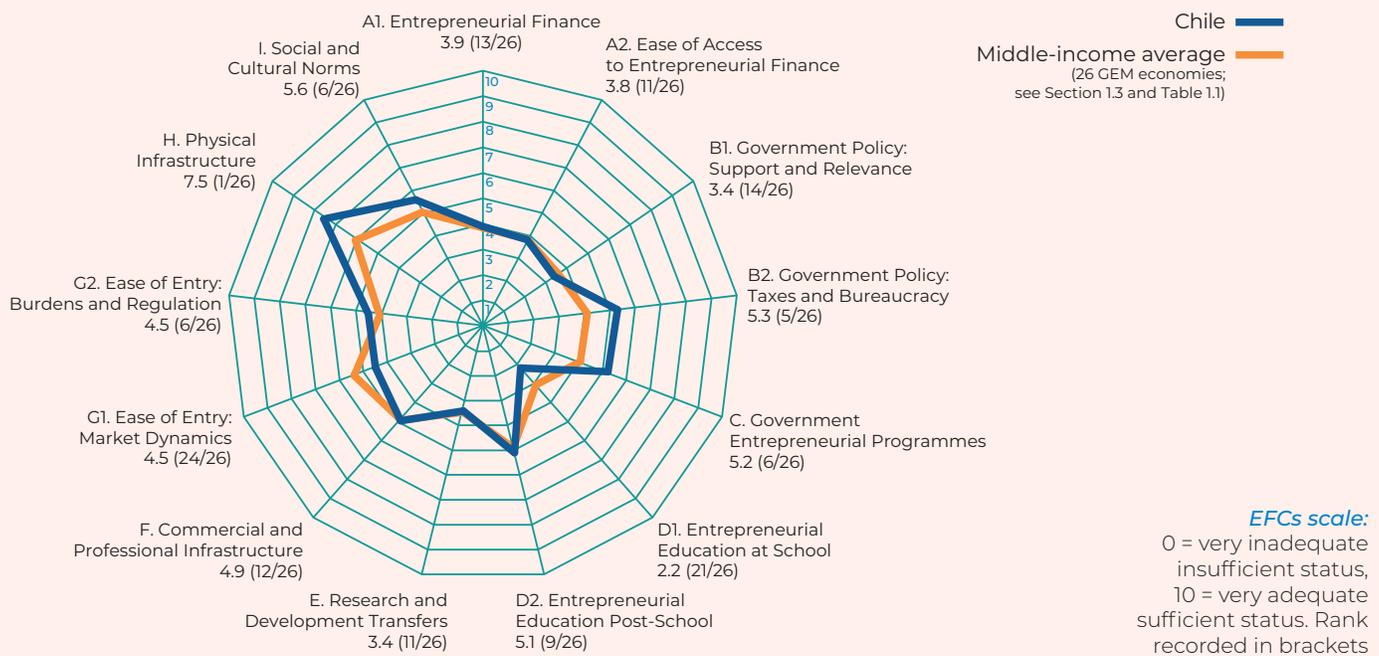
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	29.4	27.2	29.6	29.1
Established Business Ownership	7.1	8.1	5.3	8.9

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	38.0	40.0

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	66.2	65.6
Use more digital technology to sell products or services	76.7	69.9

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Entrepreneurial access to international markets is improving for Chile. In 2025, the country began applying a new agreement with the EU that improves access to products made in Chile, while some new trade agreements were signed and others modernised.

Several measures impacting entrepreneurship have recently been implemented by the revenue service. The most significant is a law mandating banks to inform the revenue service about any individuals who receive 50 or more electronic funds transfers to the same bank account per month. This measure is taken by the service in order to track individuals operating nascent business in an informal setting.

2025 Framework Conditions Review

Chile's NECI (National Entrepreneurial Context Index) score in 2025 is 4.6, down from 4.9 in 2024, placing it 27th out of 53 economies. This decline reflects a slight weakening in the entrepreneurial environment, particularly in education and infrastructure.

Out of the 13 Framework Conditions scored by Chile's national experts, five meet the sufficiency threshold (a score of ≥ 5.0): Entrepreneurial Education Post-School (5.1), Government Policy: Taxes and Bureaucracy (5.3), Government Entrepreneurial Programmes (5.2), Social and Cultural Norms (5.6) and Physical Infrastructure (7.5). Relative to 2024, scores for 10 conditions declined, with the largest fall being for Government Policy: Taxes and Bureaucracy: down from 6.5 to 5.3. Chile ranks in the global top 10 for Physical Infrastructure (10th) but in the bottom 10 for Entrepreneurial Education at School (47th) and for Ease of Entry: Market Dynamics (49th)..

Entrepreneurs' prioritisation of sustainability was scored by national experts at 6.1, up from 5.9 in 2024, while entrepreneurs' awareness of the need to develop AI solutions rose sharply to 6.1, up from 4.3 in 2024. This reflects a significant leap in digital-readiness and innovation focus.

Chile's entrepreneurial ecosystem in 2025 shows resilience, with strong infrastructure and cultural support. However, declines in education and policy effectiveness highlight areas for renewed investment. The rise in AI awareness and sustained sustainability focus offer promising avenues for future growth.

2025 Entrepreneurial Activity Review

The proportion of adults in Chile reporting that their household income has fallen in the current year has been reducing since this question was first introduced by GEM in 2020, although the rate of that fall has now slowed; in 2025 it stood at just under two in five.

Entrepreneurial awareness, confidence and opportunity recognition are all relatively high, with more than two in three adults knowing someone who has recently started a business, slightly lower than the proportion who see themselves as having the skills and experience to start their own, and slightly above the proportion who see good opportunities to start a business locally, although nearly one in two of the latter would not start that business for fear it might fail. One consequence is that business intentions are relatively high and rising, with two in five adults expecting to start a business in the next three years.

Entrepreneurial activity levels are also relatively high, with just under three in 10 adults actually starting or running a new business in 2025. However just 7% of adults run an established business, implying more than four people starting a new business for every person running an established one. This ratio suggests that few new businesses endure, reflecting the structural weaknesses noted earlier. More than three out of four new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", but three out of five also agree with "to build great wealth or very high income" and "to make a difference in the world". The proportion of new entrepreneurs with customers beyond Chile is down sharply, from one in 10 in 2024 to one in 16 in 2025. More than three in four new entrepreneurs expect to use more digital technology to sell their product in the next six months, while job expectations are high, with three in 10 anticipating employing six or more people in five years' time. More than one in two new entrepreneurs report having taken steps to minimise environmental impacts or maximise social welfare. Almost four out of five new entrepreneurs claim to prioritise such impacts above profitability or growth.

Team

Team leader

Victor Martínez

Team members

Daniela Leitch

Matias Lira

Institution

Universidad del Desarrollo



Universidad del Desarrollo

Type of institution

University

Other institutions involved

Universidad Católica del Norte

Universidad Técnica Federico Santa María

Universidad de la Frontera

Universidad Católica de la Santísima Concepción

Funder

Universidad del Desarrollo

APS vendor

Questio Estudios de Mercado y Opinión Limitada

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Costa Rica

■ Population (2024): **5.1 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **30.1 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	69.5	71.5
Good opportunities to start a business in my area	55.2	61.9
It is easy to start a business	38.3	36.1
Personally have the skills and knowledge	65.9	75.4
Fear of failure (opportunity)	44.1	36.1
Entrepreneurial intentions*	22.6	44.9

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	19.8	5.0
International (25%+ revenue)	1.7	2.8
Always consider social impact	89.1	88.1
Always consider environmental impact	89.8	83.2
Prioritise social and/or environmental impact above profit or growth	76.0	75.4
Industry (% TEA in business services)	11.6	10.2

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	73.7	53.3
To build great wealth or very high income	58.1	51.3
To continue a family tradition	49.6	41.9
To earn a living because jobs are scarce	83.1	88.8

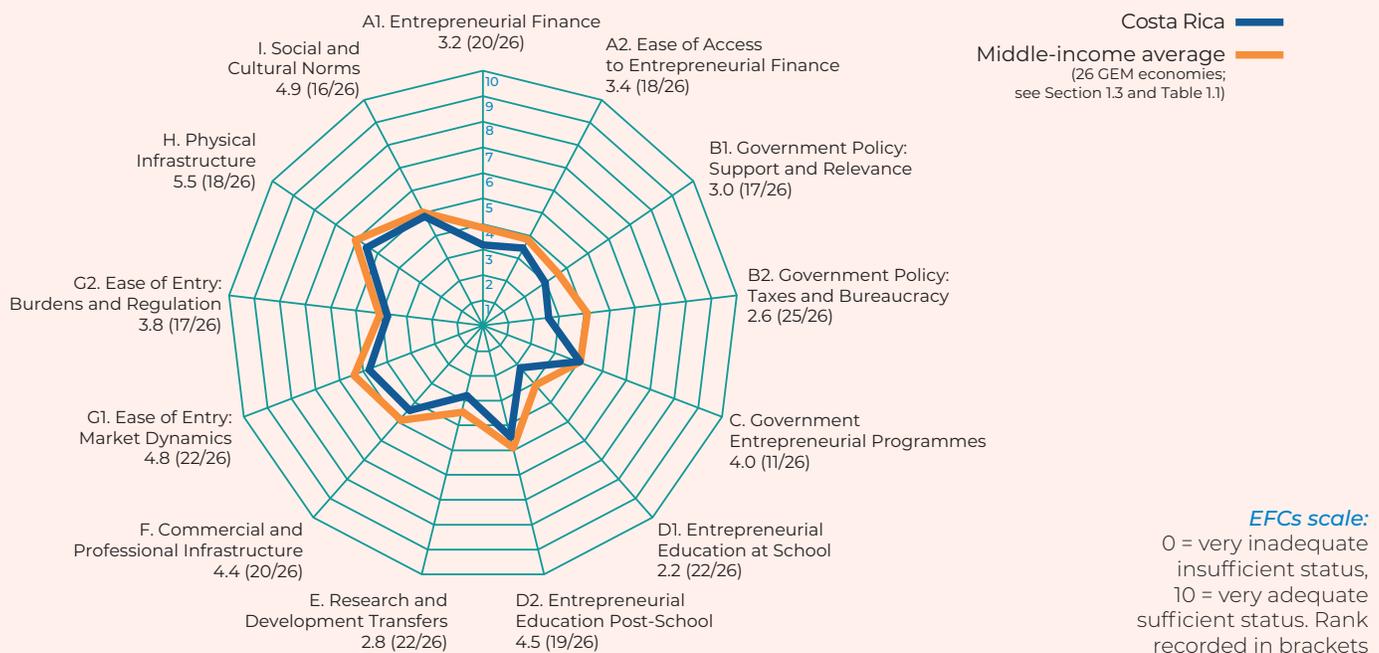
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	13.9	5.1	14.9	13.0
Established Business Ownership	6.3	2.0	4.4	8.2

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	32.1	36.7

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	53.7	69.9
Use more digital technology to sell products or services	80.1	67.2

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Since the second half of 2022, Costa Rica has faced strong appreciation of the local currency, a trend that has persisted over the past year. This makes exported goods and services more expensive, causing a loss of competitiveness. Combined with higher domestic costs (such as wages and electricity), this creates difficulties for new entrepreneurs in accessing international markets or developing ventures in inbound tourism.

In December 2024, Law 10512: Incentives for the Formalisation and Development of MSMEs in Costa Rica, was enacted, introducing incentives to support the formalisation of entrepreneurs and micro-enterprises, and expanding the Simplified Tax Regime to a greater number of economic activities. Earlier in November, Law 10522 was enacted, allowing resources from the National Development Fund to be used to create, promote or participate in initiatives related to innovative business models.

2025 Framework Conditions Review

Costa Rica recorded a NECI (National Entrepreneurial Context Index) score of 3.8 in 2025, a score that places it 50th out of 53 economies, indicating a relatively weak entrepreneurial environment with considerable room for improvement. This is a decline from 2024 when Costa Rica's NECI score was 4.0, ranking 43rd.

Of the 13 Framework Conditions assessed by Costa Rica national experts, only one meets the sufficiency threshold (a score of ≥ 5.0): Physical Infrastructure (5.5). The remaining 12 fall below the threshold, with particularly low scores in Entrepreneurial Education at School (2.2), Government Policy: Taxes and Bureaucracy (2.6) and in Research and Development Transfers (2.8). Costa Rica ranks in the bottom 10 globally for eight Framework Conditions, the lowest of which was Government Policy: Taxes and Bureaucracy (52nd), followed by Research and Development Transfers (49th). Eleven Framework Conditions had lower scores in 2025 than in 2024, with the largest fall being for Ease of Entry: Burdens and Regulation, down from 4.5 to 3.8.

Entrepreneurs' prioritisation of sustainability was scored by national experts at 6.5, indicating that environmental and

social responsibility is a recognised priority among new and growing firms. Entrepreneurs' awareness of the need to develop AI solutions scored 5.9, reflecting good digital-readiness and growing interest in innovation.

Costa Rica's entrepreneurial ecosystem in 2025 is underdeveloped, with only one Framework Condition meeting sufficiency and widespread low rankings across education, finance and institutional support. However, relatively strong scores in sustainability and AI awareness offer promising entry points for targeted policy and investment. Significant improvements in education, infrastructure and regulatory efficiency will be essential in building a more enabling environment for entrepreneurship.

2025 Entrepreneurial Activity Review

Entrepreneurial awareness and confidence are high in Costa Rica, with nearly seven in 10 adults knowing someone who has recently started their own business, and two in three seeing themselves as having the skills and experience to start their own business. One in two see good opportunities to start a business locally, although more than two in five of these would not do so for fear it might fail. The proportion of adults in Costa Rica intending to start a business in the next three years fell slightly in 2025, to just under one in four.

The percentage of adults actually starting or running new business in Costa Rica has more than doubled, from 5% in 2024 to 14% in 2025, while Established Business Ownership has trebled from 2% to 6%. Women are a little more likely than men to be starting a new business. More than eight out of 10 new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", while seven out of 10 agree with the motivation "to make a difference in the world". Over four out of five expect to use more digital technology in the next six months to sell their products, and one in five anticipate employing six or more people in five years' time. In 2025, the percentage of new entrepreneurs with customers beyond that country halved to 3% from 6% a year earlier. While three in five new entrepreneurs have acted to minimise environmental impacts or maximise social impacts in the past 12 months, three in four report prioritising such impacts over profitability or growth.

Team

Team leader

Ariana Tristán

Team members

Rafael Herrera
Pamela Chacón
Juan G. Alpízar

Institution

Chamber of Industries (CICR)



MÁS COMPETITIVIDAD. MÁS EMPLEO
University of Costa Rica (UCR)



UNIVERSIDAD DE
COSTA RICA

Type of institution

(CICR) Association of Business Firms
(UCR) University

Funder

System of Banking for Development
(SBD)



APS vendor

Kantar Mercaplan

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Croatia

■ Population (2024): **3.9 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **48.6 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	73.3	73.6
Good opportunities to start a business in my area	71.7	67.3
It is easy to start a business	44.2	44.1
Personally have the skills and knowledge	70.6	73.8
Fear of failure (opportunity)	47.6	46.0
Entrepreneurial intentions*	21.5	24.7

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	13.0	20.4
International (25%+ revenue)	25.9	21.7
Always consider social impact	76.3	76.1
Always consider environmental impact	66.1	69.5
Prioritise social and/or environmental impact above profit or growth	59.7	57.8
Industry (% TEA in business services)	34.5	42.1

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

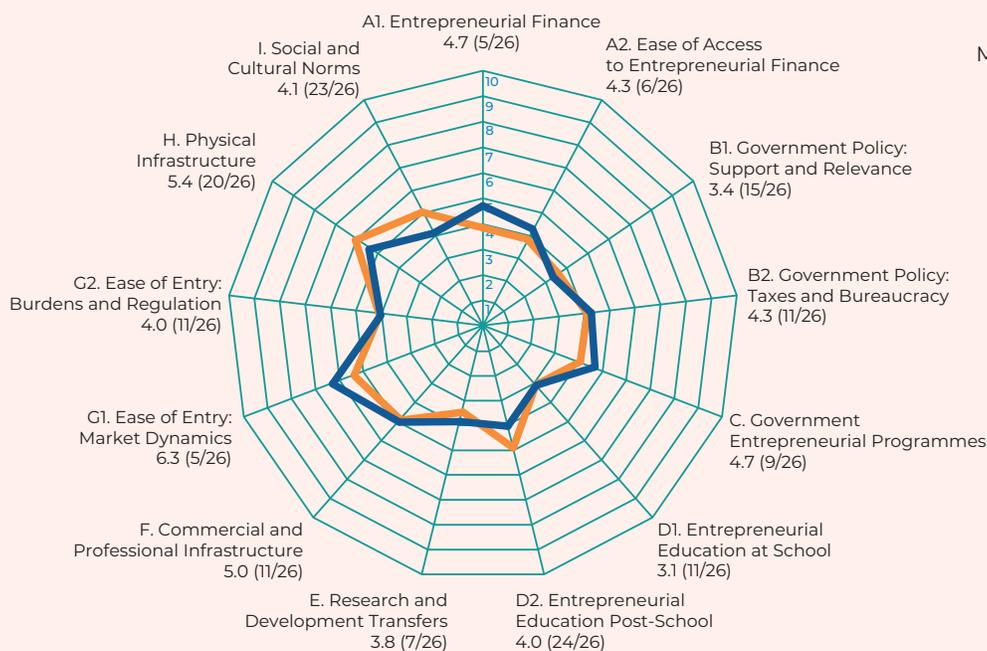
Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	30.8	28.6
To build great wealth or very high income	58.8	61.3
To continue a family tradition	20.7	24.4
To earn a living because jobs are scarce	66.2	66.2

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	11.6	13.1	8.5	14.7
Established Business Ownership	4.4	4.4	2.6	6.2

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	15.1	12.3

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	22.7	28.0
Use more digital technology to sell products or services	47.6	50.8

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

For new entrepreneurs in Croatia with new innovative products/services, access to international markets is being maintained, but innovativeness is essential. Examples are products related to military or post-war usage, e.g. drones and de-mining equipment. One major improvement for new entrepreneurs: from 1 January 2025 the mandatory VAT threshold was raised to €60,000 (from €40,000).

2025 Framework Conditions Review

Croatia has made substantial progress in its entrepreneurial landscape, climbing from 48th to 29th in the NECI (National Entrepreneurial Context Index), with its current score of 4.4 marking a notable improvement since 2024. This upward shift suggests that Croatia is actively strengthening its entrepreneurial ecosystem, likely through policy reforms, investments in infrastructure and cultural shifts that support business creation and growth.

Of the 13 Entrepreneurial Framework Conditions (EFCs), two have national expert scores above the sufficiency threshold of 5.0: Ease of Entry: Market Dynamics (6.3) and Physical Infrastructure (5.4). These scores indicate that Croatia provides favourable market access and solid infrastructure for entrepreneurs. Eleven conditions have improved their scores since 2024, the largest improvement being for Social and Cultural Norms, reflecting a growing societal endorsement of entrepreneurship and possibly a shift in public attitudes and values.

Despite these improvements, Croatia ranks in the bottom 10 globally (of 53 GEM economies) for Entrepreneurial Education Post-School (48th), for Social and Cultural Norms (46th) and for Physical Infrastructure (44th). At the other end of the scale, Ease of Entry: Market Dynamics ranked 12th. These rankings highlight areas where Croatia still faces challenges, particularly in education and cultural support, despite recent improvements.

National experts' score for business prioritisation and sustainability is 4.8, indicating a still-developing emphasis on sustainable business practices. Continued focus on ESG (environmental, social and governance) frameworks and green innovation could help raise this score in future assessments. New entrepreneurs in Croatia show a moderate to strong awareness of the need to develop AI solutions, with a score of 5.4. This suggests that digital transformation is gaining traction and

there is increasing recognition of AI's role in competitiveness and innovation.

Croatia's entrepreneurial ecosystem in 2025 shows a mixed performance, with strengths in infrastructure and government support but persistent challenges in education and innovation. The country's commitment to sustainability and improving AI awareness offer promising avenues for future development. Strategic investment in education will be key to strengthening its entrepreneurial capacity.

2025 Entrepreneurial Activity Review

Croatia has consistently had a relatively low proportion of adults reporting a reduction in their household income in the current year, and 2025 is little different, with just one in six adults reporting such a fall, although slightly up on the proportion in 2024.

Entrepreneurial awareness, confidence and opportunity recognition are all high, with around seven in 10 adults knowing someone who has recently started a business, seeing themselves as having the skills and experience to start their own or seeing good opportunities to start a business locally. Of those seeing good opportunities, just under a half would not start a business for fear it might fail. Given these figures, it is not surprising that one in five adults in Croatia intend to start a business in the next three years.

The proportion of adults who are actively starting or running a new business fell slightly to 12% in 2025, nearly three times the rate of those owning an established one. In Croatia, men are much more likely than women to be starting a new business. The most agreed motivation among new entrepreneurs is "to earn a living because jobs are scarce", agreed by two in three, while three in five agreed with the motivation "to build great wealth or very high income". Just under a half of new entrepreneurs expect to use more digital technology to sell their products in the next six months, while only one in eight anticipate employing six or more people in five years' time. The proportion of new entrepreneurs with customers beyond their country is up a little, from an already high 40% in 2024 to 44% in 2025. Three in five new entrepreneurs report having taken steps to minimise environmental impacts in the past 12 months, with rather fewer acting to maximise social impacts, while a similar three in five claim to prioritise such impacts above profitability or growth.

Team

Team leader

Prof. Slavica Singer, PhD

Team members

Prof. Nataša Šarlija, PhD

Prof. Sanja Pfeifer, PhD

Prof. Sunčica Oberman Peterka, PhD

Institution

J.J. Strossmayer University in Osijek,
Faculty of Economics and Business in
Osijek (EFOS)



Type of institution

University

Other institutions involved

CEPOR—SMEs and Entrepreneurship
Policy Centre

Funders

Ministry of Economy
Croatian Banking Association
J.J. Strossmayer University in Osijek
Faculty of Economics and Business in
Osijek

APS vendor

IPSOS d.o.o., Zagreb

Websites

<http://www.efos.unios.hr>

<http://www.ices.hr/en/gem>

[http://www.cepor.hr/
gem-globalentrepreneurship-monitor/](http://www.cepor.hr/gem-globalentrepreneurship-monitor/)

Contact

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Cyprus

■ Population (2024): **1.4 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **61.2 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	64.6	68.3
Good opportunities to start a business in my area	42.1	40.2
It is easy to start a business	50.6	47.8
Personally have the skills and knowledge	61.5	59.9
Fear of failure (opportunity)	51.2	50.8
Entrepreneurial intentions*	19.5	24.1

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	33.1	38.3
International (25%+ revenue)	16.8	17.8
Always consider social impact	65.7	44.1
Always consider environmental impact	63.5	41.1
Prioritise social and/or environmental impact above profit or growth	51.2	36.6
Industry (% TEA in business services)	33.0	32.4

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	43.7	47.5
To build great wealth or very high income	92.1	87.8
To continue a family tradition	26.7	21.1
To earn a living because jobs are scarce	60.9	57.1

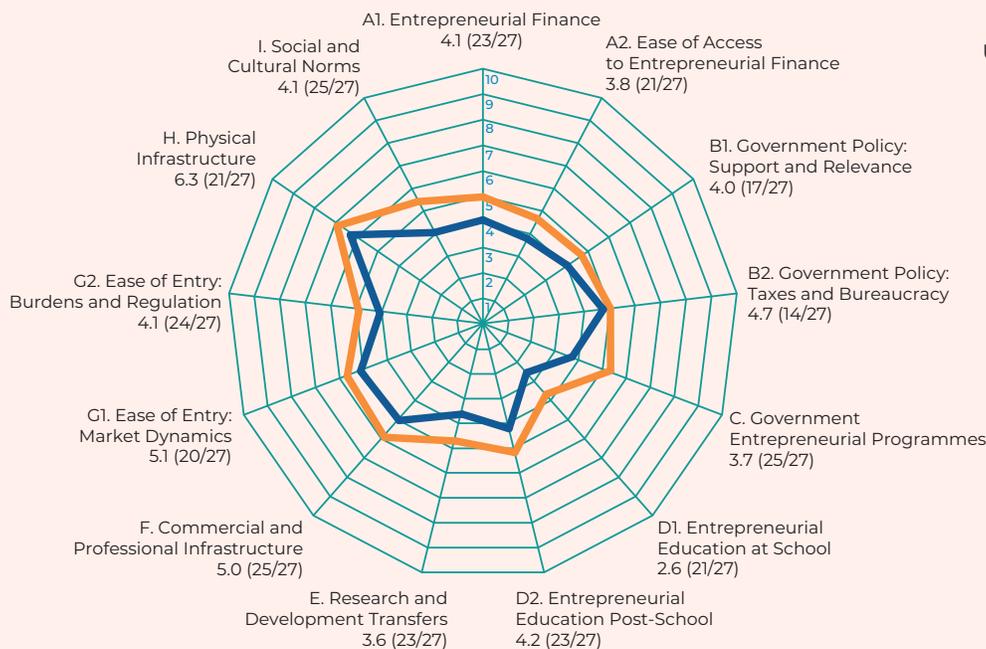
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	9.4	9.7	6.9	11.9
Established Business Ownership	7.9	8.4	5.2	10.6

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	20.8	27.8

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	35.4	44.4
Use more digital technology to sell products or services	56.9	56.9

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Government data shows goods exports from Cyprus increasing in 2025, indicating improving international market access. The country is positioning itself as an international business hub, not only in established sectors like tourism and shipping but also in newer fields such as ICT, startups and professional services. This shift is supported by targeted policies and incentives that make it easier for new entrepreneurs to engage with global markets.

The Cyprus Startup Visa Scheme has undergone major revision to be more accessible to innovative entrepreneurs. The minimum equity-ownership requirement for founders was reduced, while the validity of residence and work permits increased. The scheme now allows startups to employ up to 50% non-EU staff, up from the previous 30%. These changes reflect the government's aim to strengthen Cyprus's competitiveness as a startup and innovation hub.

2025 Framework Conditions Review

Cyprus ranks 36th in 2025, with a NECI (National Entrepreneurial Context Index) score of 4.2, showing little change from 2024. Challenges continue in terms of education, programme support and cultural attitudes.

Out of the 13 Entrepreneurial Framework Conditions (EFCs) scored by national experts, two scored above the sufficiency threshold of 5.0: Ease of Entry: Market Dynamics (5.1) and Physical Infrastructure (6.3). Relative to the previous year, seven conditions improved their scores, five worsened and one remained the same. Most changes were modest, the most notable improvement being for Ease of Entry: Market Dynamics, which rose from 4.2 to 5.1, crossing the sufficiency threshold. Cyprus ranks low among the 53 GEM economies for Social and Cultural Norms (48th) and for Entrepreneurial Education Post-School (45th).

While access remains moderate, targeted initiatives could help close the gender gap. The national experts' score for businesses' prioritisation of sustainability is 4.3, one of the lowest scores among high-income countries, indicating limited emphasis on sustainability in new and growing firms. However,

entrepreneurs in Cyprus show strong awareness of the need to develop AI solutions, with a score of 6.1, up from 5.8 in 2024. This places Cyprus among the more AI-aware economies, suggesting potential for digital innovation if supported by education and infrastructure.

Overall, the entrepreneurial environment remains weak, especially for a high-income economy, with worrying signs of lessening social support for entrepreneurship and with persistent challenges in entrepreneurial education.

2025 Entrepreneurial Activity Review

The proportion of adults in Cyprus reporting that their household income has fallen in the current year has more than halved since 2022, and stands at just one in five in 2025. A similar proportion of adults expect to start a business in the next three years.

Nearly two in three adults in Cyprus know someone who has recently started a business, with almost as many viewing themselves as having the skills or experience to start a business of their own. Rather fewer (just over two in five) see good opportunities to start a business locally, and a half of these would not start that business for fear it might fail.

The proportion of adults starting or running a new business in Cyprus is fairly stable at just under one in 10, while the proportion owning an established business is a little lower. Men are almost twice as likely as women to be starting a new business, perhaps reflecting women's limited access to resources. More than nine in 10 new entrepreneurs agree with the motivation "to build great wealth or very high income", while more than one in two expect to use more digital technology to sell their product in the next six months. A relatively high one in three anticipate employing six or more people in the next five years. The number of new entrepreneurs with customers beyond Cyprus has fallen from 37% in 2024 to 30% in 2025. Around one in two new entrepreneurs claim to have acted to reduce environmental impacts in the past 12 months, with slightly fewer reporting having acted to maximise social impacts.

Team

Team leader

Constantinos M. Sawides

Team member

Ariana Polyviou

Institution

University of Cyprus (UCY)
Centre for Entrepreneurship (C4E)



Type of institution

University

Other institutions involved

Ministry of Energy, Commerce and Industry

Funders

Ministry of Energy Commerce and Industry
PwC Cyprus

APS vendor

IMR LTD

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Ecuador

■ Population (2024): **18.1 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **15.8 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	75.5	68.9
Good opportunities to start a business in my area	74.9	54.4
It is easy to start a business	56.4	42.2
Personally have the skills and knowledge	82.3	83.9
Fear of failure (opportunity)	57.3	40.1
Entrepreneurial intentions*	35.2	34.3

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	6.5	6.4
International (25%+ revenue)	4.5	1.4
Always consider social impact	77.8	78.2
Always consider environmental impact	73.5	75.8
Prioritise social and/or environmental impact above profit or growth	66.9	58.1
Industry (% TEA in business services)	3.2	3.7

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	51.1	55.1
To build great wealth or very high income	59.2	60.3
To continue a family tradition	43.1	37.1
To earn a living because jobs are scarce	91.5	90.6

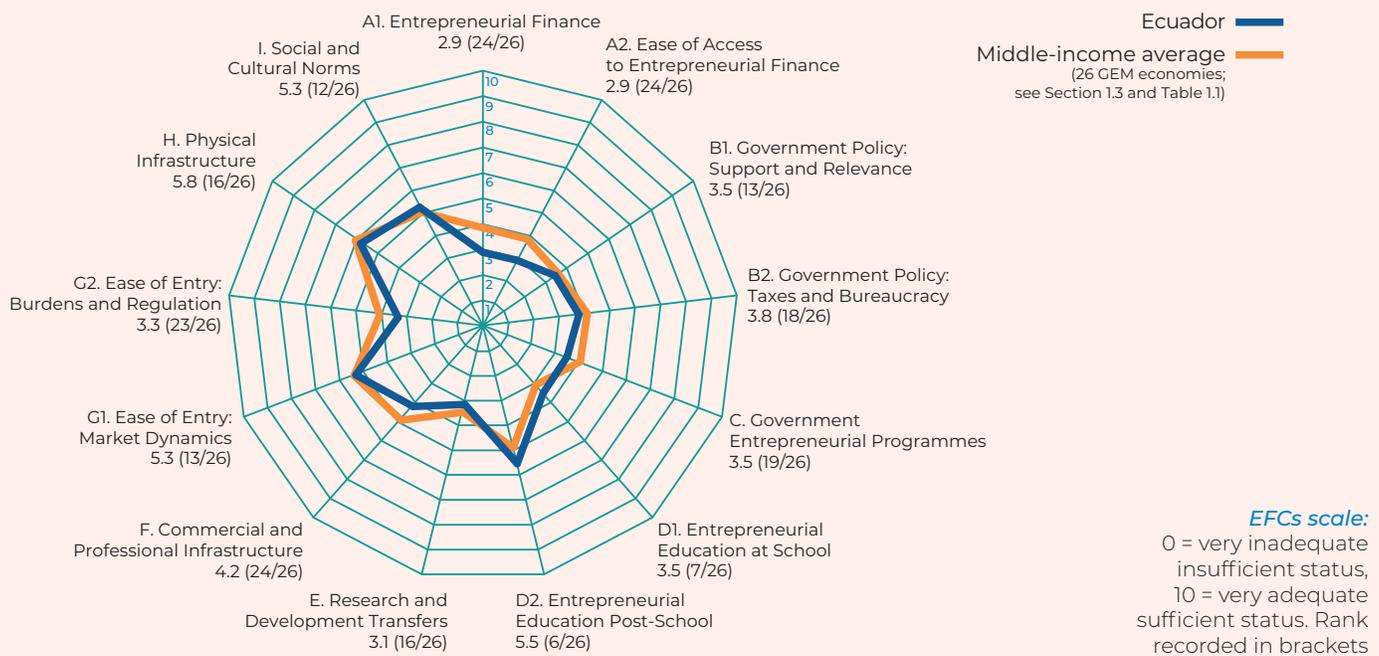
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	29.6	33.4	30.4	28.9
Established Business Ownership	6.5	13.3	6.3	6.8

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	54.2	51.6

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	63.4	62.8
Use more digital technology to sell products or services	56.9	63.1

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Access to international markets for new Ecuadorian entrepreneurs has improved in recent months: PRO ECUADOR reported US\$345.2 million in international business deals between January and October 2025, a 176% increase compared to all of 2024. Opportunities for new entrepreneurs to access international markets are clearly expanding. International trade agreements have been strengthened with countries such as South Korea and Canada.

In 2025, the government approved the Law Regulating Unfair Competition, which aims to protect consumers and businesses by fostering a fair and transparent business environment. The government has also implemented new initiatives that directly support entrepreneurship, particularly for micro and small businesses, including EcuEmprende, a new venture capital-backed programme that finances innovative projects with up to US\$70,000, covering up to 80% of project costs and providing technical support. The government also allocated US\$100 million to expand the Ministry of Social Inclusion's credit programme for entrepreneurs, expected to benefit 150,000 people, with a focus on women and youth.

2025 Framework Conditions Review

Ecuador ranks 42nd of 53 GEM economies in the NECI (National Entrepreneurial Context Index) for 2025, with a score of 4.0, showing an improvement from 3.8 in 2024 when it ranked 50th. This reflects improvements in entrepreneurial education and in social support, although there are ongoing challenges in institutional support, commercial infrastructure and in access to finance, which continue to constrain entrepreneurial development.

Out of the 13 Entrepreneurial Framework Conditions (EFCs), four are scored by national experts as being above the sufficiency threshold of 5.0: Physical Infrastructure (5.8), Entrepreneurial Education Post-School (5.5), Ease of Entry: Market Dynamics (5.3) and Social and Cultural Norms (5.3). Both educational conditions improved substantially, with Entrepreneurial Education at School up from 2.6 to 3.5 and Entrepreneurial Education Post-School from 4.7 to 5.4, indicating good progress. Social and Cultural Norms also improved, from 4.8 to 5.3. Despite this progress, Ecuador ranks in the bottom 10 globally for both finance conditions (each ranked 51st), Commercial and Professional Infrastructure (also 51st) and for Ease of Entry: Burdens and Regulation (50th). These rankings highlight systemic weaknesses, especially in access to funding.

National experts' score for businesses' prioritisation of sustainability is 5.8, indicating strong emphasis on sustainability in new and growing firms. This places Ecuador well above the global average, reflecting strong environmental and social governance frameworks. Entrepreneurs in Ecuador also show excellent awareness of the need to develop AI solutions, with a score of 5.9, well up from 2024.

Ecuador's entrepreneurial environment remains fragile, with just four Framework Conditions meeting the sufficiency threshold. A modest NECI performance, and bottom-tier global rankings in finance and professional infrastructure, point to structural challenges. However, Ecuador's entrepreneurs look well placed to face the future, with strong emphasis on sustainability and high awareness of the need for AI solutions.

2025 Entrepreneurial Activity Review

Entrepreneurial awareness, confidence and opportunity recognition are all very high in Ecuador, with more than three in four adults knowing someone who has recently started a business, or seeing good opportunities to start a business locally, while more than four out of five adults see themselves as having the skills and experience to start their own. However, almost three out of five of those seeing good opportunities would not start a business for fear it might fail. The proportion of adults in Ecuador intending to start a business in the next three years is relatively high, at just over one in three.

The percentage of adults actually starting or running a new business in Ecuador fell slightly in 2025 to three in 10, while the level of Established Business Ownership more than halved to little over one in 20. This implies that there are nearly six people starting new businesses for every person owning an established one. Women are a little more likely than men to be starting a new business. More than nine out of 10 new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", while one in two expect to use more digital technology in the next six months to sell their products. Employment growth prospects are modest, with very few new entrepreneurs expecting to employ six or more people in five years' time. In 2025, the percentage of new entrepreneurs with customers beyond that country more than doubled, from 6% to 13%. While around two in five claim to have acted to minimise environmental impacts or maximise social impacts in the past 12 months, two in three new entrepreneurs report prioritising such impacts over profitability or growth.

Team

Team leader

María Paula Espinosa Vélez

Team members

Diana Lucia Espinosa Torres
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María Francisca Fernández Badillo
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Michelle Rebeca Urdiales Cuenca

Institution

Universidad Técnica Particular de Loja-UTPL



Type of institution

HIGHER Education/University

Other institutions involved

ESPAE Graduate School of Management-ESPOL



Universidad de Especialidades Espíritu Santo (UEES)



Pontificia Universidad Católica del Ecuador Sede Ibarra (PUCEI)



Universidad de Cuenca (UCUENCA)



Funder

UTPL - UEES - PUCEI

APS vendor

BBI Consultor

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ECONOMY PROFILE



Egypt

■ Population (2024): **116.5 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **19.1 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	23.0	26.8
Good opportunities to start a business in my area	57.4	61.1
It is easy to start a business	69.6	65.4
Personally have the skills and knowledge	60.1	60.4
Fear of failure (opportunity)	59.7	52.8
Entrepreneurial intentions*	28.6	39.2

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	39.5	30.7
International (25%+ revenue)	5.5	11.0
Always consider social impact	84.4	86.3
Always consider environmental impact	87.4	86.0
Prioritise social and/or environmental impact above profit or growth	80.6	75.5
Industry (% TEA in business services)	2.7	11.8

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	68.0	58.5
To build great wealth or very high income	80.2	69.2
To continue a family tradition	40.0	41.5
To earn a living because jobs are scarce	78.2	84.3

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	2.8	5.1	1.6	4.0
Established Business Ownership	1.4	3.3	0.7	2.1

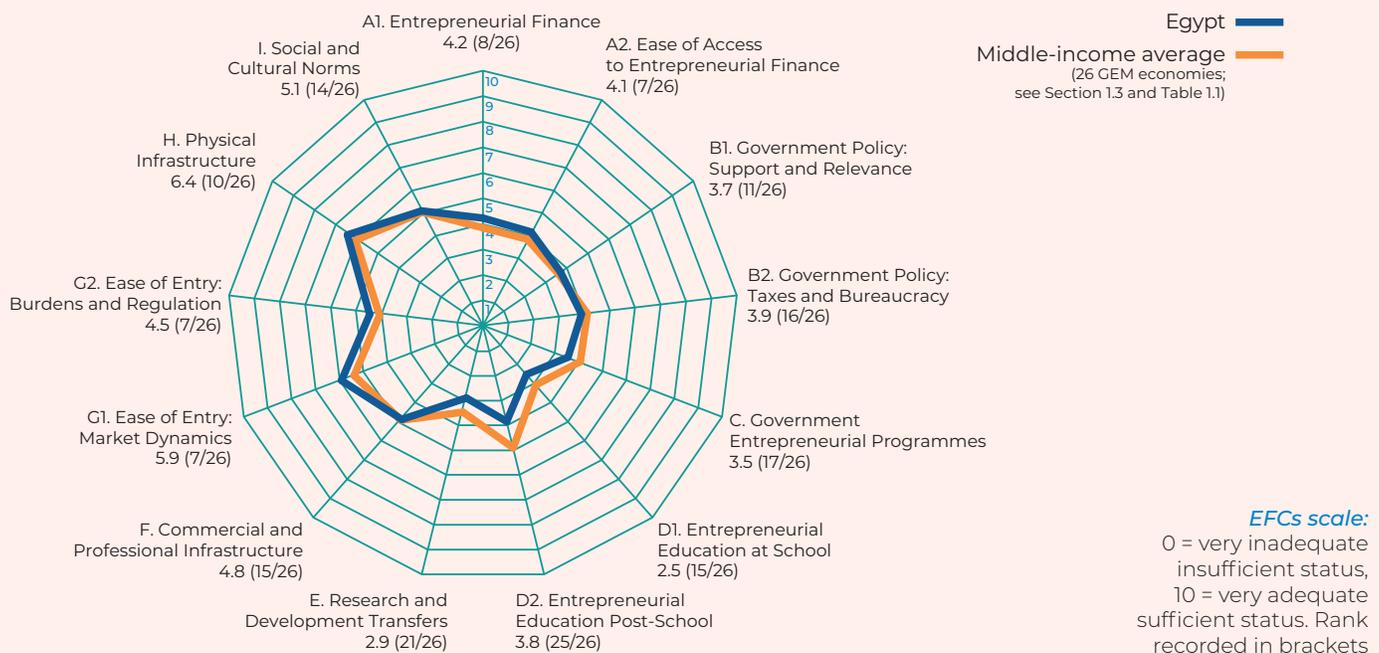
Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	36.6	50.8

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	51.2	51.7
Use more digital technology to sell products or services	75.8	68.4

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Access to international markets for Egyptian entrepreneurs is improving. Egypt is surfacing from a period of economic challenges, and its macroeconomic indicators are improving and getting back to normal. With that, trade, investments and growth indicators are improving.

Over the past years, the government of Egypt has launched several high-profile initiatives to support entrepreneurship. This includes two waves of tax reforms to simplify taxation for SMEs and young startups, new investment initiatives and a high-profile task force to work on improving the entrepreneurship ecosystem.

2025 Framework Conditions Review

Egypt ranks 35th of 53 GEM economies in terms of the NECI (National Entrepreneurial Context Index) for 2025, with a score of 4.3, up from 4.2 in 2024. This reflects gradual improvements in finance, infrastructure and cultural support.

Of the 13 Entrepreneurial Framework Conditions (EFCs), three are scored by national experts above the sufficiency threshold of 5.0: Physical Infrastructure (6.4), Ease of Entry: Market Dynamics (5.9) and Social and Cultural Norms (5.1). Egypt's worst-performing condition continues to be Entrepreneurial Education at School (2.5). These scores suggest that Egypt offers favourable market access, strong infrastructure and improving societal support for entrepreneurship.

Since 2024, scores have improved for 10 conditions and worsened for three. The highest improvement is for Government Policy: Taxes and Bureaucracy, up from 3.2 to 3.9, while the largest fall is for Ease of Entry: Market Dynamics, down from 6.6 to 5.9. So a mixed picture is in evidence, although the rise in NECI shows that gains are more than offsetting losses. Egypt still has conditions within the bottom 10 globally: Entrepreneurial Education Post-School (51st), Research and Development Transfers (48th) and Government Entrepreneurial Programmes (44th).

Egypt's national expert score for business prioritisation of sustainability is 3.9, down from 4.5 in 2024. This indicates weakening emphasis on sustainability among new and growing firms, and places Egypt well below the global average in this area. However, entrepreneurs in Egypt show strong awareness of the need to develop and implement AI solutions, with a score

of 6.6, up from 6.2 in 2024. This puts Egypt among the more AI-aware economies in its income group, suggesting some readiness for digital transformation if supported by education and institutional frameworks.

Egypt's entrepreneurial environment is improving, with a higher NECI score and three Framework Conditions now meeting the sufficiency threshold. Gains in finance, infrastructure and cultural support are encouraging, although challenges remain in education and sustainability. Strong AI awareness offers a promising foundation for future innovation, provided systemic gaps are addressed.

2025 Entrepreneurial Activity Review

Just over one in three adults in Egypt report that their household income fell in 2025: a relatively high proportion, but an improvement on the one in two of a year earlier. Nearly three in 10 adults intend to start a business in the next three years, down from four in 10 in 2024. Fewer than one in four adults know someone who has started their own business, although three in five consider themselves to have the skills and experience to start one. Only slightly fewer see good opportunities to start a business locally, but three in five of these would not start a business or fear it might fail.

The percentage of adults actually starting a new business in Egypt continues to fall, to less than 3% of adults in 2025, down from 5% in 2024 and almost 7% in 2022. Established Business Ownership also fell, to just over 1% in 2025, placing Egypt towards the bottom of the international Established Business Ownership league. Women are less than half as likely as men to be starting a new business.

Of the relatively few adults who are starting a business, four in five agree with one or other of the material motivations "to build great wealth or very high income" or "to earn a living because jobs are scarce". The proportion of new entrepreneurs with customers beyond Egypt is sharply down: from more than one in five in 2024 to just one in 14 in 2025. More than three in four expect to use more digital technology to sell their products in the next six months, although only two in five have acted to either minimise environmental impact or to maximise social impact. Nevertheless, four in five report that they prioritise these impacts above profitability or growth.

Team

Team leader

Ayman Ismail

Team members

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Shima Barakat
Thomas Schøtt
Hakim Meshreki
Seham Chalwash

Institution

The American University in Cairo —
Onsi Sawiris School of Business



Type of institution

Business School

Funders

The American University in Cairo —
Onsi Sawiris School of Business
Danish Arab Partnership Program
(DAPP)

APS vendor

PHI Knowledge

Contact

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El Salvador

■ Population (2024): **6.3 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **13.3 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024*
Know someone who has started a new business	69.6	–
Good opportunities to start a business in my area	61.5	–
It is easy to start a business	54.4	–
Personally have the skills and knowledge	73.0	–
Fear of failure (opportunity)	46.9	–
Entrepreneurial intentions**	33.8	–

Entrepreneurship impact	% TEA	
	2025	2024*
Job expectations (expecting to employ six or more people in five years' time)	7.1	–
International (25%+ revenue)	2.3	–
Always consider social impact	83.8	–
Always consider environmental impact	87.3	–
Prioritise social and/or environmental impact above profit or growth	71.8	–
Industry (% TEA in business services)	2.6	–

Motivational	% TEA	
	2025	2024*
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	40.4	–
To build great wealth or very high income	45.8	–
To continue a family tradition	45.0	–
To earn a living because jobs are scarce	89.0	–

Activity	% Adults			
	2025	2024*	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	23.9	–	26.6	20.6
Established Business Ownership	18.2	–	17.3	19.3

Recent changes	% Adults	
	2025	2024*
Household income has decreased in the current year***	31.3	–

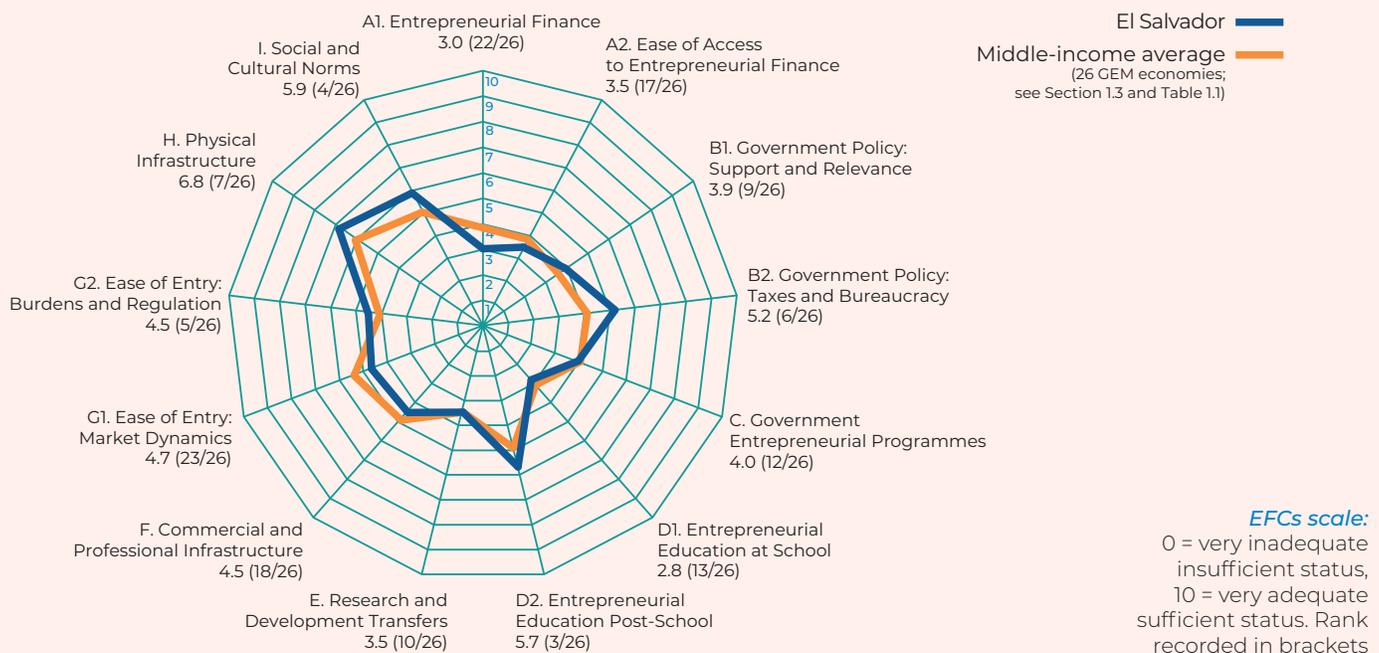
	% TEA	
	2025	2024*
Starting a business is more difficult than a year ago	46.1	–
Use more digital technology to sell products or services	49.8	–

* Did not participate in 2024.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

In El Salvador, access to international markets remains limited and mostly stagnant, with limited internationalisation among new entrepreneurs. Regulatory improvements in logistics and digital commerce have yet to translate into greater market access for emerging ventures.

The government has advanced digital public services and business formalisation measures, streamlining administrative processes for entrepreneurs. In addition to improvements in online registration and payment systems, this marks the final implementation phase of the electronic invoicing mandate, gradually rolled out over the last two years to reduce paperwork and enhance transparency. Moreover, the Artificial Intelligence Promotion Law introduces fiscal incentives for firms investing in digital innovation and AI-based business models.

2025 Framework Conditions Review

El Salvador's NECI (National Entrepreneurial Context Index) score of 4.5 places it 28th of 53 GEM economies, slightly below the global average. Four of the 13 Framework Conditions were scored by national experts as sufficient or better (≥ 5.0): Physical Infrastructure (6.8), Social and Cultural Norms (5.9), Entrepreneurial Education Post-School (5.7) and Government Policy: Taxes and Bureaucracy (5.2). This implies that nine conditions are less than sufficient, with its lowest scores being for Entrepreneurial Education at School (2.8) and Entrepreneurial Finance (3.0).

Three of El Salvador's conditions ranked among the bottom 10 for the 53 GEM participating economies: Entrepreneurial Finance (49th), Ease of Entry: Market Dynamics (45th) and Commercial and Professional Infrastructure (44th). Globally, its highest rank was for Entrepreneurial Education Post-School (12th), followed by Social and Cultural Norms (14th).

The priority new businesses give to sustainability was scored by national experts at 4.8, but this was outscored by new entrepreneurs' perceived awareness of the need for AI solutions, rated as just sufficient at 5.0.

Overall, the El Salvador entrepreneurial environment is very much a mixed picture, with solid foundations in social support and in physical infrastructure but with weaknesses to address in

Entrepreneurial Finance, Research and Development Transfers and, yet again, in Entrepreneurial Education at School.

2025 Entrepreneurial Activity Review

Just under one in three adults in El Salvador report that their household income fell in 2025, similar to the proportion who intend to start a business in the next three years. GEM Adult Population Survey (APS) data shows that adults in El Salvador are entrepreneurially aware, possess considerable confidence and are good at seeing opportunities. Seven in 10 adults know someone who has recently started a business, with slightly more seeing themselves as having the skills and experience to start their own. Three in five see good opportunities to start a business locally, but of those just under half (47%) would not start a business for fear it might fail.

Just under one in four adults in El Salvador are starting or running a new business in 2025, while one in five adults own an established one. The ratio of new to established businesses suggests a balanced entrepreneurial landscape, with a strong presence of both early-stage and mature ventures. Women are slightly more likely than men to be starting a new business, a reversal of the typical gender gap.

By far the most agreed motivation among new entrepreneurs is "to earn a living because jobs are scarce", agreed by nine out of 10. A half of new entrepreneurs expect to use more digital technology to sell their products in the next six months, but just one in 10 have customers beyond El Salvador. Less than one in 12 of new entrepreneurs anticipate employing six or more people in five years' time — one of the lowest proportions among GEM 2025 economies. Two-thirds of new entrepreneurs have taken steps to minimise environmental impacts in the past 12 months, somewhat more than those who have taken steps to maximise social impacts. Seven out of 10 report that they prioritise such impacts above profitability or growth.

El Salvador shows a strong balance between early-stage and established businesses, and a rare gender reversal in TEA rates. However, the low proportion of entrepreneurs expecting to grow employment or reach international markets may signal constraints in scalability or ambition.

Team

Team leader

Wilber Baires

Team member

Paola Quesada

Institution

ESEN



Type of institution

Academic/Higher Education Institution (University)

Funders

Organization of Ibero-American States for Education, Science and Culture (OEI)

ESEN

APS vendor

Manelia Consulting Firm

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Estonia

■ Population (2024): **1.4 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **49.3 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	42.4	43.7
Good opportunities to start a business in my area	39.4	45.8
It is easy to start a business	70.8	72.6
Personally have the skills and knowledge	46.4	44.7
Fear of failure (opportunity)	38.8	45.1
Entrepreneurial intentions*	14.8	15.5

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	14.0	18.4
International (25%+ revenue)	24.3	31.5
Always consider social impact	56.7	57.6
Always consider environmental impact	60.4	60.2
Prioritise social and/or environmental impact above profit or growth	29.1	34.0
Industry (% TEA in business services)	30.1	30.3

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	34.1	34.6
To build great wealth or very high income	43.6	39.9
To continue a family tradition	18.9	16.5
To earn a living because jobs are scarce	58.6	54.0

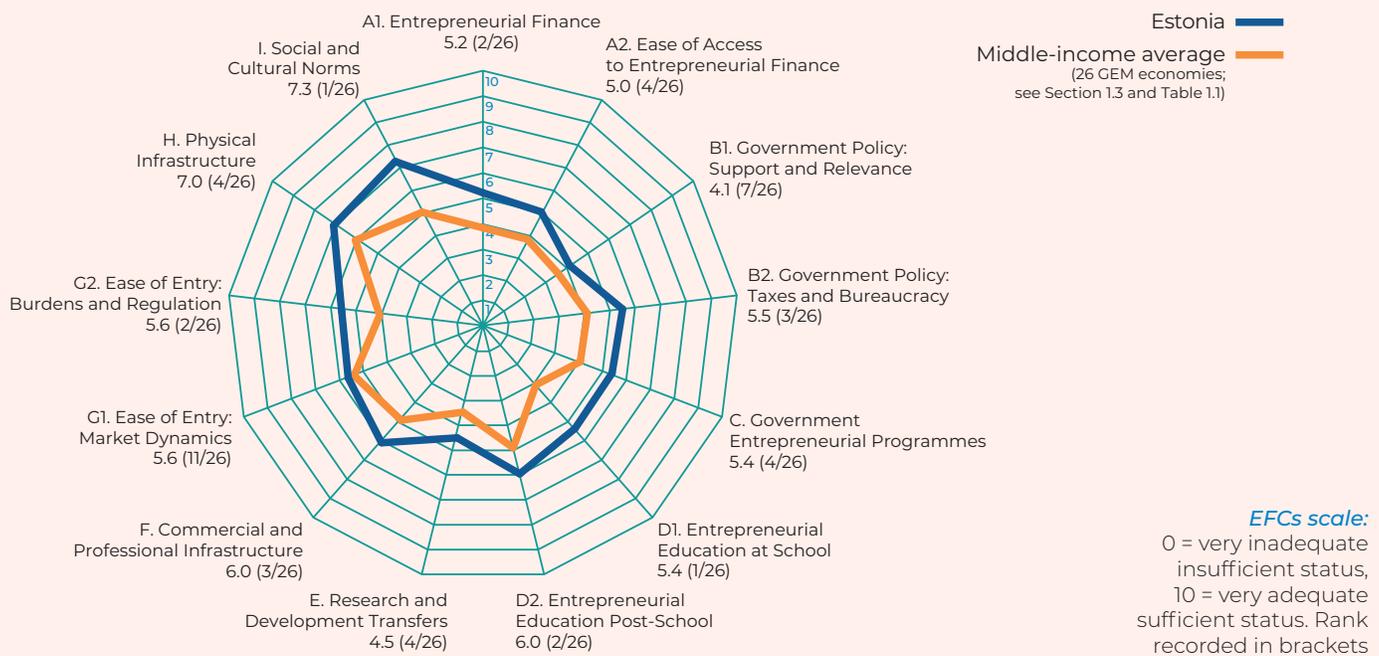
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	11.6	13.4	10.1	13.1
Established Business Ownership	6.5	6.5	5.3	7.7

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	39.8	32.3

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	42.1	33.6
Use more digital technology to sell products or services	44.9	38.1

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Access to international markets for Estonian new entrepreneurs is structurally improving (high trade openness, strong digital infrastructure, targeted export and startup support), but in the short run is constrained by weaker export demand, tighter funding and declining export market share. So institutions say that access is “improving”, while the current cycle says “tougher”.

The government has revised significant parts of tax legislation to apply from 2025–2026. This includes raising the standard VAT rate, changes in corporate and personal income tax rates, abolishing a reduced 14% corporate tax rate, plus increases in other levies like land tax and motor-vehicle tax. For entrepreneurs and small businesses, these tax changes translate into higher indirect costs, altered profitability and increased administrative burdens.

2025 Framework Conditions Review

Estonia's 2025 NECI (National Entrepreneurial Context Index) score is 5.6, placing it 13th out of 53 GEM economies. It has increased from 5.4 in 2024, showing a positive trajectory after a slight dip from 5.9 in 2023. This improvement suggests strengthening conditions for entrepreneurship.

Eleven of Estonia's 13 Framework Conditions are assessed by its national experts as sufficient or better (≥ 5.0), with particular strengths in Social and Cultural Norms (a score of 7.3) and in Physical Infrastructure (7.0). The two regarded as less than sufficient are Research and Development Transfers (4.5) and Government Policy: Support and Relevance (4.1). Seven conditions improved their scores in 2025, with both education conditions sharply up (at School from 4.7 to 5.4 and Post-School from 5.1 to 6.0) — as is Commercial and Professional Infrastructure (5.2 to 6.0). The largest fall was for Ease of Entry: Market Dynamics, down from 6.3 to 5.6.

So Estonia has a relatively strong entrepreneurial ecosystem, with four conditions that rank in the top 10 globally: Social and Cultural Norms (third), Entrepreneurial Education at School (fourth) and then Entrepreneurial Education Post-School and Ease of Entry: Burdens and Regulation (both ranked eighth). The

priority new businesses are seen to be giving to sustainability is highly rated by national experts, with a score of 6.4; and new entrepreneurs' awareness of the need for AI solutions is rated much better still, at 6.6.

The entrepreneurial ecosystem in Estonia has key foundational strengths in cultural support and in entrepreneurial education, and sufficient Framework Conditions across the board apart from R&D transfers and government policy support. Both AI awareness and sustainability priorities are high, so the entrepreneurial future looks positive if the two weaknesses can be addressed.

2025 Entrepreneurial Activity Review

Just over two in five adults in Estonia know someone who has recently started a business, with slightly more seeing themselves as having the skills and experience to start their own, and a little fewer seeing good opportunities to do so locally. Of those seeing good opportunities, around two in five would not start a business for fear it might fail. In 2025, 15% of adults in Estonia intended to start a business in the next three years, a proportion that has changed little over the past three years.

The proportion of adults who are actively starting or running a new business fell slightly to 12% in 2025, just about twice the rate of those owning an established one. Men are more likely than women to be starting a new business. The most agreed motivation among new entrepreneurs is “to earn a living because jobs are scarce”, agreed by nearly three in five, while just under a half of those new entrepreneurs expect to use more digital technology to sell their products in the next six months. The proportion of new entrepreneurs with customers beyond Estonia is little changed in 2025, at just over one in two. Job expectations are modest, with about one in seven anticipating employing six or more people in five years' time. Only three in 10 new entrepreneurs report having taken steps to minimise environmental impacts in the past 12 months, with a little fewer acting to maximise social impacts. A similar three in 10 claim to prioritise such impacts above profitability or growth.

Team

Team leader

Sirje Ustav

Team members

Merle Küttim
Jelena Hartšenko
Helena Rozeik
Basel Hammoda

Institution

Tallinn University of Technology

**TAL
TECH**

Type of institution

University

Funder

Republic of Estonian Ministry of
Economic Affairs and Communications

APS vendor

Turu-Uuringute AS

Website

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ECONOMY PROFILE



Finland

■ Population (2024): **5.6 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **64.0 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024*
Know someone who has started a new business	53.8	–
Good opportunities to start a business in my area	46.1	–
It is easy to start a business	60.3	–
Personally have the skills and knowledge	36.8	–
Fear of failure (opportunity)	41.6	–
Entrepreneurial intentions**	6.5	–

Entrepreneurship impact	% TEA	
	2025	2024*
Job expectations (expecting to employ six or more people in five years' time)	13.8	–
International (25%+ revenue)	12.6	–
Always consider social impact	70.5	–
Always consider environmental impact	63.8	–
Prioritise social and/or environmental impact above profit or growth	51.9	–
Industry (% TEA in business services)	33.7	–

Motivational <i>(somewhat or strongly agree)</i>	% TEA	
	2025	2024*
To make a difference in the world	39.3	–
To build great wealth or very high income	47.8	–
To continue a family tradition	24.9	–
To earn a living because jobs are scarce	66.3	–

Activity	% Adults			
	2025	2024*	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	6.1	–	3.5	8.5
Established Business Ownership	5.5	–	3.1	7.7

Recent changes	% Adults	
	2025	2024*
Household income has decreased in the current year***	28.5	–

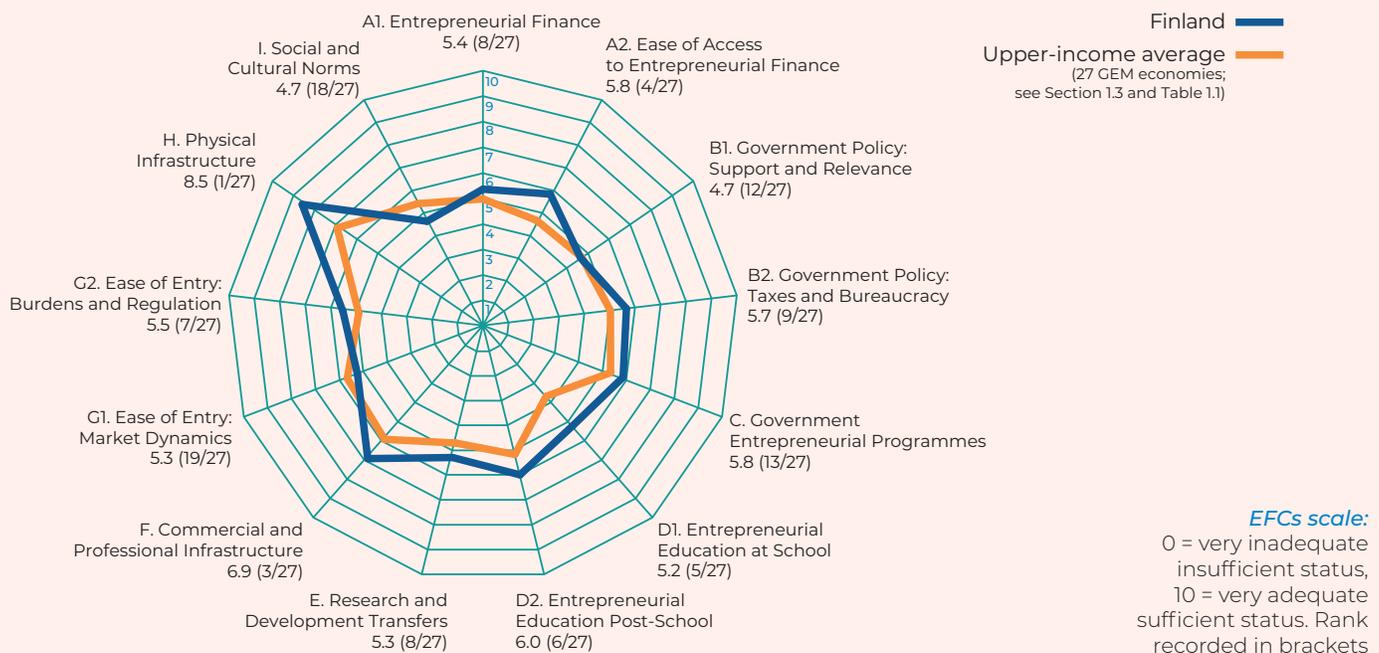
	% TEA	
	2025	2024*
Starting a business is more difficult than a year ago	29.0	–
Use more digital technology to sell products or services	46.0	–

* Did not participate in 2024.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Finland's export structure is highly concentrated. According to Eurostat, Finnish exports overall grew from €52.6 billion (2012) to €75.3 billion (2023), but growth is concentrated in large firms, not new or small entrepreneurs. Finnish micro-enterprises (up to nine employees) and small firms (10–49) together contribute about 10% to exports.

The Finnish government actively promotes entrepreneurship by focusing on strategic priorities that promote renewal, growth and internationalisation of companies; competence and the availability of skilled labour; and well-functioning markets. The Growth Entrepreneurship Programme aims to double the number of growth-oriented medium-sized entrepreneurial-led companies by 2030. The government has also launched a comprehensive deregulation effort to reduce excessive regulation and ease administrative burdens on businesses. On the negative side, VAT was raised to 25.5 % from 24%.

2025 Framework Conditions Review

Finland has a 2025 NECI (National Entrepreneurial Context Index) score of 5.7, placing it 10th out of 53 economies. This marks a decline from its last recorded NECI score of 6.2 in 2021, suggesting a slight weakening in the entrepreneurial environment. The drop may reflect challenges in policy relevance or cultural support, despite strong infrastructure and education scores.

Finland in 2025 has 11 Framework Conditions scored by its national experts as sufficient or better (a score of ≥ 5.0), led by its Physical Infrastructure score of 8.5, ranked number one of 53 GEM economies. Other strong conditions include Commercial and Professional Infrastructure (6.9) and Entrepreneurial Education Post-School (6.0). The two conditions rated by experts as insufficient are Social and Cultural Norms (4.7) and Government Policy: Support and Relevance (4.7).

Given its high Framework Condition scores, it is no surprise that Finland ranks in the top 10 globally for Physical Infrastructure (as noted, ranked number one), and also for Commercial and Professional Infrastructure (third), Ease of Access to Entrepreneurial Finance (fifth), Entrepreneurial Education at School (sixth), Entrepreneurial Education Post-School (seventh), Research and Development Transfers and Entrepreneurial Finance (both ninth), and Ease of Entry: Burdens and Regulation (10th). However, Finland also ranks 34th for Ease of Entry: Market Dynamics and 35th for Social and Cultural Norms.

Finland scores a high 7.5 for new businesses' prioritisation of sustainability and a creditable high 6.7 for entrepreneurs' awareness of the need for AI solutions.

Finland maintains a robust entrepreneurial environment, ranking 10th globally for its NECI score, despite a slight decline from 2021. With 11 out of 13 Framework Conditions scoring above 5.0, the country excels in infrastructure, education and access to finance. Sustainability is a clear priority across firms and government, and AI awareness is notably high, positioning Finland as a leader in digital entrepreneurship.

2025 Entrepreneurial Activity Review

Just over one in four adults in Finland reported that their household income had fallen in 2025, while a little over one in 20 intend to start a business in the next three years — one of the lowest rates among GEM 2025 economies. Entrepreneurial awareness is reasonable, since just over half of adults know someone who has recently started a business, but confidence is low, with a little over one in three seeing themselves as having the skills and experience to start their own. Opportunity recognition is also modest, with less than half of adults seeing good opportunities to start a business locally. Of those, two in five would not do so for fear it might fail.

Just 6% of adults in Finland are starting or running a new business in 2025, while 5.5% own an established one. The ratio of new to established businesses suggests a relatively balanced but modest level of entrepreneurial activity. Men are more than twice as likely as women to be starting a new business, with TEA rates of 8.5% for men and 3.5% for women.

The most agreed motivation among new entrepreneurs is "to earn a living because jobs are scarce", agreed by two out of three. Just under a half expect to use more digital technology to sell their products in the next six months, while a little more than one in three new entrepreneurs have customers beyond Finland. Only one in eight anticipate employing six or more people in five years' time. Over a half have taken steps to minimise environmental impacts in the past 12 months, while one in three have taken steps to maximise social impacts. A little over one in two report that they prioritise such impacts above profitability or growth.

Finland shows relatively low levels of entrepreneurial intention and activity, with a notable gender gap and modest growth expectations. However, the proportion of entrepreneurs prioritising environmental impact remains strong, reflecting broader societal values.

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Type of institution

University

Funders

University of Oulu
Seinäjoki University of Applied Sciences
Suomen Yrittäjät — The Federation of Finnish Enterprises
Töysän Säästöpankkisäätiö Research Fund
Keskitien säätiö
Säästöpankki Optia — Savings Bank

APS vendor

IRO-Research

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ECONOMY PROFILE



France

■ Population (2024): **68.5 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **61.3 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	56.5	55.6
Good opportunities to start a business in my area	43.3	42.8
It is easy to start a business	46.6	48.8
Personally have the skills and knowledge	49.3	45.0
Fear of failure (opportunity)	42.7	42.7
Entrepreneurial intentions*	16.2	14.3

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	20.9	18.2
International (25%+ revenue)	19.2	13.7
Always consider social impact	76.3	69.7
Always consider environmental impact	71.3	70.0
Prioritise social and/or environmental impact above profit or growth	58.7	60.2
Industry (% TEA in business services)	33.8	31.4

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	19.5	24.9
To build great wealth or very high income	42.4	43.4
To continue a family tradition	20.2	25.8
To earn a living because jobs are scarce	48.9	53.4

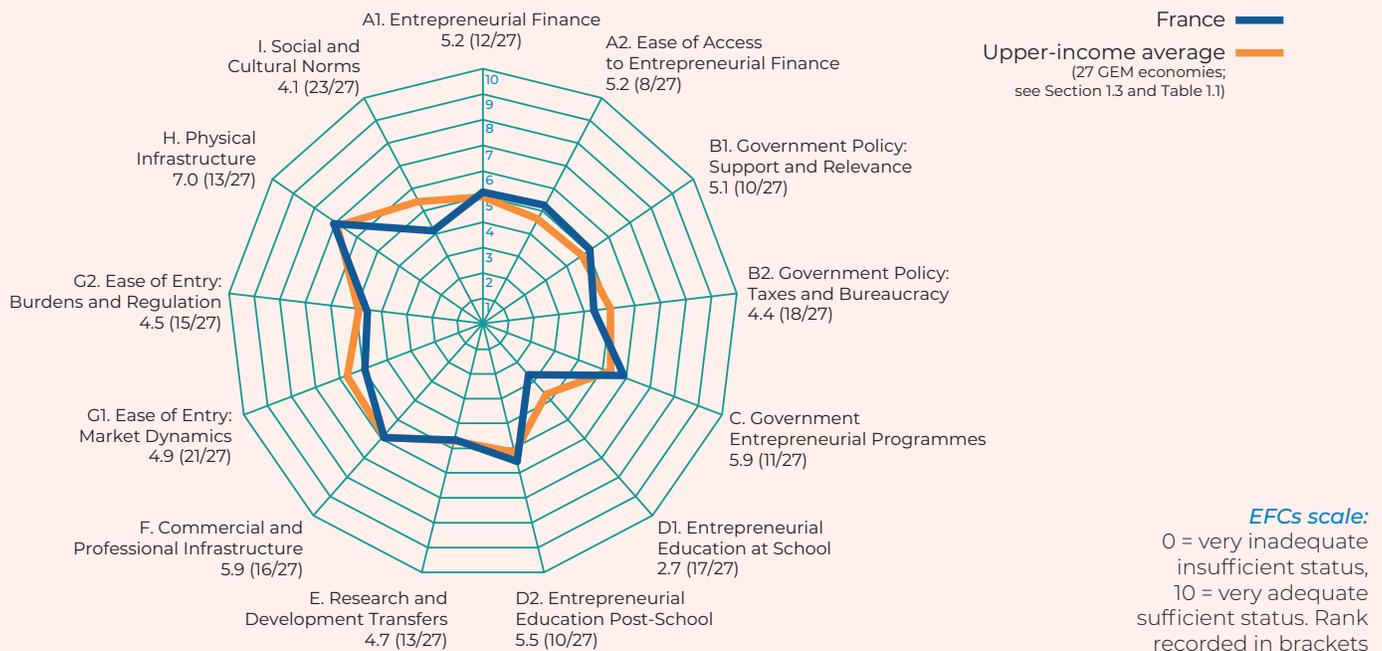
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	11.6	8.7	10.0	13.2
Established Business Ownership	5.7	4.5	4.5	7.0

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	28.6	30.4

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	33.9	38.3
Use more digital technology to sell products or services	47.7	51.4

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Given the uncertainties linked to volatile international tax rates, and despite important public support and programmes to help new firms go abroad (Bpifrance, French Tech/Business France, etc.), accessing international markets for new entrepreneurs in France appears to be more challenging.

The French government continues to operate with unclear and fragile majorities, and the fear of political instability negatively affects the business climate. Several public aid initiatives have been phased out or reduced, with the focus redirected on debt reduction; reductions in public spending are under discussion, with tax increases mooted. All these factors negatively affect entrepreneurship in France.

2025 Framework Conditions Review

In 2025 France's NECI (National Entrepreneurial Context Index) score is 5.0, placing it 16th among the 53 GEM economies in terms of its quality of entrepreneurial environment. This represents a slight increase from 4.8 in 2024, reversing a year-on-year decline since 2021. This modest improvement suggests stabilisation in the entrepreneurial environment, possibly supported by gains in education and infrastructure.

France has seven Framework Conditions rated by its national experts as sufficient or better (a score of ≥ 5.0), led by a Physical Infrastructure score of 7.0, with the other six sufficient conditions scoring more modestly, between 5.0 and 6.0. Of the remaining conditions, which were rated by experts as being less than sufficient, by far the lowest score was for Entrepreneurial Education at School (2.7), although this is a substantial improvement on its score of 2.1 a year earlier.

Eight Framework Condition scores improved from 2024, with five seeing their scores decline. Most changes were modest, although both education conditions improved substantially (Entrepreneurial Education at School, as noted above, plus Entrepreneurial Education Post-School from 4.9 to 5.5). France ranks in the top 10 globally (among the 53 GEM economies) for Ease of Access to Entrepreneurial Finance (ninth), but in the bottom 10 globally for Social and Cultural Norms (44th). It scores relatively well for the priority new businesses are seen to give to sustainability (6.3). Its score for entrepreneurs' perceived awareness of the need for AI solutions is higher still (6.5%).

France's entrepreneurial environment shows signs of recovery, with a slight NECI increase and improvements in education, infrastructure and access to finance. Seven Framework Conditions meet the sufficiency threshold, and eight have improved since 2024. While France ranks creditably in finance and infrastructure, it lags behind in cultural support and early-stage education. Women's access to resources is strong, and sustainability is well prioritised. AI awareness is rising, although education and institutional backing need strengthening.

2025 Entrepreneurial Activity Review

The proportion of adults in France reporting that their household income had fallen barely changed in 2025, at around three in 10. However, the proportion intending to start a business in the next three years continues to grow: from about one in seven two years ago to one in six in 2025. More than half of French adults know a new entrepreneur, with slightly fewer seeing themselves as having the skills and experience to start their own business, or seeing good opportunities to start a business locally. Of the latter, two in five would not start a business for fear it might fail.

Despite these figures, the percentage of French adults actually starting or running a new business increased in the past year: from 9% to nearly 12%. Men continue to be more likely than women to be starting a new business, with a gender gap of about three percentage points in each of the last three years. The proportion of adults owning an established business also increased last year.

None of the four specified motivations achieved majority support among France's new entrepreneurs, although "to earn a living because jobs are scarce" came close. Almost four in 10 new entrepreneurs have customers beyond France, up from three in 10 in 2024. Under a half expect to use new digital technologies to sell their products in the next six months, while just over one in five expect to employ six or more people over the next five years. Just three in five claim to have taken action to either minimise environmental impacts or to maximise social impacts, although more than a half claim to prioritise such impacts above profitability or growth.

Team

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Institutions

Labex Entreprendre



University of Montpellier



MBS School of Business



Erasmus University Rotterdam & Montpellier Business School

Type of Institution

Research Institute
University
Business School
University & Business School

Funders

Labex Entreprendre
University of Montpellier
Montpellier Business School

APS vendor

Le Terrain, Paris

Websites

<https://labex-entreprendre.edu.umontpellier.fr/en/home-2/>
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ECONOMY PROFILE



Germany

■ Population (2024): **83.5 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **72.3 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	45.5	40.3
Good opportunities to start a business in my area	52.9	42.7
It is easy to start a business	36.6	32.9
Personally have the skills and knowledge	46.6	41.1
Fear of failure (opportunity)	40.6	45.3
Entrepreneurial intentions*	14.2	10.5

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	20.2	14.6
International (25%+ revenue)	37.2	26.2
Always consider social impact	76.3	69.7
Always consider environmental impact	65.0	67.1
Prioritise social and/or environmental impact above profit or growth	52.8	58.0
Industry (% TEA in business services)	30.5	39.9

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	49.9	45.3
To build great wealth or very high income	65.4	64.4
To continue a family tradition	37.5	26.3
To earn a living because jobs are scarce	62.1	52.5

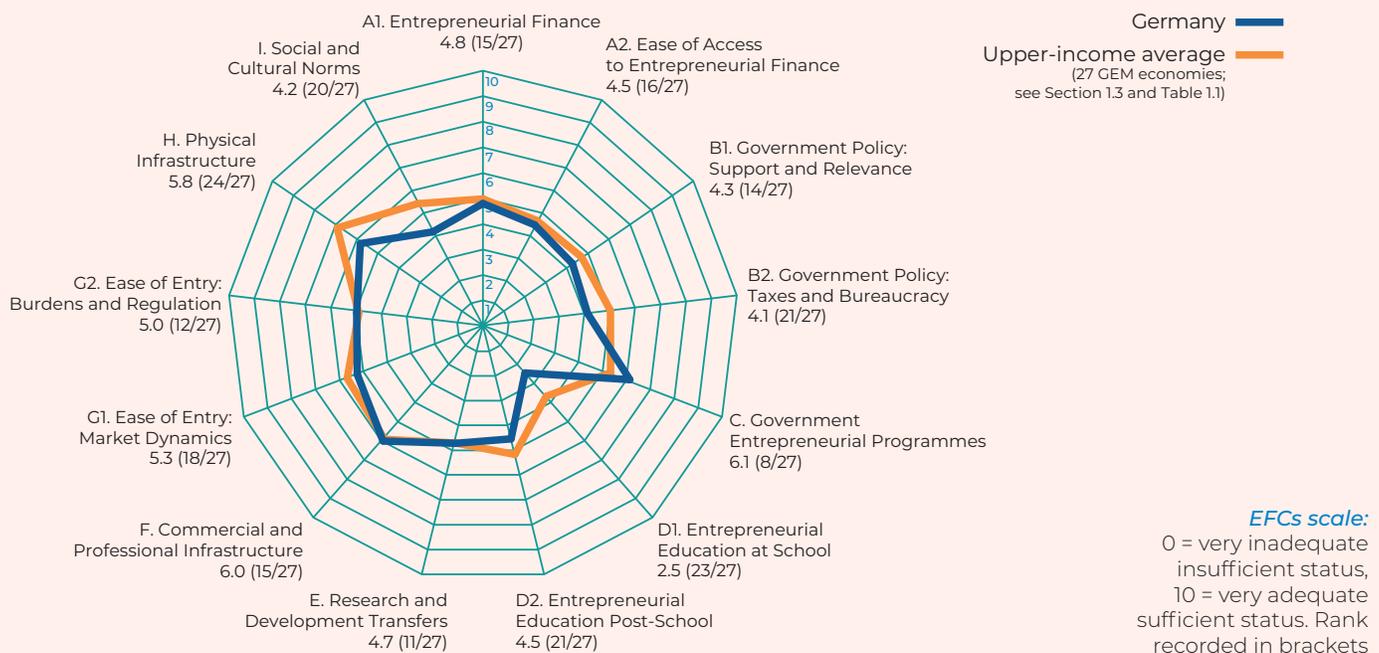
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	13.0	9.8	10.9	15.0
Established Business Ownership	5.1	6.0	4.3	6.0

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	27.1	24.9

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	43.2	40.7
Use more digital technology to sell products or services	57.4	50.5

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Global economic volatility — most notably, new tariff regulations originating in the US and being reciprocated by other countries — is making access to international markets (outside the European Union) more difficult.

The current government of Germany, elected in spring 2025, plans to continue several support measures such as the Startup and Scaleup Strategy, which had been launched, minus the scale-up element, by its predecessor. It comprises measures to increase diversity in the founder base, to include more women and more people from migrant backgrounds, as well as access to capital, albeit focusing on growth rather than early-phase funding.

2025 Framework Conditions Review

Germany has a NECI (National Entrepreneurial Context Index) score of 4.7 in 2025, suggesting that its national experts see the quality of its overall entrepreneurial environment as a little less than sufficient. This was a marginal improvement on its score in 2024, and continues the modest recovery in perceived overall quality since 2023, reflecting gains in government support programmes and infrastructure.

Just four of Germany's Framework Conditions are scored by its national experts as sufficient or better (a score of ≥ 5.0) in 2025, led by Government Entrepreneurial Programmes (6.1) and Commercial and Professional Infrastructure (6.0). While 11 conditions had improved scores in 2025 relative to 2024 and two were lower, most changes were very small. The exceptions are Entrepreneurial Education Post-School (down from 4.9 to 4.5) and Government Policy: Support and Relevance (4.0 to 4.3). Germany has just one condition ranked in the top 10 globally (of 53 GEM economies): Government Entrepreneurial Programmes (ninth), while its lowest-ranked condition is Social and Cultural Norms (40th).

Germany scored a high 6.7 for new businesses' prioritisation of sustainability, and an even higher 6.9 for how entrepreneurs were seen by national experts as being aware of the need for AI solutions (15th globally).

Germany's entrepreneurial environment in 2025 shows modest improvement, with a slight NECI score increase and

gains in several Framework Conditions. Strengths include government support programmes, infrastructure, sustainability prioritisation and AI awareness. However, challenges persist in education and cultural support. Continued investment in education, gender equity and digital transformation will be key to enhancing Germany's entrepreneurial capacity.

2025 Entrepreneurial Activity Review

Nearly three in five German adults report that their household income has fallen in 2025, a slightly higher proportion than a year earlier. However, those intending to start their own business in the next three years increased from one in 10 to one in seven of all adults.

Just under a half of adults know someone who has recently started a business, with a similar proportion seeing themselves as having the skills and experience to start their own. More than a half see good opportunities to start a business locally, but two in five of these would not do so for fear it might fail. The percentage of adults actually starting or running a new business in Germany increased for the second year in a row, rising from 8% in 2023 to 10% in 2024 and to 13% in 2025. The proportion running an established business has been more stable, standing at about one in 20 in 2025. The entrepreneurial gender gap persists, with around three men starting a new business for every two women doing the same.

"To build great wealth or very high income" and "to earn a living because jobs are scarce" are motivations agreed by about three in five new entrepreneurs. The proportion of new entrepreneurs with customers outside their own country has increased in Germany to more than two in five, a little up on the previous year. Well over half expect to use more digital technology to sell their products in the next five years, while one in five envisage employing six or more people in five years' time. While three in five new entrepreneurs report having taken steps to maximise social impacts, slightly fewer have taken steps to minimise environmental impacts. Nevertheless, more than one in two new entrepreneurs claim to prioritise such impacts over profits or growth.

Team

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Prof. Dr. Christian Hundt

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Armin Baharian
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Julia Schauer
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Prof. Dr. Rolf Sternberg

Institution

RKW Kompetenzzentrum Eschborn
RKW Competence Centre



Type of institution

Government funded transfer organisation

Other institutions involved

Thünen Institute of Rural Economics



Funder

Federal Ministry for Economic Affairs
and Climate Action

APS vendor

UADS Institut für Umfragen, Analysen
und DataScience GmbH

Website

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Guatemala

■ Population (2024): **18.4 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **14.4 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	73.4	71.6
Good opportunities to start a business in my area	71.5	75.1
It is easy to start a business	39.4	48.4
Personally have the skills and knowledge	74.0	79.3
Fear of failure (opportunity)	38.8	42.5
Entrepreneurial intentions*	42.8	44.3

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	26.1	29.0
International (25%+ revenue)	1.4	0.6
Always consider social impact	90.3	91.5
Always consider environmental impact	91.2	92.6
Prioritise social and/or environmental impact above profit or growth	81.0	86.7
Industry (% TEA in business services)	6.8	7.4

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	76.0	83.7
To build great wealth or very high income	78.7	83.9
To continue a family tradition	48.7	55.4
To earn a living because jobs are scarce	86.7	91.5

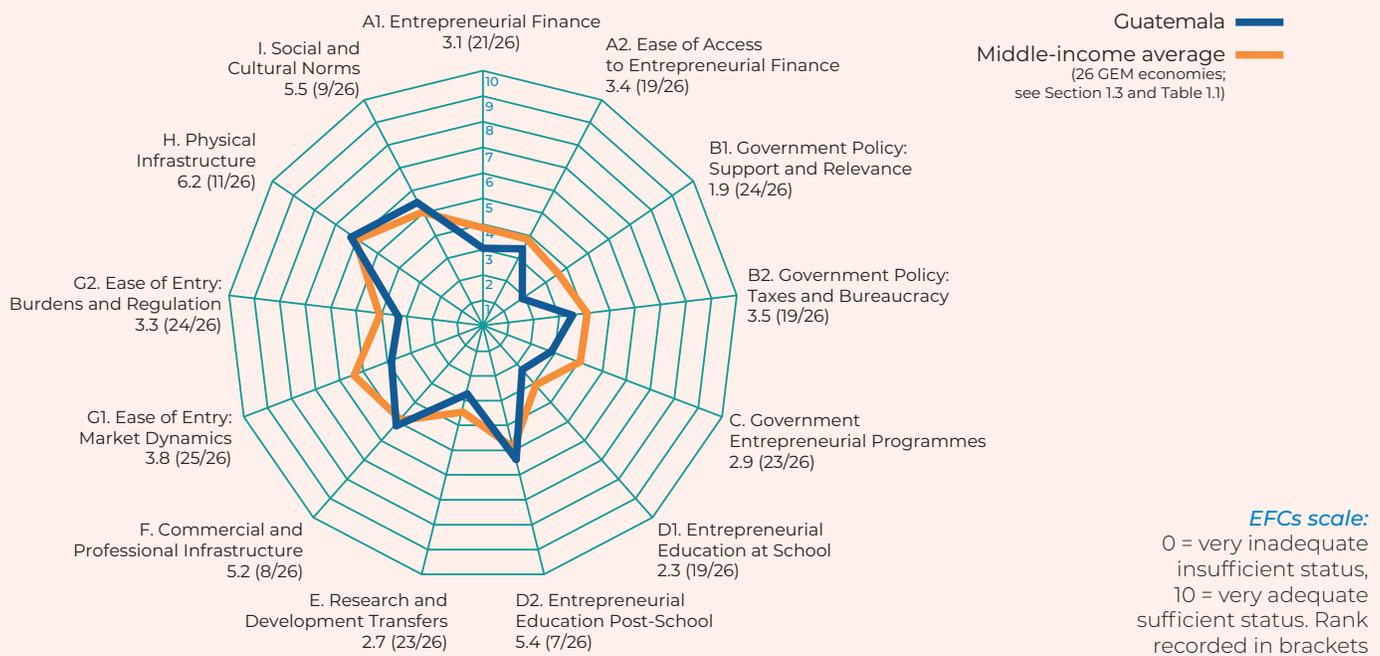
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	25.4	23.7	22.9	27.9
Established Business Ownership	12.0	14.2	7.7	16.2

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	31.1	35.0

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	56.0	58.7
Use more digital technology to sell products or services	77.5	77.0

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Guatemala's ability to connect new businesses with international markets has weakened over the past year. More than 70% of the national road network is now in poor condition, which increases travel times and logistics costs for exporting firms. Labour stoppages at the main Atlantic port have also interrupted cargo operations, leaving containers idle and slowing the movement of goods. Together, these factors raise transaction costs and make it harder for new and early-stage businesses to reach and compete in international markets.

Environmental permitting continues to place significant demands on new firms: many businesses need to file an environmental instrument, and projects classified as medium- or high-impact must prepare a full assessment — an exercise that typically costs between US\$4,500 and US\$5,000. For micro and small businesses, this remains a meaningful barrier to formal entry. Labour regulations also affect the entrepreneurial landscape, while the minimum wage for 2025 increased by about 10%.

2025 Framework Conditions Review

In 2025, Guatemala has a NECI (National Entrepreneurial Context Index) score of 3.8, placing it 49th out of 53 GEM economies. This is a small increase from 2024, and points to some recovery after previous declines. However, Guatemala remains in the bottom quartile globally, reflecting persistent structural barriers such as limited regulatory predictability and high logistical costs.

Guatemala has four Framework Conditions scored by national experts as sufficient or better (a score of ≥ 5.0), led by Physical Infrastructure with a score of 6.2. There is good access and affordable communications (telephone and internet services) but serious problems, as noted above, in the condition of the roads, unreasonable delays in ports plus a high vulnerability to natural disasters. Its other sufficient conditions are Social and Cultural Norms (5.5), Entrepreneurial Education Post-School (5.4) and Commercial and Professional Infrastructure (5.2). Of the nine conditions rated as insufficient, the lowest scores are for Government Policy: Support and Relevance (1.9), Entrepreneurial Education at School (2.3) and Research and Development Transfers (2.7). Nevertheless, eight conditions have improved their scores compared to 2024, including Commercial Infrastructure, up from 4.7 to 5.2, while Ease of Entry: Market Dynamics improved from 3.3 to 3.8. Of those scoring lower, the biggest fall is for Entrepreneurial Education Post-School (down from 5.9 to 5.4). The economy has eight conditions ranked in the bottom 10 of the 53 GEM economies in 2025, including Government Policy: Support and Relevance, Ease of Entry:

Market Dynamics, and Ease of Entry: Burdens and Regulation (all 51st). Experts rated entrepreneurs' awareness of the need for AI solutions at 4.8, an increase from 3.9 in 2024.

Guatemala's entrepreneurial environment in 2025 remains fragile, although there are signs of gradual improvement. Four Framework Conditions now meet the sufficiency threshold, and several areas saw score increases. However, the economy continues to rank in the bottom 10 globally for multiple conditions, particularly in policy and regulatory support. Strengthening education, infrastructure and digital-readiness will be key to improving Guatemala's entrepreneurial capacity.

2025 Entrepreneurial Activity Review

More than three in 10 adults in Guatemala report that their household income fell in 2025, a sizeable proportion but one that has been reducing since this question was first introduced by GEM in 2020, when it was more than seven in 10.

Entrepreneurial awareness, confidence and opportunity recognition are all high, with more than seven in 10 adults knowing someone who has recently started a business, seeing themselves as having the skills and experience to start their own or seeing good opportunities to start a business locally, although two in five of the latter would not start a business for fear it might fail. The proportion of adults in Guatemala intending to start a business in the next three years has been consistent, at above two in five, for the last five years.

One in four adults are actually starting or running new business in Guatemala in 2025, up slightly on a year earlier, with just under half that rate owning an established one. Men continue to be more likely than women to be starting a new business, although Guatemala has one of the highest female early-stage entrepreneurship rates globally. Almost nine in 10 new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", although nearly eight out of 10 also agree with the motivation "to build great wealth or very high income" and "to make a difference in the world". These overlapping motivations illustrate the dual nature of entrepreneurship in Guatemala, where necessity and opportunity frequently coexist. More than three in four expect to use more digital technology in the next six months to sell their products.

Despite the difficult entrepreneurial environment, Guatemalan entrepreneurs continue to be held in high regard by the population. Their resilience, capacity to navigate adversity and commitment to creating opportunities for themselves and their families are widely recognised.

Team

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Institution

Kirzner Entrepreneurship Center at Francisco Marroquín University



Type of institution
University

Funder

Prosperity Lab at Francisco Marroquín University, supported by the John Templeton Foundation

APS vendor

Khanti Consulting, SA

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Hungary

■ Population (2024): **9.6 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **47.6 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	46.3	46.7
Good opportunities to start a business in my area	24.0	32.3
It is easy to start a business	40.4	43.2
Personally have the skills and knowledge	36.8	35.8
Fear of failure (opportunity)	36.8	36.4
Entrepreneurial intentions*	6.5	8.7

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	19.0	25.8
International (25%+ revenue)	16.7	10.9
Always consider social impact	67.4	69.9
Always consider environmental impact	69.5	78.0
Prioritise social and/or environmental impact above profit or growth	37.8	43.4
Industry (% TEA in business services)	25.8	23.5

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	71.4	68.6
To build great wealth or very high income	26.3	38.9
To continue a family tradition	15.1	11.4
To earn a living because jobs are scarce	59.9	51.1

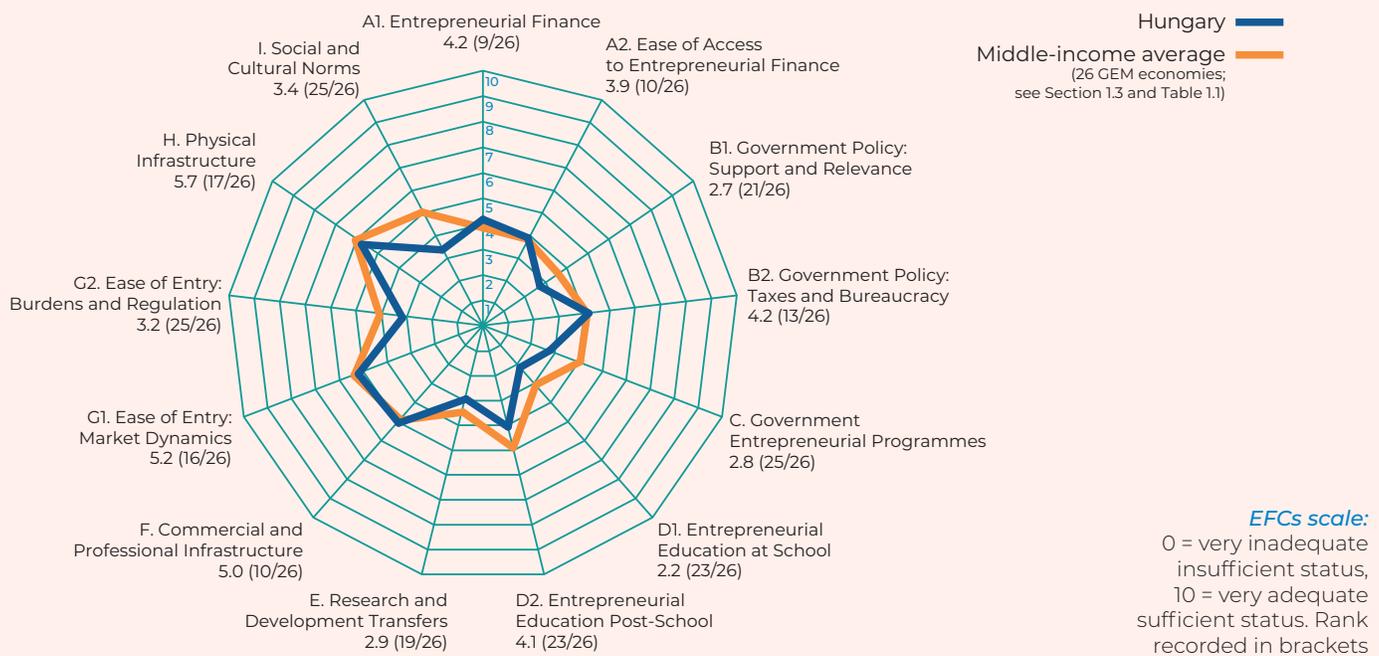
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	7.2	6.7	6.7	7.7
Established Business Ownership	7.0	6.9	4.9	9.1

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	23.0	23.4

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	31.8	36.7
Use more digital technology to sell products or services	46.5	42.2

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

In 2024, global demand decreased in market segments that are crucial for Hungarian exports (mechanical industry, automotive industry), resulting in subdued export performance in these industries, while foreign trade in services expanded.

In November 2025, the Hungarian government and the Hungarian Chamber of Commerce and Industry jointly announced a tax and bureaucracy reduction programme worth about US\$270 million, with measures including raising the value of individual VAT exemptions, widening the scope of the small business tax, supporting green investments with lower taxes, simplified tax returns for micro-enterprises and subsidised loans for SMEs.

2025 Framework Conditions Review

In 2025, Hungary's NECI (National Entrepreneurial Context Index) score is 3.8, sharply down from 4.5 in 2024, placing it 48th out of 53 countries. This drop reflects weakening performance in several key areas, particularly government support, education and access to finance.

Just three of Hungary's Framework Conditions are rated as sufficient or better (a score of ≥ 5.0) in 2025: Physical Infrastructure (5.7), Ease of Entry: Market Dynamics (5.2) and Commercial and Professional Infrastructure (5.0). All 13 conditions have lower scores in 2025 than in 2024. Major declines include Government Entrepreneurial Programmes: 2.8 (from 4.3), Ease of Entry: Burdens and Regulation: 3.2 (from 4.5) and Government Policy: Support and Relevance: 2.7 (from 3.9). As a result, Hungary has seven conditions ranked in the bottom 10 of the 53 GEM economies, including Social and Cultural Norms (51st), Government Entrepreneurial Programmes (52nd) and Ease of Entry: Burdens and Regulation (52nd).

Hungary's national experts scored women's relative access to entrepreneurial resources at a much-less-than-sufficient 4.3, down slightly on 2024, and new businesses' prioritisation of sustainability at 3.7, sharply down from 5.0. The perceived awareness among entrepreneurs of the need for AI solutions also declined (to 3.8 from 4.7).

Hungary's entrepreneurial environment in 2025 has notably deteriorated, with its NECI score falling to 3.8 and its global rank dropping to 48th. Only three Framework Conditions now meet the sufficiency threshold, and none improved from the previous year. The country ranks in the bottom 10 globally across several key areas, including government programmes and education. Women's access to resources remains moderate, and social support is weak. Sustainability and AI-related indicators have also declined, signalling a need for renewed policy focus and investment in innovation and inclusion.

2025 Entrepreneurial Activity Review

Just under one in four adults in Hungary report that their household income fell in 2025, similar to the previous year but still an improvement on the three in 10 of two years ago. Just 7% of adults expect to start a new business in the next three years, down from 9% a year earlier.

Nearly a half of adults know someone who has recently started a business, while just over one in three see themselves as having the skills and experience to start their own. However, just one in four see good opportunities to do so locally. Of these, a relatively low one in three would not start a business for fear it might fail. Nevertheless, the percentage of adults starting or running a new business in Hungary increased in 2025 to just over 7%, with a similar percentage owning an established business. Men continue to be more likely than women to start a new business, but the gap is narrowing.

"To make a difference in the world" is the motivation agreed by seven out of 10 new entrepreneurs, followed by "to earn a living because jobs are scarce" (six in 10). However, the proportion of entrepreneurs with customers beyond Hungary has reversed its recent fall, and has returned to the three in 10 of two years earlier. Just under half of new entrepreneurs expect to use more digital technology in the next six months, with similar proportions reporting that they had taken actions to minimise environmental impacts or maximise social impacts in the past 12 months.

Team

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Judit Csákné Filep

Team members

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Institution

Institute for Economic and Enterprise Research



Type of institution

Research Institute

Other institutions involved

Hungarian Chamber of Commerce and Industry



Funder

Hungarian Chamber of Commerce and Industry

APS vendor

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ECONOMY PROFILE



India

■ Population (2024): **1,405.9 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **11.2 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	46.8	51.5
Good opportunities to start a business in my area	78.3	83.6
It is easy to start a business	83.4	85.1
Personally have the skills and knowledge	83.0	85.4
Fear of failure (opportunity)	56.8	71.8
Entrepreneurial intentions*	25.6	27.8

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	5.5	8.7
International (25%+ revenue)	2.6	0.1
Always consider social impact	89.0	95.2
Always consider environmental impact	89.4	80.1
Prioritise social and/or environmental impact above profit or growth	89.6	87.3
Industry (% TEA in business services)	6.9	3.7

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	82.3	77.6
To build great wealth or very high income	77.8	88.1
To continue a family tradition	77.3	70.3
To earn a living because jobs are scarce	83.7	90.0

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	12.3	12.2	12.5	12.2
Established Business Ownership	6.1	6.0	5.5	6.7

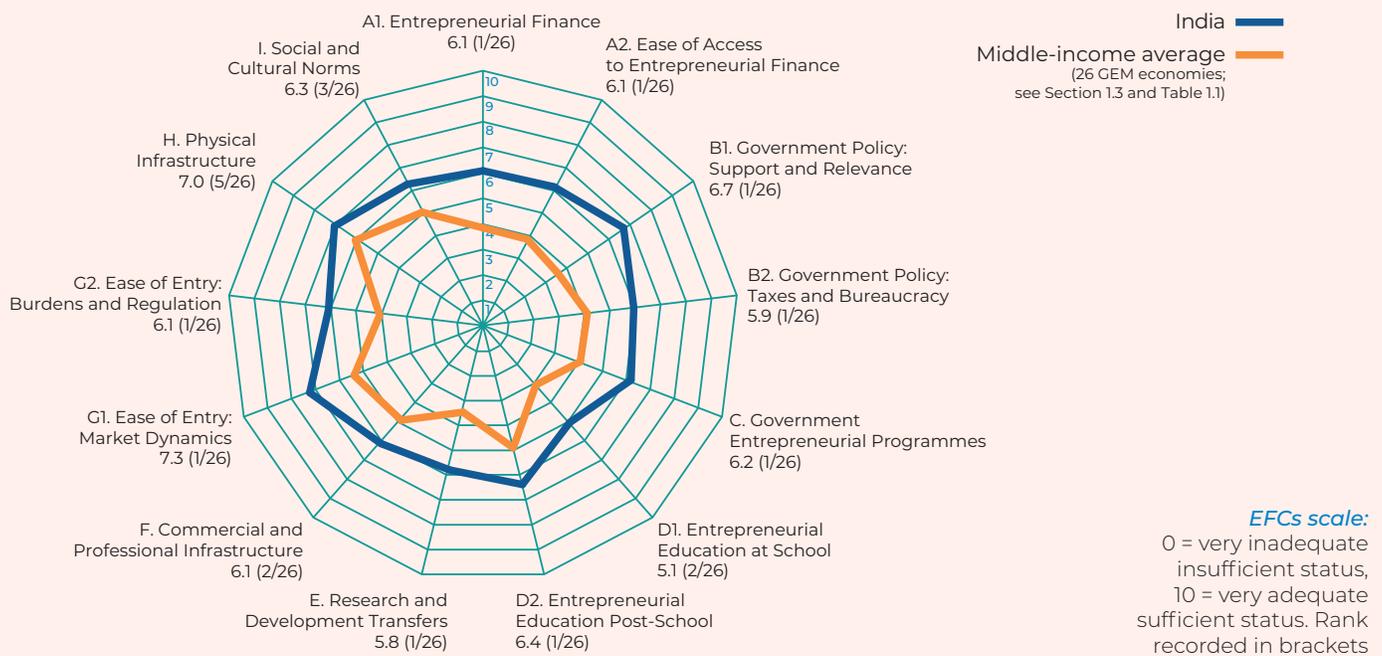
Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	35.8	38.7

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	55.9	35.3
Use more digital technology to sell products or services	47.8	33.2

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

The government of India has been taking significant steps to support emerging entrepreneurs, including the increase of the loan limit under the Pradhan Mantri Mudra Yojana (PMMY) from Rs 10 lakh (US\$11,000) to Rs 20 lakh (US\$20,000). This provides more substantial financial support to micro and small enterprises, while the introduction of the “Tarun Plus” category allows entrepreneurs who have successfully repaid previous loans under the Tarun category to access funding between Rs 10 lakh and Rs 20 lakh.

The Open Network for Digital Commerce (ONDC) platform is another initiative that benefits micro enterprises, providing them with a digital marketplace to reach a wider audience.

2025 Framework Conditions Review

In 2025, India has a NECI (National Entrepreneurial Context Index) score of 6.2, a slight increase from 2024. This score maintains India's rank of fifth globally (of 53 GEM economies). India continues to perform strongly, with consistent improvements in most Framework Conditions and top-tier rankings across several indicators.

All India's Framework Conditions are rated by its national experts as sufficient or better (a score of ≥ 5.0). Ten condition scores improved in 2025, and, while most changes were marginal, Entrepreneurial Education Post-School increased from 6.0 to 6.4 and Ease of Entry: Market Dynamics from 6.8 to 7.3. There were slight declines in three scores: the largest being for Research and Development Transfers, down from 6.0 to 5.8. India ranks first in the middle-income group for nine conditions, and in the top 10 globally (among 53 GEM economies) for 10 conditions, including second place for Ease of Access to Finance and third for Entrepreneurial Finance overall.

India's national experts' assessment of new businesses' prioritisation of sustainability rose from 6.0 to 6.7, placing it first in the middle-income group. Entrepreneurs' perceived awareness of the need for AI solutions also improved, to 6.7 from 6.0.

India's entrepreneurial ecosystem in 2025 remains robust and globally competitive, with a high NECI score and top-tier

rankings across nearly all Framework Conditions. All 13 conditions meet the sufficiency threshold, and most have improved. The country leads in sustainability priorities and is strong in AI awareness. These results reflect a dynamic and well-supported environment for entrepreneurs, with strong institutional backing and a forward-looking approach to innovation and inclusion.

2025 Entrepreneurial Activity Review

Just over one in three adults in India report that their household income fell in 2025, down from two in five the year before: the fourth successive year that this proportion has fallen.

Entrepreneurial awareness in India is reasonable, and confidence and opportunity recognition are high. Just under one in two adults know someone who has recently started a business, while four out of five see themselves as having the skills and experience to start their own, or see good opportunities to start a business locally. However, of the latter, more than half would not start that business for fear it might fail. Business intentions are high, with more than one in four adults expecting to start a business in the next three years.

The proportion of adults actually starting or running a business in India has been stable over the last three years at around one in eight, with Established Business Ownership at about half that rate: so two people are starting new businesses in India for every person owning an established one. In 2025, men and women were more or less equally likely to be starting a new business. The proportion of new entrepreneurs with customers outside their own country multiplied in India in 2025, although it is still a lowly one in 20. Nearly one in two new entrepreneurs expect to use more digital technology to sell their products in the next six months, but just one in 20 anticipate employing six or more people in five years' time. Two in five new entrepreneurs claim to have acted to minimise environmental impact in the last 12 months, rather more than acting to maximise social impact, although almost nine in 10 report prioritising such impacts over profitability or growth

Team

Team leader

Dr. Sunil Shukla, PhD

Team members

Dr. Amit Kumar Dwivedi, PhD
Dr. Pankaj Bharti, PhD

Institution

Entrepreneurship Development
Institute of India (EDII) — Ahmedabad



**Entrepreneurship
Development
Institute of India**
Ahmedabad

Type of institution

Research Institute

Funder

Centre for Research in
Entrepreneurship Education and
Development (CREED)

APS vendor

Kantar IMRB

Website

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Contact

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Israel

■ Population (2024): **10.0 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **55.7 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	66.9	67.0
Good opportunities to start a business in my area	47.3	38.4
It is easy to start a business	18.3	15.7
Personally have the skills and knowledge	36.6	34.5
Fear of failure (opportunity)	50.1	49.7
Entrepreneurial intentions*	13.3	15.2

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	15.7	13.0
International (25%+ revenue)	13.4	14.2
Always consider social impact	59.4	60.5
Always consider environmental impact	48.4	56.6
Prioritise social and/or environmental impact above profit or growth	42.3	40.2
Industry (% TEA in business services)	30.6	37.7

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	45.3	39.0
To build great wealth or very high income	70.6	67.7
To continue a family tradition	22.0	19.9
To earn a living because jobs are scarce	52.6	52.3

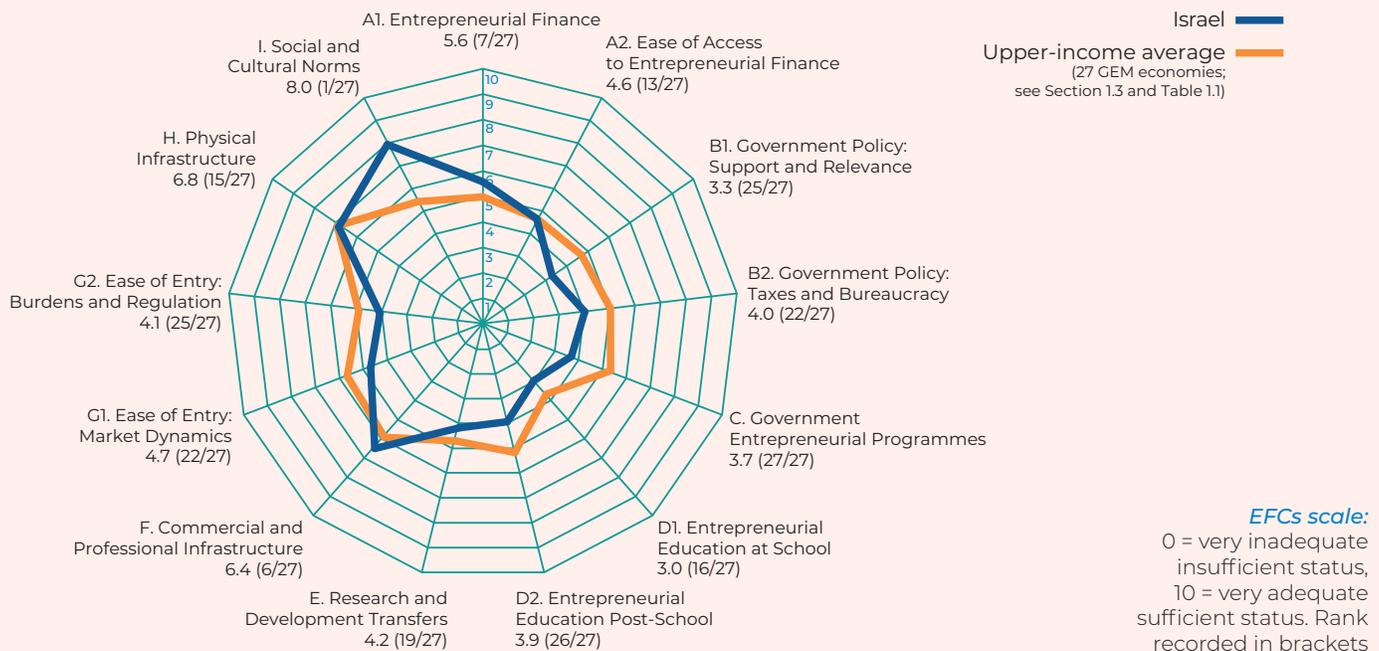
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	8.9	8.4	8.7	9.1
Established Business Ownership	4.1	3.6	3.4	4.8

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	31.7	31.7

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	59.4	65.0
Use more digital technology to sell products or services	42.2	39.3

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

In Israel, overall access to international markets is good but some recent difficulties may be weakening such access for new ventures. On the plus side, Israel's high-tech and export-oriented ecosystem remains globally integrated. The small domestic market pushes many startups to look outward from day one: many Israeli firms are “born global”, meaning they aim to internationalise immediately. However, a 2025 survey found a large share of Israeli tech startups are now formally incorporating abroad (often in the US), rather than in Israel itself — suggesting some founders may perceive better regulatory, legal or market access abroad than at home.

There have been several significant policy changes: the Israel Innovation Authority (IIA) launched the “Startup Fund” to provide more targeted support to early-stage technology companies, and revived institutional venture capital (VC) stimulation with government backing, designed to attract institutional investors into Israeli VC. The government also announced a “boost package” of funding to support young high-tech companies, additional capital for VC funds, and support for “deep-tech” ventures. These policy changes improve access to early-stage capital, lower risks for founders and promote a more resilient, locally rooted ecosystem.

2025 Framework Conditions Review

Israel's NECI (National Entrepreneurial Context Index) score for 2025 is 4.8, up from 4.5 in 2024, a modest increase but enough to push Israel up the GEM ranking from 33rd to 21st. This suggests a partial recovery from the sharp drop in 2023, supported by gains in finance, infrastructure and cultural norms. This observation with regard to the NECI score supports the IMF's 2025 GDP estimates of \$55,770 (PPP) and \$60,009 (Nominal).

Of the 13 Framework Conditions, just four are rated by Israel's national experts as sufficient (a score of ≥ 5.0), led by Social and Cultural Norms (8.0), ranked first among 53 GEM economies, and Physical Infrastructure (6.8). Israel's other sufficient conditions are Commercial and Professional Infrastructure (6.4) and Entrepreneurial Finance (5.6). However, at the other end of the scale are some poor scores, including Entrepreneurial Education at School (3.0) and Government Policy: Support and Relevance (3.3). So, despite some improvements, Israel's entrepreneurial environment continues to be characterised by the highly variable quality of its Framework Conditions. It is symptomatic of this variability that Israel has three scores in the top 10 among the 53 GEM economies, offset by a further two scores in the bottom 10, including Entrepreneurial Education Post-School at 50th.

Ten conditions show improved scores compared to 2024, including Commercial and Professional Infrastructure (up from 5.6 to 6.4) and Government Policy: Support and Relevance (up from 2.7 to 3.3). The largest fall is for Entrepreneurial Education at School (down from 3.2 to 3.0).

Israel's own national experts give it a less-than-sufficient score for new entrepreneurs' prioritisation of sustainability

(4.2). However, Israel scored an excellent 8.0 for entrepreneurs' awareness of the need for AI solutions, reflecting a robust technology-oriented ecosystem, with possibly the highest number of engineers and scientists per thousand in the world.

Israel's entrepreneurial environment in 2025 shows moderate recovery, with its NECI score rising to 4.8 and global rank improving to 21st. While only four of 13 Framework Conditions meet the sufficiency threshold, nearly all conditions improved from the previous year despite a challenging security environment. Israel ranks first globally for Social and Cultural Norms in relation to entrepreneurship, and performs well in finance and infrastructure. However, it continues to struggle with education, government support and market entry. Sustainability is not a major priority, with scores and rankings among the lowest globally. In contrast, AI awareness and implementation are standout strengths, positioning Israel as a leader in digital entrepreneurship.

2025 Entrepreneurial Activity Review

Just under one in three adults in Israel report that their household income fell in 2025, unchanged from the previous year. Around one in seven adults in Israel intend to start a business in the next three years, a slight decrease from 2024.

In Israel, awareness of entrepreneurship is stronger than opportunity recognition and confidence. While two in three adults know someone who has recently started a business, just over one in three see themselves as having the skills and experience to start their own. Meanwhile, just under half see good opportunities to start a business locally but, of those, just over half would not start a business for fear it might fail.

Just under 9% of adults are starting or running a new business in 2025, up slightly from 2024. About 4% of adults own an established business, implying more than two people starting a new business for every person running an established one. Men are slightly more likely than women to be starting a new business, although the gap is narrowing.

The most agreed motivation among new entrepreneurs is “to build great wealth or very high income”, agreed by just over seven in 10. Meanwhile, around a half agreed with “to earn a living because jobs are scarce” and “to make a difference in the world”. “To continue a family tradition” had much less support, agreed by just over one in five. Just over four in 10 new entrepreneurs expect to use more digital technology to sell their products in the next six months. At the same time, just under one in three new entrepreneurs have customers beyond Israel, a slight increase from the previous year. Employment prospects are modest, with around one in six new entrepreneurs anticipating employing six or more people in five years' time. Just under four in 10 new entrepreneurs have taken steps to minimise environmental impacts in the past 12 months, while a similar proportion have taken steps to maximise social impacts. A slightly higher proportion prioritise such impacts above profitability or growth.

Team

Team leader

Prof. Emeritus Ehud Menipaz, BScEng, MScEng, MBA, PhD

Team members

Prof. Eli Gimmon, PhD
Michal Ben David, MSc

Institution

Ira Center of Business, Technology & Society, Ben Gurion University of the Negev/Holon Institute of Technology



Type of institution

University/College

Other institutions involved

Holon Institute of Technology
Ministry of Economics and industry
Government of Israel
The Ira Foundation
Voyage Capital
MSI Digital

Funder

Ira Foundation of Business, Technology & Society

APS vendor

Brandman Institute

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ECONOMY PROFILE



Italy

■ Population (2024): **59.0 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **60.8 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	49.7	49.4
Good opportunities to start a business in my area	33.2	35.2
It is easy to start a business	19.8	21.9
Personally have the skills and knowledge	54.7	55.1
Fear of failure (opportunity)	51.1	49.5
Entrepreneurial intentions*	17.3	18.6

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	21.7	22.8
International (25%+ revenue)	19.2	22.6
Always consider social impact	75.4	78.0
Always consider environmental impact	72.0	79.2
Prioritise social and/or environmental impact above profit or growth	59.7	75.5
Industry (% TEA in business services)	32.1	25.9

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	37.4	36.7
To build great wealth or very high income	55.4	58.5
To continue a family tradition	35.5	34.6
To earn a living because jobs are scarce	58.5	59.1

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	11.0	9.6	8.3	13.6
Established Business Ownership	6.0	6.9	2.9	9.0

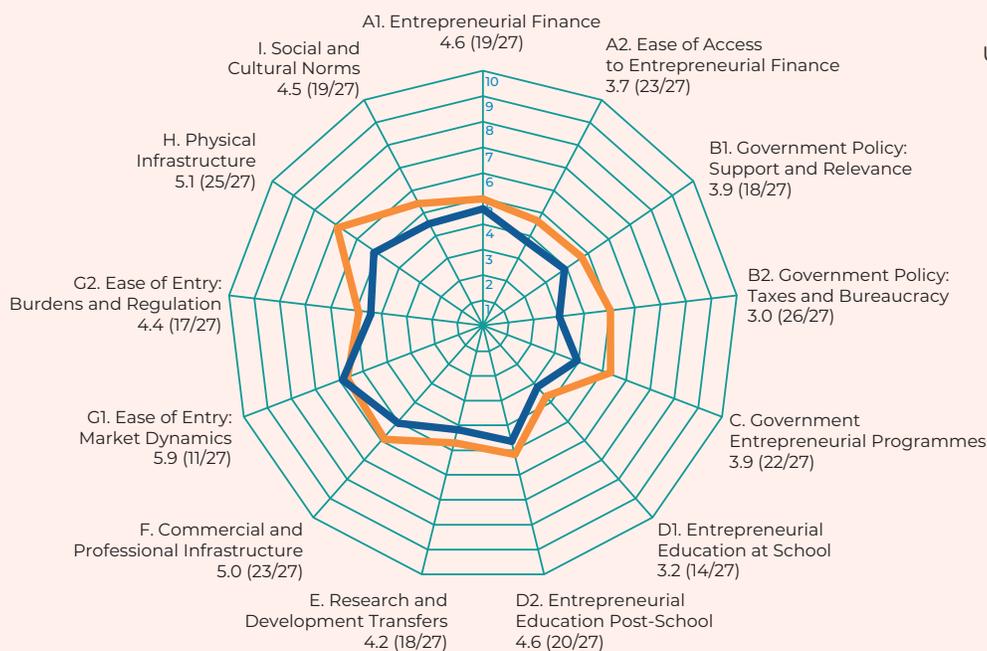
Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	28.6	27.8

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	44.2	42.6
Use more digital technology to sell products or services	62.6	60.5

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

In Italy, government initiatives to facilitate international access are available for “innovative startups”, i.e. those matching specific innovation requirements and consequently able to exploit some advantages for their operations and for their investors. These include the “Global Start up Program” — which includes mentoring activities, networking events and meetings with investors — and Innovit, the Italian Innovation and Culture Hub, aiming to give Italian players a presence in Silicon Valley.

The Italian government is continuing to invest heavily in venture capital via CDP Venture Capital, a state-owned financial vehicle for innovation, committed to investing in 50–70 new venture capital funds by 2028. In addition, in 2024, new measures aimed at revitalising Italy’s innovative startup ecosystem (the so called “Scaleup Act”) were approved, increasing tax credits and providing investment incentives.

The Italian government has also adopted new competition laws, the effective implementation of which is crucial to reducing entry barriers in many industries. It also intends to create a more business-friendly environment by simplifying numerous procedures in businesses’ interactions with public administration.

2025 Framework Conditions Review

Italy’s NECI (National Entrepreneurial Context Index) score for 2025 is 4.3, a slight decline from 4.5 in 2024 and reducing its rank from 27th to 33rd among 53 GEM economies. This reflects ongoing challenges in government support, access to finance and infrastructure.

Of the 13 Framework Conditions, Italy’s experts rated it sufficient (a score of ≥ 5.0) for just three: Ease of Entry: Market Dynamics (5.9), Physical Infrastructure (5.1) and Commercial and Professional Infrastructure (5.0). Three conditions scored higher than in 2024, with notable gains in Ease of Entry: Market Dynamics (5.9 from 5.4) and in Research and Development Transfers (4.2 from 4.0). However, these were more than offset by declines in 10 condition scores, including Government Policy: Taxes and Bureaucracy (3.0 from 3.5) and Government Entrepreneurial Programmes (3.9 from 4.4). Among the 53 GEM economies, Italy’s highest-ranked condition is Ease of Entry: Market Dynamics (18th), whereas two of its conditions are in the bottom 10 (Government Policy: Taxes and Bureaucracy [48th] and Physical Infrastructure [47th]). Experts also note that emotional barriers remain relevant in shaping Italy’s entrepreneurial environment. Recent analysis of GEM Italy 2024 microdata shows that women are more likely to report fear of failure and lower perceived entrepreneurial skills, signalling persistent gaps that reduce the inclusiveness and resilience of the ecosystem.

Italy is seen by its national experts as better than sufficient for new businesses’ prioritisation of sustainability (5.7) and for their awareness of the need for AI solutions (5.2).

Italy’s entrepreneurial environment in 2025 remains challenging, with a NECI score of 4.3 and a global rank of 33rd. Only three Framework Conditions meet the sufficiency threshold, and most have declined. The country ranks in the bottom 10 globally for government bureaucracy and physical infrastructure. Sustainability is moderately prioritised, while AI awareness is present but uneven. Overall, Italy shows pockets of strength but requires targeted improvements to enhance its entrepreneurial ecosystem.

2025 Entrepreneurial Activity Review

Three in 10 adults in Italy report that their household income fell in 2025, slightly up from the previous year. Meanwhile, just under one in five adults intend to start a business in the next three years, a modest decrease compared to 2024.

Entrepreneurial confidence is high in Italy, compared to opportunity recognition. Just under one in two adults know someone who has recently started a business, with slightly more adults seeing themselves as having the skills and experience to start their own. One in three see good opportunities to start a business locally, although half of these would not start a business for fear it might fail.

Just over one in 10 adults are starting or running a new business in 2025, up slightly from 2024, while one in 16 owns an established business. The ratio of new to established businesses suggests a healthy pipeline of emerging entrepreneurs. Men are more likely than women to be starting a new business, at a ratio of 3:2. Gender differences in perceptions also shape entrepreneurial engagement. Recent evidence shows that women are more likely to report fear of failure and less likely to feel they have the skills to start a business. These emotional constraints contribute to persistent gender gaps in entrepreneurial intention and activity.

The most agreed motivation among new entrepreneurs is “to earn a living because jobs are scarce”, agreed by three out of five, while “to build great wealth or very high income” was not far behind. Three out of five new entrepreneurs expect to use more digital technology to sell their product in the next six months, and one in three new entrepreneurs have customers beyond Italy, a slight fall since 2024. Employment prospects are reasonable, as one in five new entrepreneurs anticipate employing six or more people in five years’ time. Of Italy’s new entrepreneurs, almost three in five have taken steps to minimise environmental impacts in the past 12 months; and, while under a half have taken steps to maximise social impacts, three in five report prioritising such impacts above profitability or growth. These psychological barriers are particularly relevant for sustainability-oriented entrepreneurship. Although women often show strong interest in environmental and social impact, emotional deterrents such as fear of failure may limit the transition from intention to action.

Team

Team leader

Alessandra Micozzi

Team members

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Dominique Lepore

Maria Zifaro

Giusy Sica

Tommaso Maria Cucchiarelli

Andrea Mazzitelli

Donato Iacobucci

Diego D’Adda

Francesca Micozzi

Martina Orzi

Institution

Universitas Mercatorum



Università telematica delle
Camere di Commercio Italiane

Type of institution

University

Other institutions involved

Centre for Innovation and
Entrepreneurship, Università
Politecnica delle Marche

Funder

Universitas Mercatorum

APS vendor

IPSOS

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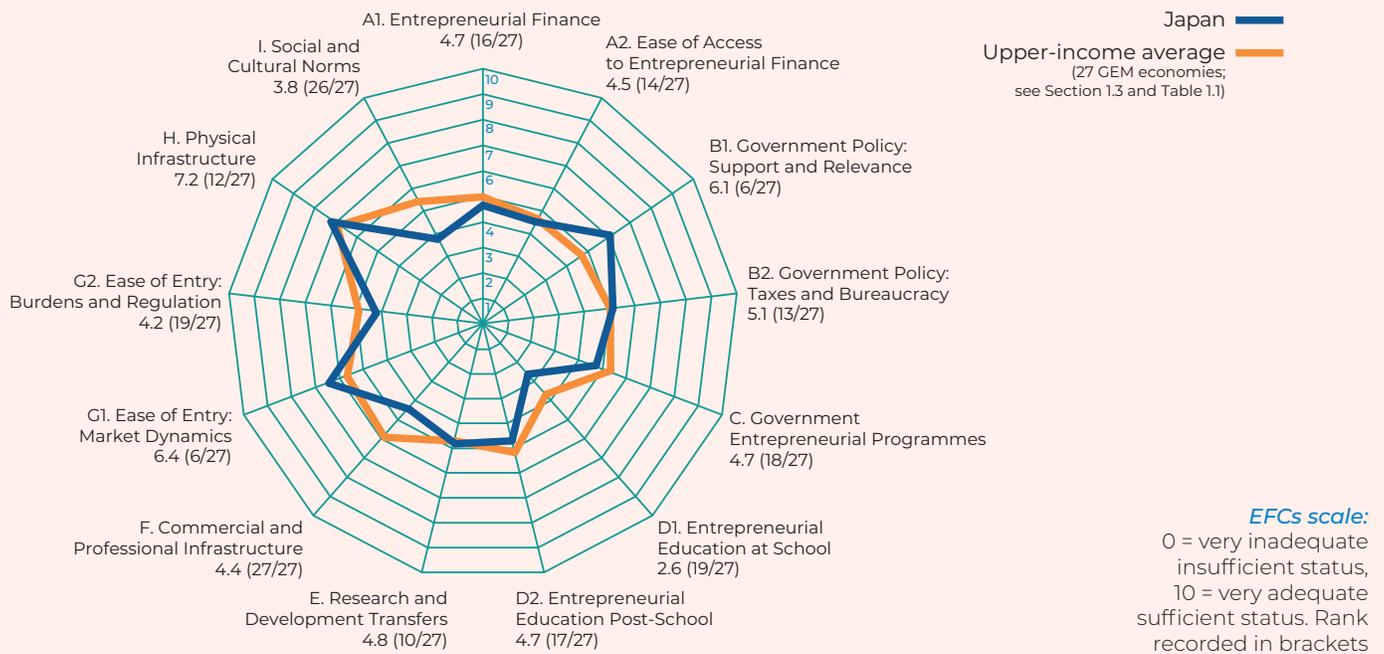


Japan

■ Population (2024): **123.9 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **51.7 thousand** (World Bank)

Japan did not participate in the 2025 Adult Population Survey.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

The Japanese government introduced its “Startup Development Five-Year Plan” in 2022. Under this policy, it provides support for Japanese startups’ overseas expansions, having helped over 2,000 to date, at a current rate of over 700 a year. For example, thanks to this support, materials startup TBM (which commercialises carbon dioxide) secured business negotiations with a company under a European luxury brand, leading to TBM’s environmentally conscious materials being adopted for cosmetic containers.

The government-affiliated Japan Finance Corporation has established consultation hubs for startups in major cities under its “Startup Support Plaza” scheme. In addition, revisions will expand the scope, and increase deduction limits, of preferential tax treatment related to angel investments and startup stock acquisitions.

2025 Framework Conditions Review

Japan’s NECI (National Entrepreneurial Context Index) score for 2025 is 4.9, a slight decline from 5.1 in 2024, placing it 17th out of 53 GEM economies, down from 15th a year earlier. This reflects modest deterioration in several areas, particularly education and infrastructure, although government policy and market dynamics remain strong.

Of the 13 Framework Conditions, Japan’s national experts rated just four as sufficient (a score of ≥ 5.0). These are Physical Infrastructure (7.2), Ease of Entry: Market Dynamics (6.4), Government Policy: Support and Relevance (6.1) and Government Policy: Taxes and Bureaucracy (5.1). Just two conditions have higher scores in 2025 than 2024: Research and Development Transfers (4.8 from 4.5) and Government

Policy: Taxes and Bureaucracy (5.1 from 4.9). This leaves 11 with lower scores; and, while many were minor changes, some were substantial. The score for Entrepreneurial Education Post-School fell from 5.4 to 4.7, Government Policy: Support and Relevance from 6.5 to 6.1, Ease of Entry: Burdens and Regulation from 4.8 to 4.2 and Physical Infrastructure from 7.8 to 7.2. Many of these are strongly influenced by government actions.

Despite these changes, in 2025 Japan has two Framework Conditions ranked in the top 10 of the 53 GEM economies: Ease of Entry: Market Dynamics (seventh), and Government Policy: Support and Relevance (eighth). However, it also has two in the bottom 10: Social and Cultural Norms (49th) and Commercial and Professional Infrastructure (45th). National experts rate new and growing businesses’ prioritisation of sustainability as good (6.5), whereas entrepreneurs’ awareness of the need for AI solutions is seen as excellent (7.3).

Japan’s entrepreneurial environment in 2025 is stable but mixed, with a NECI score of 4.9 and a mid-tier global ranking. Only four Framework Conditions meet the sufficiency threshold, and most indicators have declined since 2024. The country performs well in government policy and market dynamics, and shows strong commitment to sustainability. However, challenges persist in education, infrastructure and especially in cultural support. AI awareness is high, but implementation and support systems require strengthening to fully leverage digital opportunities.

2025 Entrepreneurial Activity Review

Japan did not participate in the 2025 GEM Adult Population Survey.

Team

Team leader

President Noriyuki Takahashi

Team members

Prof. Masaaki Suzuki
Prof. Yuji Honjo
Prof. Takehiko Yasuda
Prof. Masatoshi Kato

Institution

Musashi University



**MUSASHI
UNIVERSITY**

Type of institution

University

Other institutions involved

Chuo University
Toyo University
Kwansei Gakuin University

Funder

Ministry of Economy, Trade and Industry, METI

APS vendor

Social Survey Research Information Co. Ltd (SSRI)

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Jordan

■ Population (2024): **11.5 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **10.8 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	53.6	54.7
Good opportunities to start a business in my area	58.2	52.7
It is easy to start a business	43.8	39.9
Personally have the skills and knowledge	69.7	72.3
Fear of failure (opportunity)	59.0	45.6
Entrepreneurial intentions*	43.4	52.4

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	27.0	16.5
International (25%+ revenue)	8.6	7.9
Always consider social impact	71.3	78.6
Always consider environmental impact	68.7	78.5
Prioritise social and/or environmental impact above profit or growth	62.1	68.9
Industry (% TEA in business services)	11.1	9.2

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

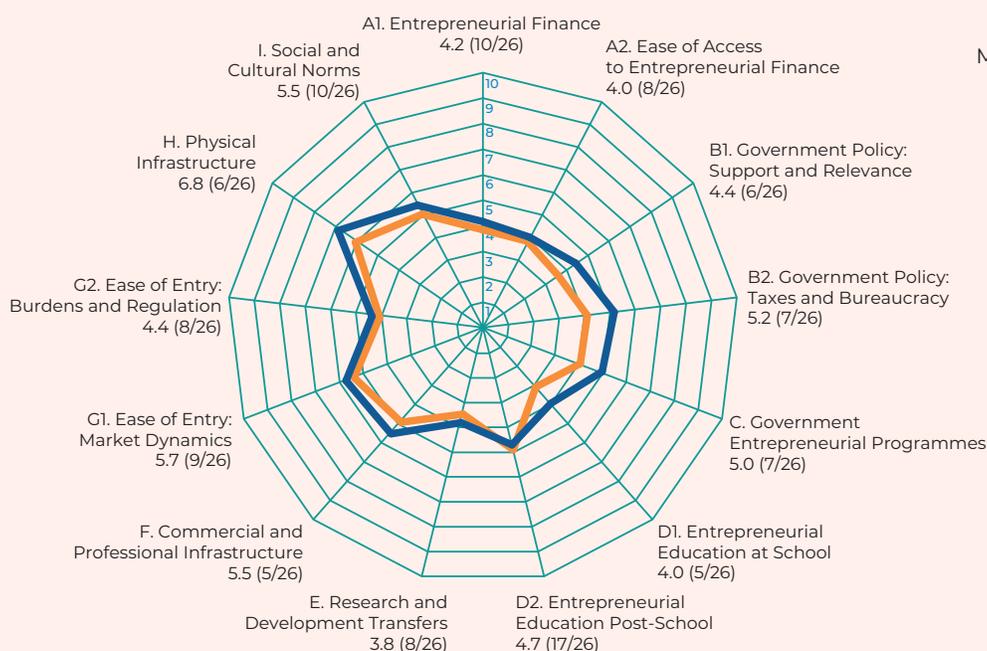
Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	36.5	28.3
To build great wealth or very high income	86.1	70.7
To continue a family tradition	29.3	21.6
To earn a living because jobs are scarce	86.1	91.5

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	10.7	21.1	8.3	12.8
Established Business Ownership	3.8	4.8	2.6	4.8

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	53.1	50.0

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	57.4	58.0
Use more digital technology to sell products or services	52.2	49.7

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Access to international markets for new entrepreneurs in Jordan is improving, thanks to supportive policies and better financing frameworks. However, many startups, particularly in the early stages, still face difficulties entering global markets. Although the business environment is becoming more favourable, meaningful international market penetration remains limited and will require additional support.

2025 Framework Conditions Review

Jordan's NECI (National Entrepreneurial Context Index) score for 2025 is 4.9, a small decrease from 5.0 in 2024, placing it 19th out of 53 GEM economies. This decline may be attributed to reduced scores in finance, government policies and programmes, despite strong performance in Commercial and Physical Infrastructure.

Of the 13 Framework Conditions, Jordan's national experts rated five of as sufficient or better (a score of ≥ 5.0), led by Physical Infrastructure (6.8) and Ease of Entry: Market Dynamics (5.7). This leaves nine as less than sufficient, with the lowest scores being for Research and Development Transfers (scored at 3.8) and Entrepreneurial Education at School (4.0). So, apart from Physical Infrastructure and Research and Development Transfers, all of Jordan's Framework Conditions score between a relatively narrow band (4.0 and 5.7).

Since 2024, scores have improved for just four conditions, including Ease of Entry: Market Dynamics (up from 5.2 to 5.7) and Entrepreneurial Education Post-School (from 4.3 to 4.7). However, nine scores declined, including Physical Infrastructure (from 7.6 to 6.8) and Government Policy: Support and Relevance (4.9 to 4.4). This all creates a mixed picture; many changes are small, although with more losses than gains. This is confirmed by examining the rankings of Jordan's Framework Conditions among the 53 GEM economies: none ranked higher than 16th (Entrepreneurial Education at School), nor lower than 33rd (Entrepreneurial Education Post-School).

Jordan's national experts scored new businesses' prioritisation of sustainability as just less than sufficient (4.9). However, entrepreneurs' awareness of the need for AI solutions was viewed much more positively, with a score of 6.6.

Jordan's entrepreneurial environment in 2025 is stable but constrained, with a NECI score of 4.9 and a mid-tier global ranking. Five Framework Conditions meet the sufficiency

threshold, although nine have declined since 2024, most not by much. The country performs well in infrastructure and market dynamics, and shows promising engagement with AI. However, challenges persist in finance, government programmes and sustainability. Continued investment in education, digital capacity and inclusive policy could help strengthen Jordan's entrepreneurial ecosystem.

2025 Entrepreneurial Activity Review

Just over half of adults in Jordan report that their household income fell in 2025, up slightly from 2024. Just over two in five adults intend to start a business in the next three years, down from more than a half in 2024, so some decline in entrepreneurial intent is in evidence.

In Jordan entrepreneurial confidence is high, as is opportunity recognition, but so too is the fear of failure. Just over half of adults know someone who has recently started a business, while seven in 10 see themselves as having the skills and experience to start their own. Although nearly three in five see good opportunities to start a business locally, the majority (59%) of these would not start a business for fear it might fail: a notable increase from 46% in 2024.

Just over one in 10 adults are starting or running a new business in 2025, down sharply from two in 10 in 2024. Fewer than one in 20 own an established business, also down on 2024, reflecting a declining ratio of new to established businesses. Men are more likely than women to be starting a new business, with a ratio of approximately 3:2.

The most commonly agreed motivations among new entrepreneurs are "to earn a living because jobs are scarce" and "to build great wealth or very high income", both agreed by more than eight in 10. Just over half of new entrepreneurs expect to use more digital technology to sell their products in the next six months. Nearly one in five new entrepreneurs have customers beyond Jordan, up from 2024, while more than one in four anticipate employing six or more people in five years' time. Just over one in three early-stage entrepreneurs have taken steps to minimise environmental impacts in the past 12 months, while just over two in five have taken steps to maximise social impact, although nearly two in three report prioritising such impacts above profitability or growth.

Team

Team leader

Ahmad Alshwawra

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Institution

Ministry of Digital Economy and Entrepreneurship



Ministry of Digital Economy and Entrepreneurship

Type of institution

Government

Other institutions involved

German Jordan University (GJU)



الجامعة الألمانية الأردنية
German Jordanian University

Jordan Strategy Forum (JSF)



منتدى الاستراتيجيات الأردني
JORDAN STRATEGY FORUM

Funders

Youth, Technology, and Jobs (YTJ) Project, Ministry of Digital Economy and Entrepreneurship



Ministry of Investment



Invest
Jordan

APS vendor

NAMA Strategic Intelligence Solutions



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Latvia

■ Population (2024): **1.9 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **43.9 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	42.8	48.2
Good opportunities to start a business in my area	35.8	40.5
It is easy to start a business	29.6	34.1
Personally have the skills and knowledge	52.4	54.0
Fear of failure (opportunity)	43.8	47.9
Entrepreneurial intentions*	15.4	21.7

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	32.9	29.1
International (25%+ revenue)	32.3	28.0
Always consider social impact	73.5	77.6
Always consider environmental impact	73.0	77.5
Prioritise social and/or environmental impact above profit or growth	41.3	41.2
Industry (% TEA in business services)	27.9	21.4

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

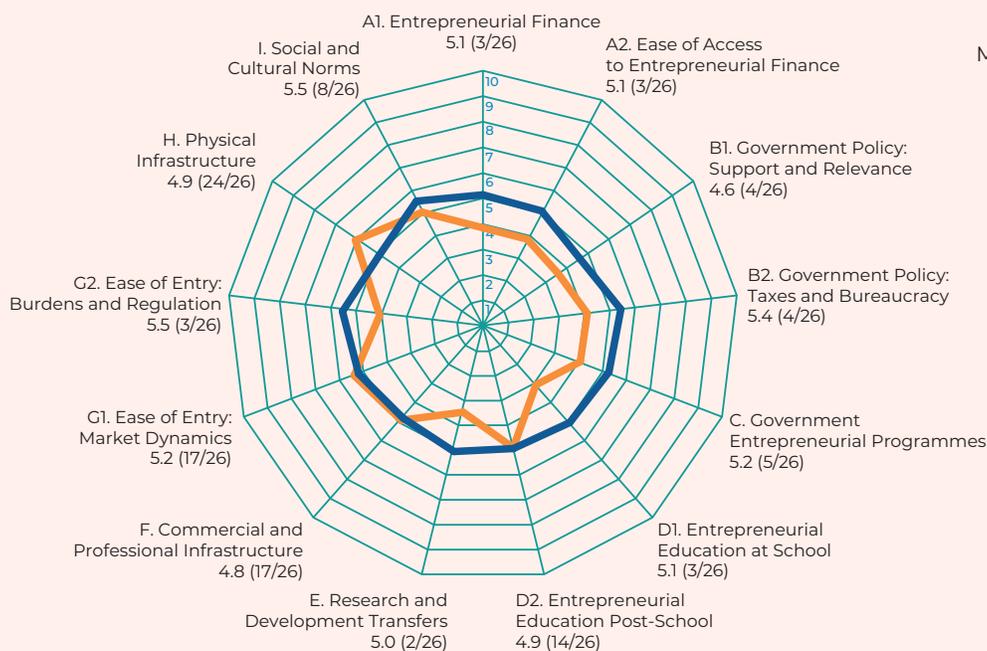
Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	39.5	33.5
To build great wealth or very high income	49.8	45.5
To continue a family tradition	29.4	30.1
To earn a living because jobs are scarce	59.8	56.9

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	13.2	12.1	10.9	15.6
Established Business Ownership	11.0	8.9	7.2	14.7

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	22.5	22.9

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	26.1	22.5
Use more digital technology to sell products or services	59.0	59.0

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

In Latvia, access to international markets is improving, thanks to enhanced support via government-operated agencies' grants, incubation programmes, export-oriented subsidies and tailored schemes for startups and science-intensive ventures. However, this improvement is conditional: it helps those startups that satisfy eligibility criteria and are willing to aim for export/innovation markets. For purely domestic-oriented or resource-limited firms, barriers remain.

Several policy measures have influenced the entrepreneurial environment in Latvia. One key development was the adoption of a tax reform package which introduced a two-tier personal income tax structure, raised the ceiling for social security contributions, and increased the tax rate on capital income, while the minimum monthly wage increased to €74.

Changes in VAT policy are also helping to shape the environment for businesses. The government has reduced VAT rates and plans to introduce a temporary reduced 12% VAT rate for basic food products. The government also increased its targeted assistance to entrepreneurs, with investment attraction and administrative burden reduction as priority areas for 2025. Furthermore, it launched a new financial instrument of more than €98 million to support micro, small and medium-sized enterprises, offering loans with a capital discount of up to 30% to promote investment and business expansion.

Taken together, these measures represent notable shifts in the entrepreneurial policy landscape, reshaping tax and cost structures, expanding access to finance and modernising support frameworks for both traditional SMEs and innovation-oriented startups.

2025 Framework Conditions Review

Latvia's entrepreneurial environment in 2025 is moderately strong, with a NECI (National Entrepreneurial Context Index) score of 5.1, little changed from 2024. This marks a recovery from the dip in 2023 (4.90), suggesting stabilisation and modest improvement in the entrepreneurial context. Latvia ranks 15th among 53 economies globally, and within the top third of its income group.

Of the 13 Framework Conditions assessed by national experts, nine scored 5.0 or higher, indicating a sufficient level of support for entrepreneurship. However, the highest score was 5.5 (for both Ease of Entry: Burdens and Regulation and Social and Cultural Norms), suggesting sufficient but not outstanding conditions. Similarly, the lowest score of the four conditions rated as insufficient was 4.6, so insufficient but not poor. In fact, the Framework Condition scores for Latvia have proved remarkably stable, with no score changing by more than 0.2 points between 2024 and 2025. Latvia ranks in the top 10 globally (of 53 GEM

economies) for Entrepreneurial Education at School and Ease of Entry: Burdens and Regulation (both ninth), but also in the bottom 10 for Physical Infrastructure (ranked 49th).

New and growing businesses' perceived prioritisation of sustainability is rated by national experts as modestly sufficient, with a score of 5.5. However, national experts see entrepreneurs in Latvia as showing exceptionally high awareness and engagement with AI, with awareness of the need for AI solutions scored at 6.7.

Latvia has a modestly good entrepreneurial environment which is remarkably stable, with few exceptional strengths or weaknesses, apart from its leadership in digital awareness. There is certainly room for improvement, especially in aspects of government policy, but also much quality to be maintained.

2025 Entrepreneurial Activity Review

Just under one in four adults in Latvia reported that their household income had fallen in 2025, slightly down from 2024. Meanwhile around one in six intend to start a business in the next three years, down from more than one in five in 2024.

Entrepreneurial awareness, confidence and opportunity recognition are all fairly modest in Latvia. Just over two in five adults know someone who has recently started a business, while only one in three see themselves as having the skills and experience to start their own. Just under half see good opportunities to start a business locally, but of these more than two in five would not do so for fear it might fail.

A little over one in eight adults are starting or running a new business in 2025, up slightly from 2024. Just over one in 10 owns an established business, up a little from 2024. This suggests a relatively balanced ratio of new to established businesses. Men continue to be more likely than women to be starting a new business, although the gap may be narrowing.

The most agreed motivation among new entrepreneurs is "to earn a living because jobs are scarce", agreed by three in five, followed by "to build great wealth or very high income" (one in two). Nearly three in five new entrepreneurs expect to use more digital technology to sell their products in the next six months, while just over one in two have customers beyond Latvia, the same as 2024. Employment prospects are high, since nearly three in 10 new entrepreneurs anticipate employing six or more people in five years' time.

A little more than four in 10 have taken steps to minimise environmental impacts in the past 12 months, rather more than the three in 10 who have taken steps to maximise social impacts. However, two in five report that they prioritise such impacts above profitability or growth.

Team

Team leader

Marija Krumina

Team member

Anders Paalzow

Institution

Stockholm School of Economics in Riga (SSE Riga)



Type of institution

Business School

Other institutions involved

Baltic International Centre for Economic Policy Studies (BICEPS)

Funders

Stockholm School of Economics in Riga
The Abraham Storch Memorial Project

APS vendor

SKDS

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Lithuania

■ Population (2024): **2.9 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **54.4 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	70.6	71.1
Good opportunities to start a business in my area	51.2	50.6
It is easy to start a business	34.8	40.9
Personally have the skills and knowledge	54.5	55.6
Fear of failure (opportunity)	45.1	48.1
Entrepreneurial intentions*	27.2	20.2

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	9.4	21.8
International (25%+ revenue)	39.2	7.7
Always consider social impact	76.8	75.7
Always consider environmental impact	70.7	66.5
Prioritise social and/or environmental impact above profit or growth	50.9	50.5
Industry (% TEA in business services)	22.9	18.4

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	45.8	48.0
To build great wealth or very high income	53.2	57.0
To continue a family tradition	35.7	32.3
To earn a living because jobs are scarce	68.8	71.0

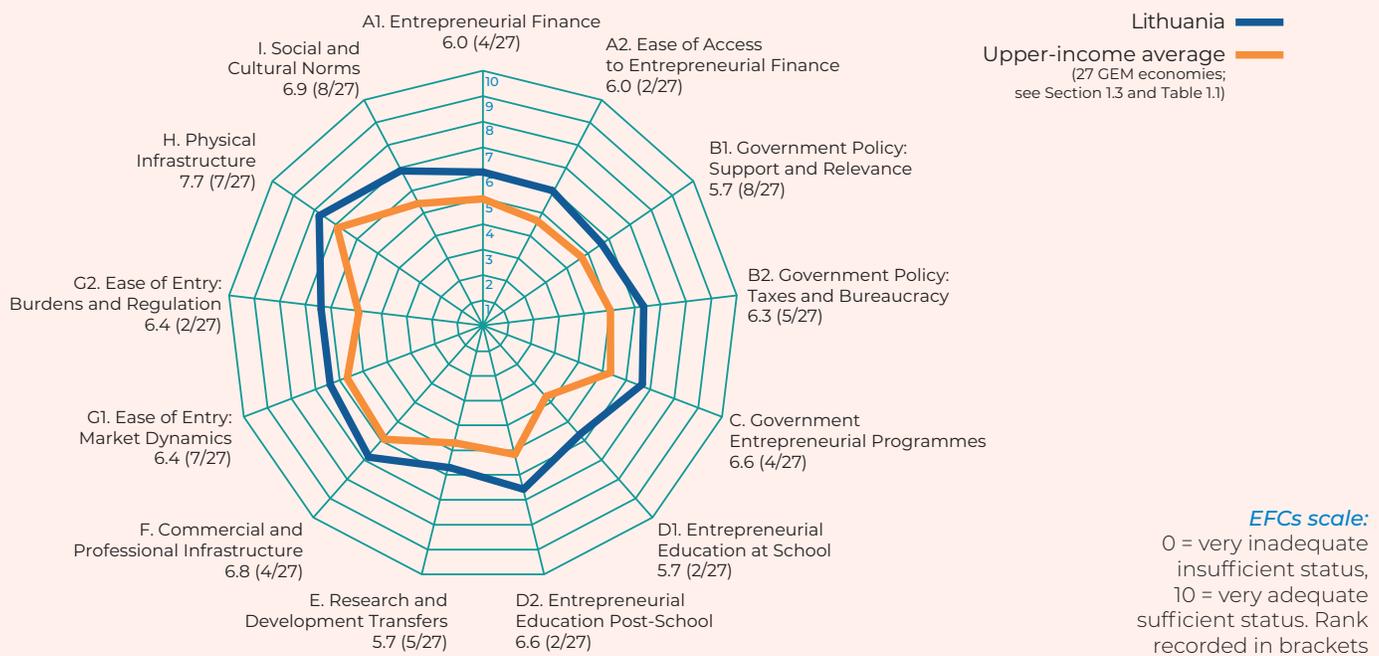
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	17.0	11.6	15.2	18.8
Established Business Ownership	5.4	3.2	4.3	6.4

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	35.6	25.7

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	53.0	43.2
Use more digital technology to sell products or services	46.7	37.3

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Access to international markets for Lithuania's new entrepreneurs is improving. Around one-third of Lithuania's SMEs sell online, above the EU average of about one-fifth, and a significant share of these online sellers export to foreign markets. At the same time, the combined enterprise value of Lithuanian startups increased 7.1-fold between 2018 and 2023 to about €13.7 billion. Together, these indicators suggest that, despite short-term fluctuations in trade flows, the structural conditions for Lithuanian startups and small firms to reach international markets are getting better.

In terms of policy changes, a new Investment Account regime for individual investors allows deferral of personal income tax on reinvested investment income, to stimulate private investment into startups and SMEs. Licensing for many fintech and other financial firms can now be handled fully online, reducing documentation burdens while aligning with EU standards. At the same time, labour-migration rules have been tightened, with a new annual quota for third-country workers accompanied by stricter residence-permit requirements.

2025 Framework Conditions Review

Lithuania's entrepreneurial environment remains robust in 2025, with a NECI (National Entrepreneurial Context Index) score of 6.4, essentially unchanged from 2024. Lithuania ranks fourth globally (among 53 GEM economies), maintaining a strong position among high-income economies.

National experts scored all 13 Framework Conditions at 5.0 or higher, indicating a comprehensive and supportive environment for entrepreneurship. The highest-scoring conditions include Physical Infrastructure (7.7), Social and Cultural Norms (6.9) and Commercial and Professional Infrastructure (6.8), as well as Government Entrepreneurial Programmes and Entrepreneurial Education Post-School (both 6.6). Between 2024 and 2025, six conditions improved their scores, although most changes were marginal, while seven had lower scores, including Physical Infrastructure (from 8.2 to 7.7) and Government Policy: Support and Relevance (from 6.1 to 5.7).

Despite these shifts, Lithuania's overall entrepreneurial environment remains strong and balanced. For example, all 13 of Lithuania's Framework Conditions rank in the global top 10 among the 53 GEM economies, with the highest-ranked being both education conditions and Ease of Entry: Burdens and

Regulation (all three ranked second), while the lowest-ranked is Government Policy: Support and Relevance (10th).

Lithuania demonstrates commitment to sustainability and responsible business practices, with new and growing businesses' perceived prioritisation of sustainability scored at 6.4, while their awareness of the need for AI solutions scored an exceptional 7.7.

Lithuania continues to offer a highly supportive entrepreneurial environment in 2025, with all Framework Conditions scoring above 5.0 and all ranking in the global top 10. The country scores well in sustainability and responsible business practices. However, challenges remain in enhancing institutional support for AI adoption. Overall, Lithuania remains a strong performer in the GEM framework, with a balanced and forward-looking entrepreneurial ecosystem.

2025 Entrepreneurial Activity Review

Entrepreneurial awareness is high in Lithuania, with seven out of 10 adults knowing someone who has recently started a business. More than one in two adults see themselves as having the skills or experience to start a business of their own, or see good opportunities to start a business locally, while nearly a half of these would not do so for fear it might fail. Nevertheless, business intentions are high, with more than one in four adults expecting to start their own business in the next three years.

The proportion of adults actually starting or running a new business in Lithuania has increased rapidly in recent years, from 7% in 2023 to 12% in 2024 and then to 17% in 2025. The proportion owning an established business is a much lower, reaching just 5% in 2025. Men are more likely than women to be starting a new business.

More than two in three new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", while just under one in two expect to use more digital technology to sell their products in the next six months. One in 10 anticipate employing six or more people in the next five years. In contrast to many other economies, the proportion of new Lithuania entrepreneurs with customers beyond their own country has increased, from one in three in 2024 to more than one in two in 2025. Around three in five new entrepreneurs claim to have acted to reduce environmental impacts or maximise social impacts in the past 12 months, with slightly fewer reporting prioritising such impacts over profitability or growth.

Team

Team leader

Prof. Saule Maciukaite-Zviniene

Team members

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Robertas Skliaustas
Migle Marija Galvonaite
Andrius Jankauskas

Institution

Vilnius University Business School



Type of institution

University

Other institutions involved

Ministry of Economics and Innovation



Funders

Vilnius University Business School
Research Council of Lithuania



Research Council of Lithuania

APS vendor

SQ Shopper Quality

Website

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ECONOMY PROFILE



Luxembourg

■ Population (2024): **.7 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **150.8 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	47.4	47.6
Good opportunities to start a business in my area	51.8	47.7
It is easy to start a business	59.2	61.0
Personally have the skills and knowledge	46.5	48.8
Fear of failure (opportunity)	42.1	41.4
Entrepreneurial intentions*	15.8	15.8

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	29.4	25.5
International (25%+ revenue)	20.7	39.6
Always consider social impact	75.0	79.7
Always consider environmental impact	65.6	82.4
Prioritise social and/or environmental impact above profit or growth	48.7	53.9
Industry (% TEA in business services)	40.4	40.4

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	46.6	57.9
To build great wealth or very high income	51.7	51.8
To continue a family tradition	20.6	21.6
To earn a living because jobs are scarce	35.6	37.9

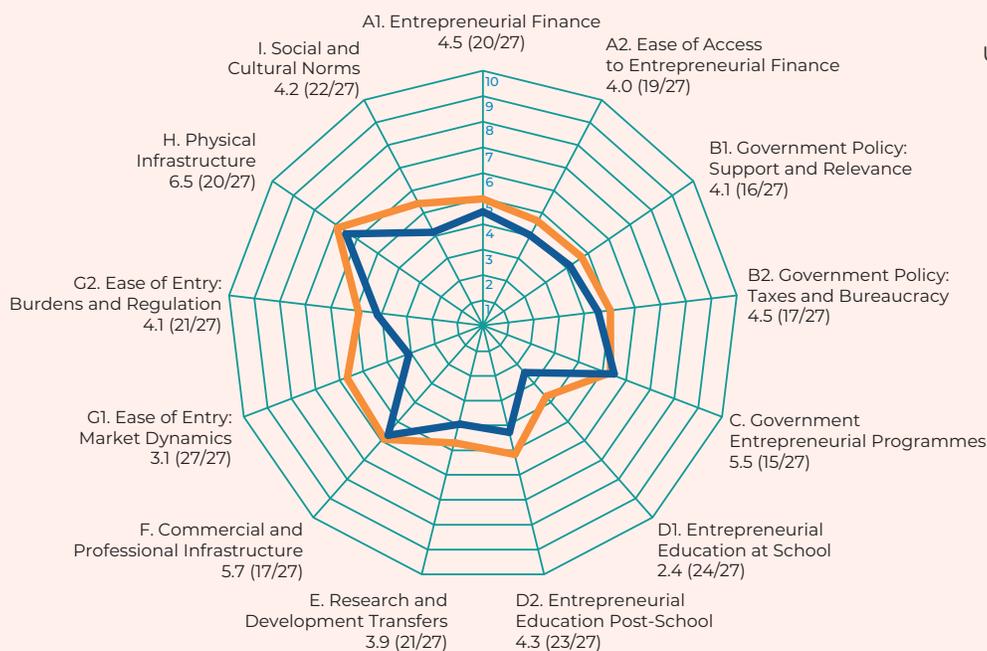
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	9.4	9.9	7.2	11.5
Established Business Ownership	3.7	4.4	3.4	4.0

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	26.5	26.4

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	40.6	45.6
Use more digital technology to sell products or services	54.1	72.4

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Luxembourg —
 Upper-income average (27 GEM economies; see Section 1.3 and Table 1.1)

EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Luxembourg is a small, open economy integrated into global markets. According to the OECD, access to international markets has generally improved in the period 2016–2023. Luxembourg performs well on trade facilitation, ranking 10th out of 38 OECD countries in 2022–2023. Cross-border labour mobility remains a structural feature of the ecosystem — around half of the workforce are cross-border workers, and in 2022 roughly 20% of the self-employed were non-resident.

In the past 12 months, the Luxembourg government has introduced policy changes that directly affect entrepreneurship. In March 2025, ministers launched the action plan “10 Action Points for Start-ups”, including new tax incentives to encourage private investment in young innovative firms, expanded support for deep-tech and sector-focused incubators, and new financial instruments aimed at strengthening venture-capital funding.

2025 Framework Conditions Review

Luxembourg’s NECI (National Entrepreneurial Context Index) score for 2025 is 4.4, continuing a downward trend since a peak of 5.0 in 2022, 4.6 in 2023, and then 4.5 in 2024. This 2025 score places Luxembourg 30th out of 53 economies globally, having been 20th in 2022.

Of the 13 Framework Conditions, Luxembourg’s experts rated only three as sufficient or better (a score of ≥ 5.0): Government Entrepreneurial Programmes (5.5), Commercial and Professional Infrastructure (5.7) and Physical Infrastructure (6.5). This marks a slight improvement from 2024, when only two conditions met the sufficiency threshold. However, the overall picture remains weak, with 10 conditions scoring below 5.0, and Ease of Entry: Market Dynamics scoring just 3.1, the lowest for this among all 53 GEM economies.

Since 2024, four conditions improved their scores, including Commercial and Professional Infrastructure (from 4.8 to 5.7) and Social and Cultural Norms (from 3.7 to 4.2). However, nine condition scores declined, most notably Entrepreneurial Education at School (from 3.6 to 2.4) and Government Policy: Support and Relevance (from 4.7 to 4.1). Luxembourg ranks in the bottom 10 globally for two conditions: Entrepreneurial Education Post-School (rank 44) and, as noted above, Ease of Entry: Market Dynamics (rank 53).

New businesses’ prioritisation of sustainability is rated by national experts at 5.6, up from 5.1 in 2024, indicating modest

improvement. Entrepreneurs’ awareness of the need to develop and implement AI solutions is scored at 6.5, up from 5.9 in 2024. This reflects increasing engagement with digital transformation.

Luxembourg’s entrepreneurial environment in 2025 remains weak, with a declining NECI score and only three Framework Conditions rated as sufficient. The country ranks low in its income group and shows poor performance in education and market dynamics. While there are signs of improvement in infrastructure and sustainability, significant challenges persist in policy and in social support. Strategic investment in education, inclusive policies and digital capacity will be essential to strengthen Luxembourg’s entrepreneurial ecosystem.

2025 Entrepreneurial Activity Review

Entrepreneurial awareness, confidence and opportunity recognition are all reasonably high in Luxembourg, with just under one in two adults knowing someone who has recently started a business, or seeing themselves as having the skills and experience to start their own, while just over one in two agree that there are good opportunities to start a business locally. Of the latter, about two in five would not do so for fear it may fail. Business intentions are stable, with around one in six adults expecting to start a business in the next three years, the same as in 2024.

The percentage of adults actually starting or running a business in Luxembourg is also reasonably stable, having been just under one in 10 adults for the past three years. Meanwhile, the percentage running an established business has fallen slightly to just under 4%, implying more than two people starting a new business for every person running an established one. Men continue to be more likely than women to be starting new businesses. Worryingly for a small economy, the proportion of new entrepreneurs with customers outside Luxembourg fell from more than two in three in 2024 to well under one in two in 2025. More than one in two new entrepreneurs expect to use more digital technology to sell their products in the next six months, with a relatively high three in 10 anticipating employing six or more people in five years’ time. Just one in two new entrepreneurs claim to have acted to minimise environmental impact in the last 12 months, with slightly fewer acting to maximise social impact, or claiming to have prioritised such impacts over profitability or growth.

Team

Team leader

Cesare Riillo

Team members

Francesco Sarracino
Chiara Peroni
Maxime Pettinger

Institution

STATEC Research

STATEC
RESEARCH

Type of institution

Public body

Funders

STATEC Research

STATEC (National Institute of Statistics and Economic Studies of the Grand Duchy of Luxembourg)
Chambre de Commerce Luxembourg
House of Entrepreneurship
Ministère de l’Économie

APS vendor

ILRES

Website

<https://statistiques.public.lu/en/statistique-publique/statec/red.html>

Contact

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Mexico

■ Population (2024): **130.9 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **25.7 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	62.6	57.7
Good opportunities to start a business in my area	61.5	59.1
It is easy to start a business	48.7	47.3
Personally have the skills and knowledge	70.2	66.6
Fear of failure (opportunity)	40.4	45.6
Entrepreneurial intentions*	18.4	21.0

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	35.2	22.7
International (25%+ revenue)	10.3	4.3
Always consider social impact	87.4	87.4
Always consider environmental impact	89.0	85.3
Prioritise social and/or environmental impact above profit or growth	77.9	74.0
Industry (% TEA in business services)	10.5	7.0

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	61.1	59.2
To build great wealth or very high income	64.3	66.1
To continue a family tradition	47.1	49.8
To earn a living because jobs are scarce	85.9	81.0

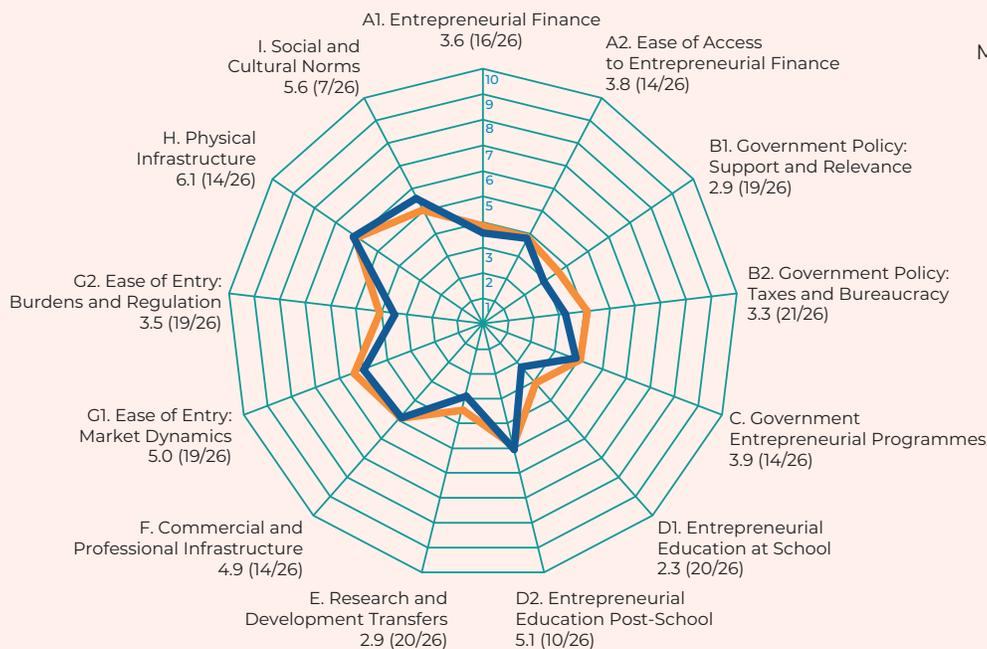
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	19.4	15.0	16.8	22.2
Established Business Ownership	4.9	3.3	3.3	6.6

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	34.2	35.0

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	42.8	44.4
Use more digital technology to sell products or services	75.2	70.6

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Mexico's array of trade agreements and proactive SME export initiatives are creating more viable pathways for startups to engage in international sales. Mexico's strategic location and trade framework, particularly the US–Mexico–Canada Agreement (USMCA), are attracting significant foreign direct investment and enabling greater integration with the North American supply chain.

For digitally adept entrepreneurs, access is set to improve in 2025 due to advancements in digital trade facilitation, the growth of e-commerce and various export programmes. Conversely, for small startups with limited resources, the situation is ambiguous: access has become more attainable yet simultaneously more unpredictable and expensive, owing to fluctuations in trade policy and logistics, including potential tariffs and more stringent rules of origin. These complicate access for entrepreneurs who lack scale, specialised compliance expertise and trade financing.

In January 2025, the government released its “Plan México”, providing extensive tax incentives across all industries and regions. For new or expanding businesses, particularly those with capital expenditures (such as manufacturing, technology hardware and physical infrastructure) or those investing in training and innovation, these incentives reduce the effective cost of capital. However, the federal budget for micro, small and medium enterprises in 2025 is MXN76.4 million (US\$325,000), a 6% decrease from 2024. Moreover, various policies and reforms are introducing additional complexities and compliance expenses, especially for digital and platform-based businesses.

2025 Framework Conditions Review

Mexico's NECI (National Entrepreneurial Context Index) score for 2025 is 4.0, a slight decline from 4.1 in 2024 and placing Mexico 43rd out of 53 economies globally.

National experts rated only three of the 13 Framework Conditions as sufficient or better (a score of ≥ 5.0): Physical Infrastructure (6.1), Social and Cultural Norms (5.6) and Entrepreneurial Education Post-School (5.1). This was unchanged from 2024, when the same three conditions met the sufficiency threshold. The remaining 10 conditions are rated as insufficient, with particularly low scores for Entrepreneurial Education at School (2.3), Government Policy: Support and Relevance (2.9) and Research and Development Transfers (2.9). Since 2024, five conditions improved their scores, including Government Entrepreneurial Programmes (from 3.4 to 3.9) and Social and Cultural Norms (from 5.1 to 5.6). However, eight conditions saw their scores decline, many by small amounts, including Entrepreneurial Education at School (from 2.6 to 2.3) and Ease of Entry: Burdens and Regulation (from 3.8 to 3.5).

Mexico ranks in the bottom 10 globally (of 53 GEM economies) for both government policy conditions, for Entrepreneurial Education at School and for Ease of Entry: Burdens and

Regulation (all ranked 46th), as well as for Research and Development Transfers (47th).

National experts rated new and growing businesses' prioritisation of sustainability at 5.2, down from 5.5 in 2024. Entrepreneurs' awareness of the need to develop and implement AI solutions was scored at 6.2, up from 5.2 in 2024, reflecting growing entrepreneurial engagement with digital transformation.

Mexico's entrepreneurial environment in 2025 remains weak, with a declining NECI score and only three Framework Conditions rated as sufficient. The country ranks low within its income group, facing persistent challenges in education, policy and innovation. However, its strengths include a strong physical infrastructure and growing awareness of AI. Strategic improvements in government support, education and sustainability can help Mexico build a more resilient and inclusive entrepreneurial ecosystem.

2025 Entrepreneurial Activity Review

Just over a third of adults in Mexico report that their household income fell in 2025, slightly down from 2024. Meanwhile, less than one in five adults intend to start a business in the next three years, also down from 2024, indicating a slight decline in entrepreneurial intent.

Entrepreneurial awareness, confidence and opportunity recognition are all high. A little over three out of five adults in Mexico know someone who has recently started a business, while seven out of 10 see themselves as having the skills and experience to start their own. Three in five see good conditions to start a business locally, although two in five of these would not do so for fear that it might fail.

Nearly two in five adults are starting or running a new business in 2025, up from 2024. However, one in 20 owns an established business, slightly up from 2024, reflecting a widening gap between new and established business activity. In a reversal from 2024, men are more likely than women to start a new business. The most agreed motivation among new entrepreneurs is “to earn a living because jobs are scarce”, agreed by well over four in five, followed by “to build great wealth or very high income” with nearly two out of three agreements.

Three out of four new entrepreneurs expect to use more digital technology to sell their products in the next six months, while over one in five new entrepreneurs have customers beyond Mexico, nearly double the level of 2024. Employment prospects are positive, since more than one in three new entrepreneurs anticipate employing six or more people in five years' time, up from less than one in four in 2024. Over two-thirds of new entrepreneurs have taken steps to minimise environmental impacts in the past 12 months, while slightly under three-fifths have taken steps to maximise social impacts. Despite these levels, more than three out of four prioritise such impacts above profitability or growth.

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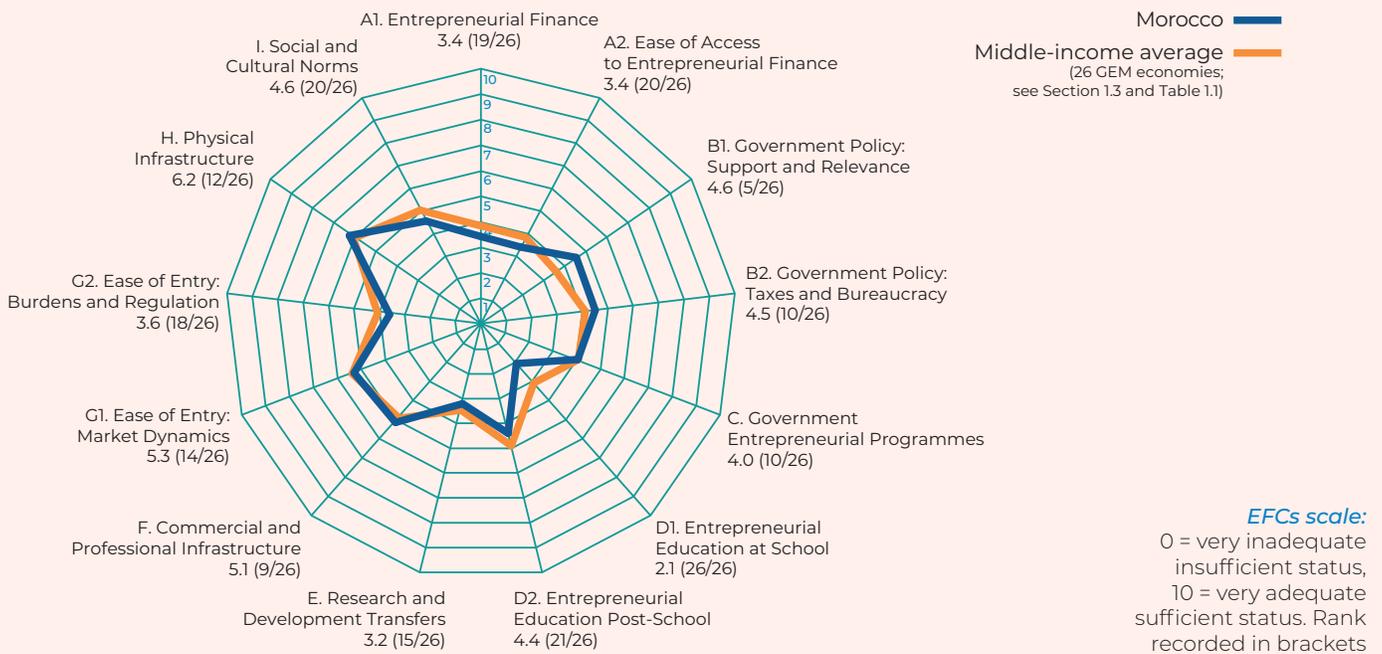


Morocco

■ Population (2024): **38.1 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **10.3 thousand** (World Bank)

Morocco did not participate in the 2025 Adult Population Survey.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Access conditions to international markets for new entrepreneurs in Morocco are showing moderate improvement, driven by digitalisation and trade openness. Morocco continues to strengthen its position as a trade hub through free trade agreements with the EU, US and African partners under the African Continental Free Trade Area (AfCFTA). However, barriers related to costs, standards and support continue to limit export potential.

The past 12 months have been marked by the implementation of the new Investment charter, the expansion of guarantee and financing mechanisms for micro-enterprises, the gradual simplification of procedures through digitalisation and the continued reforms related to the business climate. Their impact on entrepreneurship is noticeable but remains uneven.

2025 Framework Conditions Review

Morocco's NECI (National Entrepreneurial Context Index) score for 2025 is 4.2, a modest increase from 3.9 in 2024, and almost back to the level of 2023. This places Morocco 40th out of 53 GEM economies globally in 2025.

Of the 13 Framework Conditions, national experts rated only three of Morocco's as sufficient or better (a score of ≥ 5.0): Physical Infrastructure (6.2), Ease of Entry: Market Dynamics (5.3) and Commercial and Professional Infrastructure (5.1). Nevertheless, this marks a slight improvement from 2024 when only two conditions were sufficient. The remaining 10 conditions scored as less than sufficient, with particularly low scores for Entrepreneurial Education at School (2.1) and Research and Development Transfers (3.2).

Nine conditions have improved their scores since 2024, including Social and Cultural Norms (from 4.0 to 4.6), Government Entrepreneurial Programmes (from 3.5 to 4.0) and Entrepreneurial Education Post-School (3.6 to 4.4). Of the four conditions with lower scores, the largest fall was for Government Policy: Support and Relevance (from 4.9 to 4.6). Morocco ranks in the bottom 10 globally for Entrepreneurial Education at School (53rd), as well as for both finance conditions (each 46th) and for Ease of Entry: Burdens and Regulation (45th). Morocco's highest-ranked condition is Government Policy: Support and Relevance (18th).

New and growing businesses' prioritisation of sustainability was rated by national experts at 4.4, up from 4.0 in 2024. Entrepreneurs' awareness of the need to develop and implement AI solutions was scored at 4.9, up from 4.1 in 2024, still insufficient but reflecting growing engagement with digital transformation.

Morocco's entrepreneurial environment in 2025 shows modest improvement, with a slightly higher NECI score and more Framework Conditions reaching sufficiency. The country continues to face challenges in education, finance and government support, but shows progress in infrastructure, market dynamics and sustainability. Awareness of AI is growing. Continued investment in education, policy reform and digital capacity will be key to strengthening Morocco's entrepreneurial ecosystem.

2025 Entrepreneurial Activity Review

Morocco did not participate in the 2025 GEM Adult Population Survey.

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Netherlands

■ Population (2024): **18.0 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **84.2 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024*
Know someone who has started a new business	55.2	–
Good opportunities to start a business in my area	60.1	–
It is easy to start a business	75.5	–
Personally have the skills and knowledge	45.1	–
Fear of failure (opportunity)	47.0	–
Entrepreneurial intentions**	12.9	–

Entrepreneurship impact	% TEA	
	2025	2024*
Job expectations (expecting to employ six or more people in five years' time)	17.3	–
International (25%+ revenue)	25.0	–
Always consider social impact	53.1	–
Always consider environmental impact	47.8	–
Prioritise social and/or environmental impact above profit or growth	40.8	–
Industry (% TEA in business services)	33.1	–

* Did not participate in 2024.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

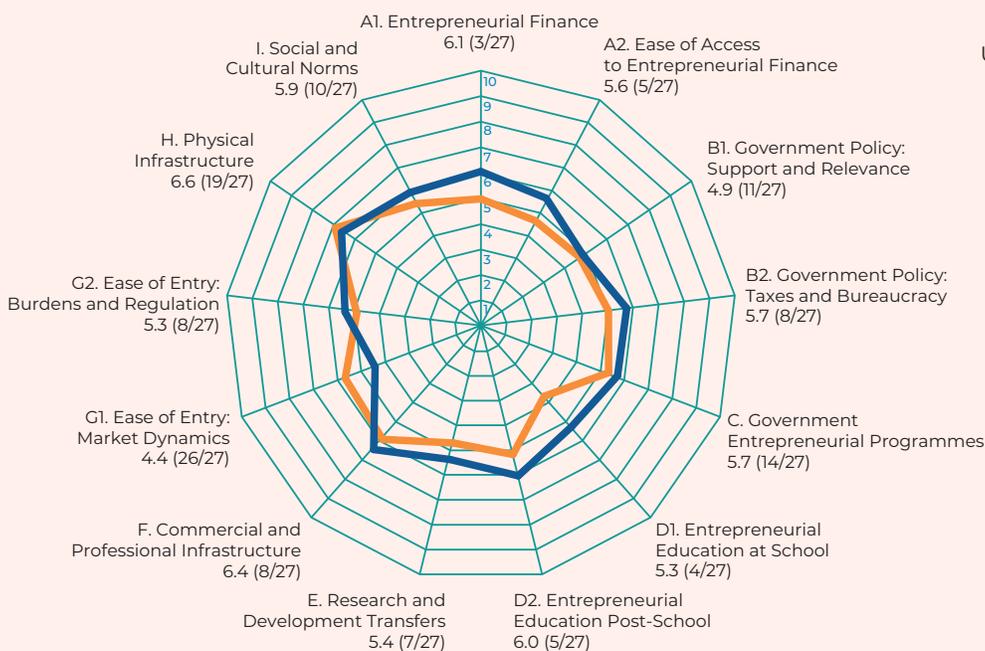
Motivational	% TEA	
	2025	2024*
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	44.6	–
To build great wealth or very high income	41.2	–
To continue a family tradition	29.7	–
To earn a living because jobs are scarce	39.0	–

Activity	% Adults			
	2025	2024*	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	12.2	–	10.1	14.3
Established Business Ownership	8.3	–	6.8	9.9

Recent changes	% Adults	
	2025	2024*
Household income has decreased in the current year***	18.8	–

	% TEA	
	2025	2024*
Starting a business is more difficult than a year ago	32.3	–
Use more digital technology to sell products or services	39.1	–

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



The Netherlands ■
 Upper-income average (27 GEM economies; see Section 1.3 and Table 1.1) ■

EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Access to international markets for Dutch entrepreneurs appears broadly stable, despite rising uncertainties. The Netherlands remains highly integrated in global value chains, with about a third of domestic value-added driven by foreign demand. Still, trade-policy uncertainty is rising: surveys indicate that many Dutch firms, especially in manufacturing and commodity sectors, are concerned about tariffs and regulatory changes.

In response to calls for strategic autonomy and green transition, the Dutch government has provided additional subsidies to several large firms and is taking active steps to raise R&D expenditure to 3% of GDP and reduce the administrative burden on businesses by cutting unnecessary regulations.

2025 Framework Conditions Review

The Netherlands' NECI (National Entrepreneurial Context Index) score for 2025 is 5.6, a slight decrease from 5.9 in 2023. This places it 11th out of 53 GEM economies globally in 2025, having been seventh in 2023.

Of the 13 Framework Conditions, experts rated 11 of the Netherlands' as sufficient or better (a score of ≥ 5.0). Highest scores include Physical Infrastructure (6.6), Commercial and Professional Infrastructure (6.4) and Entrepreneurial Finance (6.1). Two conditions score as less than sufficient: Government Policy: Support and Relevance (4.9) and Ease of Entry: Market Dynamics (4.4). The 2025 scores show strong performance in infrastructure, education and finance, with weaker results in market dynamics and government support. The Netherlands ranks in the top 10 globally for seven conditions, including the sufficiency of Entrepreneurial Finance (fourth), Entrepreneurial Education at School (fifth), Ease of Access to Entrepreneurial Finance (sixth) and Entrepreneurial Education Post-School (also sixth). However, it also ranks in the bottom 10 globally for Ease of Entry: Market Dynamics (50th)

New and growing businesses' prioritisation of sustainability is rated by national experts at 5.7, suggesting a balanced approach to responsible business practices. Meanwhile, entrepreneurs' awareness of the need to develop and implement AI solutions scores 6.6, reflecting high engagement with digital transformation.

The Netherlands' entrepreneurial environment in 2025 remains strong, despite a decline in its NECI score. Most Framework Conditions meet the sufficiency threshold, with top global rankings in finance, education and infrastructure.

Challenges persist in market dynamics and government support, although businesses show high awareness of AI. Continued focus on policy reform and digital capacity will help sustain and enhance the Netherlands' entrepreneurial ecosystem.

2025 Entrepreneurial Activity Review

Just under one in five adults in the Netherlands reported that their household income had fallen in 2025, a slight decrease from 2023. Around one in eight adults intend to start a business in the next three years, down from one in six in 2023, continuing a downward trend from the peak in 2021.

Entrepreneurial awareness, confidence and opportunity recognition in the Netherlands are modest to good, with over half of adults knowing someone who has recently started a business, and just under half seeing themselves as having the skills and experience to start their own. Three out of five adults see good opportunities to start a business locally, but of these nearly half would not do so for fear it might fail.

Almost one in eight adults are starting or running a new business in 2025, slightly down from 2023. One in 12 adults own an established business, up a little from 2023. The ratio of new to established businesses suggests a maturing entrepreneurial landscape, with more businesses moving into the established phase. Men are more likely than women to be starting a new business in 2025, with a TEA rate of 14% for men compared to 10% for women — typical of the gender gap seen in many European economies.

Three motivations are agreed by around two in five new entrepreneurs in the Netherlands in 2025, with the most agreed motivation among new entrepreneurs being "to make a difference in the world", followed by "to build great wealth or very high income" and then "to earn a living because jobs are scarce". Just under two in five expect to use more digital technology to sell their products in the next six months, while around one in three have customers beyond the Netherlands, slightly down from 2023. Around one in five early-stage entrepreneurs anticipate employing six more people in five years' time — a strong indicator of growth-oriented entrepreneurship. Around two in five have taken steps to minimise environmental impacts or to maximise social impacts in the past 12 months, with a similar proportion reporting that they prioritise such impacts above profitability or growth.

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University**

Type of institution

University

Funder

Dutch Ministry of Economic Affairs

APS vendor

Panteia

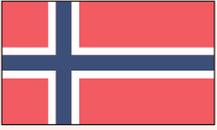
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ECONOMY PROFILE



Norway

■ Population (2024): **5.6 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **101.0 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	50.8	47.5
Good opportunities to start a business in my area	59.2	62.0
It is easy to start a business	66.7	74.1
Personally have the skills and knowledge	52.4	49.9
Fear of failure (opportunity)	42.3	40.5
Entrepreneurial intentions*	9.1	8.8

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	20.9	29.6
International (25%+ revenue)	15.5	13.0
Always consider social impact	49.3	57.1
Always consider environmental impact	61.8	75.0
Prioritise social and/or environmental impact above profit or growth	50.5	54.4
Industry (% TEA in business services)	38.5	38.0

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

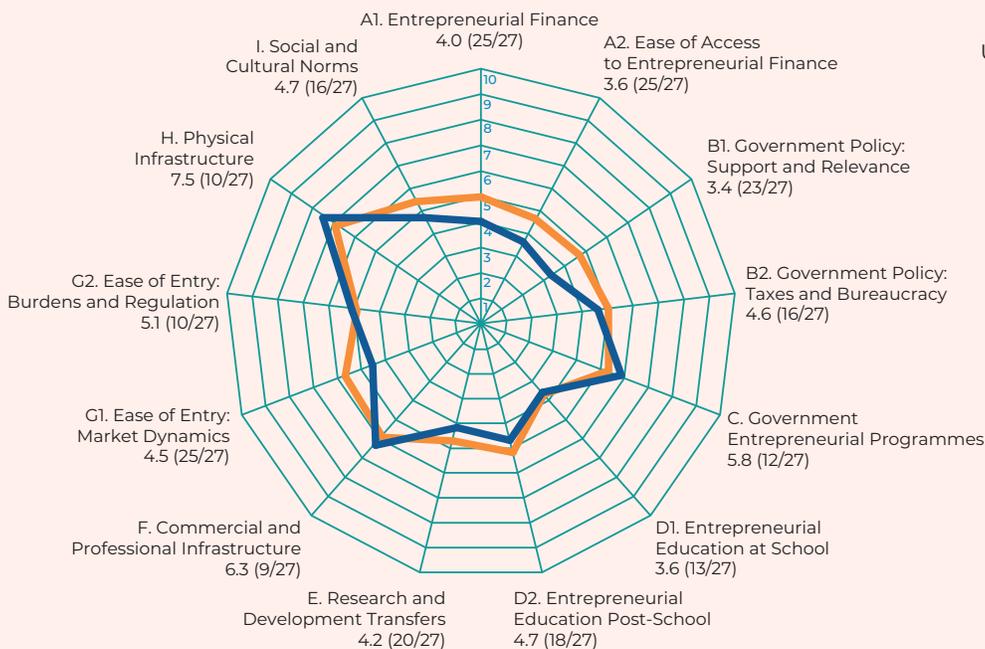
Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	33.1	39.9
To build great wealth or very high income	32.0	36.5
To continue a family tradition	25.1	22.6
To earn a living because jobs are scarce	32.8	31.9

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	8.9	10.0	5.1	12.4
Established Business Ownership	6.8	6.1	4.2	9.2

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	18.8	18.6

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	28.4	35.1
Use more digital technology to sell products or services	52.1	47.9

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Norway —
 Upper-income average (27 GEM economies; see Section 1.3 and Table 1.1)

EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Norway is a small, open economy; entrepreneurs seeking to scale their ventures depend on access to international markets. In 2025, entrepreneurs are experiencing increased uncertainty related to the geopolitical situation, including changes in international trade policies (the United States has increased tariffs towards Norway, with potential ripple effects to other trade partners). For Norway, Europe is the most important trade partner but Norway's position as a non-member of the European Union, connected to the inner market through the European Economic Area, currently leaves uncertainty about whether potential European tariffs will apply to Norwegian businesses.

The Norwegian government has proposed several policy changes over the last 12 months, including measures to make Norway one of the best countries for starting and running businesses. Focus areas included improved Framework Conditions, digital simplification, better access to capital, competence and networks, support for female entrepreneurs, and evaluation of social safety nets for the self-employed.

2025 Framework Conditions Review

Norway's NECI (National Entrepreneurial Context Index) score for 2025 is an insufficient 4.8, a slight decline from 5.0 in 2024, and continuing a downward trend from 5.7 in 2021. This now places Norway 23rd out of 53 GEM economies globally, having been seventh in 2021. The decline may be attributed to weaker scores in finance, education and in government support.

Of the 13 Framework Conditions, experts rated only four of Norway's as sufficient or better (a score of ≥ 5.0), with high scores for Physical Infrastructure (7.5) and for Commercial and Professional Infrastructure (6.3). The remaining nine conditions scored as insufficient, with particularly low scores for Government Policy: Support and Relevance (3.4), Ease of Access to Entrepreneurial Finance (3.6) and Entrepreneurial Education at School (3.6), identifying some structural weaknesses. Relative to 2024, 10 condition scores declined, including Entrepreneurial Finance (from 4.9 to 4.0), Research and Development Transfers (from 4.9 to 4.2) and Entrepreneurial Education at School (from 4.2 to 3.6). Only three conditions improved in score, most notably Ease of Entry: Market Dynamics (from 4.0 to 4.5). Norway ranks in the top 10 globally for just one condition: Commercial and Professional Infrastructure (10th), and in the bottom 10 globally for Ease of Entry: Market Dynamics (48th).

New and growing businesses' prioritisation of sustainability is rated highly by national experts at 7.2, maintaining its

strong position from 2024, and reflecting Norway's continued leadership in responsible business practices. Entrepreneurs' awareness of the need to develop and implement AI solutions also scores 7.2, up from 6.9 in 2024, showing strong engagement with digital transformation.

Norway's entrepreneurial environment in 2025 shows signs of strain, with a declining NECI score and only four Framework Conditions meeting the sufficiency threshold. Finance and education remain key challenges, while infrastructure and sustainability continue to be strengths, and entrepreneurs show strong awareness of AI. Strategic investment in education, finance access and AI capacity will be essential to revitalise Norway's entrepreneurial ecosystem.

2025 Entrepreneurial Activity Review

Just one in five adults in Norway reported that their household income fell in 2025, a similar proportion to 2024. Meanwhile, the percentage of adults expecting to start a new business remained fairly constant at around 9% in 2025.

Just over one in two adults know someone who has recently started a business, or see themselves as having the skills and experience to start their own. However, two in three adults see good opportunities to start a business locally, although two in five of those would not do so for fear it might fail.

The proportion of adults in Norway who are actually starting or running a new business in 2025 fell slightly to 9% (from 10% in 2025), while those running an established business increased from 6% to 7%. As in neighbouring Sweden, men continue to be more than twice as likely as women to be starting a business.

"To make a difference in the world", "to build great wealth or very high income" and "to earn a living because jobs are scarce" were each agreed by one in three new entrepreneurs. However, and again similar to Sweden, the proportion of entrepreneurs with customers beyond the country has fallen slightly, to less than three in 10, having been one in three in 2024. Just one in two new entrepreneurs expect to use more digital technology in the next six months to sell their products, while one in five expect to employ six or more people in five years' time. Finally, two in five new entrepreneurs report taking actions to minimise their environmental impacts, while one in three say they have acted to maximise social impacts, with more than one in two claiming to have prioritised such impacts over profitability or growth.

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Type of institution
University

Funders

Innovation Norway
Nord University Business School

APS vendor

Norstat and Oxford Research

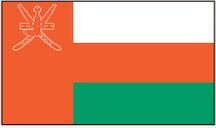
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ECONOMY PROFILE



Oman

■ Population (2024): **5.3 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **41.7 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	59.7	56.3
Good opportunities to start a business in my area	71.9	73.8
It is easy to start a business	50.1	50.6
Personally have the skills and knowledge	59.1	70.1
Fear of failure (opportunity)	38.6	33.2
Entrepreneurial intentions*	52.2	41.5

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	23.7	12.2
International (25%+ revenue)	8.7	11.5
Always consider social impact	65.6	69.5
Always consider environmental impact	68.0	71.9
Prioritise social and/or environmental impact above profit or growth	66.3	63.7
Industry (% TEA in business services)	15.9	19.3

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	27.9	39.5
To build great wealth or very high income	62.6	43.3
To continue a family tradition	49.3	49.7
To earn a living because jobs are scarce	43.2	42.6

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	6.4	9.2	6.7	6.0
Established Business Ownership	4.6	4.4	2.1	7.1

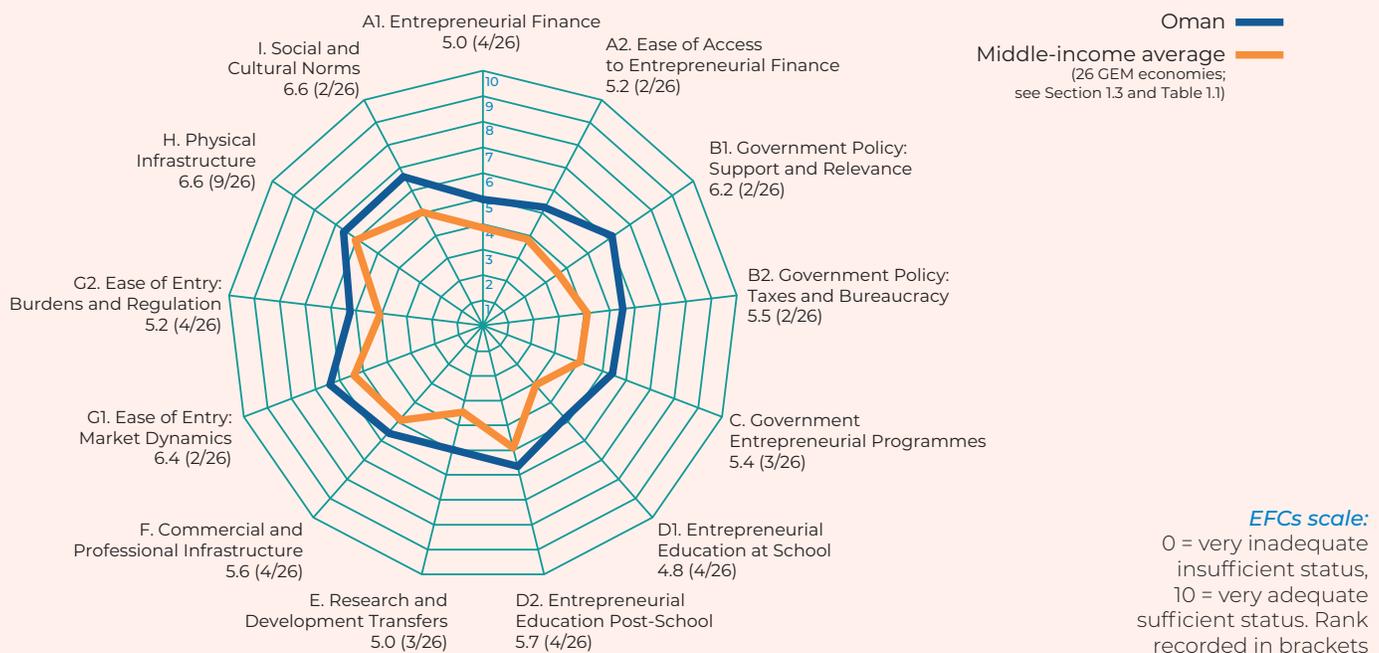
Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	28.1	39.5

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	50.2	42.3
Use more digital technology to sell products or services	60.1	61.0

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Oman's "Vision 2040" emphasises economic diversification and support for SMEs in expanding their products and services to international markets. Access to international markets for Oman's new entrepreneurs has improved as a result of various initiatives, including a new platform called "Oman Exports", which serves as a one-stop shop for export development and assistance, and offers logistics support.

The government is also working to promote global trade for Omani products by targeting new export destinations and participating in international exhibitions. Changes include the establishment of the Investment and Trade Court to address issues and disputes, while "Future Fund Oman" has launched a lending portfolio to provide financial solutions to SMEs, including flexible repayments.

2025 Framework Conditions Review

Oman's NECI (National Entrepreneurial Context Index) score for 2025 is 5.6, a slight decrease from 5.7 in 2024, though still significantly higher than its score of 4.2 in 2022. This places Oman 12th out of 53 GEM economies globally in 2025, and second among 26 middle-income countries.

Of Oman's 13 Framework Conditions, experts rate 11 as being sufficient or better (a score of ≥ 5.0), with particular strengths in Social and Cultural Norms (6.6), Physical Infrastructure (6.6), Ease of Entry: Market Dynamics (6.4) and Government Policy: Support and Relevance (6.2). The only condition substantially below the sufficiency threshold is Entrepreneurial Education at School, its score of 4.8 a sharp decline on the previous year (5.4). Six other conditions also had lower scores, including Ease of Entry: Market Dynamics (from 6.8 to 6.4). However, six conditions improved, notably Physical Infrastructure (from 6.3 to 6.6) and Social and Cultural Norms (from 6.2 to 6.6).

Oman ranks in the top 10 globally (of 53 GEM economies) for Government Policy: Support and Relevance (seventh), for Ease of Entry: Market Dynamics (eighth), for Ease of Access to Entrepreneurial Finance and for Social and Cultural Norms (both 10th). Its lowest-ranked score is for Physical Infrastructure (28th).

New businesses' prioritisation of sustainability is rated by national experts at 6.2, up from 2024. Entrepreneurs' awareness of the need to develop and implement AI solutions scores at

6.1, up from 5.8 in 2024. So good support is in evidence for both sustainability and digitalisation.

Oman's entrepreneurial environment in 2025 remains strong, with a high NECI score and most Framework Conditions meeting the sufficiency threshold. Government policy, market dynamics and cultural norms are standout strengths. Sustainability and AI awareness are well integrated into the business landscape, with Oman ranking among the global leaders in AI-related conditions. Continued focus on education, finance access and innovation will be key to maintaining and enhancing Oman's entrepreneurial momentum.

2025 Entrepreneurial Activity Review

Entrepreneurial awareness and confidence in Oman are reasonably high, with three out of five adults knowing someone who has recently started their own business, or seeing themselves as having the skills and experience to start their own. Meanwhile, an even higher seven in 10 see good opportunities to start a business locally, although almost two in five of the latter would not start a business for fear it might fail. Despite these figures, in 2025 more than one in two adults in Oman intend to start a business in the next three years, up from two in five in 2024.

However, the percentage of adults actually starting or running new business continues to fall, as it has since 2020, from 16% then to 11% in 2023, and then down to 6% in 2025. The rate of Established Business Ownership has been much more stable, reaching nearly 5% in 2025. In contrast to previous years, in 2025 women are a little more likely than men to be starting a new business. "To build great wealth or very high income" is the most common motivation, agreed by three in five new entrepreneurs, while a similar proportion expect to use more digital technology to sell their products in the next six months. As in many other countries, the proportion of new entrepreneurs with customers beyond their own country is sharply down, from one in three in 2024 to less than one in five in 2025. While a modest two in five new entrepreneurs claim to have acted to minimise environmental impacts or to maximise social impacts in the past 12 months, two in three report prioritising such impacts over profitability or growth.

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Type of institution

University

Other institutions involved

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Development Authority (Riyada)

Funders

University of Nizwa
SMEs Development Authority

APS vendor

Data Academy LLC

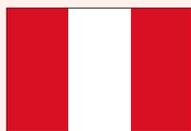
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ECONOMY PROFILE



Peru

■ Population (2024): **34.2 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **17.8 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024*
Know someone who has started a new business	81.0	–
Good opportunities to start a business in my area	84.2	–
It is easy to start a business	58.8	–
Personally have the skills and knowledge	78.2	–
Fear of failure (opportunity)	44.9	–
Entrepreneurial intentions**	19.9	–

Entrepreneurship impact	% TEA	
	2025	2024*
Job expectations (expecting to employ six or more people in five years' time)	25.6	–
International (25%+ revenue)	6.1	–
Always consider social impact	84.4	–
Always consider environmental impact	71.5	–
Prioritise social and/or environmental impact above profit or growth	53.3	–
Industry (% TEA in business services)	19.0	–

* Did not participate in 2024.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

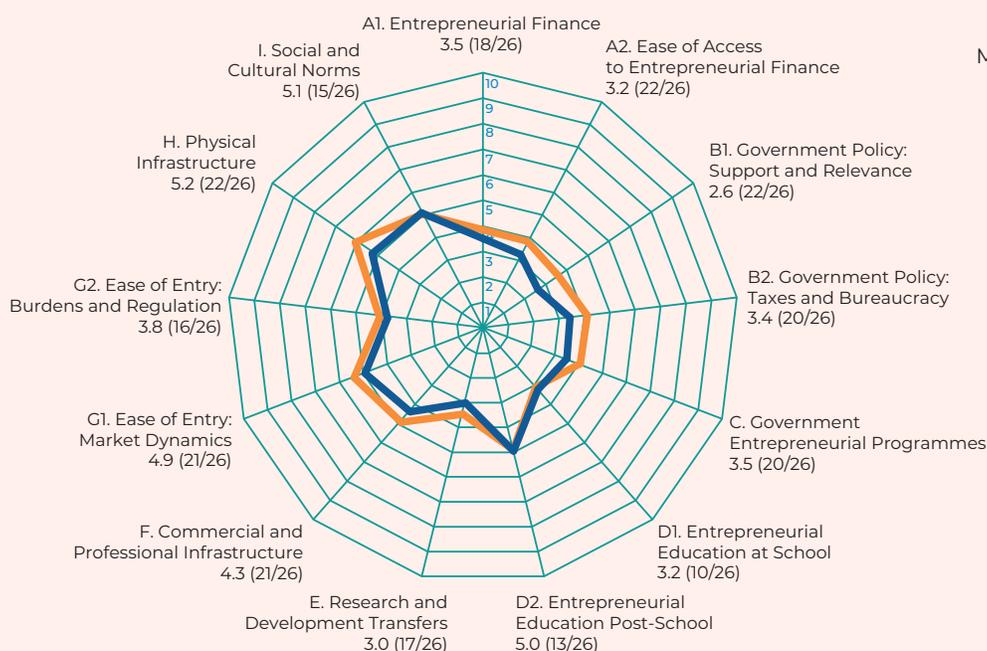
Motivational	% TEA	
	2025	2024*
(somewhat or strongly agree)		
To make a difference in the world	63.4	–
To build great wealth or very high income	85.9	–
To continue a family tradition	30.5	–
To earn a living because jobs are scarce	71.6	–

Activity	% Adults			
	2025	2024*	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	12.8	–	13.3	12.4
Established Business Ownership	5.3	–	5.0	5.7

Recent changes	% Adults	
	2025	2024*
Household income has decreased in the current year***	26.3	–

	% TEA	
	2025	2024*
Starting a business is more difficult than a year ago	51.8	–
Use more digital technology to sell products or services	72.0	–

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Access to international markets for new entrepreneurs in Peru remains limited. Although the adoption of digital tools and online sales channels has increased, this has not translated into a substantial expansion of international market participation. This situation reflects persistent structural constraints affecting micro, small and medium-sized enterprises, which account for most firms in the country. Limited scale, restricted access to finance, regulatory complexity and weak integration into international value chains continue to hinder the internationalisation of new entrepreneurial ventures.

Over the past 12 months, no major structural policy reforms have been implemented that significantly change the entrepreneurial environment in Peru. While incremental initiatives related to entrepreneurship, innovation and digital transformation remain in place, their overall impact has been limited, particularly regarding reducing structural barriers to business growth and scaling.

2025 Framework Conditions Review

Peru's NECI (National Entrepreneurial Context Index) score for 2025 is 3.9, a modest increase from 3.7 in 2024. This places it 46th out of 53 GEM economies globally, and notably low among middle-income countries. The slight improvement may be attributed to gains in education and infrastructure, although most Framework Conditions remain less than sufficient.

Of the 13 Framework Conditions, national experts rated only two of Peru's as sufficient or better (a score of ≥ 5.0): Physical Infrastructure (5.2) and Social and Cultural Norms (5.1). This leaves the remaining 11 conditions assessed as insufficient, with particularly low scores for Government Policy: Support and Relevance (2.6), Research and Development Transfers (3.0) and Entrepreneurial Education at School (3.2). Relative to 2024, nine conditions improved their scores, including Commercial and Professional Infrastructure (from 3.7 to 4.3) and both education conditions: at School (from 2.7 to 3.2) and Post-School (4.4 to 5.0). Only four conditions declined in score, notably Social and Cultural Norms (from 5.5 to 5.1).

New businesses' prioritisation of sustainability is rated by national experts at 4.6, unchanged from 2024. Entrepreneurs' awareness of the need to develop and implement AI solutions scores higher at 5.7, well up from 4.7 in 2024, reflecting growing engagement with digital transformation.

Peru's entrepreneurial environment in 2025 shows slight improvement, with a higher NECI score and gains in education

and infrastructure. However, most Framework Conditions remain below sufficiency, and the country ranks in the bottom 10 globally in several key areas. Sustainability remains a secondary priority, but, more encouragingly, awareness of AI is growing, offering a potential avenue for future development. Strategic investment in policy reform, financial access and digital capacity will be essential in strengthening Peru's entrepreneurial ecosystem.

2025 Entrepreneurial Activity Review

Just over one in four adults in Peru report that their household income fell in 2025, while one in five adults intend to start a business in the next three years. Entrepreneurial confidence, opportunity recognition and awareness are all very high, with around four out of five adults knowing someone who has recently started a business, seeing themselves as having the skills and experience to start their own or seeing good opportunities to start a business locally. Of the latter, a little fewer than a half would not start a business for fear it might fail.

In Peru, just over one in eight adults (12.8%) are starting or running a new business in 2025, with far fewer (one in 20) owning an established one. The ratio of new to established businesses suggests a dynamic entrepreneurial landscape with a strong early-stage presence. Women are slightly more likely than men to be starting a new business.

The most agreed motivation among new entrepreneurs is "to build great wealth or very high income", agreed by almost nine out of 10, while seven out of 10 agreed with the motivation "to earn a living because jobs are scarce". A similar seven out of 10 new entrepreneurs expect to use more digital technology to sell their product in the next six months, while just one in eight have customers beyond Peru. One in four new entrepreneurs anticipate employing six or more people in five years' time. Finally, around one in three have taken steps to minimise environmental impacts or to maximise social impacts in the past 12 months. Just over half of those starting or running a new business report that they prioritise such impacts over profitability or growth.

Peru shows strong opportunity recognition and entrepreneurial confidence, with high motivation to build wealth and adopt digital tools. However, the relatively low international reach and environmental engagement may signal areas for policy support and development.

Team

Team leader

María José Ibáñez

Team member

José Carlos Véliz

Institutions

Núcleo de Investigación y Educación en Sustentabilidad Empresarial
CENTRUM Católica Graduate Business School

Type of institution

Research and education non-profit organisation

Other institutions involved

CENTRUM Católica Graduate Business School

Funders

Núcleo de Investigación y Educación en Sustentabilidad Empresarial
CENTRUM Católica Graduate Business School
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APS vendor

Neurometrics

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Poland

■ Population (2024): **36.5 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **50.4 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	49.5	46.8
Good opportunities to start a business in my area	70.7	73.6
It is easy to start a business	76.7	83.4
Personally have the skills and knowledge	52.7	47.7
Fear of failure (opportunity)	49.4	51.8
Entrepreneurial intentions*	3.0	3.1

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	4.5	5.1
International (25%+ revenue)	1.4	4.1
Always consider social impact	85.9	87.2
Always consider environmental impact	91.4	91.8
Prioritise social and/or environmental impact above profit or growth	28.6	24.1
Industry (% TEA in business services)	18.3	25.5

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	15.3	16.4
To build great wealth or very high income	29.7	38.3
To continue a family tradition	12.4	11.2
To earn a living because jobs are scarce	74.8	71.4

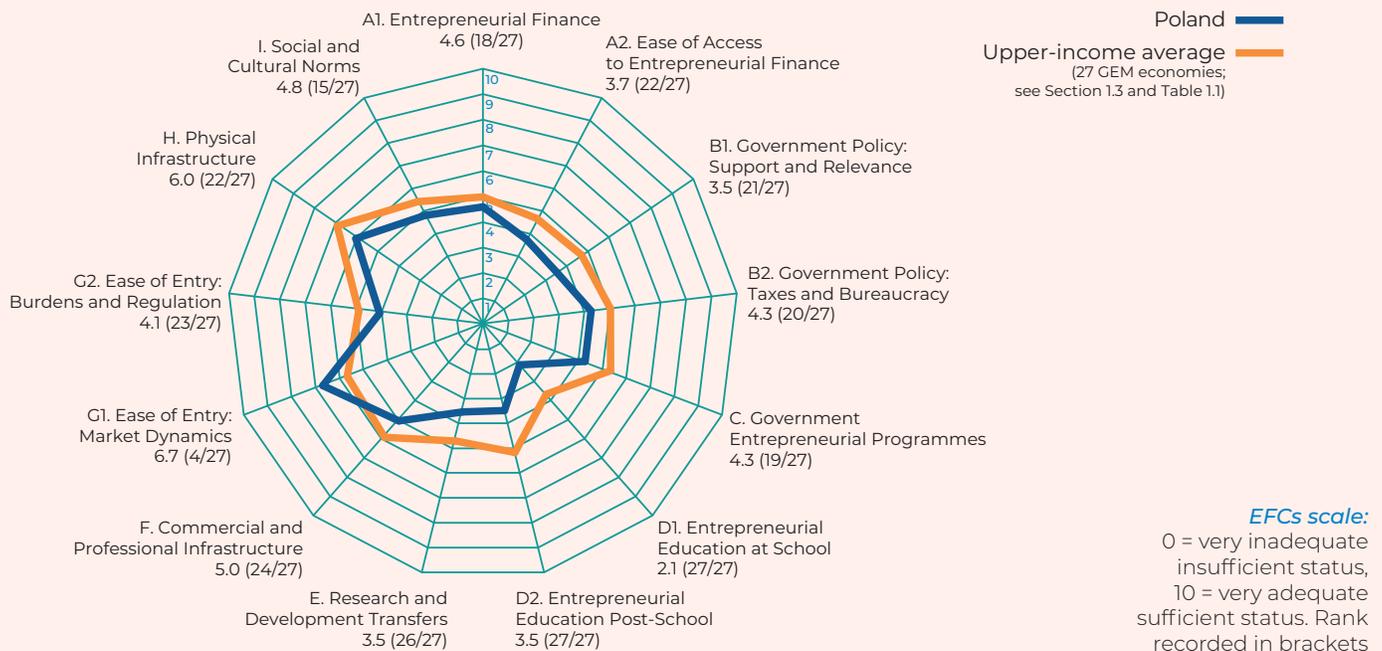
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	2.9	2.5	2.8	3.0
Established Business Ownership	12.3	12.8	12.1	12.6

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	45.1	45.8

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	22.3	29.2
Use more digital technology to sell products or services	53.6	43.9

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

In a world in which small companies and startups are increasingly interested in foreign markets, in 2024, more than a quarter of a million Polish micro-companies were exporting or importing goods and services abroad, mainly to the European Union. In February 2025 the Polish government launched a new strategy, Poland's Economic Promotion Policy, aimed at boosting the internationalisation of Polish firms — especially SMEs — and promoting exports and foreign investments.

From 2025, several major changes are in place to support entrepreneurs: the minimum health insurance contribution for small businesses was reduced from 100% to 75% of the minimum wage; a new cash-basis personal income tax (PIT) system was introduced; and the revenue threshold for mandatory full accounting has been increased.

2025 Framework Conditions Review

Poland's NECI National (Entrepreneurial Context Index) score for 2025 is 4.3, an increase from 4.0 in 2024, placing it 34th out of 53 GEM economies globally. The improvement may be attributed to gains in infrastructure, financing, and research and development transfers.

Of the 13 Framework Conditions, only three are rated as sufficient or better by Polish experts (a score of ≥ 5.0): Ease of Entry: Market Dynamics (6.7), Physical Infrastructure (6.0) and Commercial and Professional Infrastructure (5.0). The remaining 10 conditions are assessed as insufficient, with particularly low scores for Entrepreneurial Education at School (2.1), Entrepreneurial Education Post-School (3.5) and Government Policy: Support and Relevance (3.5). Relative to 2024, 11 Framework Condition ratings have improved, including Entrepreneurial Education Post School (2.6 to 3.5), Social and Cultural Norms supporting entrepreneurship (from 4.2 to 4.8), Research and Development Transfers (3.0 to 3.5) and Commercial and Professional Infrastructure (4.5 to 5.0). So the evidence is there of significant improvements. Poland ranks in the top 10 globally (of 53 GEM economies) for Ease of Entry: Market Dynamics (fifth), but in the bottom 10 for both education conditions (51st and 52nd).

Prioritisation of sustainability is rated by national experts as almost sufficient at 4.9, down from 5.3 in 2024, but awareness of the need to develop and implement AI solutions scores 5.3, up sharply from 4.0 in 2024.

Poland's entrepreneurial environment in 2025 shows moderate improvement, with a higher NECI score and gains across most Framework Conditions. Infrastructure and market

dynamics are strengths, while entrepreneurial education remains a key challenge. Perceived sustainability prioritisation has declined, but awareness of AI and digital engagement is rising. Continued investment in education and digital innovation will be essential to strengthen Poland's entrepreneurial ecosystem.

2025 Entrepreneurial Activity Review

Just under half of adults in Poland report that their household income fell in 2025, down slightly from the year before. Meanwhile, a little over one in 30 adults intend to start a business in the next three years — one of the lowest levels recorded across GEM economies.

Entrepreneurial awareness, confidence and opportunity recognition are all reasonably high. One in two adults know someone who has recently started a business, while a similar proportion see themselves as having the skills and experience to start their own. A high seven in 10 adults see good opportunities to start a business locally but, of those, just under half would not start a business for fear it might fail.

Despite these figures, entrepreneurial activity levels remain low, with under 3% of adults starting or running a new business in 2025, up a little on 2024. Around one in eight own an established business, so the ratio of new to established businesses is low. Men and women are nearly equally likely to be starting a new business, with 3.0% male early stage entrepreneurs and 2.8% female ones — one of the smallest gender gaps observed globally.

Given these low levels of early-stage entrepreneurship, subsequent indicators based on this group should be interpreted with care. The most agreed motivation among new entrepreneurs is "to earn a living because jobs are scarce", chosen by three out of four, followed a long way behind by "to build great wealth or very high income" at three in 10. As for the current trends, more than a half of new entrepreneurs expect to use more digital technology to sell their products in the next six months, while around one in 14 have customers beyond Poland, down from one in eight in 2024.

Employment expectations are modest, since very few new entrepreneurs anticipate employing six or more people in five years' time. A little over three in five have taken steps to minimise environmental impacts in the past 12 months; slightly fewer have taken steps to maximise social impacts. About one in four report that they prioritise such impacts above profitability or growth — notably lower than in many other economies.

Team

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Anna Tarnawa

Team members

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Robert Zakrzewski

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Institution

Polish Agency for Enterprise Development (PARP)



Type of institution

Public body

Other institutions involved

University of Economics in Katowice

Funders

Ministry of Development Funds and Regional Policy

University of Economics in Katowice

APS vendor

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Puerto Rico

■ Population (2024): **3.2 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **50.2 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	63.2	76.8
Good opportunities to start a business in my area	51.0	62.0
It is easy to start a business	28.3	30.8
Personally have the skills and knowledge	67.5	76.1
Fear of failure (opportunity)	46.4	46.6
Entrepreneurial intentions*	25.0	35.9

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	37.3	18.7
International (25%+ revenue)	7.8	14.4
Always consider social impact	91.2	86.3
Always consider environmental impact	86.5	88.7
Prioritise social and/or environmental impact above profit or growth	76.7	74.8
Industry (% TEA in business services)	32.0	20.2

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

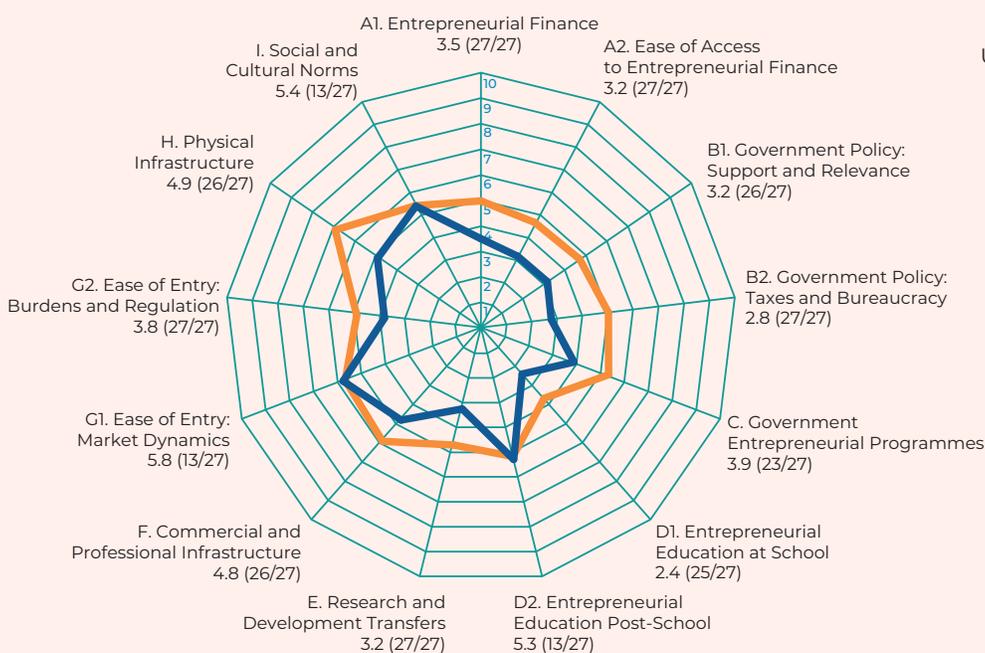
Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	66.3	72.8
To build great wealth or very high income	54.6	51.2
To continue a family tradition	28.8	34.9
To earn a living because jobs are scarce	70.1	77.5

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	15.6	24.3	13.9	17.5
Established Business Ownership	4.4	4.6	3.5	5.4

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	35.4	49.8

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	48.3	49.7
Use more digital technology to sell products or services	68.2	68.0

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Puerto Rico ■
 Upper-income average (27 GEM economies; see Section 1.3 and Table 1.1) ■

EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Puerto Rico's status as a US territory provides entrepreneurs with seamless access to US markets and the same international trade advantages as mainland businesses. Programmes such as Endeavor Puerto Rico, connecting high-impact entrepreneurs to a worldwide network of mentors and investors, and Promoexport, which supports entrepreneurs with export training, trade missions and participation in major global events, play a critical role in helping local startups expand globally.

In 2025, Puerto Rico launched new initiatives to strengthen local entrepreneurship, including expanding the Young Entrepreneur Program with tax exemptions and introducing "El Network", an online platform that helps entrepreneurs under 35 access resources, training, funding guidance and networking opportunities.

2025 Framework Conditions Review

Puerto Rico's NECI (National Entrepreneurial Context Index) score for 2025 is 4.0, a significant increase from 3.6 in 2024. This improvement lifts Puerto Rico to 45th out of 53 GEM economies globally, up from 53rd of 56 in 2024. While still below the sufficiency threshold (<5.0), the upward trend suggests early signs of recovery, driven by improvements in education, infrastructure and market dynamics.

Of the 13 Framework Conditions, experts rated three of Puerto Rico's as sufficient or better (a score of ≥ 5.0), up from none in 2024: Ease of Entry: Market Dynamics (5.8), Social and Cultural Norms (5.4) and Entrepreneurial Education Post-School (5.3). The remaining 10 conditions scored as insufficient, with particularly low scores for Entrepreneurial Education at School (2.4) and for Government Policy: Taxes and Bureaucracy (2.8). Relative to 2024, nine conditions improved their scores, including Physical Infrastructure (from 3.8 to 4.9), Social and Cultural Norms (from 4.5 to 5.4) and Ease of Entry: Market Dynamics (from 4.9 to 5.8). Four conditions had lower scores, but these falls were each limited to just 0.1 of a point. Puerto Rico ranks in the bottom 10 globally for Physical Infrastructure (50th), Government Policy: Taxes and Bureaucracy (50th), Ease of Access to Entrepreneurial Finance (49th) and for the availability of Entrepreneurial Finance (45th). Its highest-ranked Framework Condition is Entrepreneurial Education Post-School (20th).

New businesses' prioritisation of sustainability is rated by national experts as well sufficient at 5.3, up from 4.9 in 2024, suggesting growing awareness of responsible business practices. Entrepreneurs' awareness of the need to develop and

implement AI solutions scores as sufficient at 5.1, well up from 4.4 in 2024.

Puerto Rico's entrepreneurial environment in 2025 shows early signs of recovery, with a modest NECI increase and three Framework Conditions reaching sufficiency. Improvements in education, infrastructure and market dynamics are encouraging, although finance, government policy and early-stage education remain significant challenges. Sustainability and AI awareness are on the rise. Continued investment in foundational reforms and digital capacity will be key to sustaining this positive momentum.

2025 Entrepreneurial Activity Review

Just over one in three adults in Puerto Rico report that their household income fell in 2025, a notable improvement from one in two in 2024. However, one in four adults intend to start a business in the next three years, down from one in three a year earlier.

Entrepreneurial awareness, confidence and opportunity recognition are high: nearly two-thirds of adults know someone who has recently started a business, while a little more than this see themselves as having the skills and experience to start their own. Just over half see good opportunities to start a business locally, although, of those, nearly half would not do so for fear it might fail.

Around one in six adults in Puerto Rico are starting or running a new business in 2025, down from one in four in 2024. However, only one in 20 own an established one, slightly down from 2024. So the ratio of new to established businesses remains high, indicating a dynamic but potentially fragile entrepreneurial base. Men continue to be more likely than women to be starting a new business.

The most agreed motivation among new entrepreneurs is "to earn a living because jobs are scarce", agreed by seven in 10, followed by "to make a difference in the world", cited by two in three. Over two-thirds of new entrepreneurs expect to use more digital technology to sell their products in the next six months, while, as in 2024, one in three has customers outside the country. Employment prospects are good, as over one in three new entrepreneurs anticipate employing six or more people in five years' time. Over half have taken steps to minimise environmental impacts in the past 12 months, with a similar proportion having taken steps to maximise social impacts. More than three in four report prioritising such impacts above profitability or growth.

Team

Team leader

Theany M. Calderon Abreu

Team members

Arleen Hernandez
Segundo Castro
Jairo Arturo Ayala

Institution

University of Puerto Rico School of Business, Rio Piedras Campus



Type of institution
Business School

Funders

University of Puerto Rico School of Business, Rio Piedras Campus
Banco Popular de Puerto Rico
The Department of Economic Development and Commerce

APS vendor

Gaither International

Website

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Contact

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Qatar

■ Population (2024): **2.9 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **126.1 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	39.9	46.9
Good opportunities to start a business in my area	74.6	66.4
It is easy to start a business	70.3	59.5
Personally have the skills and knowledge	72.5	64.3
Fear of failure (opportunity)	46.9	43.7
Entrepreneurial intentions*	26.3	60.8

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	40.2	60.7
International (25%+ revenue)	20.7	21.1
Always consider social impact	68.8	85.8
Always consider environmental impact	72.2	84.9
Prioritise social and/or environmental impact above profit or growth	54.6	62.1
Industry (% TEA in business services)	28.1	30.5

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	50.7	49.4
To build great wealth or very high income	76.1	82.6
To continue a family tradition	24.9	27.5
To earn a living because jobs are scarce	74.9	58.5

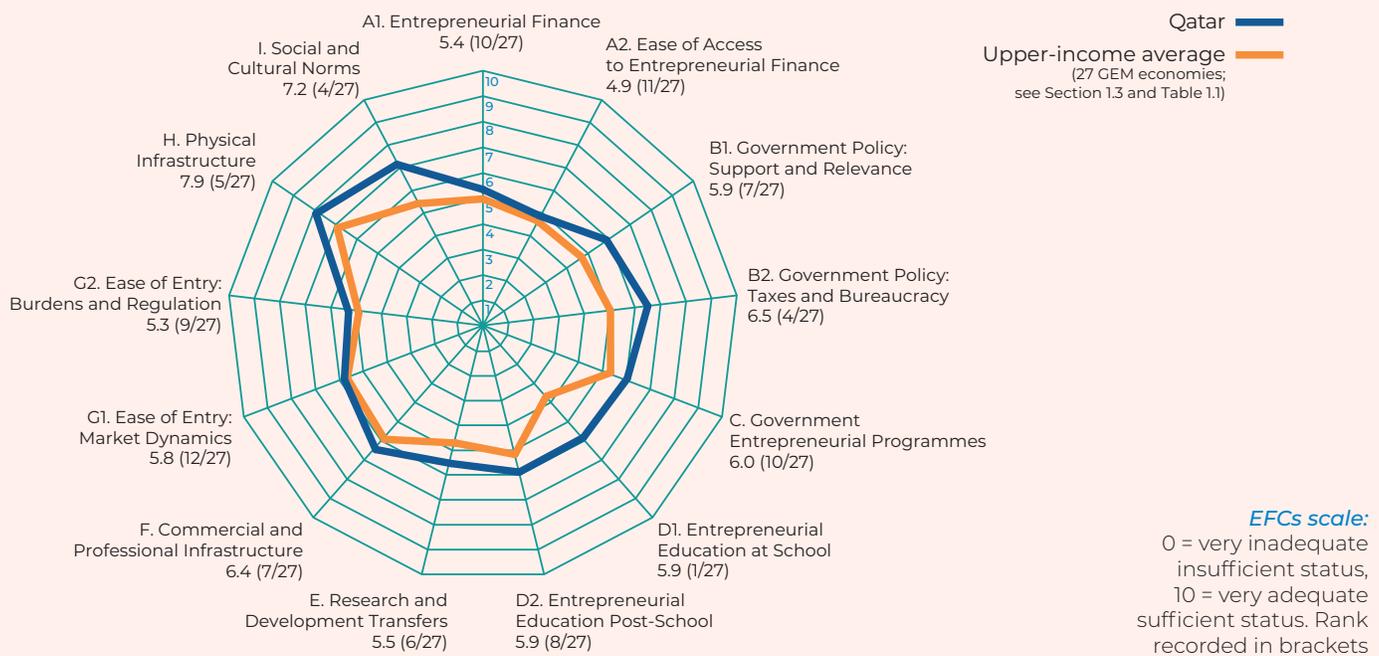
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	2.4	7.7	1.5	2.7
Established Business Ownership	1.3	3.3	0.2	1.6

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	15.7	22.5

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	30.7	44.1
Use more digital technology to sell products or services	63.2	81.0

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Overall, Qatar’s entrepreneurs are gaining better access to international markets: for example, in 2024, non-hydrocarbon exports reached QAR2.7 billion (US\$740 million), achieving a year-on-year growth of 55%.

The government has made several policy changes in the past 12 months to support businesses and entrepreneurship, including:

- The Minister of Commerce and Industry (MOCI) reduced its fees for over 90% of the ministry’s services across commercial, industrial and business development sectors.
- Companies can now register industrial designs and models — giving entrepreneurs in product development, manufacturing and creative industries more legal certainty.

Qatar launched its first digital financing platform, the National Funding GATE (NFG), connecting clients and partner financing institutions in a fully integrated ecosystem to provide businesses with easier access to finance.

2025 Framework Conditions Review

Qatar’s NECI (National Entrepreneurial Context Index) score for 2025 is 6.0, a notable increase from 5.6 in 2024 and continuing a steady upward trend since 2021. This performance places Qatar sixth out of 53 GEM economies globally, and makes it among the top performers in its high-income group. The improvement is underpinned by strong gains in finance, government policy, infrastructure, and social and cultural support.

Of the 13 Framework Conditions, experts rated 12 of Qatar’s as sufficient or better (a score of ≥ 5.0), up from 10 in 2024. These include excellent scores for Physical Infrastructure (7.9) and for Social and Cultural Norms (7.2), as well as three further scores of 6.0 or more: Government Policy: Taxes and Bureaucracy (6.5), Commercial and Professional Infrastructure (6.4) and Government Entrepreneurial Programmes (6.0). Only one condition — Ease of Access to Entrepreneurial Finance — remains just below the sufficiency threshold at 4.8, although it has improved from 4.6 in 2024. Relative to 2024, all 13 Framework Conditions (except Entrepreneurial Education Post-School) improved, with particularly strong gains in Commercial and Professional Infrastructure (from 5.5 to 6.4), Government Policy: Support and Relevance (from 5.2 to 5.9) and in Research and Development Transfers (from 4.8 to 5.5). Qatar ranks in the top 10 globally for nine conditions, including first for Entrepreneurial Education at School. Its lowest-ranking condition is Ease of Entry: Market Dynamics at 20th.

New and growing businesses’ prioritisation of sustainability is rated by Qatar’s national experts at 6.1, up from 5.7 in 2024. Entrepreneurs’ awareness of the need to develop and implement AI solutions scores 7.0, up from 6.1 in 2024, placing Qatar among the global leaders in AI-readiness and implementation.

Qatar’s entrepreneurial environment in 2025 is among the strongest globally, with a NECI score above 6.0 and 12 of 13 Framework conditions meeting the sufficiency threshold. The country ranks in the global top 10 for nine conditions, including education, infrastructure and government policies. Sustainability and AI-readiness are also standout strengths. With continued investment in finance access and digital transformation, Qatar is well positioned to lead in entrepreneurial innovation and sustainability.

2025 Entrepreneurial Activity Review

Entrepreneurial confidence and opportunity recognition in Qatar are high, with just under three out of four adults seeing themselves as having the skills and experience to start their own business or seeing good opportunities to start a business locally. Rather fewer (two in five) know someone who has recently started their own business. Of those seeing good opportunities, nearly one in two would not start a business for fear it might fail. About one in four adults in Qatar intend to start a business in the next three years, much lower than the three in five of a year earlier.

Also much lower is the percentage of adults actually starting or running a new business in Qatar, which has fallen from 14% in 2023 to 8% in 2024, and now down to a little over 2% in 2025, a dramatic and unprecedented decline. The rate of Established Business Ownership has also declined, from 4% in 2023 to not much more than 1% in 2025. For the past three years, women have been a little less likely than men to be starting a new business. Given the low number of new entrepreneurs, proportions within this group need to be interpreted with care. “To build great wealth or very high income” and “to earn a living because jobs are scarce” are the dominant motivations, agreed by three in four new entrepreneurs, while three in five expect to use more digital technology to sell their products in the next six months. Unlike many other economies, the proportion of new entrepreneurs with customers beyond their own country has held up well, at just under two in five in 2025, as it was in 2024. While a modest two in five new entrepreneurs claim to have acted to minimise environmental impacts or to maximise social impacts in the past 12 months, more than one in two report prioritising such impacts over profitability or growth.

Team

Team leader

Farha Al Kuwari

Team members

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Mohammed Abughali
Dalal Al Shammari
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Institution

Qatar Development Bank



Type of institution

Public Body

Funder

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APS vendor

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Republic of Korea

■ Population (2023): **51.7 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **52.2 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	38.7	36.9
Good opportunities to start a business in my area	38.3	40.1
It is easy to start a business	38.9	40.2
Personally have the skills and knowledge	56.5	57.0
Fear of failure (opportunity)	27.0	29.2
Entrepreneurial intentions*	24.6	22.7

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	12.7	14.6
International (25%+ revenue)	1.7	1.3
Always consider social impact	69.7	62.3
Always consider environmental impact	57.5	50.3
Prioritise social and/or environmental impact above profit or growth	44.8	38.5
Industry (% TEA in business services)	10.1	11.7

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

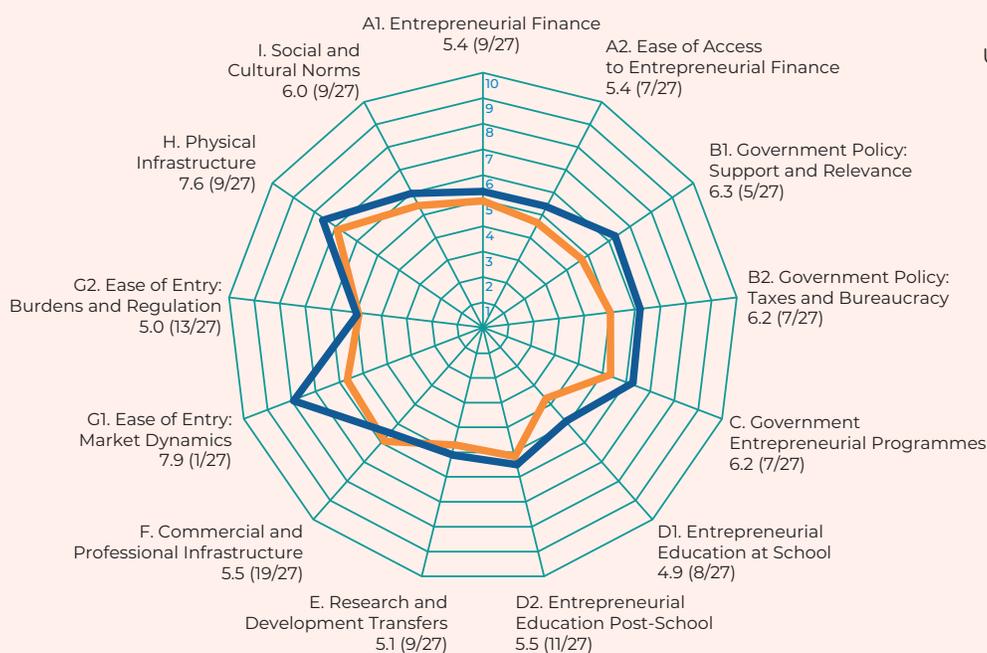
Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	4.4	10.2
To build great wealth or very high income	88.9	79.6
To continue a family tradition	5.6	8.5
To earn a living because jobs are scarce	34.2	34.0

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	9.1	11.7	8.8	9.3
Established Business Ownership	16.2	22.3	14.9	17.5

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	31.5	36.0

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	59.6	55.6
Use more digital technology to sell products or services	63.8	19.1

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Republic of Korea —
 Upper-income average (27 GEM economies; see Section 1.3 and Table 1.1)

EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Building on the Startup Korea Initiative launched in 2023, the Korean government further advanced its entrepreneurship policy framework in 2025 through the announcement of the Comprehensive Plan for Korea's Leap to Become a Top Four Global Venture Power. This policy roadmap reflects a strategic shift from broad-based startup promotion toward strengthening scale-up capacity, technological innovation and venture investment ecosystems.

The 2025 plan places particular emphasis on expanding risk capital and venture investment markets as a core pillar of national entrepreneurship policy. Key measures include enhancing the Fund of Funds, encouraging greater participation by large corporations and financial institutions in venture investment, improving exit mechanisms such as mergers and acquisitions and secondary markets, and easing regulatory constraints on commercial and corporate venture capital. Together, these reforms aim to foster a more market-oriented and sustainable venture capital ecosystem, reducing reliance on government-led financing.

In parallel, the policy framework increasingly highlights the importance of re-entrepreneurship and inclusive entrepreneurial dynamics. Recent measures seek to recognise entrepreneurial failure as a learning process rather than a permanent barrier, strengthen institutional support for second-time founders, and improve conditions for re-entry into entrepreneurial activity. These efforts reflect a broader policy orientation toward building an ecosystem in which entrepreneurial experience — including failure — contributes to long-term innovation and resilience.

Overall, Korea's recent entrepreneurship policies signal a transition toward a more structured and integrated system that prioritises innovation, scale, capital circulation and inclusiveness, positioning entrepreneurship as a central driver of long-term economic growth and global competitiveness.

2025 Framework Conditions Review

Korea's NECI (National Entrepreneurial Context Index) score for 2025 is 5.9, a slight decrease from 6.0 in 2024, although still higher than in 2023. This places Korea eighth out of 53 GEM economies globally, maintaining its strong position among high-income countries. The small decline may reflect marginal dips in several Framework Conditions, although overall performance remains robust.

Of the 13 Framework Conditions, experts rated 11 of Korea's as sufficient or better (a score of ≥ 5.0), down from 12 in 2024. Highest scores include Ease of Entry: Market Dynamics (7.9), Physical Infrastructure (7.6) and both government policy conditions: Support and Relevance (6.3) and Taxes and Bureaucracy (6.2). Just two conditions scored as marginally insufficient: Entrepreneurial Education at School (4.9) and Ease of Entry: Burdens and Regulation (4.9). Relative to 2024, many changes were very small (with five being less than 0.1 point). Significant declines in score included Ease of Entry: Burdens and Regulation (from 5.7 to 4.9), Research and Development Transfers (from 5.5 to 5.1) and Commercial and Professional Infrastructure (from 5.8 to 5.5), while significant increases included Ease of Entry: Market Dynamics (from 7.5 to 7.9), Physical Infrastructure (from 7.2 to 7.6) and Entrepreneurial

Education Post-School (from 5.3 to 5.5). The Republic ranks in the top 10 globally for seven conditions, including a first place for Ease of Entry: Market Dynamics, while its lowest rank is for Commercial and Professional Infrastructure (24th).

New and growing businesses' prioritisation of sustainability is rated by Korea's national experts at 6.9, up from 6.4 in 2024. Entrepreneurs' awareness of the need to develop and implement AI solutions scores at 7.4, up from 6.8 in 2024, placing Korea among global leaders in AI-readiness and integration.

The Republic of Korea's entrepreneurial environment in 2025 remains one of the strongest globally, with a high NECI score and 11 Framework Conditions meeting the sufficiency threshold. The country leads the world in market dynamics, and ranks in the global top 10 for several other key conditions. While a few areas saw slight declines, particularly in regulatory burdens and R&D transfers, Korea continues to demonstrate excellence in government policy, infrastructure and digital-readiness. Sustainability and AI integration are well embedded in the entrepreneurial ecosystem, positioning the Republic of Korea as a global innovation leader.

2025 Entrepreneurial Activity Review

Since this question was introduced by GEM in 2020, just over three in 10 adults in the Republic of Korea have reported that their household income fell each year. 2025 was no different, although the proportion was a little down on 2024.

While nearly two in five in adults in the Republic of Korea in 2025 know someone who has recently started a business, or see good opportunities to start a business locally, confidence is relatively high, with more than one in two adults seeing themselves as having the skills and experience to start their own business. Of those seeing good opportunities, a comparatively low one in four would not start a business for fear it might fail. As a result, business intentions are relatively high, with one in four adults expecting to start a business in the next three years, up slightly on a year earlier.

The proportion of adults who are actively starting or running a new business fell in 2025 to just under one in 10, having been nearly one in eight a year earlier. Established Business Ownership has also fallen to around one in six, having been almost one in four a year ago. In 2025, men continue to be more likely than women to start a new business, although the gap is narrowing. By far the most agreed motivation among new entrepreneurs is "to build great wealth or very high income", agreed by nearly nine in 10 new entrepreneurs. Unlike in many economies, the proportion of new entrepreneurs with customers beyond their own country is sharply up, from one in 12 in 2024 to almost one in four in 2025. Three in five new entrepreneurs expect to use more digital technology to sell their products in the next six months, while job expectations are modest, with just one in eight anticipating employing six or more people in five years' time. Nearly one in two new entrepreneurs report having taken steps to minimise environmental impacts, a little more than those taking steps to maximise social welfare, with a similar proportion claiming to prioritise such impacts above profitability or growth.

Team

Team leader

Hee-Young Son

Team members

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Institution

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Type of institution

Research Institute

Funder

Ministry of SMEs and Startups

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Romania

■ Population (2024): **19.1 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **48.7 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	43.8	46.7
Good opportunities to start a business in my area	66.2	60.0
It is easy to start a business	41.9	34.5
Personally have the skills and knowledge	44.7	53.1
Fear of failure (opportunity)	58.9	67.4
Entrepreneurial intentions*	6.2	6.0

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	19.1	13.9
International (25%+ revenue)	8.5	8.5
Always consider social impact	81.5	84.5
Always consider environmental impact	82.7	82.8
Prioritise social and/or environmental impact above profit or growth	77.6	79.0
Industry (% TEA in business services)	22.1	11.8

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	51.4	55.4
To build great wealth or very high income	52.6	55.0
To continue a family tradition	28.3	30.7
To earn a living because jobs are scarce	86.4	84.2

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	3.7	5.0	2.7	4.6
Established Business Ownership	4.3	4.2	3.3	5.3

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	27.2	20.0

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	49.6	56.3
Use more digital technology to sell products or services	51.9	44.4

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Access to international markets remains challenging: Romania's export performance has weakened amid softer external demand and rising unit labour costs, reducing competitiveness and widening the external imbalance. Industrial activity has also slowed, including in key partner markets such as Germany, further limiting opportunities for internationally oriented startups.

Fiscal measures introduced in 2025 — notably higher VAT and excise duty rates — have added to cost pressures across the economy. Continued fiscal consolidation requirements and elevated public spending have also contributed to a more uncertain and tighter business environment. In parallel, delays in accessing EU recovery funds have postponed key investments, including those supporting SMEs and innovation-led activity.

2025 Framework Conditions Review

Romania's NECI (National Entrepreneurial Context Index) score for 2025 is 4.6, an increase from 4.3 in 2024. It's an improvement that lifts Romania to 26th out of 53 GEM economies globally, up from 37th the previous year, and reflects progress in several key Framework Conditions, particularly in infrastructure, finance and education.

Of the 13 Framework Conditions, national experts rated four of Romania's as sufficient or better (a score of ≥ 5.0), up from three in 2024. These are Physical Infrastructure (6.8), Commercial and Professional Infrastructure (6.4), Ease of Entry: Market Dynamics (6.1) and Entrepreneurial Education Post-School (5.2). The remaining nine conditions are rated as insufficient, with particularly low scores for: Entrepreneurial Education at School (2.5), Government Policy: Support and Relevance (3.5) and Government Entrepreneurial Programmes (3.8). Relative to 2024, 11 conditions improved their scores, including Physical Infrastructure (from 6.1 to 6.8), Research and Development Transfers (from 3.4 to 4.0) and Social and Cultural Norms (4.1 to 4.6). Of the two conditions with declining scores, the biggest fall was for Ease of Entry: Burdens and Regulation, from 4.5 to 4.2. Romania ranks in the top 10 globally (of 53 GEM economies) for Commercial and Professional Infrastructure (ninth), while its lowest rank is for Government Entrepreneurial Programmes (39th).

New and growing businesses' prioritisation of sustainability was rated by national experts at 4.3, a modest increase from 4.2

in 2024. Entrepreneurs' awareness of the need to develop and implement AI solutions scored as sufficient, at 5.2, up from 4.0 in 2024, indicating growing recognition of digital transformation.

Romania's entrepreneurial environment in 2025 shows encouraging progress, with a higher NECI score and more Framework Conditions reaching sufficiency. Infrastructure and market dynamics are clear strengths, while education and government policy remain areas for development. Sustainability is improving slowly, and AI awareness is growing. Continued investment in education, policy reform and digital capacity will be essential to sustain this upward trajectory.

2025 Entrepreneurial Activity Review

Since 2023, Romania has seen a rise in the proportion of adults who say their household income has fallen, from just under one in five to over one in four by 2025. Despite this, the percentage of adults expecting to start their own business in the next three years has remained at around 6%. However, the percentage actually starting or running a new business has fallen for the past two years: from about 6% in 2023 to under 4% in 2025, while the proportion running an established business has fallen more slowly over the same period (from 5% to 4%). Men remain substantially more likely than women to engage in new business creation.

Just over two in five Romanian adults know someone who has started their own business, with a similar proportion seeing themselves as having the skills and experience to start their own. However, even though two in three adults see good opportunities to start a business locally, nearly 60% of these indicate that they would not pursue such an opportunity due to fear of potential failure.

Nearly nine in 10 new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", but just one in eight have customers beyond Romania, a little down on a year before. More than half of new entrepreneurs expect to use more digital technology to sell their products in the next six months, while one in five expect to employ six or more people in five years' time. Around eight in 10 report taking action to minimise environmental impacts or to maximise social impacts, with a similar proportion claiming to prioritise such impacts above profitability or growth.

Team

Team leader

Szabó Tünde Petra

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Czyórfy Lehel-Zoltán
Szász Levente
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Type of institution

University

Funder

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APS vendor

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Saudi Arabia

■ Population (2024): **35.3 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **71.2 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	93.2	94.4
Good opportunities to start a business in my area	96.5	95.0
It is easy to start a business	93.5	93.2
Personally have the skills and knowledge	89.6	92.6
Fear of failure (opportunity)	61.3	58.0
Entrepreneurial intentions*	48.5	35.8

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	81.6	63.7
International (25%+ revenue)	1.9	8.3
Always consider social impact	86.2	87.7
Always consider environmental impact	77.2	84.0
Prioritise social and/or environmental impact above profit or growth	75.6	82.8
Industry (% TEA in business services)	9.3	6.0

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	60.8	66.5
To build great wealth or very high income	82.0	87.2
To continue a family tradition	34.1	64.1
To earn a living because jobs are scarce	82.2	81.4

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	28.9	26.4	27.0	30.0
Established Business Ownership	12.7	19.4	11.1	13.7

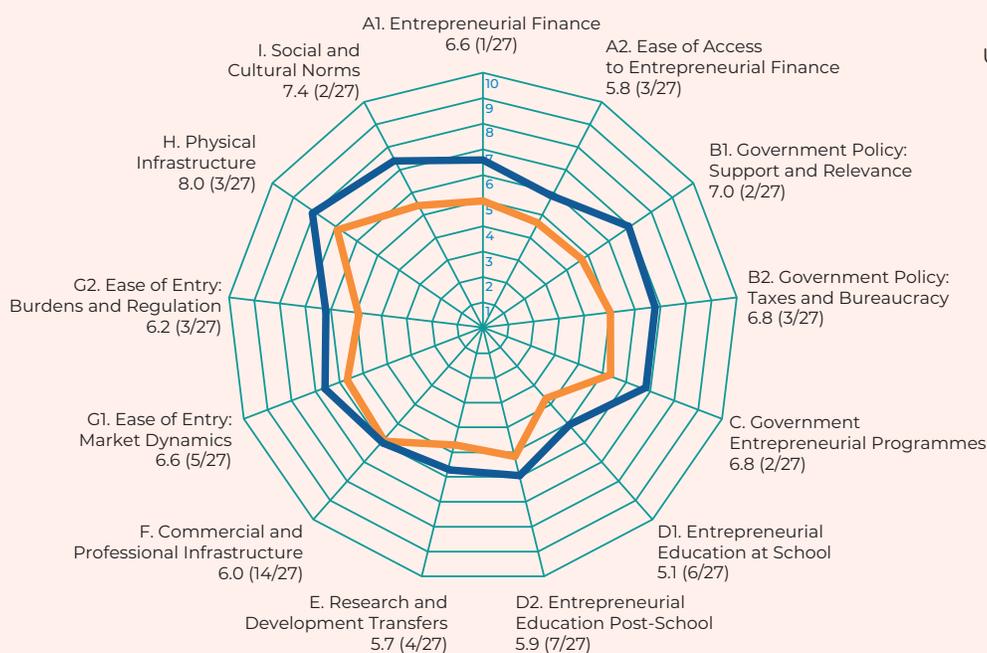
Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	6.4	17.2

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	12.3	20.7
Use more digital technology to sell products or services	79.0	68.3

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Saudi Arabia —

Upper-income average
 (27 GEM economies; see Section 1.3 and Table 1.1)

EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Access to international markets for Saudi Arabia's new entrepreneurs is improving. The country's Vision 2030 has led to increased support for startups, including initiatives like the launch of various free zones and innovation hubs. However, because new entrepreneurs mostly focus on consumer services, international access has been limited. As entrepreneurs diversify their options and develop online sales, their access to other markets will improve.

In the past 12 months the government has streamlined procedures for starting and operating businesses, including simplifying licensing processes and reducing registration times through digital platforms such as the "Meras" system, as well as new funding schemes, grants and incentives to support startups and SMEs. Other initiatives seek to boost innovation, such as technology incubators, accelerators and partnerships with global firms to foster startup growth, plus the accelerated adoption of digital solutions in government services to facilitate easier business operations and reduce bureaucratic hurdles.

2025 Framework Conditions Review

In 2025 Saudi Arabia's NECI (National Entrepreneurial Context Index) score is 6.4, up from 6.3 in 2024. This slight increase maintains Saudi Arabia's strong global standing, ranked third out of 53 GEM economies, consistent with its top-five placement over the past five years. Its stable NECI score reflects continued strength in government support, infrastructure and cultural norms.

For the first time national experts rate all of Saudi Arabia's 13 Framework Conditions as sufficient or better (a score of ≥ 5.0), up from 12 in 2024. The highest scores are for Physical Infrastructure (8.0), Social and Cultural Norms (7.4) and Government Policy: Support and Relevance (7.0), all rated as excellent. Relative to 2024, eight conditions improved their scores, most notably for both education conditions: at School (from 4.2 to 5.1) and Post-School (from 5.3 to 5.9). Five conditions had lower scores, including Physical Infrastructure (from 8.3 to 8.0). All but one of Saudi Arabia's Framework Conditions ranks in the top 10 globally, including Entrepreneurial Finance in first place, and Government Policy: Support and Relevance, Government Entrepreneurial Programmes, and Social and Cultural Norms, each in second place. The exception is Commercial and Professional Infrastructure, ranked 17th.

New and growing businesses' prioritisation of sustainability is rated by national experts at 6.1, up from 6.2 in 2024,

indicating consistent attention to environmental and social responsibility. Entrepreneurs' awareness of the need to develop and implement AI solutions scores as strongly, at 7.6, up from 7.5 in 2024, reflecting a high level of recognition of digital transformation.

Saudi Arabia's entrepreneurial environment in 2025 remains among the most robust globally, with all Framework Conditions rated sufficient and most ranking in the top tier. Government support, infrastructure and cultural norms are key strengths, and, while entrepreneurial education is improving, there is still some way to go. AI awareness is notably high, positioning Saudi Arabia well for future innovation and competitiveness.

2025 Entrepreneurial Activity Review

In Saudi Arabia, entrepreneurial awareness, confidence and opportunity recognition are all very high: nine out of 10 adults know someone who has recently started a business, see themselves as having the skills and experience to start their own, or see good opportunities to start a business locally, although almost three in five of the latter would not do so for fear it might fail. Consequently, the proportion of adults in Saudi Arabia intending to start a business in the next three years continues to grow, nearing one in two in 2025.

The percentage of adults actually starting or running new business has also been increasing, albeit more modestly, reaching 29% in 2025, up from 26% in 2024. However, the proportion of adults owning established business fell to one in eight in 2025, down from one in five a year earlier. Women are a little less likely than men to be starting a new business. More than four out of five new entrepreneurs agree with the motivations "to earn a living because jobs are scarce" or "to build great wealth or very high income", with a similar proportion expecting to use more digital technology to sell their products in the next six months. Job prospects are highly positive, with four in five new entrepreneurs anticipating employing six or more people in five years' time. As in many economies, the percentage of new entrepreneurs with customers beyond their own country is down, in this case to 8% in 2025 from 14% a year earlier. While seven in 10 new entrepreneurs claim to have acted to minimise environmental impacts or maximise social impacts in the past 12 months, three in four report prioritising such impacts over profitability or growth.

Team

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David Abdow

Team members

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Donna Kelley
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Babson Global Center for Entrepreneurial Leadership (BGCEL)



Type of institution

Business School

Other institutions involved

Emaar The Economic City

Funder

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Field Interactive-MR, Market Research Provider, monitored by Opinometre Institute LLS

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Slovak Republic

■ Population (2024): **5.4 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **47.2 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	67.7	62.3
Good opportunities to start a business in my area	36.7	38.8
It is easy to start a business	29.0	32.6
Personally have the skills and knowledge	58.8	52.4
Fear of failure (opportunity)	66.9	44.1
Entrepreneurial intentions*	13.1	11.7

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	14.6	19.0
International (25%+ revenue)	30.5	10.9
Always consider social impact	80.9	82.6
Always consider environmental impact	75.4	79.8
Prioritise social and/or environmental impact above profit or growth	72.7	70.6
Industry (% TEA in business services)	26.2	29.1

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	50.9	38.7
To build great wealth or very high income	54.4	39.1
To continue a family tradition	42.1	31.6
To earn a living because jobs are scarce	75.9	71.6

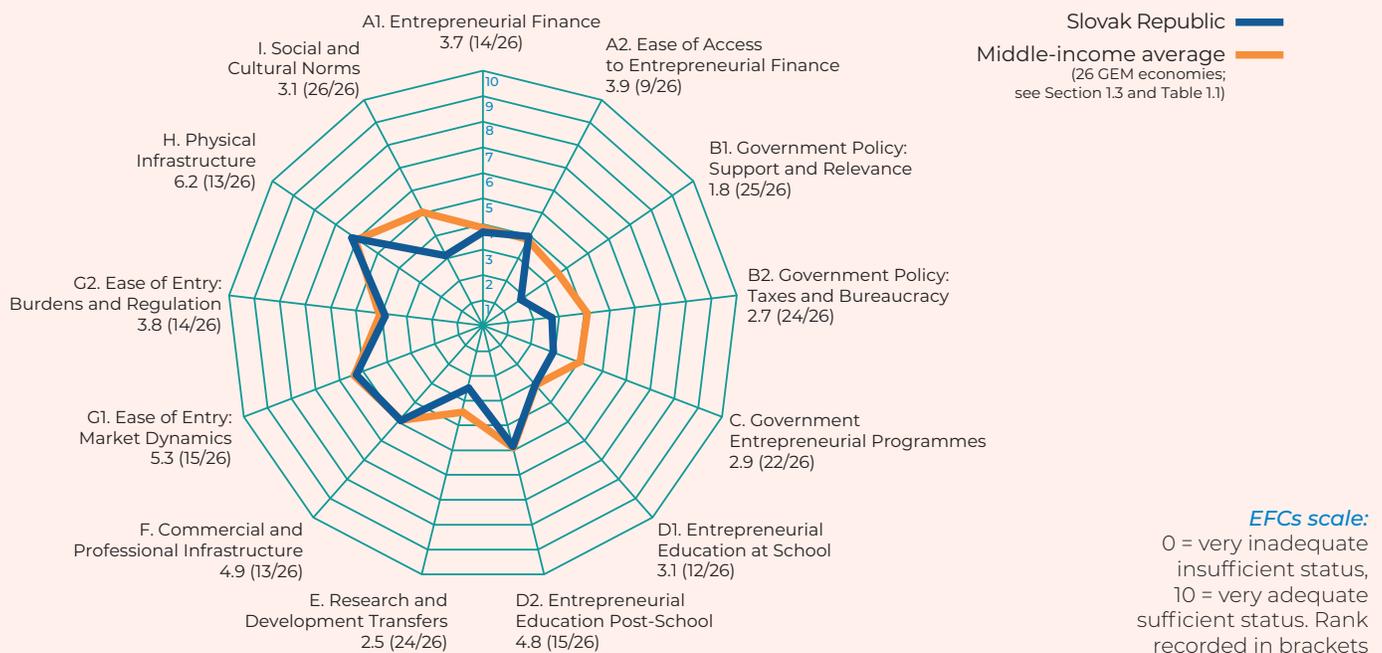
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	11.4	11.5	10.0	12.7
Established Business Ownership	4.9	5.0	3.3	6.6

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	39.9	36.0

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	71.3	63.2
Use more digital technology to sell products or services	54.0	53.7

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

According to national statistics from July 2025, Slovakian exports have continued to grow by about 3% year-on-year. In the Slovak Republic, support for internationalisation is mainly delivered through the Slovak Investment and Trade Development Agency (SARIO) and the Slovak Business Agency (SBA), albeit somewhat limited in scope. An essential role in supporting the internationalisation of innovation-driven startups is played by startup ecosystem actors who are typically strongly connected internationally.

In 2025, the Slovak government adopted several policy changes with implications for entrepreneurship, including the introduction of a financial transaction tax, increased administrative obligations for entrepreneurs (such as mandatory business bank accounts) and amendments to modify conditions for registration and state support. In addition, the business environment for foreign entrepreneurs has become more restrictive due to tighter rules for business-related residence permits, thereby increasing barriers for international founders seeking to operate in the Slovak Republic.

2025 Framework Conditions Review

The Slovak Republic's NECI (National Entrepreneurial Context Index) score for 2025 is 3.8, a marginal increase from 3.7 in 2024. Despite this slight improvement, the country ranks 51st out of 53 GEM economies globally, unchanged from the previous year. This low NECI score reflects persistent challenges across most Framework Conditions, particularly in government policy, education and support programmes.

Of the 13 Framework Conditions, national experts rate only two of the Slovak Republic's as sufficient or better (a score of ≥ 5.0), unchanged from 2024. These are Physical Infrastructure (6.2) and Ease of Entry: Market Dynamics (5.3). The remaining 11 are rated as insufficient, with particularly low scores for Government Policy: Support and Relevance (1.8), Research and Development Transfers (2.5) and Government Policy: Taxes and Bureaucracy (2.7).

Most Framework Condition scores are little changed compared to 2024, although there were significant increases for Entrepreneurial Education Post-School (from 4.0 to 4.8) and for Commercial and Professional Infrastructure (from 4.7 to 4.9), alongside notable decreases for Government Policy: Support and Relevance (from 2.2 to 1.8) and for Physical Infrastructure (from 6.4 to 6.2). In 2025, the Slovak Republic ranks in the bottom 10 globally for five conditions, including Social and Cultural Norms (53rd) and Government Policy: Support and Relevance (52nd).

New and growing businesses' prioritisation of sustainability is rated at 4.9 by national experts, slightly up from 4.8 in 2024. Entrepreneurs' awareness of the need to develop and implement AI solutions scored as sufficient at 5.4, up from 4.2 in 2024, reflecting growing recognition of digital transformation.

The Slovak Republic's entrepreneurial environment in 2025 shows modest progress, with a slightly higher NECI score and improvements in education and commercial and professional infrastructure. However, most Framework Conditions remain below sufficiency, and government policy continues to be a major constraint. Sustainability and AI awareness are improving, but sustained efforts in policy reform and institutional support are essential to drive meaningful change.

2025 Entrepreneurial Activity Review

More than two in three adults in the Slovak Republic know someone who has recently started their own business, and three in five see themselves as having the skills and experience to be able start their own, both proportions up on 2024, although those seeing good opportunities to start a business locally is down a little to just under two in five. However, a relatively high two in three of the latter would not start a business for fear it might fail. Despite this, the proportion of adults in the Slovak Republic intending to start a business in the next three years continues to rise, reaching a level of more than one in eight in 2025, up from one in 12 just three years ago.

The proportion of adults actually starting or running new businesses has been consistent for the past four years at just over one in 10, with around half this rate owning an established business. Men continue to be more likely than women to be starting a new business. Three out of four new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", while just over one in two expect to use more digital technology in the next six months to sell their products. Only one in seven anticipate employing six or more people in five years' time. The percentage of new entrepreneurs with customers beyond the Slovak Republic has increased from 37% in 2024 to 48%, a much higher rate compared to other economies. While a little more than half have acted to minimise environmental impacts in the past 12 months, a little less than half have acted to maximise social impacts. However, seven out of 10 new entrepreneurs report prioritising such impacts over profitability or growth.

Team

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Marian Holienka
Juraj Mikus
Jan Rehak

Institution

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Type of institution
University

Other institutions involved
Slovak Business Agency (SBA)

Funders

Slovak Business Agency (SBA)
Comenius University Bratislava, Faculty of Management

APS vendor

Actly s. r. o.

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Slovenia

■ Population (2024): **2.1 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **56.5 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	56.2	57.6
Good opportunities to start a business in my area	51.4	56.1
It is easy to start a business	66.5	71.6
Personally have the skills and knowledge	67.0	66.4
Fear of failure (opportunity)	41.1	46.1
Entrepreneurial intentions*	16.0	17.5

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	28.3	25.5
International (25%+ revenue)	19.9	21.9
Always consider social impact	88.4	88.3
Always consider environmental impact	89.4	88.2
Prioritise social and/or environmental impact above profit or growth	70.2	66.0
Industry (% TEA in business services)	39.8	43.9

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	51.0	49.9
To build great wealth or very high income	54.2	51.4
To continue a family tradition	20.3	22.3
To earn a living because jobs are scarce	51.3	51.1

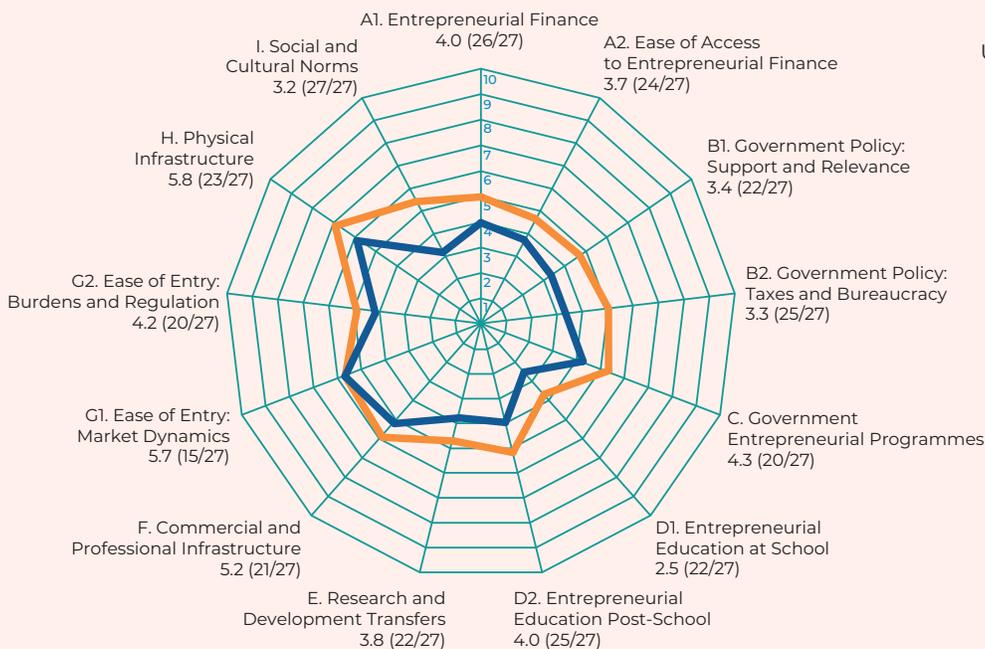
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	7.1	8.6	5.3	8.8
Established Business Ownership	9.8	8.7	7.8	11.6

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	14.2	14.9

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	23.9	22.5
Use more digital technology to sell products or services	50.1	54.0

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Slovenia —
 Upper-income average (27 GEM economies; see Section 1.3 and Table 1.1)

EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Slovenia continues to maintain a strong export position: export market shares increased in 2023 and remained high in 2024, indicating that Slovenian firms — including younger, more dynamic ones — can still position themselves in foreign markets despite weaker global demand. However, many small and medium-sized firms, where most new entrepreneurs operate, lag behind in advanced digital tools that increasingly enable international activity (e-commerce, platform access, data-driven marketing). New government instruments introduced in 2024–2025 — such as co-financing for participation at international fairs, joint promotional activities and vouchers supporting internationalisation — have expanded formal support channels for SMEs and startups entering foreign markets. These contribute to improving access, although capability gaps still limit more sophisticated forms of internationalisation among many new entrepreneurs.

Several tax, regulatory and support-programme changes over the past 12 months have significantly influenced the entrepreneurial environment in Slovenia, including stricter rules regarding revenue thresholds and deductible expenses. In 2025, the Slovene Enterprise Fund (SPS) introduced new programmes which increase the availability of grants, guarantees, subsidised loans and equity instruments for startups and SMEs.

2025 Framework Conditions Review

Slovenia's NECI (National Entrepreneurial Context Index) score for 2025 is 4.1, remaining stable compared to 2024. Slovenia ranks 41st out of 53 GEM economies globally, maintaining the same position as the previous year. Its NECI score and ranking reflect persistent challenges in education, policy and cultural support for entrepreneurship.

Of the 13 Framework Conditions, national experts rated three of Slovenia's as sufficient or better (a score of ≥ 5.0), up from two in 2024. These are Physical Infrastructure (5.8), Ease of Entry: Market Dynamics (5.7) and Commercial and Professional Infrastructure (5.2). This leaves the remaining 10 conditions rated as insufficient, with particularly low scores for Entrepreneurial Education at School (2.5), Social and Cultural Norms (3.2) and both government policy conditions: Taxes and Bureaucracy (3.3) and Support and Relevance (3.4). While most scores showed only minor year-on-year changes, there were notable improvements in Ease of Entry: Market Dynamics (from 5.2 to 5.7) and Commercial and Professional Infrastructure (from 4.8 to 5.2). The largest falls were for Social and Cultural Norms (from 3.8 to 3.2) and for Entrepreneurial Education at School (from 2.9 to 2.5). The decline for Social and Cultural Norms pushed its global rank down to next to last (52nd of 53 GEM economies). Also in the

bottom 10 were Entrepreneurial Education Post-School (49th) and Government Policy: Taxes and Bureaucracy (45th).

New and growing businesses' prioritisation of sustainability is rated by national experts at 5.7, down from 6.6 in 2024. However entrepreneurs' awareness of the need to develop and implement AI solutions scores highly at 6.7, up from 6.2 in 2024, reflecting a strengthening orientation toward digital transformation and technological capability.

Slovenia's entrepreneurial environment in 2025 shows mixed progress, with a stable NECI score and modest improvements in infrastructure and market dynamics. However, most Framework Conditions remain below sufficiency, and cultural and policy support continue to lag. Professional infrastructure and AI awareness are improving, but stronger institutional and educational support will be key to future growth.

2025 Entrepreneurial Activity Review

The proportion of adults in Slovenia reporting that their household income has fallen in the current year has been decreasing since this question was introduced by GEM during the pandemic: from nearly one in two in 2020 to one in five in 2023, and just one in seven in 2025.

Entrepreneurial awareness is reasonable and confidence is high, with more than one in two adults knowing someone who has recently started a business, while two in three adults see themselves as having the skills or experience to start a business of their own. One in two adults see good opportunities to start a business locally, although two in five of these would not start that business for fear it might fail. Just under one in six intend to start a business in the next three years, slightly down from the previous year.

Since 2020 the percentage of adults actually starting or running a new business in Slovenia has been fairly stable, in the range 6–9%, and is towards the middle of this range in 2025 (7.1%). Established Business Ownership is just under 10%. Around three men are starting a new business for every two women doing the same. Just over one in two new entrepreneurs agree with the motivations "to build great wealth or very high income", "to earn a living because jobs are scarce" and "to make a difference in the world". One in two expect to use more digital technology to sell their products in the next six months, while a relatively high one in four anticipate employing six or more people in five years' time. The number of new entrepreneurs with revenue from outside Slovenia is little changed in 2025, at just under one in two. Just over one in three new entrepreneurs claim to have acted to reduce environmental impacts or maximise social impacts in the past 12 months, although seven in 10 report prioritising such impacts over profitability or growth.

Team

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Institution

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Type of institution

University

Funders

SPIRIT Slovenia, Public Agency for Investment, Entrepreneurship and Internationalization

Ministry of the Economy, Tourism and Sport

Slovenian Research and Innovation Agency

Institute for Entrepreneurship and Small Business Management at Faculty of Economics and Business, University of Maribor

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South Africa

■ Population (2024): **64.0 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **15.5 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024*
Know someone who has started a new business	48.9	–
Good opportunities to start a business in my area	64.4	–
It is easy to start a business	61.3	–
Personally have the skills and knowledge	65.6	–
Fear of failure (opportunity)	49.6	–
Entrepreneurial intentions**	19.2	–

Entrepreneurship impact	% TEA	
	2025	2024*
Job expectations (expecting to employ six or more people in five years' time)	34.7	–
International (25%+ revenue)	15.1	–
Always consider social impact	88.0	–
Always consider environmental impact	81.8	–
Prioritise social and/or environmental impact above profit or growth	75.2	–
Industry (% TEA in business services)	17.7	–

* Did not participate in 2024.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

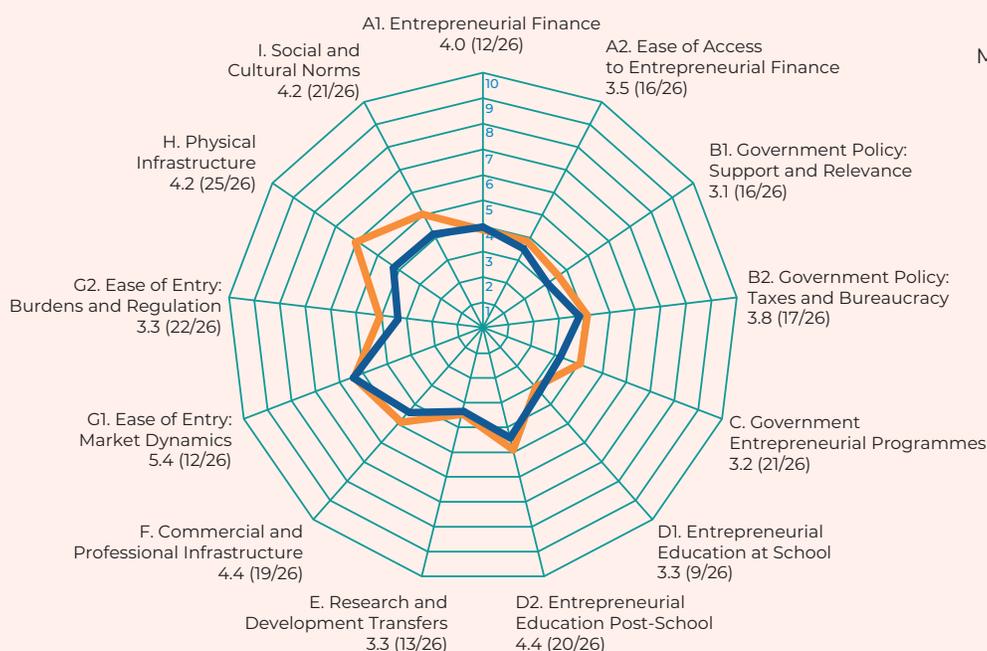
Motivational	% TEA	
	2025	2024*
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	78.2	–
To build great wealth or very high income	84.2	–
To continue a family tradition	51.3	–
To earn a living because jobs are scarce	87.3	–

Activity	% Adults			
	2025	2024*	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	14.7	–	14.6	14.9
Established Business Ownership	3.9	–	3.4	4.5

Recent changes	% Adults	
	2025	2024*
Household income has decreased in the current year***	34.9	–

	% TEA	
	2025	2024*
Starting a business is more difficult than a year ago	45.9	–
Use more digital technology to sell products or services	65.6	–

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



South Africa ■
 Middle-income average (26 GEM economies; see Section 1.3 and Table 1.1) ■

EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

The future of South Africa's trade relations with the United States is uncertain following the expiration of the African Growth and Opportunity Act (AGOA) in September 2025. The US government has expressed support for a one-year renewal of AGOA, but the inclusion of South Africa in this renewal remains uncertain. The United States has also imposed a 30% reciprocal tariff on a wide range of South African exports, the effects of which are still to unfold.

Entrepreneurship development is difficult under very low South African economic growth realities, and it has one of the highest unemployment rates globally. Youth unemployment rates are especially worrying, with direct implications for supporting entrepreneurship and new business development. The National Youth Development Agency (NYDA) launched a R2.5 billion (US\$146.5 million) youth empowerment initiative in 2025, to give young entrepreneurs access to both loans and equity support, enabling them to grow sustainable enterprises and contribute to the economy. The National Small Enterprise Amendment Act became law in July 2024, enhancing support for small businesses, and providing more integrated financial and non-financial assistance to micro, small and medium enterprises (MSMEs) and cooperatives.

2025 Framework Conditions Review

South Africa's NECI (National Entrepreneurial Context Index) score for 2025 is 3.9, similar to 2024. The country ranks 47th out of 53 GEM economies globally, an improvement from 49th the previous year. However, these continued low rankings suggest persistent challenges in infrastructure, policy support and access to finance.

Of the 13 Framework Conditions, national experts rated only one of South Africa's as sufficient or better (a score of ≥ 5.0), as they did in 2024. For both years this was Ease of Entry: Market Dynamics, albeit with a slightly higher score in 2025. The remaining 12 conditions are all rated as insufficient, with particularly weaknesses in Government Entrepreneurial Programmes (3.2), Ease of Entry: Burdens and Regulation (3.3), Government Policy: Support and Relevance (3.1) and Research and Development Transfers (3.3). Compared to 2024, five conditions improved their scores, including Entrepreneurial Education at School (from 2.8 to 3.3) and Research and Development Transfers (from 3.0 to 3.3). However, scores declined for the eight other conditions, especially Physical Infrastructure (from 4.8 to 4.2) and Commercial and Professional Infrastructure (from 4.8 to 4.4). The result is a mixed picture of mostly minor change. South Africa's highest-ranked condition among the 53 GEM economies is Entrepreneurial Education at School, ranked 22nd, but it appears in the bottom 10 globally for Physical Infrastructure (52nd), Ease of Entry: Burdens and

Regulation (49th), Government Entrepreneurial Programmes (48th) and Commercial and Professional Infrastructure (46th).

New and growing businesses' prioritisation of sustainability is rated at 4.7 by South Africa's national experts, up from 4.4 in 2024 but still less than sufficient, as is entrepreneurs' awareness of the need to develop and implement AI solutions, also scored at 4.7, up slightly from 2024.

South Africa's entrepreneurial environment in 2025 remains constrained, with only one Framework Condition rated as sufficient and several ranking in the bottom tier globally. While there are signs of progress in education and sustainability, access to finance, infrastructure and government support continue to hinder development. AI awareness is growing, but further investment in digital capacity and institutional support is needed to unlock potential.

2025 Entrepreneurial Activity Review

Just over one in three adults in South Africa report that their household income fell in 2025, a significant improvement from nearly three in five in 2023. Almost one in five adults intend to start a business in the next three years, more than double the rate in 2023.

Entrepreneurial awareness, confidence and opportunity recognition are all strong in South Africa, with just under half of adults knowing someone who has recently started a business, and two in three adults seeing themselves as having the skills and experience to start their own business or seeing good opportunities to start a business locally. Of the latter, just under half would not start a business for fear it might fail.

In South Africa, 15% of adults are starting or running a new business in 2025, up from 11% in 2023. Just 4% own an established business, down from 6% in 2023. The ratio of new to established businesses suggests a surge in early-stage activity, although with fewer businesses reaching maturity. Women are less likely than men to be starting a new business in 2025 — but the gender gap is very small.

The most agreed motivation among new entrepreneurs is "to earn a living because jobs are scarce", closely followed by "to build great wealth or very high income", both agreed by more than four out of five. Just under two in three new entrepreneurs expect to use more digital technology to sell their products in the next six months, up a little from 2023. Nearly three in 10 new entrepreneurs have customers beyond South Africa, up from two in 10 in 2023. Employment expectations are strong, with more than one in three new entrepreneurs anticipating employing six or more people in five years' time, a sharp increase from one in five in 2023. Finally, more than half have taken steps to minimise environmental impacts or to maximise social impacts in the past 12 months, while three in four report that they prioritise such impacts above profitability or growth.

Team

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Angus Bowmaker-Falconer

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Type of institution

University

Other institutions involved

University of Johannesburg,
Department of Business Management,
College of Business and Economics



North-West University Enterprise
Development



Funders

Stellenbosch Business School
Small Enterprise Development Finance
Agency
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APS vendor

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Spain

■ Population (2024): **48.8 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **56.9 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	58.9	46.6
Good opportunities to start a business in my area	41.9	29.3
It is easy to start a business	37.0	26.9
Personally have the skills and knowledge	53.7	48.1
Fear of failure (opportunity)	52.0	44.4
Entrepreneurial intentions*	11.5	9.4

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	9.5	9.2
International (25%+ revenue)	15.4	17.9
Always consider social impact	76.5	62.8
Always consider environmental impact	68.2	57.1
Prioritise social and/or environmental impact above profit or growth	57.2	43.3
Industry (% TEA in business services)	33.1	31.4

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

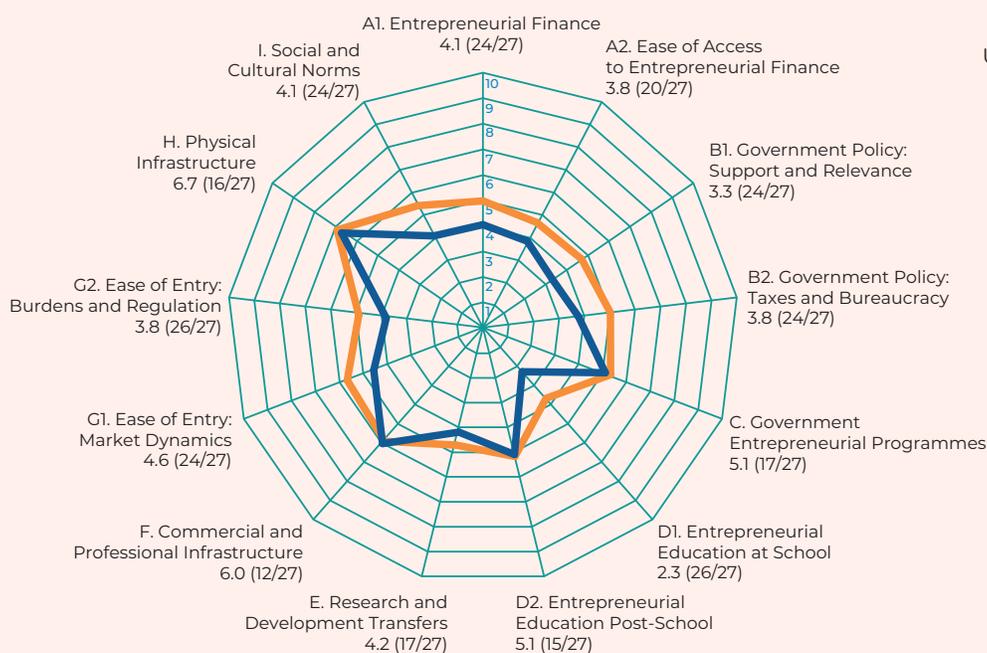
Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	56.8	40.1
To build great wealth or very high income	53.9	39.0
To continue a family tradition	25.5	18.0
To earn a living because jobs are scarce	66.7	52.4

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	7.8	7.2	7.2	8.5
Established Business Ownership	7.4	6.8	5.9	8.9

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	29.5	28.6

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	52.2	47.8
Use more digital technology to sell products or services	53.7	50.7

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

A number of factors point to Spain's increasing internationalisation and improved access to international markets. To begin with, the number of Spanish exporting companies has grown by 27% since 2010, according to the Ministry of Economy. The Spanish tech ecosystem is experiencing strong growth in foreign investment in startups: over €2 billion has come from international investors in 2024, and foreign capital is growing faster than domestic. Public initiatives like Desafia and ICEX Next are providing structured immersion and soft-landing programmes in other countries such as the United States, the Nordic countries, the United Kingdom and Germany — explicitly aimed at the internationalisation of startups. However, constraints such as geopolitical uncertainty, logistics issues and regulatory complexity endure, and only a minority of startups internationalise early.

Important entrepreneurship policy changes have taken place. First, a new financing initiative in 2025 via Enisa provides loans ranging from €25,000 to €1.5 million to help new and growing SMEs expand their activities, complementing the financing provided by other investors. Second is a continued push for digitalisation and support via Kit Digital; aimed at medium-sized companies (50–249 employees), it offers digitalisation “bonos” of €25,000–29,000. This support covers a broad range of digital solutions, easing digital transformation for startups and SMEs. And, third, a focus on the “social economy” and cooperatives has led to proposed new laws to strengthen such enterprises.

2025 Framework Conditions Review

Spain's NECI (National Entrepreneurial Context Index) score for 2025 is 4.4, a slight increase from 4.3 in 2024. This improvement lifts Spain to 31st out of 53 GEM economies globally, up from 38th the previous year. The NECI rise derives from modest progress in several Framework Conditions, particularly in government programmes and infrastructure.

Of the 13 Framework Conditions, national experts rated four of Spain's as sufficient or better (a score of ≥5.0), up from three in 2024. These are Physical Infrastructure (6.7), Commercial and Professional Infrastructure (6.0), Government Entrepreneurial Programmes (5.1) and Entrepreneurial Education Post-School (5.1). The remaining nine conditions are rated as insufficient, with particularly low scores for Entrepreneurial Education at School (2.3) and Government Policy: Support and Relevance (3.3). Relative to 2024, seven condition scores improved, including Ease of Entry: Market Dynamics (from 3.9 to 4.6), the largest gain across all conditions, and Research and Development Transfers (from 3.7 to 4.2). However, six other condition scores declined, most notably Entrepreneurial Education at School (2.6 to 2.3), reinforcing its position as Spain's lowest-rated condition. Spain

ranks in the top 20 globally for Commercial and Professional Infrastructure (15th) but in the bottom 10 for Ease of Entry: Market Dynamics (47th), Social and Cultural Norms (47th) and Entrepreneurial Education at School (44th).

New entrepreneurs' awareness of the need to develop and implement AI solutions is scored highly by national experts at 6.6, up from 5.9 in 2024. New and growing businesses' prioritisation of sustainability is rated as sufficient at 5.6, up from 5.3 in 2024.

Spain's entrepreneurial environment in 2025 shows modest but encouraging progress, with a higher NECI score and more Framework Conditions reaching sufficiency. Infrastructure and government programmes are clear strengths, while education and cultural support remain areas for development. Sustainability has increased, and AI awareness is growing steadily, positioning Spain for future innovation.

2025 Entrepreneurial Activity Review

Almost three in 10 adults in Spain report that their household income fell in 2025, down from one in three in 2024. A little over one in 10 adults intend to start a business in the next three years, the same as in 2024.

Entrepreneurial awareness, confidence and opportunity recognition are all quite modest. Nearly three in five adults in Spain know someone who has started a business recently. A similar proportion see themselves as having the skills and experience to start their own business, but just over two in five see good opportunities to start a business locally. Of those, a little more than half would not start a business for fear it might fail.

Only 7.8% of adults are starting or running a new business in Spain in 2025, up a little from 7.2% in 2024. Slightly fewer own an established business but the ratio of new to established businesses is relatively balanced, suggesting a stable entrepreneurial base. Men are slightly more likely than women to be starting a new business.

The most agreed motivation among new entrepreneurs is “to earn a living because jobs are scarce”, cited by two in three of new entrepreneurs, with “to make a difference in the world” not too far behind. Just over half of new entrepreneurs expect to use more digital technology to sell their products in the next six months. As in 2024, one in three new entrepreneurs have customers beyond Spain. Employment prospects remain modest, with one in 10 new entrepreneurs anticipating employing six or more people in five years' time. Just over half have taken steps to minimise environmental impacts in the past 12 months, with slightly fewer having taken steps to maximise social impacts. A similar proportion report prioritising such impacts above profitability or growth.

Team

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National team

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Institution

Observatorio del Emprendimiento de España (OEE)



OBSERVATORIO DEL
EMPREDIMIENTO
DE ESPAÑA

+25 años de datos

Type of institution

Non-profit organisation

Funders

ENISA (Ministry of Industry, Commerce and Tourism)

APS vendor

Opinometre

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Sweden

■ Population (2024): **10.6 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **71.0 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	51.9	53.3
Good opportunities to start a business in my area	64.3	66.2
It is easy to start a business	76.1	78.4
Personally have the skills and knowledge	46.7	46.3
Fear of failure (opportunity)	42.6	45.5
Entrepreneurial intentions*	11.1	10.3

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	14.3	12.3
International (25%+ revenue)	16.1	20.0
Always consider social impact	54.7	57.6
Always consider environmental impact	50.5	54.6
Prioritise social and/or environmental impact above profit or growth	42.7	43.8
Industry (% TEA in business services)	45.0	34.4

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

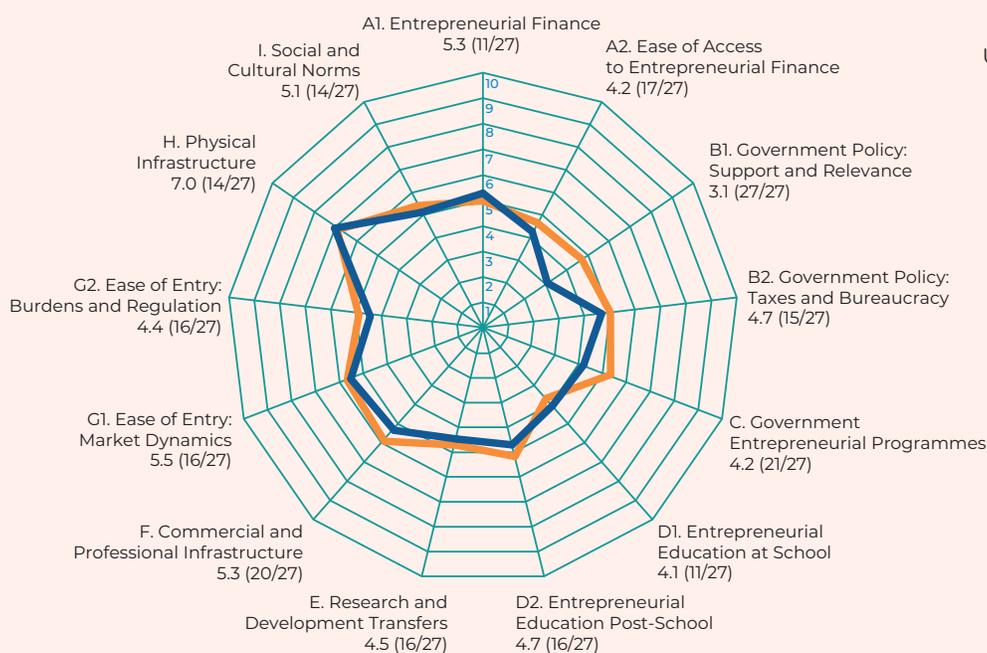
Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	41.0	46.1
To build great wealth or very high income	46.3	56.3
To continue a family tradition	22.6	25.0
To earn a living because jobs are scarce	30.0	32.5

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	9.6	8.4	6.1	12.9
Established Business Ownership	5.0	5.1	2.9	7.1

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	24.5	24.4

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	27.0	23.9
Use more digital technology to sell products or services	35.5	45.7

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Access to international markets for Sweden's new entrepreneurs looks to be declining. In 2024, 32% of Swedish entrepreneurs expected at least some revenue from abroad, while 20% anticipated more than a quarter of their income coming from international markets. The long-term trend indicates reduced international engagement.

The current government was elected on promises to tackle crime and ensure energy supply, and these have dominated its agenda. While these issues are indirectly important for the business climate, there have been no major, concrete policy changes in the past 12 months that directly target entrepreneurship.

2025 Framework Conditions Review

Sweden's National NECI (National Entrepreneurial Context Index) score for 2025 is 4.8, up from 4.5 in 2024. This improvement lifts Sweden to 22nd out of 53 GEM economies globally, up four places from the previous year. The rise in NECI reflects progress in several key areas, particularly infrastructure, finance and education.

Of Sweden's 13 Framework Conditions, national experts rated five as sufficient or better (a score of ≥ 5.0), up from four in 2024. These are Physical Infrastructure (7.0), Ease of Entry: Market Dynamics (5.5), Entrepreneurial Finance (5.3), Commercial and Professional Infrastructure (5.3), and Social and Cultural Norms (5.1). The remaining eight conditions are rated as insufficient, with particularly weaknesses in Government Policy: Support and Relevance (3.1), Entrepreneurial Education at School (4.1) and in Government Entrepreneurial Programmes (4.2). Relative to 2024, by far the biggest score increase was for Ease of Entry: Burdens and Regulation (from 3.2 to 4.4), although Physical Infrastructure also increased substantially (from 6.3 to 7.0). Three conditions had reduced scores, with the largest fall being for Government Policy: Taxes and Bureaucracy (from 4.9 to 4.7).

Following these changes, Sweden currently ranks in the top 20 globally (among the 53 GEM economies) for Entrepreneurial Finance (12th), Entrepreneurial Education at School (15th), Physical Infrastructure (19th) and Research and Development Transfers (20th). Sweden has one Framework Condition just outside the bottom 10: Government Policy: Support and Relevance, ranked 42nd.

New and growing businesses' prioritisation of sustainability was rated by national experts at 7.1, down from 7.9 in 2024 yet still among the highest globally. Entrepreneurs' awareness of the

need to develop and implement AI solutions was scored at 7.4, up from 6.7 in 2024. This reflects growing recognition of digital transformation.

Sweden's entrepreneurial environment in 2025 shows clear signs of improvement, with a higher NECI score and more Framework Conditions reaching sufficiency. Infrastructure, sustainability and AI awareness are key strengths, while government policy and access to finance remain areas for development. Continued investment in digital capacity and inclusive policy reform will be essential to sustain this upward trajectory.

2025 Entrepreneurial Activity Review

Just one in four adults in Sweden report that their household income fell in 2025, a proportion that has been roughly the same for the past three years. Meanwhile, the percentage of adults expecting to start a new business in the next three years rose slightly to 11% in 2025.

About one in two adults know someone who has recently started a business, a proportion that is slightly higher than those who see themselves as having the skills and experience to start their own. However, two in three adults see good opportunities to start a business locally, although two in five of those would not do so for fear it might fail.

The proportion of adults in Sweden who are starting or running a new business in 2025 rose to one in 10, while those running an established business remained constant at one in 20, implying two people starting a new business for every person running an established one. Men in Sweden are now more than twice as likely as women to be starting a business, as the gender gap widens.

"To build great wealth or very high income" is the most agreed motivation for new entrepreneurs (nearly one in two), followed by "to make a difference in the world" (two in five). However, the proportion of entrepreneurs with customers beyond Sweden has fallen a little to just three in 10, having been well over one in three in 2024. Just one in three new entrepreneurs expect to use more digital technology in the next six months to sell their products, while only one in seven expects to employ six or more people in five years' time. Finally, two in five new entrepreneurs report taking actions to minimise their environmental impacts, a little more than those who say they have acted to maximise social impacts. A similar two in five claim to prioritise such impacts over profitability or growth.

Team

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Type of institution

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Funders

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APS vendor

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Switzerland

■ Population (2024): **9.0 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **93.8 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	54.9	56.2
Good opportunities to start a business in my area	43.4	48.6
It is easy to start a business	65.9	66.1
Personally have the skills and knowledge	42.6	44.4
Fear of failure (opportunity)	31.4	37.3
Entrepreneurial intentions*	10.5	10.0

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	10.8	13.8
International (25%+ revenue)	16.5	24.0
Always consider social impact	74.4	81.5
Always consider environmental impact	70.8	73.6
Prioritise social and/or environmental impact above profit or growth	53.4	53.1
Industry (% TEA in business services)	40.1	28.1

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

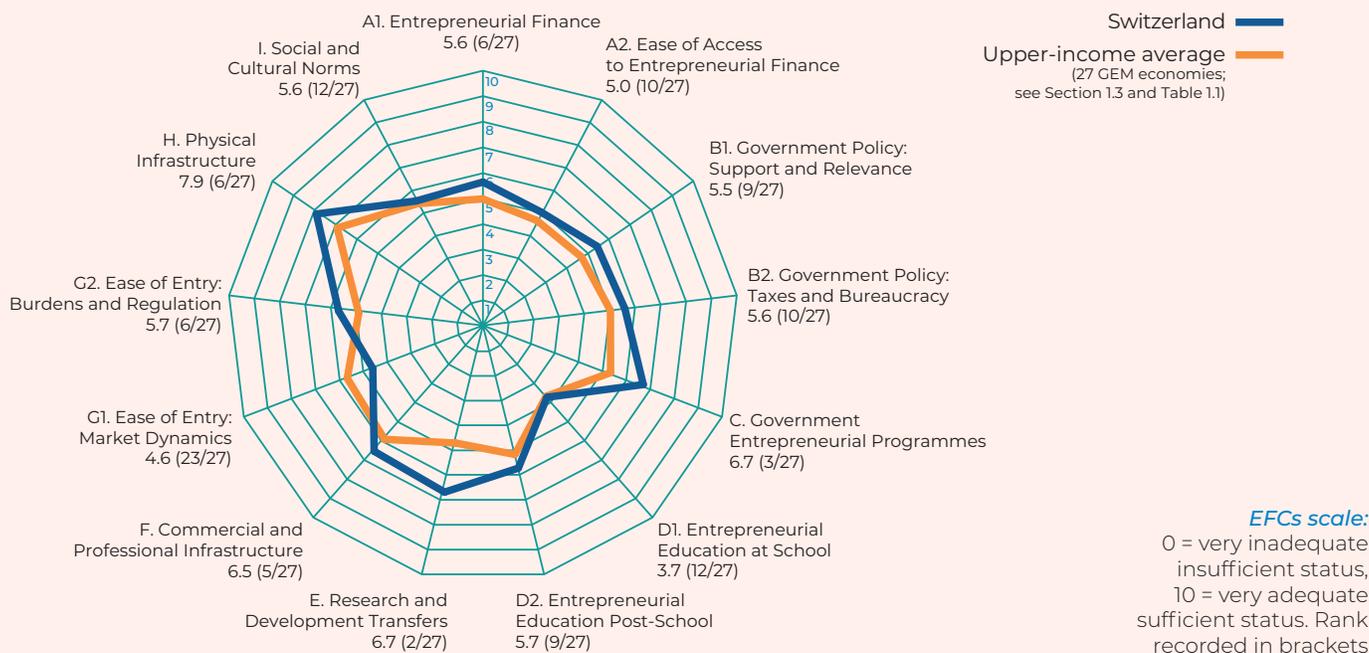
Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	57.7	52.3
To build great wealth or very high income	41.5	39.4
To continue a family tradition	11.0	15.6
To earn a living because jobs are scarce	44.6	44.0

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	10.2	9.9	9.0	11.4
Established Business Ownership	6.8	7.2	5.8	7.6

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	28.8	28.4

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	38.2	33.6
Use more digital technology to sell products or services	48.6	42.2

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Switzerland remains highly export-oriented, and recent changes — such as the reduction of the US tax rate applied to Swiss companies (from 39% to 15%) — have restored fairer competitive conditions. Some challenges persist, particularly regulatory hurdles with the EU and the strong Swiss franc, but overall international access has slightly strengthened.

In 2024–2025 Switzerland introduced several important legal, fiscal and regulatory changes that directly or indirectly affect the entrepreneurial environment. In its pension system reform, beginning in January 2025, the statutory retirement age for women will gradually increase to 65 by 2028, aligning it with that of men. At the same time, pensions will rise by 2.9%. These measures may influence labour-market participation among older workers and affect long-term workforce availability for businesses. Cross-border shopping regulations have changed: Swiss residents must now declare and pay VAT on foreign purchases exceeding CHF150 (US\$188), down from the previous CHF300 threshold. This change may affect retail entrepreneurs operating in border regions. Finally, a new CO₂ Act enters into force for 2025–2030. This new framework increases pressure on companies to decarbonise, while also generating opportunities in clean technologies and energy-efficiency services. Policies also aim to stimulate entrepreneurial activity in renewable energy, energy storage, construction and climate-adaptation technologies. Recycling will now take precedence over incineration, encouraging innovation in waste management, materials recovery and sustainable product design — areas with strong entrepreneurial potential.

2025 Framework Conditions Review

Switzerland's NECI (National Entrepreneurial Context Index) score for 2025 is 5.7, the same as in 2024. This stability places Switzerland ninth out of 53 GEM economies globally, maintaining its position in the top 10 for the fifth consecutive year. This consistently high NECI score reflects strong performance in infrastructure, research and in government support.

Of the 13 Framework Conditions, national experts rated 11 of Switzerland's as sufficient or better (a score of ≥ 5.0), as they did in 2024. The highest scores are for Physical Infrastructure (7.9), Research and Development Transfers (6.7) and Government Entrepreneurial Programmes (6.7), representing key strengths in the Swiss entrepreneurial ecosystem. The condition rated less than sufficient, and the ecosystem's greatest weakness, is Entrepreneurial Education at School (3.7), followed by Ease of Entry: Market Dynamics at 4.6.

The keyword for the Swiss entrepreneurial environment is stability, with scores for most conditions changing very little over time. However, relative to 2024, Ease of Entry: Market Dynamics rose from 3.7 to 4.6, while Ease of Access to Entrepreneurial

Finance decreased from 5.4 to 5.0. Switzerland ranks in the top 10 globally (among the 53 GEM economies) for six Framework Conditions, including second for Research and Development Transfers and third for Government Entrepreneurial Programmes. However, despite its large increase, Ease of Entry: Market Dynamics is still ranked in the bottom 10 globally.

National experts scored new and growing businesses' prioritisation of sustainability highly at 6.8, up slightly from 6.7 in 2024, while entrepreneurs' awareness of the need to develop and implement AI solutions was scored even more highly at 7.2, up from 7.0 in 2024.

Switzerland's entrepreneurial environment in 2025 remains among the strongest globally, with nearly all Framework Conditions rated sufficient and several ranking in the top tier. Government support, infrastructure and research are key strengths, while education at school level and market dynamics remain areas for development. AI awareness is high, positioning Switzerland well for continued innovation and competitiveness.

2025 Entrepreneurial Activity Review

The Swiss entrepreneurial activity picture is as stable as its entrepreneurial environment, with most data showing little change. For example, nearly three in 10 Swiss adults report that their household income has fallen in 2025, about the same proportion as a year earlier. Similarly, the proportion of adults expecting to start a business in the next three years in 2025 is around one in 10, just as it was the year before.

Around one in two Swiss adults know someone who has recently started a business, while a little over two in five see themselves as having the skills and experience to start their own, or see good opportunities to start a business locally: all proportions similar to a year earlier. However, the proportion of those seeing good opportunities but would not start a business for fear it might fail has decreased over the past year: from nearly four in 10 to less than three in 10. The proportion of adults actually starting or running a business was little changed at one in 10, while the percentage running an established business fell slightly to just under 7%. Swiss men continue to be more likely than Swiss women to start a business. Nearly three in five new entrepreneurs agreed with the motivation "to make a difference in the world".

One minor shift has been in the proportion of new entrepreneurs with customers beyond Switzerland, down from 43% in 2024 to 38% in 2025, perhaps reflecting some mild reverberations as tariffs echo around global trade. Around one in two new entrepreneurs expect to use more digital technology to sell their products in the next six months, with a similar proportion reporting taking steps to minimise environmental impacts, a little higher than the proportion taking steps to maximise social impacts.

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Institution

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HAUTE ÉCOLE DE GESTION
HOCHSCHULE FÜR WIRTSCHAFT
SCHOOL OF MANAGEMENT

Fribourg
Freiburg

Type of institution

Business School

Other institutions involved

Swiss Start-up Factory
Swiss Economic Forum
Impact Hub Switzerland

Funders

School of Management Fribourg
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APS vendor

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Taiwan

■ Population (2023): **23.3 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **61.5 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	41.4	32.0
Good opportunities to start a business in my area	40.1	52.8
It is easy to start a business	37.4	43.2
Personally have the skills and knowledge	36.0	37.9
Fear of failure (opportunity)	40.1	42.0
Entrepreneurial intentions*	18.1	13.3

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	30.6	36.7
International (25%+ revenue)	9.6	8.5
Always consider social impact	65.3	67.9
Always consider environmental impact	63.7	74.0
Prioritise social and/or environmental impact above profit or growth	56.2	57.0
Industry (% TEA in business services)	20.8	16.6

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	39.6	44.0
To build great wealth or very high income	67.0	59.4
To continue a family tradition	23.3	15.6
To earn a living because jobs are scarce	35.6	30.4

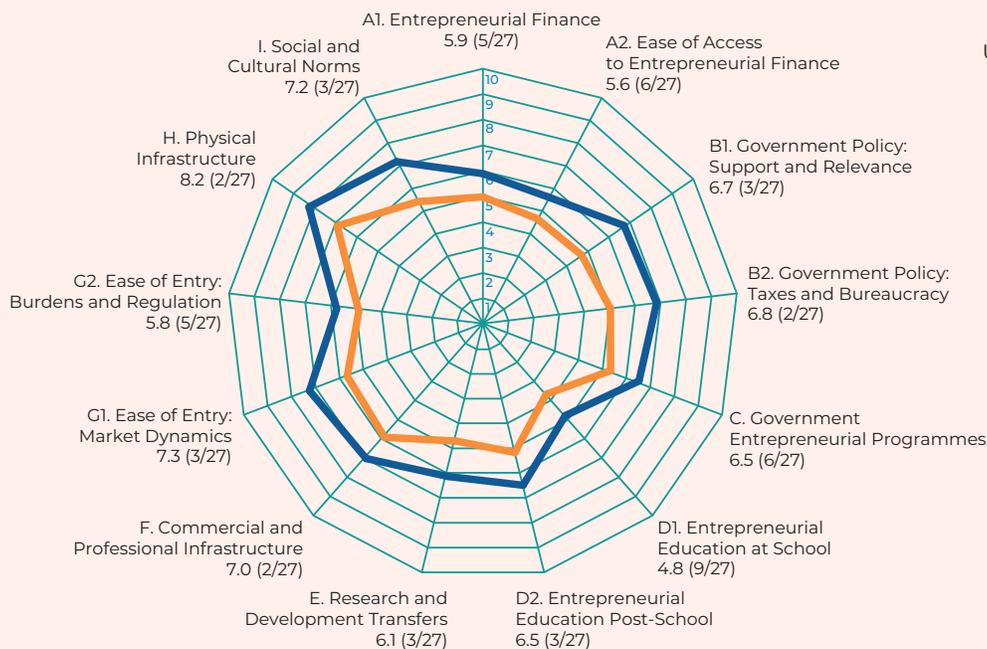
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	10.1	5.5	8.5	11.8
Established Business Ownership	8.6	8.2	5.4	11.8

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	27.8	17.6

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	57.8	42.1
Use more digital technology to sell products or services	54.7	59.1

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Taiwan █
 Upper-income average (27 GEM economies; see Section 1.3 and Table 1.1) █

EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

According to Ministry of Finance data, export sales by new entrepreneurs in Taiwan increased by 49% in 2024 compared to 2023, reflecting growing competitiveness in international markets.

In 2025, several programmes and amendments have been launched to strengthen Taiwan's entrepreneurship environment. The "Asia Silicon Valley 3.0" and the "Ten AI Initiatives Promotion Plan" are boosting investments across technology, computing power, data and application sectors. In addition, the National Development Fund now guides private capital towards three key areas: the "AI Startups" project, the "Green Growth and Net-Zero Industry" programme and the "Intelligent Robotics" scheme. Finally, amendments to the Industrial Innovation Statute have relaxed tax incentives for angel investments and lowered personal investment thresholds to further promote private capital inflow and stimulate venture capital market activity.

2025 Framework Conditions Review

Taiwan's NECI (National Entrepreneurial Context Index) score for 2025 is 6.5, up from 6.3 in 2024. This places it second out of 53 GEM economies globally, improving on its already strong position from the previous year. These consistently high NECI scores reflects Taiwan's robust infrastructure, government support and strong cultural norms supporting entrepreneurship.

Of the 13 Framework Conditions, national experts rated 12 of Taiwan's as sufficient or better (a score of ≥ 5.0), unchanged from 2024. Particular strengths include Physical Infrastructure (scored at 8.2), Ease of Entry: Market Dynamics (7.3), Social and Cultural Norms (7.2) and Commercial and Professional Infrastructure (7.0), with the only significant weakness being Entrepreneurial Education at School, rated as less than sufficient with a score of 4.8.

Relative to 2024, nine condition scores improved, including Ease of Entry: Market Dynamics (from 6.3 to 7.3) and Entrepreneurial Education Post-School (from 5.8 to 6.5). Four conditions saw their scores decrease, most notably Government Policy: Taxes and Bureaucracy (from 7.3 to 6.8). All but one of Taiwan's Framework Conditions rank in the top 10 globally (of the 53 GEM economies), including three ranked second and four ranked third. Taiwan's lowest-ranked condition was Entrepreneurial Education at School, ranked 13th globally.

New and growing businesses' prioritisation of sustainability was rated by national experts at 7.1, up from 6.9 in 2024, while entrepreneurs' awareness of the need to develop and implement AI solutions was scored at 8.0, up from 7.9 in 2024. Taiwan ranks second globally in this area.

Taiwan's entrepreneurial environment in 2025 remains one of the strongest globally, with nearly all Framework Conditions rated sufficient and many ranking in the top tier. Government support, infrastructure and AI awareness are key strengths, while school-level entrepreneurial education remains the only area below sufficiency. Taiwan is well positioned for continued innovation and inclusive growth.

2025 Entrepreneurial Activity Review

Entrepreneurial awareness, confidence and opportunity recognition are each relatively modest in Taiwan, with two in five adults knowing someone who has recently started a business, or seeing good opportunities to start a business locally. Little more than one in three adults see themselves as having the skills and experience to start their own business. However, two out of five of those seeing good opportunities would not do so for fear it might fail. Nevertheless, the proportion of adults in Taiwan intending to start a business in the next three years rose from just over one in eight in 2024 to almost one in five in 2025.

The percentage of adults actually starting or running a new business in Taiwan almost doubled in 2025, from little over one in 20 in 2024 to one in 10, with the level of Established Business Ownership being a little lower. Men continue to be more likely than women to be starting a new business. Two out of three new entrepreneurs agree with the motivation "to build great wealth or very high income", while over one in two expect to use more digital technology in the next six months to sell their products. Employment growth prospects are good, with one in three new entrepreneurs expecting to employ six or more people in five years' time. In 2025 the percentage of new entrepreneurs with customers beyond Taiwan fell slightly, from just under three in 10 in 2024 to one in four. While seven in 10 claim to have acted to minimise environmental impacts, and slightly more than six in 10 report actions to maximise social impacts in the past 12 months, just over one in two new entrepreneurs say they prioritise such impacts over profitability or growth.

Team

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Xin-Wu Lin

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Institution

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APS vendors

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Thailand

■ Population (2024): **71.7 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **24.7 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	27.4	31.8
Good opportunities to start a business in my area	77.5	78.2
It is easy to start a business	70.7	71.7
Personally have the skills and knowledge	77.8	78.3
Fear of failure (opportunity)	46.8	48.6
Entrepreneurial intentions*	27.7	29.3

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	26.8	34.6
International (25%+ revenue)	8.4	13.7
Always consider social impact	83.5	87.3
Always consider environmental impact	84.2	88.0
Prioritise social and/or environmental impact above profit or growth	73.5	79.7
Industry (% TEA in business services)	5.3	4.6

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	53.5	57.8
To build great wealth or very high income	75.6	79.8
To continue a family tradition	60.7	64.8
To earn a living because jobs are scarce	86.0	90.3

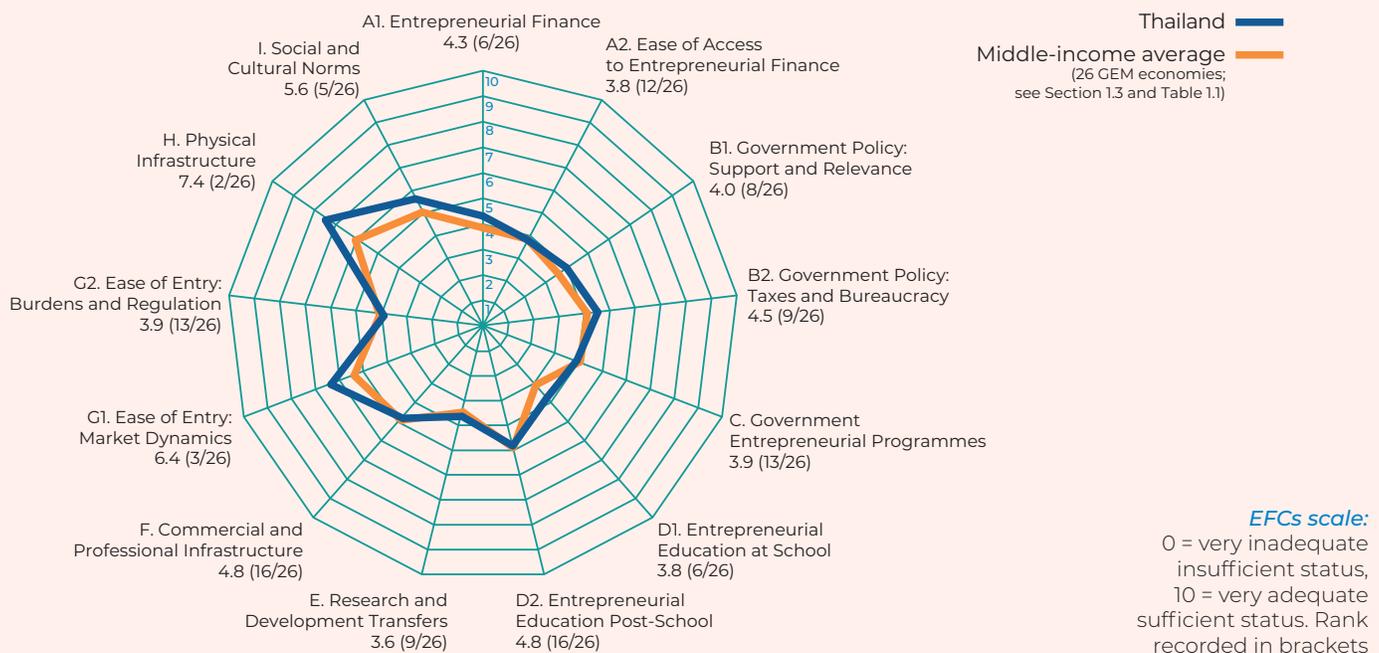
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	19.0	19.7	17.6	20.5
Established Business Ownership	15.6	11.8	14.9	16.4

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	44.4	42.3

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	68.6	58.7
Use more digital technology to sell products or services	60.0	63.1

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Access to international markets for Thailand's new entrepreneurs is improving, mainly driven by government digitalisation initiatives and regional trade agreements. A key enabler is the National Digital Trade Platform (NDTP), which digitises cross-border trade documentation, reducing time and costs, and is integrated with the ASEAN Single Window, simplifying exports within ASEAN. In addition, Thailand's participation in the Regional Comprehensive Economic Partnership (RCEP) provides entrepreneurs with enhanced access to a vast regional market through reduced tariffs and unified rules of origin.

The Board of Investment (BOI) has launched a dedicated "startup visa", called Smart Visa. This provides a renewable five-year stay for foreign founders, co-founders and team members of BOI-certified startups, directly addressing a major historical barrier for the ecosystem by attracting international talent and investment. The BOI also continues to promote its package for startups and SMEs, offering exemptions on corporate tax, import duty on machinery and other non-tax benefits. In 2025, there has been a focused push to attract startups in targeted "S-Curve" industries like digital, biotechnology and robotics.

2025 Framework Conditions Review

Thailand's NECI (National Entrepreneurial Context Index) score for 2025 is 4.7, up from 4.5 in 2024, an improvement that lifts it to 25th out of 53 GEM economies globally, a notable rise from its previously static position at 34th. The increase reflects progress in education, policy and in cultural support for entrepreneurship.

However, of the 13 Framework Conditions, national experts rated just three of Thailand's as sufficient or better (a score of ≥ 5.0), unchanged from 2024. These are: Physical Infrastructure (7.4), Ease of Entry: Market Dynamics (6.4) and Social and Cultural Norms (5.6). The remaining 10 conditions are rated as insufficient, with particularly low scores for Research and Development Transfers (3.6) and Ease of Access to Entrepreneurial Finance (3.8). This is despite 11 conditions having higher scores in 2025 than in 2024, including Entrepreneurial Education Post-School (from 4.2 to 4.8) and Government Policy: Taxes and Bureaucracy (from 3.9 to 4.5). Just two conditions had lower scores, most notably Entrepreneurial Finance (from 4.7 to 4.3). Thailand ranks in the top 10 globally (of 53 GEM economies) for Ease of Entry: Market Dynamics (10th), while its lowest-ranked condition is Commercial and Professional Infrastructure (41st).

New and growing businesses' prioritisation of sustainability is rated by national experts at 5.4, up from 5.0 in 2024.

Entrepreneurs' awareness of the need to develop and implement AI solutions scores more highly, at 6.4, up from 5.7 in 2024.

Thailand's entrepreneurial environment in 2025 shows encouraging progress, with a higher NECI score and widespread improvement across Framework Conditions. Infrastructure, market dynamics and cultural norms are key strengths, while finance and R&D remain areas for development. AI awareness and sustainability are improving, positioning Thailand for continued growth and innovation.

2025 Entrepreneurial Activity Review

More than two in five adults in Thailand report that their household income fell in 2025, a small increase on the proportion in 2024, which was in turn a small increase on 2023.

While just over one in four adults know someone who has recently started a business, entrepreneurial confidence and opportunity recognition are both high, with more than three in four adults seeing good opportunities to start a business locally, or seeing themselves as having the skills and experience to start their own. Of those seeing good opportunities, just under one in two would not start a business for fear it might fail. As a result, business intentions are relatively high, with more than one in four adults expecting to start a business in the next three years.

The proportion of adults who are actively starting or running a new business is also relatively high at just under one in five, little changed from a year earlier. Established Business Ownership has increased to around one in six, having been one in eight a year ago. In 2025, men are more likely than women to be starting a new business, a reversal from 2024. The most agreed motivation among new entrepreneurs is "to earn a living because jobs are scarce", agreed by nearly four out of five, although "to build great wealth or very high income" is not far behind. As in many economies, the proportion of new entrepreneurs with customers beyond that country is down, but not dramatically, from around three in 10 in 2024 to around one in four in 2025. Three in five new entrepreneurs expect to use more digital technology to sell their products in the next six months, while job expectations are high, with one in four anticipating employing six or more people in five years' time. Around three in four new entrepreneurs report having taken steps to minimise environmental impacts or maximise social welfare, with a similar proportion claiming to prioritise such impacts above profitability or growth.

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Type of institution

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Funders

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APS vendor

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United Arab Emirates

■ Population (2024): **10.9 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **77.9 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	71.7	64.5
Good opportunities to start a business in my area	86.1	71.9
It is easy to start a business	87.2	76.0
Personally have the skills and knowledge	82.0	67.8
Fear of failure (opportunity)	55.2	48.6
Entrepreneurial intentions*	56.4	40.9

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	37.9	73.5
International (25%+ revenue)	40.7	34.9
Always consider social impact	89.7	87.5
Always consider environmental impact	87.2	83.3
Prioritise social and/or environmental impact above profit or growth	85.8	78.7
Industry (% TEA in business services)	24.6	18.9

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	63.2	62.0
To build great wealth or very high income	84.9	78.6
To continue a family tradition	52.3	47.7
To earn a living because jobs are scarce	80.8	65.6

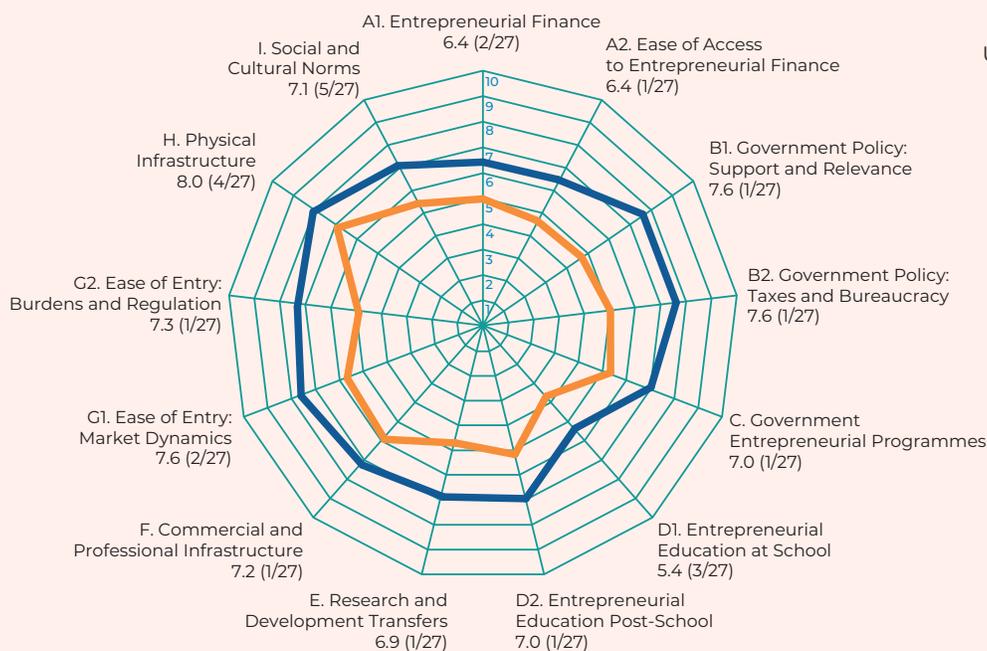
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	20.4	13.6	16.0	22.4
Established Business Ownership	4.8	3.1	3.3	5.5

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	6.4	17.2

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	30.7	23.5
Use more digital technology to sell products or services	69.9	83.2

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



United Arab Emirates —
 Upper-income average (27 GEM economies; see Section 1.3 and Table 1.1)

EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

The United Arab Emirates has expanded its global trade network through comprehensive economic partnership agreements (CEPAs) signed with India, Indonesia, Turkey and others, opening new export channels for entrepreneurs. The country's advanced logistics infrastructure (e.g. Jebel Ali Port, Dubai International Airport) continues to facilitate global market access for SMEs and startups. Initiatives under the Dubai Economic Agenda (D33) aim to double the size of Dubai's economy by 2033, with a strong focus on international trade and positioning the United Arab Emirates as a global business hub. Policy changes affecting entrepreneurship include the expansion of long-term residency programmes for entrepreneurs and investors, making it easier to attract global talent and capital. The "National Program for Small and Medium Enterprises and Projects" offers financing, training and export support, while the Dubai Future District Fund and other venture capital initiatives provide funding for tech startups and innovative businesses. Finally, the Digital Economy Strategy aims to double the digital economy's contribution to GDP by 2031.

2025 Framework Conditions Review

The United Arab Emirates continues to lead globally in entrepreneurial environment quality, with a NECI (National Entrepreneurial Context Index) score of 7.0 in 2025. Although this represents a slight decrease from 7.1 in 2024, the United Arab Emirates retains its first place ranking (out of 53 GEM economies in 2025) for the fifth consecutive year. The marginal decline is largely due to lower scores for education and for social norms, although overall performance remains exceptional.

All 13 of the United Arab Emirates' Framework Conditions are rated as sufficient or better (a score of ≥ 5.0), unchanged from 2024. The highest scores are for Physical Infrastructure (8.0), Government Policy: Support and Relevance (7.6), Ease of Entry: Market Dynamics (7.6) and Government Policy: Taxes and Bureaucracy (7.6). The lowest score is for Entrepreneurial Education at School (5.4, down from 6.5 a year earlier), one of six conditions with lower scores than in 2024, including Social and Cultural Norms, down from 8.0 to 7.1, with the other falls being much more modest. Seven conditions improved their scores, usually by a little; but higher increases were seen in Ease of Entry: Burdens and Regulation (from 6.7 to 7.3) and Ease of Entry: Market Dynamics (from 7.2 to 7.6). The United Arab Emirates ranks in the top 10 globally (among 53 GEM economies) for all 13 Framework Conditions, including first place for eight and second place for two, leaving Social and Cultural Norms as its lowest-ranked at sixth.

New and growing businesses' prioritisation of sustainability is rated by national experts as excellent at 7.0, down a little from

7.3 in 2024. The score for entrepreneurs' awareness of the need to develop and implement AI solutions is exceptional at 8.3, up from 7.7 in 2024, and ranking first globally.

The United Arab Emirates' entrepreneurial environment in 2025 remains world-leading, with all Framework Conditions rated sufficient and most ranked first globally. Government support, infrastructure and AI-readiness are standout strengths. While education at school level shows room for improvement, the overall context remains exceptionally favourable for entrepreneurship.

2025 Entrepreneurial Activity Review

Just over one in four adults in the United Arab Emirates report that their household income fell in 2025, slightly up from 2024. More than one in two adults intend to start a business in the next three years, also up from 2024.

Entrepreneurial awareness, confidence and opportunity recognition remain sky-high in the United Arab Emirates. Nearly three in four adults know someone who has recently started a business, more than four in five see themselves as having the skills and experience to start their own, and almost nine in 10 see good opportunities to start a business locally. However, fear of failure remains an issue: of those seeing good opportunities, more than half would not start a business for fear it might fail.

One in five adults in the United Arab Emirates are starting or running a new business in 2025, up from one in seven in 2024. However, just one in 20 owns an established business, up a little on 2024. The ratio of new to established businesses remains high, indicating a dynamic and growing entrepreneurial base — or perhaps difficulties in new businesses sustaining long enough to become established. In a reversal of 2024, men are more likely than women to be starting a new business.

All four motivations have majority support, although the most agreed motivation among new entrepreneurs is "to build great wealth or very high income", agreed by more than four in five, closely followed by "to earn a living because jobs are scarce" (also four in five). Seven in 10 new entrepreneurs expect to use more digital technology to sell their product in the next six months, while just over half have customers beyond the United Arab Emirates, up slightly from 2024. Employment expectations are good, since over one in three new entrepreneurs anticipate employing six or more people in five years' time — although this is a sharp drop from nearly three in four in 2024. Three in five have taken steps to minimise environmental impacts in the past 12 months, with slightly more taking steps to maximise social impacts. More than four in five report prioritising such impacts over profitability or growth.

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Type of institution

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United Kingdom

■ Population (2024): **69.2 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **60.6 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	62.1	53.1
Good opportunities to start a business in my area	55.8	49.5
It is easy to start a business	57.4	58.6
Personally have the skills and knowledge	61.8	54.4
Fear of failure (opportunity)	49.6	57.0
Entrepreneurial intentions*	15.8	14.3

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	35.7	22.0
International (25%+ revenue)	36.3	24.6
Always consider social impact	84.0	76.3
Always consider environmental impact	83.0	69.0
Prioritise social and/or environmental impact above profit or growth	78.2	60.5
Industry (% TEA in business services)	29.9	25.1

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

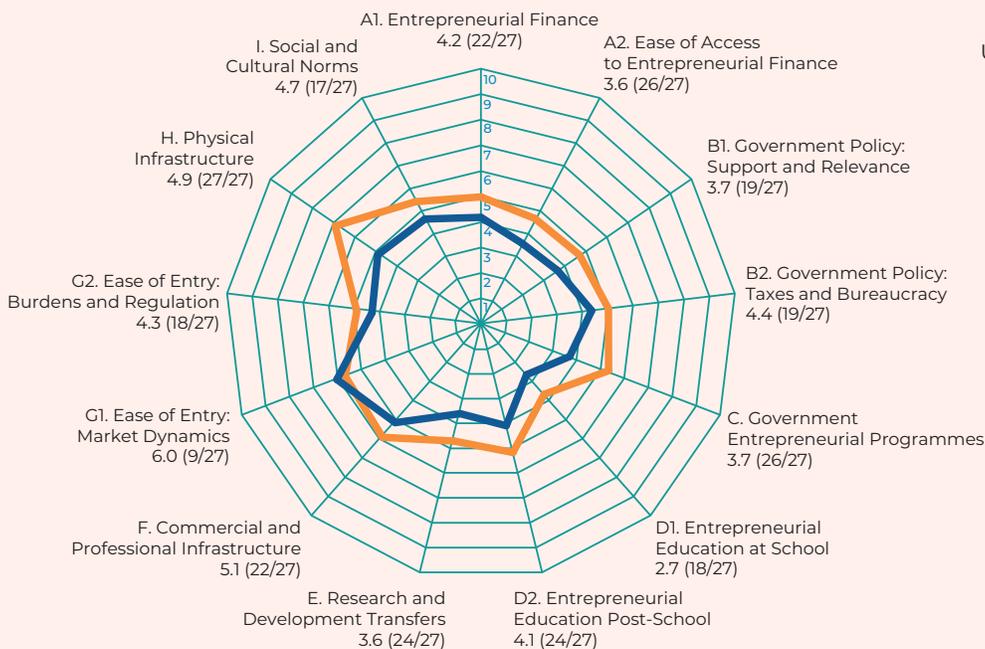
Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	71.5	56.6
To build great wealth or very high income	77.7	65.3
To continue a family tradition	42.2	27.2
To earn a living because jobs are scarce	62.9	65.3

Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	21.9	14.2	19.0	24.9
Established Business Ownership	13.3	9.8	10.2	16.4

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	21.9	24.0

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	48.5	45.6
Use more digital technology to sell products or services	70.3	62.3

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Access to international markets for the United Kingdom's new entrepreneurs remains below pre-2020 levels and is not improving. Latest data from the Small Business Survey shows that the proportion exporting has slipped to 17%, continuing a gradual decline since 2020. Only 36% of exporting non-employers are planning to increase their international activity in the coming years, compared with nearly half (49%) the previous year.

A recent British Chambers of Commerce (BCC) survey reveals that export conditions remain tough, especially for smaller exporters, with weak sentiment and limited growth in export orders: fewer than one in five micro-exporters reported increased orders. The BCC has emphasised that, without stronger practical support, finance and advice embedded in the United Kingdom's trade strategy, many smaller firms will continue to struggle to expand in overseas markets.

Over the past 12 months, the UK government has introduced several significant policy changes that directly affect entrepreneurship, particularly through a comprehensive national Small Business Plan and the UK's Trade Strategy. "Backing Your Business: Our Plan for Small and Medium Sized Businesses" is a long-term strategy designed to improve the environment for startups and scaling ventures by tackling barriers across finance, regulation, market access and skills. At the same time, the UK Trade Strategy introduced a series of trade-related reforms intended to improve the operating environment for entrepreneurial ventures engaging internationally.

Together, these policy shifts represent a welcome attempt to support entrepreneurial activity and tackle structural barriers that can constrain new business formation and growth.

2025 Framework Conditions Review

The United Kingdom's NECI (National Entrepreneurial Context Index) score for 2025 is 4.2, down from 4.5 in 2024. This decline places the UK 37th out of 53 GEM economies globally, a drop of eight places from the previous year. The NECI fall reflects broad-based deterioration across most Framework Conditions, including in education, infrastructure and government support.

Of the 13 Framework Conditions, UK national experts rate only two as sufficient or better (a score of ≥ 5.0), down from three in 2024; these are Commercial and Professional Infrastructure (5.1) and Ease of Entry: Market Dynamics (6.0). The remaining 11 conditions are rated as insufficient, with particularly low scores for Entrepreneurial Education at School (2.7), Research and Development Transfers (3.6) and Ease of Access to Entrepreneurial Finance (3.6). Just one condition improved its score: Ease of Entry: Market Dynamics (from 5.3 to 6.0), while 12 declined in score, most notably Physical Infrastructure (from 5.7 to 4.9) and Government Entrepreneurial Programmes (from 4.3 to 3.7). The United Kingdom now ranks in the bottom 10 globally

(of 53 GEM economies) for Physical Infrastructure (51st) and for Entrepreneurial Education Post-School (46th). Its highest rank is for Ease of Entry: Market Dynamics (15th).

New entrepreneurs' awareness of the need to develop and implement AI solutions was scored highly by national experts at 6.4, up from 6.0 in 2024. However, new and growing businesses' prioritisation of sustainability was rated as just sufficient at 5.3, down from 5.6 in 2024.

The United Kingdom's entrepreneurial environment in 2025 shows signs of strain, with a declining NECI score and widespread deterioration across Framework Conditions. While market dynamics remains a strength, infrastructure, education and government support are pressing areas for improvement. AI awareness is growing, but institutional and educational support must catch up to sustain competitiveness.

2025 Entrepreneurial Activity Review

Just under one in four adults in the United Kingdom report that their household income has fallen in 2025, a steady decline from 2024. Approximately one in six (16%) adults intend to start a business in the next three years, continuing a rising trend from 14% in 2024 and 8% in 2019.

Entrepreneurial awareness, confidence and opportunity recognition in the UK are reasonably high. Three out of five adults know someone who has recently started a business or see themselves as having the skills and experience to start their own. Over half see good opportunities to start a business locally, but just under a half of these would not do so for fear it might fail.

Despite the entrepreneurial environment weaknesses noted above, more than one in five adults are starting or running a new business in 2025, up from one in seven in 2024 and one in 12 in 2020. One in eight own an established business, rising from one in 10 in 2024 and little over one in 10 in 2020. The ratio of new to established businesses has widened, indicating a surge in early-stage entrepreneurial activity. Men are more likely than women to be starting a new business, with a ratio of approximately 5:4.

The most common motivation among new entrepreneurs is "to build great wealth or very high income" (78%), although a similar proportion (72%) reported that "to make a difference in the world" was important. Seven out of 10 new entrepreneurs expect to use more digital technology to sell their products in the next six months. Despite the lingering impacts of Brexit, half of new entrepreneurs have customers beyond the United Kingdom, up from two in five in 2024. One-third of new entrepreneurs anticipate employing six or more people in five years' time, a significant increase from one-fifth in 2024. Seven out of 10 have taken steps to minimise environmental impacts in the past 12 months, with only slightly fewer having taken steps to maximise social impacts. Nearly four out of five report prioritising such impacts above profitability or growth.

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United States

■ Population (2024): **340.1 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **85.8 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	50.6	53.0
Good opportunities to start a business in my area	51.8	59.3
It is easy to start a business	54.3	57.2
Personally have the skills and knowledge	55.6	55.7
Fear of failure (opportunity)	42.4	44.4
Entrepreneurial intentions*	13.1	13.4

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	32.2	34.1
International (25%+ revenue)	15.9	16.9
Always consider social impact	75.0	73.9
Always consider environmental impact	69.2	67.8
Prioritise social and/or environmental impact above profit or growth	59.0	60.4
Industry (% TEA in business services)	26.2	23.9

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	66.5	65.8
To build great wealth or very high income	71.2	72.2
To continue a family tradition	35.6	36.6
To earn a living because jobs are scarce	69.2	67.4

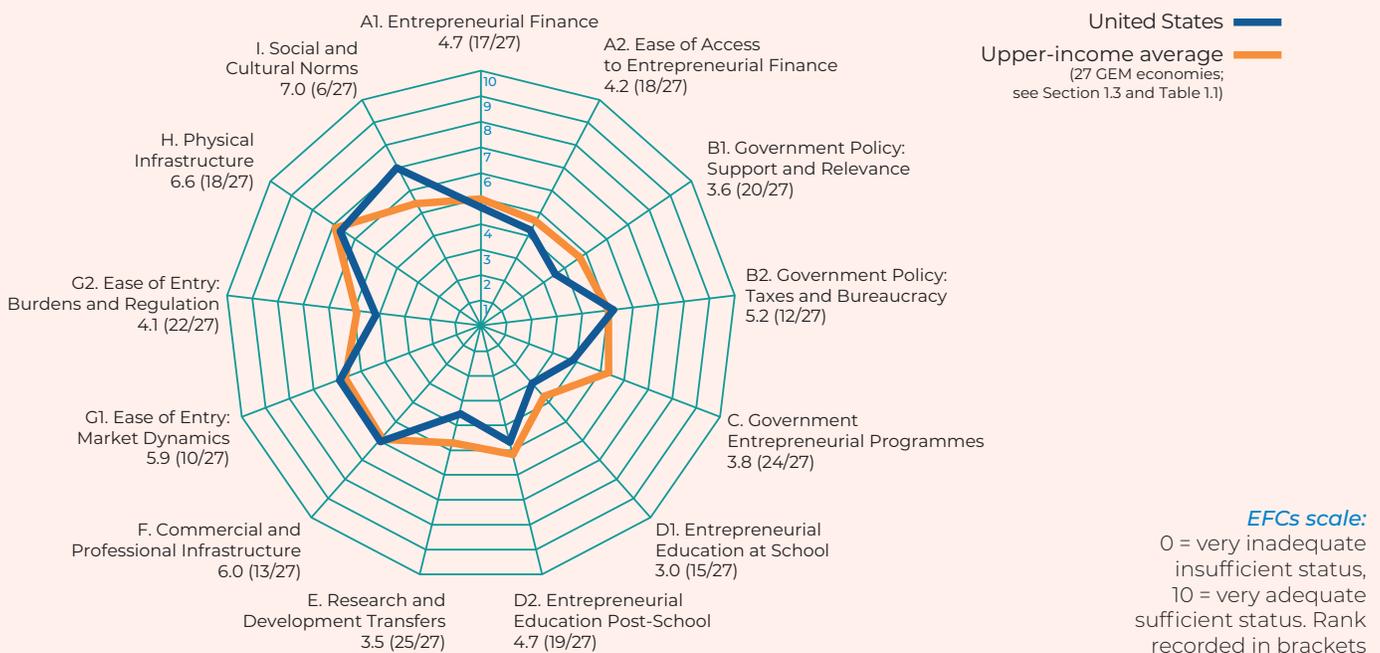
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	17.7	19.3	15.9	19.3
Established Business Ownership	5.5	6.6	4.5	6.5

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	24.1	26.7

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	48.9	47.9
Use more digital technology to sell products or services	56.4	60.0

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Access to international markets became more challenging for US entrepreneurs over the past year. New tariffs and slower global growth introduced headwinds for some exporters and firms relying on foreign inputs. However, many of the feared disruptions — such as sharp increases in inflation or major supply-chain breakdowns — have not materialised. A softer US dollar helped improve price competitiveness abroad. Long-term trends in digital globalisation and cross-border e-commerce continue to provide meaningful opportunities for entrepreneurs who can adapt quickly to changing conditions.

Generous tax incentives and record levels of small-business lending have supported new and growing firms, and deregulation in certain sectors has eased compliance burdens. Updated lending rules, changes to visa regulations and adjustments in trade policy have altered how entrepreneurs access capital, talent and global markets. Overall, these developments create a mixed but active policy environment which affects entrepreneurs in different ways depending on their industry.

2025 Framework Conditions Review

The United States' NECI (National Entrepreneurial Context Index) score fell to 4.8 in 2025, down from 5.1 in 2024 and 4.8 in 2023, placing the US 20th out of 53 economies. The drop in NECI reflects weakening conditions in entrepreneurial finance, education and government support.

Only five of the 13 Framework Conditions are scored by national experts at sufficient or better in 2025 (a score of ≥ 5.0), down from six in 2024. The United States scores highly for Social and Cultural Norms (7.0) and well for Physical Infrastructure (6.6) and for Commercial and Professional Infrastructure (6.0). However, eight conditions are rated as insufficient, with significant weaknesses in Entrepreneurial Education at School (3.0), Research and Development Transfers (3.5), in Government Policy: Support and Relevance (3.6) and in Government Entrepreneurial Programmes (3.8). Each of these four conditions has lower scores in 2025 than for 2024, as do six others, with the major falls being for Entrepreneurial Education at School (down from 4.1 to 3.0) and for Social and Cultural Norms (from 7.8 to 7.0). Just two conditions have improved their scores (Ease of Entry: Market Dynamics, up from 4.7 to 5.9) and Ease of Entry: Burdens and Regulation (up from 4.0 to 4.1). Just one US condition ranks in the top 10 among the 53 GEM economies in 2025: Social and Cultural Norms at seventh, while the lowest-ranked US condition is Government Entrepreneurial Programmes (38th).

According to US national experts, new and growing businesses' perceived prioritisation of sustainability has deteriorated, with its score falling to 4.6 from 5.3 in 2024. However, entrepreneurs' awareness of the need for AI solutions scores high at 7.3.

The United States' entrepreneurial environment weakened in 2025, with a lower NECI score and fewer Framework Conditions meeting the sufficiency threshold. While infrastructure and market dynamics remain strong, education, finance and government support have declined. Sustainability priorities are fading, although AI awareness is high.

2025 Entrepreneurial Activity Review

The proportion of adults in the United States reporting that their household income has fallen in the current year has resumed its downward trend after a small hiccup last year, and now stands at 24%, down from 39% at the peak of the pandemic in 2020. The proportion of adults expecting to start their own business in the next three years has been much more stable, at about one in eight.

Entrepreneurial awareness, business opportunity recognition and self-confidence are all relatively high, with a majority of adults knowing an entrepreneur, seeing themselves as having the skills and experience to start their own or recognising local opportunities to start a business, although two in five of the latter would not start a business for fear it might fail: a proportion that has been fairly constant in recent years.

The proportion of adults actually starting or running a new business in the United States fell slightly in 2025 to well under one in five, while those running established businesses also declined a little. Men continue to be more likely than women to be starting new businesses, with the absolute gender gap proving hard to close. Financial motivations continue to dominate, although almost two in three new entrepreneurs also agree with the motivation "to make a difference in the world".

Despite lots of noise and some action over tariffs, just over three in 10 new entrepreneurs have customers beyond the United States, a proportion little changed in the past three years. A majority of new entrepreneurs expect to use more digital technology to sell their products in the next six months, while around one in three anticipate high job growth (expecting to employ another six or more people in five years' time). A slightly higher majority of new entrepreneurs report having taken steps to maximise social impacts/minimise environmental impacts, and claim to prioritise such impacts over profit or growth.

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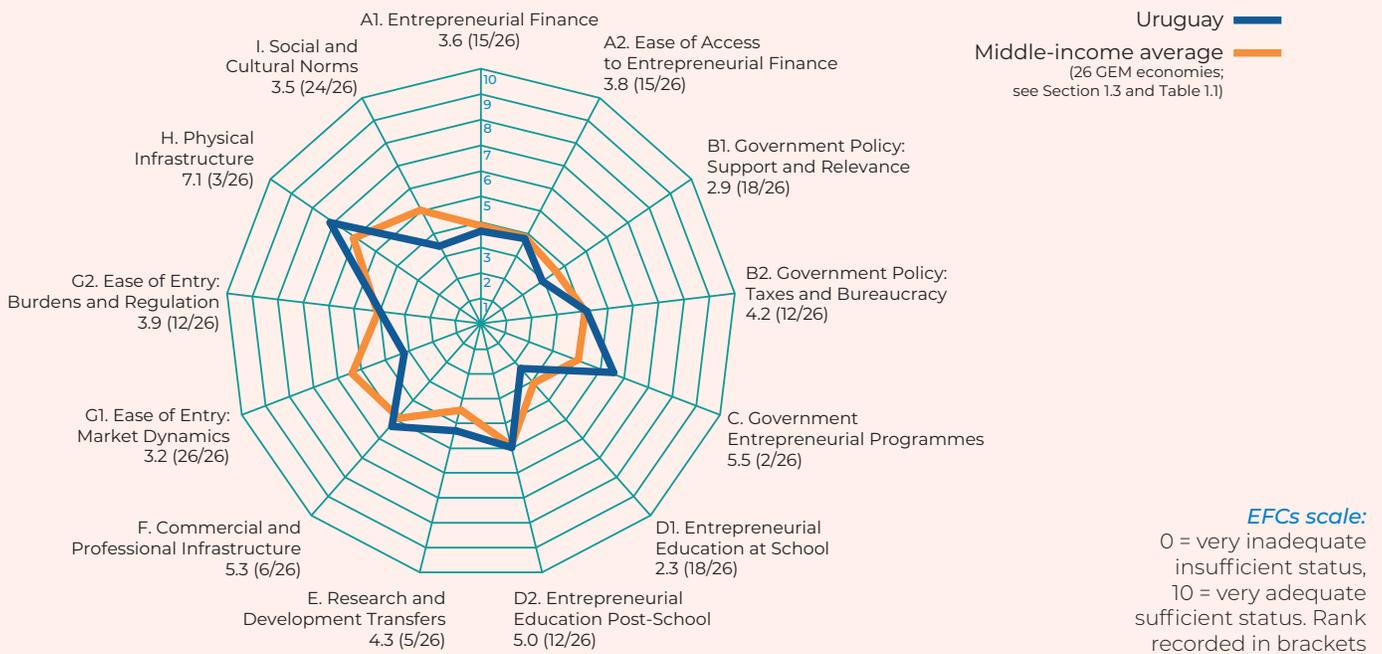


Uruguay

■ Population (2024): **3.4 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **36.4 thousand** (World Bank)

Uruguay did not participate in the 2025 Adult Population Survey.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Over the last few years and into 2025, access to international markets for Uruguayan new entrepreneurs has shown modest but positive momentum, supported by export growth and targeted internationalisation programmes such as Proexport+, Más Comercio and Mype Exporta. However, many smaller firms still face structural challenges in scaling their presence abroad: although 82% of Uruguay's exporters are micro, small and medium enterprises, they account for only 5% of total export value. Improvements are gradual rather than dramatic.

In the past 12 months, the government has adjusted some policies that impact entrepreneurship, from innovation-ecosystem initiatives (Uruguay Innova) to investment and SME-focused incentive reforms. These changes are designed to make conditions more favourable for entrepreneurial formation, growth and investment, although the broader entrepreneurial environment appears to have weakened. Many of the initiatives are early in implementation and their full impact on the entrepreneurial ecosystem may unfold over the next years.

2025 Framework Conditions Review

Uruguay's NECI (National Entrepreneurial Context Index) score fell to 4.2 in 2025, down from 4.6 in 2024 and 4.3 in 2023. This places it 38th out of 53 economies, having been 25th in 2024. This decline in NECI reflects weakening conditions in entrepreneurial finance, education and government support.

Only three of the 13 Framework Conditions were scored by national experts at sufficient or better in 2025 (a score of ≥ 5.0),

down from four in 2024. These were Physical Infrastructure (7.1), Government Entrepreneurial Programmes (5.5) and Commercial and Professional Infrastructure (5.3). Major weaknesses were reported in Entrepreneurial Education at School (2.3), Government Policy: Support and Relevance (2.9) and Ease of Entry: Market Dynamics (3.2). All Framework Conditions have lower scores in 2025 than in 2024, and, while most falls were minor, Government Policy: Support and Relevance fell from 3.6 to 2.9 and Entrepreneurial Education Post-School was down from 5.6 to 5.0. After these falls, Uruguay ranked in the bottom 10 of the 53 GEM economies for Ease of Entry: Market Dynamics (52nd), for Social and Cultural Norms (50th) and for Government Policy: Support and Relevance (45th).

According to its national expert scores, new and growing businesses' prioritisation of sustainability improved slightly since 2024, from 5.5 to 5.7. Entrepreneurs' perceived awareness of the need for AI solutions remains high at 6.7.

Uruguay's entrepreneurial environment weakened in 2025, with a lower NECI score and fewer Framework Conditions meeting the sufficiency threshold. While infrastructure and government programmes remain strong, education, finance and cultural support have deteriorated. However, sustainability priorities are improving and AI awareness is high.

2025 Entrepreneurial Activity Review

Uruguay's results were not submitted in time to be incorporated into the 2025 GEM Adult Population Survey.

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Type of institution

University

Funders

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Venezuela

■ Population (2023): **28.4 million** (UN)
 ■ GDP per capita (2024; PPP, international \$): **28.8 thousand** (World Bank)

Attitudes and perceptions	% Adults	
	2025	2024
Know someone who has started a new business	54.2	44.8
Good opportunities to start a business in my area	59.1	60.4
It is easy to start a business	46.1	44.4
Personally have the skills and knowledge	78.6	82.1
Fear of failure (opportunity)	32.0	36.1
Entrepreneurial intentions*	22.4	17.0

Entrepreneurship impact	% TEA	
	2025	2024
Job expectations (expecting to employ six or more people in five years' time)	14.6	9.7
International (25%+ revenue)	0.9	3.2
Always consider social impact	75.9	72.4
Always consider environmental impact	77.3	76.1
Prioritise social and/or environmental impact above profit or growth	66.6	58.3
Industry (% TEA in business services)	5.3	4.2

Motivational	% TEA	
	2025	2024
<i>(somewhat or strongly agree)</i>		
To make a difference in the world	53.6	40.5
To build great wealth or very high income	41.2	39.9
To continue a family tradition	35.4	32.8
To earn a living because jobs are scarce	88.0	93.6

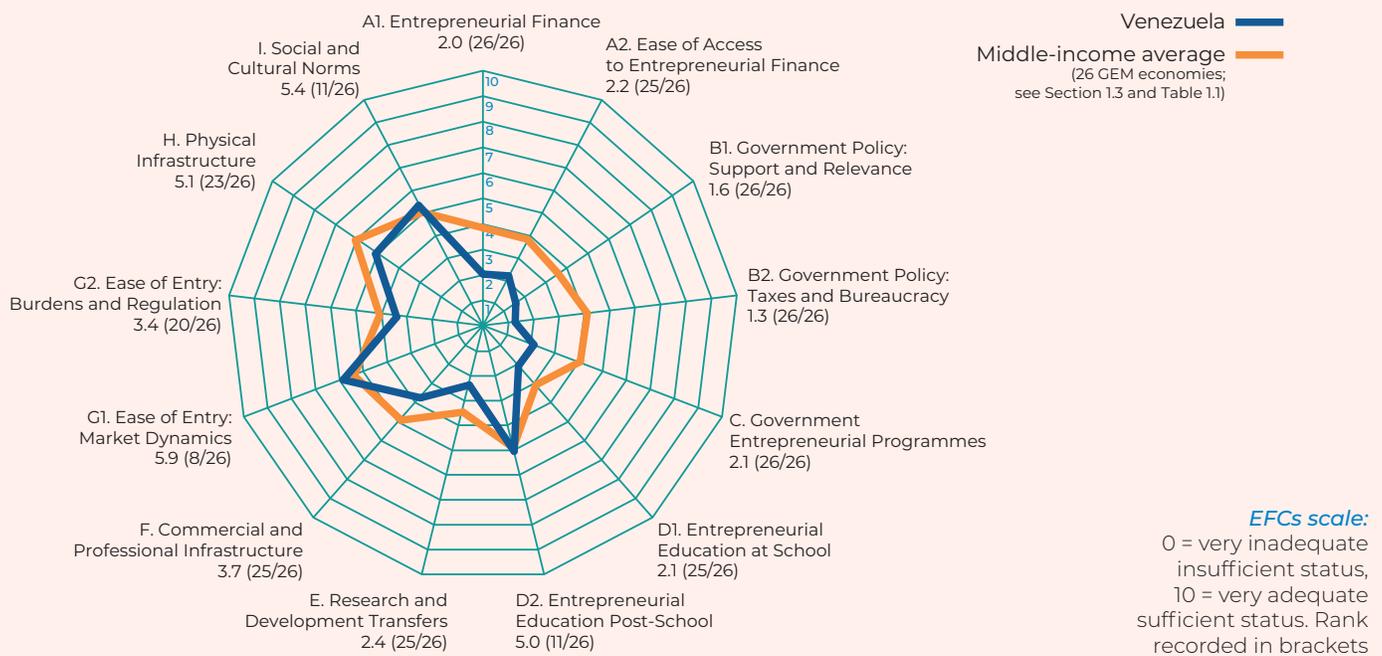
Activity	% Adults			
	2025	2024	2025: % Female	2025: % Male
TEA (Total early-stage Entrepreneurial Activity)	7.7	11.7	7.6	7.8
Established Business Ownership	1.9	1.8	1.8	2.0

Recent changes	% Adults	
	2025	2024
Household income has decreased in the current year**	56.5	49.6

	% TEA	
	2025	2024
Starting a business is more difficult than a year ago	44.1	47.4
Use more digital technology to sell products or services	43.1	68.2

* Entrepreneurial intentions of those who are not currently involved in business activity.
 ** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

The structural challenges of the Venezuelan context remain a significant obstacle to entrepreneurial potential for internationalisation. The economic context has deteriorated since 2024, partly as a result of the rapid increase in the exchange rate (official and parallel). This has had a direct impact on trade flows with other countries, especially for small and nascent enterprises that suffer most from the volatility of the Venezuelan economy.

Access to credit remains difficult, while failures in public services (electricity, telecommunications, transportation) and challenges in international logistics make exporting products costly and complex. Most entrepreneurs in Venezuela are subsistence-based with little focus on scalability and internationalisation. However, digital entrepreneurship seems to be on the rise, given the growth in internet access and low operating cost compared to other economies.

The most significant recent policy change by government is reform of the Entrepreneurship Law, which adjusts the legal framework for the registration and duration of entrepreneurship projects, with the aim of continuing the simplification of procedures and improving access to incentives and financing. Despite intentions to promote and develop the ecosystem, entrepreneurs face high tax pressure and a broad regulatory framework, including national and municipal taxes, which discourage the formalisation, registration and consolidation of their businesses in an environment of high uncertainty and instability.

2025 Framework Conditions Review

Venezuela's NECI (National Entrepreneurial Context Index) score fell to 3.2 in 2025, down from 3.5 in 2024, which in turn had risen from 3.2 in 2023. Placing Venezuela 52nd out of 53 GEM economies, this continued low NECI score reflects persistent weaknesses in entrepreneurial finance, government support and infrastructure.

Nonetheless, four of the 13 Framework Conditions were scored by national experts as sufficient or better in 2025 (a score of ≥ 5.0), unchanged from 2024. These were Ease of Entry: Market Dynamics (5.9), Social and Cultural Norms (5.4), Physical Infrastructure (5.1) and Entrepreneurial Education Post-School (5.0). Despite these relative strengths, Venezuela's entrepreneurial environment has some very significant weaknesses, including both government policy conditions (Taxes and Bureaucracy scored at 1.3 and Support and Relevance 1.6), as well as Entrepreneurial Finance (2.0) and Government Entrepreneurial Programmes (2.1). These four all ranked bottom of the 53 GEM economies. Venezuela's highest-ranked condition is Ease of Entry: Market Dynamics (19th). Relative to 2024, three conditions had (slightly) higher scores,

while 10 scores were lower, notably for Social and Cultural Norms (down from 6.2 to 5.4) and for Ease of Entry: Market Dynamics (from 6.6 to 5.9).

New and growing businesses' prioritisation of sustainability was rated by national experts as insufficient, with its score falling to 4.5 from 4.7 in 2024. However, entrepreneurs' perceived awareness of the need for AI solutions improved, with its score at 6.4, up from 5.2 in 2024.

Venezuela's entrepreneurial environment remains among the weakest globally in 2025, with a low NECI score and widespread deficiencies across most Framework Conditions. While education post-school, market dynamics and infrastructure show some resilience, government support and finance are critically low. Sustainability remains a low priority, but entrepreneurs' awareness and adoption of AI solutions has improved significantly, offering a potential area of strength.

2025 Entrepreneurial Activity Review

The percentage of adults in Venezuela reporting that their household income fell in the current year increased from 50% in 2024 to 57% in 2025, reflecting both local pressures and increasing turmoil in global trade.

More than one in two adults know someone who has recently started a business, three in five see good opportunities to start a business locally, and confidence is high, with nearly four out of five seeing themselves as having the skills and experience to start their own business. Of those seeing good opportunities, a relatively low less than one in three would not do so for fear it might fail. One result is that business intentions are high, with nearly one in four adults expecting to start a business in the next three years.

The percentage of adults who are actively starting or running a new business continues to fall, from 23% in 2023 to 12% in 2024 and to just under 8% in 2025. Established Business Ownership has also fallen, now to less than 2%. Men and women are more or less equally likely to be starting a new business. By far the most agreed motivation among new entrepreneurs is "to earn a living because jobs are scarce", agreed by nearly nine in 10, again reflecting pressures in the economy. As in many Latin countries, the proportion of new entrepreneurs with customers beyond that country is down, from around one in 10 in 2024 to one in 16 in 2025. Two in five new entrepreneurs expect to use more digital technology to sell their products in the next six months, while job expectations are modest, with one in seven anticipating employing six or more people in five years' time. Although just two in five new entrepreneurs report having taken steps to minimise environmental impacts or maximise social welfare, two in three new entrepreneurs claim to prioritise such impacts above profitability or growth.

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Funders

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PART 4

Appendix Tables



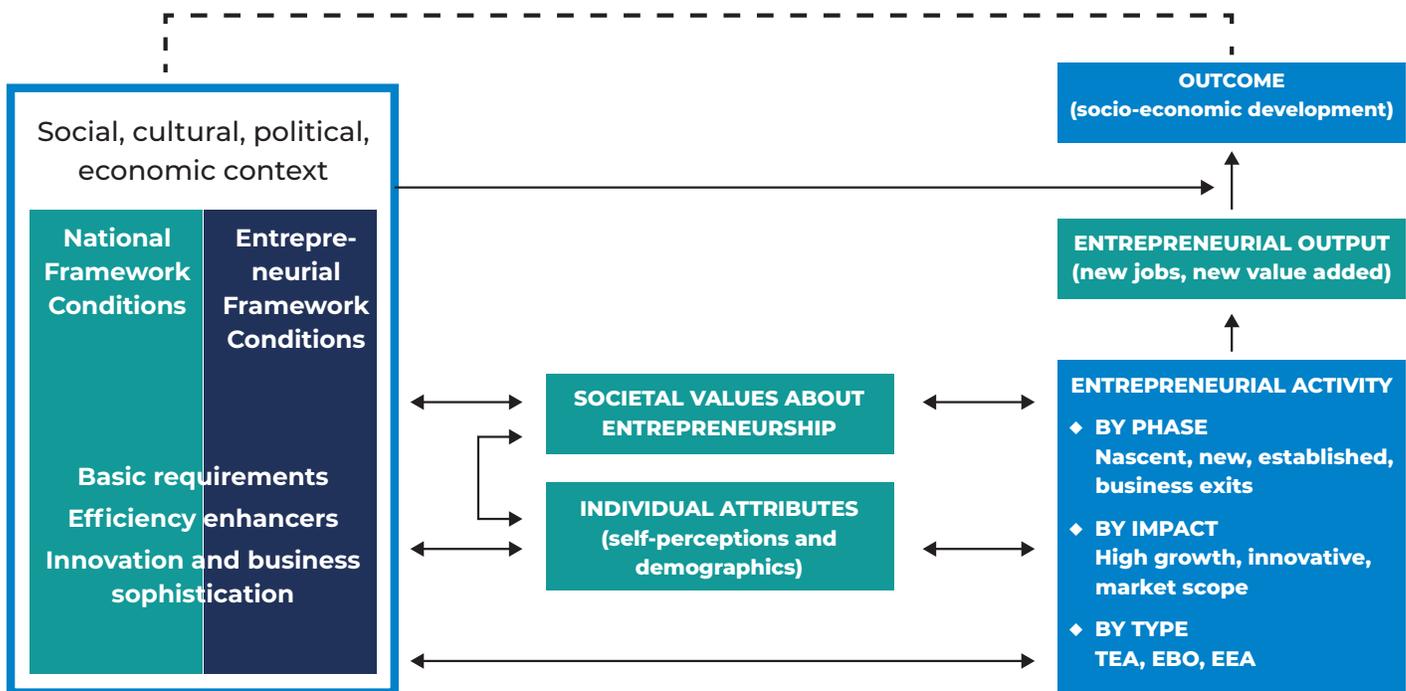
The GEM Conceptual Framework and Methodology

The Global Entrepreneurship Monitor (GEM) is a long-term multinational research study of entrepreneurship, conducted annually and using population-based survey data to carefully measure the level of entrepreneurship in each participating economy. GEM defines and measures entrepreneurship as the act of starting or running a new business. Note that it is the act of starting that is the key differentiator: simply thinking about starting a business, or planning to do so at some point in the future, is not counted according to the GEM measure of entrepreneurial activity.

Entrepreneurship is the process of identifying or creating opportunities, mobilising resources, and taking action to start or run new ventures

that create economic and/or societal value. It is operationalised as self-employment, a new business organisation, or the expansion of an existing business, by an individual, a team of individuals or an established business. The GEM Conceptual Framework is illustrated below, setting out the relationship between the decision to start a new business and the entrepreneurial environment that impacts on that decision and its implementation, both directly (via access to resources) and indirectly (via social priorities and values). The relevant environment can be local, regional or national; or a mixture of all three, depending on the nature of the new business and its scale.

FIGURE A1
The GEM Conceptual Framework



The decision to start a business is then set within a social, economic and political context that conditions that decision in terms of variables, including choice of sector, scale of operations and levels of ambition and innovation. These variables in turn influence the impacts of the new business on other

factors, such as number of jobs, levels of value-addition and ultimately on economic development. At the same time multiple acts of starting new businesses may begin to shift social values, creating more positive attitudes to entrepreneurship, and in turn influencing potential new entrepreneurs.

THE GEM METHODOLOGY AND MEASURES OF ENTREPRENEURSHIP

GEM uses two principal research instruments: the Adult Population Survey (APS), a random sample of at least 2,000 adults in each economy, and a National Expert Survey (NES) of at least 36 national experts per economy. The APS identifies the (usually small) proportion of adults who are starting or running new businesses. GEM refers to this as the level of Total early-stage Entrepreneurial Activity or TEA. However, although the majority of surveyed adults are not currently starting a business, they can still provide highly valuable information as a result of questions asked in GEM surveys. Their responses provide insights into their awareness of entrepreneurship and of local business opportunities, their view of their own competency to start a business, their perceptions of how easy it is to start a business and whether the fear of failure would stop them from doing so. They are also asked whether they intend to start a business in the near future.

In each participating economy, the APS is supervised by a GEM National Team, usually of academics at top universities or some other expert research organisation. These organisations work closely with GEM to ensure that the same questions are asked in the same way in each participating economy, so that answers can be compared across economies, and for the same economy over time. After the Global Report is published each year, National Teams usually produce and publish their own National Reports. These are customarily shared on the GEM main website (www.gemconsortium.org). Each year, new questions in the APS reflect a changing world: for example, by asking about the impacts of digital technologies or of the awareness of the United Nations Sustainable Development Goals (SDGs).

There are many ways to assess the level of entrepreneurial activity in an economy. Most official statistics count new firm businesses or tax registrations as a measure of entrepreneurial dynamics. These are certainly useful but only to the extent that all new businesses register. In many economies, new firm registrations can actually be a small proportion of new business starts. This can be due to a number of reasons: for example, a business may start off informally and very small, an owner may be waiting to see first if the business works, or the process of registration may be expensive, difficult or excessively bureaucratic. Another measure is the number of self-employed, but many self-employed people work only for themselves and may not even perceive initially that they are actually running a business. Examples could include journalists, musicians or some taxi drivers. The GEM approach circumvents the challenges of collecting comprehensive data both by being population-based and by assuring anonymity, thus capturing activity in the informal economy where official statistics cannot. This is a major differentiating factor for GEM when compared to other studies.

The way GEM uses APS data to estimate key entrepreneurial variables is set out below. GEM defines an entrepreneur as an individual starting or running a new business. The APS includes a question about whether that individual has expended resources (including their own time) in trying to start that business, such as looking for premises, developing a business plan, etc. If the answer is affirmative, a follow-up question asks whether that business has paid any wages or salaries, including to the owner, and, if so, for how long. If those wages have not yet been paid for three months or more, then GEM classifies this

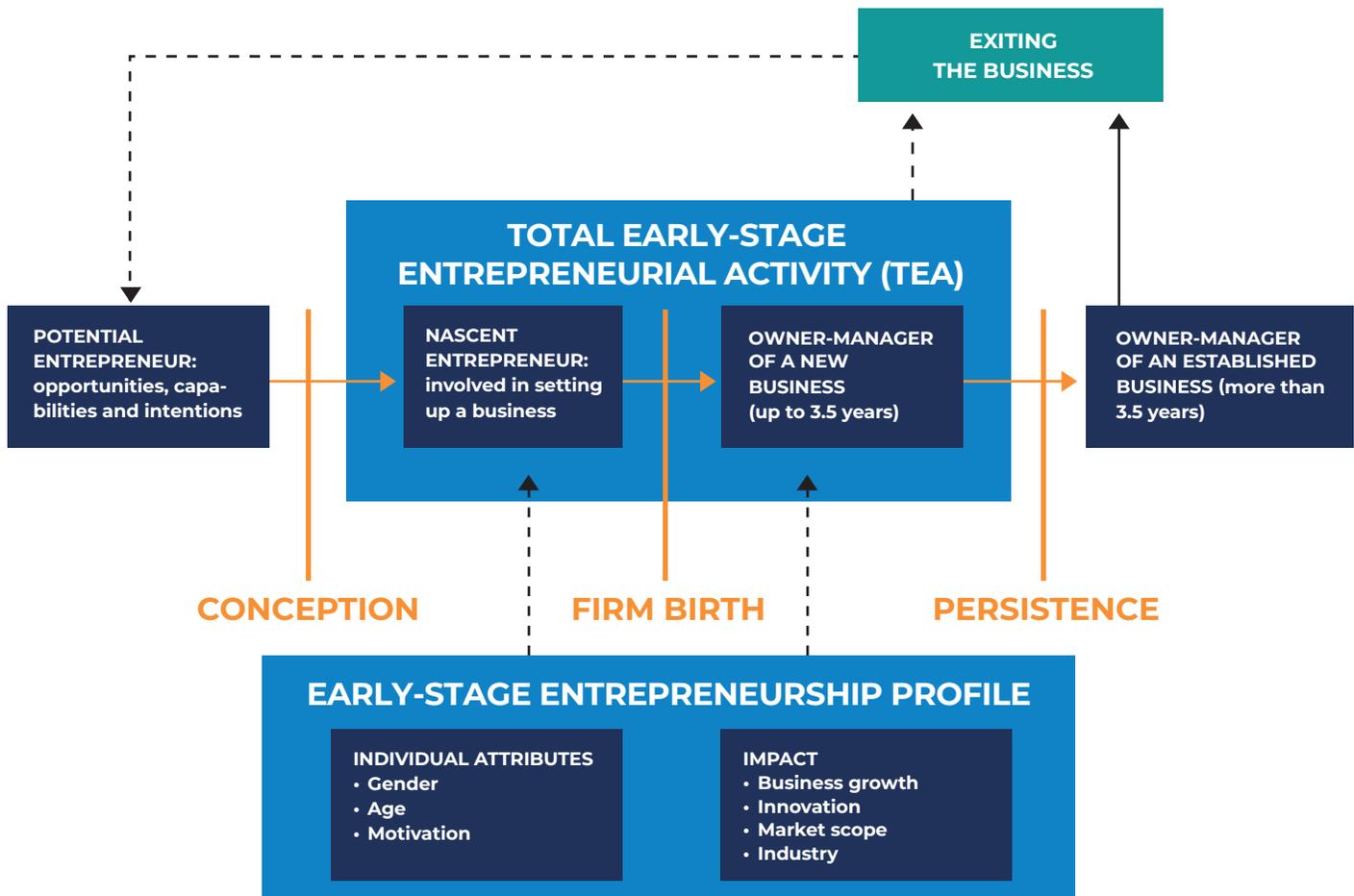


FIGURE A2
The entrepreneurial process and GEM indicators

as a nascent new business, and the individual as a nascent entrepreneur. If wages have been paid for three months or more but for less than three and a half years, then GEM categorises this as a new business, and the individual as a new business owner. If wages have been paid for three-and-a-half years or more, then according to GEM the business is no longer new but established, and the individual is an Established Business Owner.

Figure A1.2 illustrates the entrepreneurial pipeline, beginning from the time that potential entrepreneurs perceive new opportunities that they believe they can grasp, after which they start expending resources to become nascent entrepreneurs. When the business has been paying wages or salaries for three months or more it is defined as a new business, only becoming an established one after paying wages for three-and-a-half years or more. Of course, at any stage the entrepreneur can exit that business, which may

or may not continue without them. The figure also shows the major GEM measures of entrepreneurial activity. At centre stage is Total early-stage Entrepreneurial Activity (TEA), or the proportion of adults in a participating economy who are starting or running a new business, seen in this figure as the sum of Nascent Entrepreneurs plus New Business Owners. Other relevant entrepreneurial variables include the level of Established Business Ownership (EBO) and the level of Business Exits, both expressed as a proportion of the adult population. As successive GEM reports show, each one is important.

The decision to start a new business inevitably takes place within a context that can support or constrain the new startup and its subsequent development. To assess the quality of each national entrepreneurial business context, GEM carefully specifies different dimensions of the entrepreneurial environment common to

all contexts (referred to as the Entrepreneurial Framework Conditions or EFCs), and then surveys a group of national experts in each country to assess the quality of each EFC (this is the NES). These assessments are then harmonised to provide a single figure for the quality of that entrepreneurial environment. This consistent qualitative data allows the comparison of national entrepreneurial environments at the

same time, or for the evolution of a national entrepreneurial environment to be traced over time. The NES provides a crucial complement to the individual national APS. Taken together, these unique surveys provide a detailed assessment of both the level of entrepreneurial activity in each economy, and the quality of the entrepreneurial ecosystem within which that activity takes place.

GEM Indicators

Knowing a Startup Entrepreneur	Percentage of adults aged 18–64 who personally know someone who has started a business in the past two years.
Perceived Opportunities	Percentage of adults aged 18–64 who agree that they see good opportunities to start a business within the next six months in the area in which they live.
Ease of Starting a Business	Percentage of adults aged 18–64 who agree that it is easy to start a business in their country.
Perceived Capabilities	Percentage of adults aged 18–64 who agree that they have the required knowledge, skills and experience to start a business.
Fear of Failure Rate	Percentage of adults aged 18–64 who agree that they see good opportunities but would not start a business for fear it might fail.
Nascent Entrepreneurship Rate	Percentage of adults aged 18–64 who are currently nascent entrepreneurs, i.e. are actively involved in setting up a business they will own or co-own; this business has not yet paid salaries, wages or made any other payments to the owners for more than three months.
New Business Ownership Rate	Percentage of adults aged 18–64 who are currently owner-managers of a new business, i.e. who own and manage a running business that has paid salaries, wages or made any other payments to the owners for more than three months, but not more than 42 months (3.5 years).
Total early-stage Entrepreneurial Activity (TEA)	Percentage of adults aged 18–64 who are either a nascent entrepreneurs or owner-managers of a new business, i.e. the proportion of the adult population who are either starting or running a new business.
Established Business Ownership Rate (EBO)	Percentage of adults aged 18–64 who are currently owner-managers of an established business, i.e. who are owning and managing a running business that has paid salaries, wages or made any other payments to the owners for over 42 months (3.5 years).
Business Services	Percentage of TEA respondents involved in business services.
Consumer Services	Percentage of TEA respondents involved in consumer services.
Motive for Starting a Business: “To make a difference in the world”	Percentage of TEA respondents who agree that a reason for starting their business is “to make a difference in the world”.
Motive for Starting a Business: “To build great wealth or very high income”	Percentage of TEA respondents who agree that a reason for starting their business is “to build great wealth or a very high income”.
Motive for Starting a Business: “To continue a family tradition”	Percentage of TEA respondents who agree that a reason for starting their business is “to continue a family tradition”.

Motive for Starting a Business: “To earn a living because jobs are scarce”	Percentage of TEA respondents who agree that a reason for starting their business is “to earn a living because jobs are scarce”.
High Growth Expectation Entrepreneurial Activity	Percentage of adults aged 18–64 involved in TEA who expect to employ another six or more people five years from now.
Internationally Oriented Entrepreneurial Activity	Percentage of adults aged 18–64 involved in TEA who anticipate 25% or more revenue coming from outside their country.
Scope (local/national/international)	Percentage of adults aged 18–64 involved in TEA having customers only within their local area, only within their country, or those having international customers.
Product/Services Impact (local/national/global)	Percentage adults aged 18–64 involved in TEA having products or services that are either new to the area, new to their country or new to the world.
Technology/Procedures Impact (local/national/global)	Percentage of adults aged 18–64 involved in TEA having technology or procedures that are either new to the area, new to their country or new to the world.
Informal Investment	Percentage of adults aged 18–64 investing in someone else’s new business in the last three years.
Business Exit Rate	Percentage of adults aged 18–64 who have exited a business in the past 12 months, either by selling, shutting down or otherwise discontinuing an owner/management relationship with that business.
Exit, Business Continues	Percentage of adults aged 18–64 who have exited a business in the past 12 months and that business has continued.
Exit, Business Does Not Continue	Percentage of adults aged 18–64 who have exited a business in the past 12 months and that business has not continued.
Household Income Change	Percentage of adults aged 18–64 who reported that their household income had somewhat or strongly decreased.
Digital Technology Rate (TEA)	Percentage of adults involved in TEA who expect to use more digital technology to sell their products or services in the next six months.
Digital Technology Rate (EBO)	Percentage of adults who own an established business and who expect to use more digital technology to sell their products or services in the next six months.
Email Communications	Percentage of adults involved in TEA who consider email communications as very important to their day-to-day operations.
Email Marketing	Percentage of adults involved in TEA who consider email marketing as very important to their day-to-day operations.
Company Website	Percentage of adults involved in TEA who consider the company website as very important to their day-to-day operations.
Social Media	Percentage of adults involved in TEA who consider social media as very important to their day-to-day operations.
Artificial Intelligence	Percentage of adults involved in TEA who anticipate that artificial intelligence will be very important to implementing their business model and strategy in the next three years.

Key GEM Definitions and Abbreviations

Adult Population Survey (APS)	The APS is a comprehensive interview questionnaire, administered to a minimum of 2,000 adults in each GEM economy, designed to collect detailed information on the entrepreneurial activities, attitudes and aspirations of respondents.
National Expert Survey (NES)	The NES is completed by selected experts in each GEM economy and collects views on the context in which entrepreneurship takes place in that economy. It provides information about the aspects of a country's socio-economic characteristics that, according to research, have a significant impact on national entrepreneurship: referred to as the Entrepreneurship Framework Conditions (EFCs).
Total early-stage Entrepreneurial Activity (TEA)	The percentage of adults (aged 18–64) who are starting or running a new business, i.e. one that has not yet paid wages or salaries for 42 months or more.
Established Business Ownership (EBO)	The percentage of adults (aged 18–64) who are currently the owner-manager of an established business, i.e. owning and managing a business that has paid salaries, wages or any other payments to the owners, for more than 42 months.
Entrepreneurial Framework Conditions (EFCs)	<p>The conditions identified by GEM that enhance (or hinder) new business creation in a given economy, and form the framework for the NES. The conditions are:</p> <ul style="list-style-type: none">A1. Entrepreneurial Finance Are there sufficient funds for new startups?A2. Ease of Access to Entrepreneurial Finance And are those funds easy to access?B1. Government Policy: Support and Relevance Do they promote and support startups?B2. Government Policy: Taxes and Bureaucracy Or are new businesses burdened?C. Government Entrepreneurial Programmes Are quality support programmes available?D1. Entrepreneurial Education at School Do schools introduce entrepreneurship ideas?D2. Entrepreneurial Education Post-School Do colleges offer courses in starting a business?E. Research and Development Transfers Can research be translated into new businesses?F. Commercial and Professional Infrastructure Are these sufficient and affordable?G1. Ease of Entry: Market Dynamics Are markets free, open and growing?G2. Ease of Entry: Burdens and Regulation Do regulations encourage or restrict entry?H. Physical Infrastructure Is this sufficient and affordable?I. Social and Cultural Norms Does culture encourage and celebrate entrepreneurship?
National Entrepreneurial Context Index (NECI)	This summarises in one figure the average state of 13 national EFCs selected by GEM researchers as the most reliable determinants of a favourable environment for entrepreneurship. It is calculated as the simple average of 13 variables that represent the EFCs, and which have been measured through a block of items evaluated by an 11-point Likert scale and summarised by applying factorial analyses (principal component method).
National Team	GEM is a consortium of “National Teams”. Each Team is led by a local university or other institution with a strong interest in entrepreneurship. The team is the official national representative of the project: responsible for collecting GEM data in the country on an annual basis, producing a “National Report” on their findings, and acting as the point of contact for GEM enquiries.

Table A1. Changes in household incomes, entrepreneurial activity levels, ease of starting and business intentions

	Income group		% adults reporting a change in household income in 2025				
	Major	Minor	Strongly decrease	Somewhat decrease	No substantial change	Somewhat increase	Strongly increase
Angola	Middle-income	Lower middle-income	22.5	25.4	21.0	20.3	10.8
Argentina	Middle-income	Upper middle-income	37.2	36.0	20.7	5.3	0.8
Bahrain	Upper-income	Upper high-income	9.3	20.0	55.4	13.6	1.7
Brazil	Middle-income	Lower middle-income	17.0	17.4	37.9	22.3	5.4
Canada	Upper-income	Upper high-income	7.7	15.7	49.1	23.4	4.1
Chile	Middle-income	Upper middle-income	16.5	21.5	34.9	23.2	3.9
Costa Rica	Middle-income	Upper middle-income	13.7	18.4	47.1	15.2	5.6
Croatia	Middle-income	Upper middle-income	4.4	10.7	27.2	51.9	5.7
Cyprus	Upper-income	Lower high-income	7.6	13.2	50.9	23.2	5.1
Ecuador	Middle-income	Lower middle-income	17.2	37.0	35.0	9.8	1.0
Egypt	Middle-income	Lower middle-income	17.1	19.5	44.1	14.9	4.3
El Salvador	Middle-income	Lower middle-income	12.2	19.1	49.9	12.5	6.3
Estonia	Middle-income	Upper middle-income	15.9	23.9	40.8	17.9	1.4
Finland	Upper-income	Upper high-income	9.4	19.1	49.2	20.2	2.2
France	Upper-income	Lower high-income	10.6	18.0	44.6	21.7	5.1
Germany	Upper-income	Upper high-income	6.8	20.3	46.2	25.0	1.7
Guatemala	Middle-income	Lower middle-income	7.3	23.8	37.5	24.6	6.8
Hungary	Middle-income	Upper middle-income	5.5	17.5	50.3	24.1	2.6
India	Middle-income	Lower middle-income	7.5	28.3	44.1	17.5	2.5
Israel	Upper-income	Lower high-income	10.3	21.4	52.6	13.5	2.2
Italy	Upper-income	Lower high-income	11.3	17.3	52.7	15.9	2.9
Jordan	Middle-income	Lower middle-income	26.3	26.8	41.4	5.0	0.5
Latvia	Middle-income	Upper middle-income	8.0	14.5	51.3	22.1	4.0
Lithuania	Upper-income	Lower high-income	12.0	23.6	38.1	23.7	2.6
Luxembourg	Upper-income	Upper high-income	6.7	19.8	36.8	33.4	3.3

Total early-stage Entrepreneurial Activity (TEA)	Established Business Ownership (EBO)	% adults who say it is easy to start a business	% adults intending to start a business*	
52.9	10.5	73.6	88.1	Angola
21.4	5.0	65.6	15.3	Argentina
17.9	3.3	65.4	47.7	Bahrain
19.4	12.4	45.3	45	Brazil
27.4	6.1	54.6	21.0	Canada
29.4	7.1	52.6	42.5	Chile
13.9	6.3	38.3	22.6	Costa Rica
11.6	4.4	44.2	21.5	Croatia
9.4	7.9	50.6	19.5	Cyprus
29.6	6.5	56.4	35.2	Ecuador
2.8	1.4	69.6	28.6	Egypt
23.9	18.2	54.4	33.8	El Salvador
11.6	6.5	70.8	14.8	Estonia
6.1	5.5	60.3	6.5	Finland
11.6	5.7	46.6	16.2	France
13.0	5.1	36.6	14.2	Germany
25.4	12.0	39.4	42.8	Guatemala
7.2	7.0	40.4	6.5	Hungary
12.3	6.1	83.4	25.6	India
8.9	4.1	18.3	13.3	Israel
11.0	6.0	19.8	17.3	Italy
10.7	3.8	43.8	43.4	Jordan
13.2	11.0	29.6	15.4	Latvia
17.0	5.4	34.8	27.2	Lithuania
9.4	3.7	59.2	15.8	Luxembourg

* Not already involved in entrepreneurial activity.

Table A1 (continued)

	Income group		% adults reporting a change in household income in 2025				
	Major	Minor	Strongly decrease	Somewhat decrease	No substantial change	Somewhat increase	Strongly increase
Mexico	Middle-income	Upper middle-income	10.7	23.5	35.6	21.9	8.2
Netherlands	Upper-income	Upper high-income	4.6	14.2	45.1	31.6	4.5
Norway	Upper-income	Upper high-income	4.5	14.3	40.6	35.7	4.9
Oman	Middle-income	Upper middle-income	10.0	18.1	51.1	18.2	2.5
Peru	Middle-income	Lower middle-income	5.7	20.6	40.1	25.4	8.3
Poland	Upper-income	Lower high-income	10.9	34.2	35.8	17.1	2.0
Puerto Rico	Upper-income	Lower high-income	13.1	22.3	42.8	16.8	5.0
Qatar	Upper-income	Upper high-income	3.3	12.4	68.9	13.5	1.8
Republic of Korea	Upper-income	Lower high-income	8.8	22.7	52.3	15.6	0.7
Romania	Middle-income	Upper middle-income	9.1	18.1	52.0	18.8	2.0
Saudi Arabia	Upper-income	Upper high-income	0.5	5.9	70.2	19.6	3.9
Slovak Republic	Middle-income	Upper middle-income	12.6	27.3	42.6	15.8	1.7
Slovenia	Upper-income	Lower high-income	2.9	11.3	58.5	24.7	2.6
South Africa	Middle-income	Lower middle-income	17.0	17.9	36.9	19.2	9.0
Spain	Upper-income	Lower high-income	10.4	19.1	45.1	22.7	2.7
Sweden	Upper-income	Upper high-income	7.4	17.1	40.9	31.2	3.5
Switzerland	Upper-income	Upper high-income	7.9	20.9	45.3	23.8	2.1
Taiwan	Upper-income	Lower high-income	8.9	18.9	50.3	19.4	2.4
Thailand	Middle-income	Lower middle-income	11.6	32.8	40.8	13.7	1.3
United Arab Emirates	Upper-income	Upper high-income	10.0	17.5	42	25.8	4.5
United Kingdom	Upper-income	Lower high-income	6.4	15.5	45.8	23.7	8.7
United States	Upper-income	Upper high-income	7.6	16.5	49.5	22.4	3.9
Venezuela	Middle-income	Upper middle-income	27.6	28.9	30.6	11.6	1.4

Total early-stage Entrepreneurial Activity (TEA)	Established Business Ownership (EBO)	% adults who say it is easy to start a business	% adults intending to start a business*	
19.4	4.9	48.7	18.4	Mexico
12.2	8.3	75.5	12.9	Netherlands
8.9	6.8	66.7	9.1	Norway
6.4	4.6	50.1	52.2	Oman
12.8	5.3	58.8	19.9	Peru
2.9	12.3	76.7	3.0	Poland
15.6	4.4	28.3	25.0	Puerto Rico
2.4	1.3	70.3	26.3	Qatar
9.1	16.2	38.9	24.6	Republic of Korea
3.7	4.3	41.9	6.2	Romania
28.9	12.7	93.5	48.5	Saudi Arabia
11.4	4.9	29.0	13.1	Slovak Republic
7.1	9.8	66.5	16.0	Slovenia
14.7	3.9	61.3	19.2	South Africa
7.8	7.4	37.0	11.5	Spain
9.6	5.0	76.1	11.1	Sweden
10.2	6.8	65.9	10.5	Switzerland
10.1	8.6	37.4	18.1	Taiwan
19.0	15.6	70.7	27.7	Thailand
20.4	4.8	87.2	56.4	United Arab Emirates
21.9	13.3	57.4	15.8	United Kingdom
17.7	5.5	54.3	13.1	United States
7.7	1.9	46.1	22.4	Venezuela

* Not already involved in entrepreneurial activity.

Table A2. Public attitudes, business exits and resilience

	In the next six months, there will be good opportunities to start a business in my area	There are good opportunities, but I would not start a business for fear it might fail (% adults seeing good opportunities)	% adults who have exited a business in the past 12 months, and whether that business continued under new ownership/management	
			Exited a business in past year; business did not continue	Exited a business in past year; business continued
Angola	74.2	49.5	26.6	8.6
Argentina	48.0	62.1	6.6	2.5
Bahrain	69.1	44.7	8.9	3.5
Brazil	64.7	48.2	8.0	3.1
Canada	60.1	50.3	7.0	5.4
Chile	61.2	47.7	4.8	2.7
Costa Rica	55.2	44.1	4.6	1.4
Croatia	71.7	47.6	2.8	0.8
Cyprus	42.1	51.2	2.1	1.3
Ecuador	74.9	57.3	6.8	2.3
Egypt	57.4	59.7	3.4	0.7
El Salvador	61.5	46.9	7.1	1.6
Estonia	39.4	38.8	3.9	0.9
Finland	46.1	41.6	2.5	0.9
France	43.3	42.7	2.8	1.5
Germany	52.9	40.6	4.5	5.5
Guatemala	71.5	38.8	4.4	1.5
Hungary	24.0	36.8	1.9	0.3
India	78.3	56.8	2.1	1.0
Israel	47.3	50.1	4.6	1.1
Italy	33.2	51.1	2.7	2.2
Jordan	58.2	59.0	5.8	3.1
Latvia	35.8	43.8	2.9	1.3
Lithuania	51.2	45.1	9.6	6.7
Luxembourg	51.8	42.1	2.7	1.4
Mexico	61.5	40.4	6.2	5.2

Reasons for exiting a business: negative or positive (% adults)		Expect to start a business in the next three years		
Negative	Positive	% adults who exited a business in the last 12 months	% adults who did not exit a business in the last 12 months	
31.9	1.5	91.8	87.1	Angola
6.1	2.6	42.5	15.6	Argentina
9.2	2.0	77.2	50.0	Bahrain
8.5	1.8	63.9	45.0	Brazil
6.8	4.9	68.4	26.1	Canada
5.4	1.7	70.8	44.3	Chile
3.2	1.4	63.8	25.5	Costa Rica
2.4	1.0	61.1	25.8	Croatia
2.0	1.3	27.6	21.4	Cyprus
5.7	1.9	41.1	42.7	Ecuador
3.4	0.3	81.2	28.2	Egypt
6.8	1.1	57.2	31.8	El Salvador
3.2	1.1	31.4	17.1	Estonia
1.8	0.9	31.1	7.7	Finland
2.8	1.4	50.4	18.3	France
5.1	4.4	68.0	16.4	Germany
5.1	0.4	64.6	39.5	Guatemala
1.5	0.4	23.7	7.9	Hungary
2.2	0.6	64.9	27.3	India
3.7	1.1	55.9	14.4	Israel
3.5	1.2	49.8	20.7	Italy
7.2	0.7	74.1	42.5	Jordan
3.0	1.0	57.8	22.1	Latvia
8.2	7.3	67.4	27.4	Lithuania
2.5	1.0	64.6	17.9	Luxembourg
7.2	3.3	71.7	21.6	Mexico

Table A2 (continued)

	In the next six months, there will be good opportunities to start a business in my area	There are good opportunities, but I would not start a business for fear it might fail (% adults seeing good opportunities)	% adults who have exited a business in the past 12 months, and whether that business continued under new ownership/management	
			Exited a business in past year; business did not continue	Exited a business in past year; business continued
Netherlands	60.1	47.0	5.8	2.5
Norway	59.2	42.3	1.7	0.8
Oman	71.9	38.6	15.1	3.0
Peru	84.2	44.9	4.3	1.3
Poland	70.7	49.4	2.1	0.9
Puerto Rico	51.0	46.4	2.6	1.4
Qatar	74.6	46.9	2.2	0.8
Republic of Korea	38.3	27.0	3.2	2.2
Romania	66.2	58.9	1.2	0
Saudi Arabia	96.5	61.3	5.7	9.2
Slovak Republic	36.7	66.9	4.2	3.7
Slovenia	51.4	41.1	2.3	0.7
South Africa	64.4	49.6	6.2	3.1
Spain	41.9	52.0	2.0	1.7
Sweden	64.3	42.6	2.5	1.4
Switzerland	43.4	31.4	1.6	0.7
Taiwan	40.1	40.1	2.9	3.3
Thailand	77.5	46.8	5.6	4.2
United Arab Emirates	86.1	55.2	6.3	8.7
United Kingdom	55.8	49.6	5.8	6.6
United States	51.8	42.4	3.8	2.0
Venezuela	59.1	32.0	2.3	0.3

Reasons for exiting a business: negative or positive (% adults)		Expect to start a business in the next three years		
Negative	Positive	% adults who exited a business in the last 12 months	% adults who did not exit a business in the last 12 months	
3.9	3.7	63.2	14.1	Netherlands
1.4	0.5	30.5	11.3	Norway
11.3	4.0	73.3	49.1	Oman
3.8	1.3	59.8	20.1	Peru
2.2	0.8	8.1	2.8	Poland
2.7	0.8	61.1	29.5	Puerto Rico
2.1	0.5	67.7	26.5	Qatar
4.2	1.2	61.5	29.0	Republic of Korea
1.0	0.1	19.6	7.6	Romania
7.3	7.6	81.1	43.1	Saudi Arabia
5.4	2.3	54.9	14.8	Slovak Republic
1.9	0.8	30.6	16.2	Slovenia
6.0	2.6	69.5	21.9	South Africa
1.9	1.7	49.7	12.4	Spain
2.1	1.4	49.0	11.9	Sweden
1.1	0.7	33.9	14.7	Switzerland
3.8	2.3	62.7	21.3	Taiwan
7.1	2.5	80.9	32.4	Thailand
9.3	4.9	92.4	56.7	United Arab Emirates
7.7	4.4	77.8	24.9	United Kingdom
3.6	1.9	56.6	17.9	United States
2.3	0.2	72.3	24.7	Venezuela

Table A3. Entrepreneurial activity by gender, age and place of birth

	Levels of Total early-stage Entrepreneurial Activity (TEA) by gender (% women, % men)		Levels of Established Business Ownership (EBO) by gender (% women, % men)	
	Women	Men	Women	Men
Angola	49.4	56.7	10.4	10.6
Argentina	16.4	26.2	2.3	7.6
Bahrain	16.6	19.3	2.1	4.5
Brazil	15.0	24.1	9.1	15.7
Canada	23.6	31.1	4.9	7.4
Chile	29.6	29.1	5.3	8.9
Costa Rica	14.9	13.0	4.4	8.2
Croatia	8.5	14.7	2.6	6.2
Cyprus	6.9	11.9	5.2	10.6
Ecuador	30.4	28.9	6.3	6.8
Egypt	1.6	4.0	0.7	2.1
El Salvador	26.6	20.6	17.3	19.3
Estonia	10.1	13.1	5.3	7.7
Finland	3.5	8.5	3.1	7.7
France	10.0	13.2	4.5	7.0
Germany	10.9	15.0	4.3	6.0
Guatemala	22.9	27.9	7.7	16.2
Hungary	6.7	7.7	4.9	9.1
India	12.5	12.2	5.5	6.7
Israel	8.7	9.1	3.4	4.8
Italy	8.3	13.6	2.9	9.0
Jordan	8.3	12.8	2.6	4.8
Latvia	10.9	15.6	7.2	14.7
Lithuania	15.2	18.8	4.3	6.4
Luxembourg	7.2	11.5	3.4	4.0

The level of Total early-stage Entrepreneurial Activity (TEA) for adults aged 18–34 and for those aged 35–64 (% adults in each group)		The percentage of those starting or running new businesses who are in the age group 18–34 (% of total number of those starting or running new businesses)	The level of Total early-stage Entrepreneurial Activity (TEA) for those born in that country (native-born) and for those born elsewhere (foreign-born), both as % of their respective groups*		
Adults aged 18–34	Adults aged 35–64		Foreign-born	Native-born	
56.6	47.8	62.0	–	–	Angola
21.3	21.6	42.3	–	–	Argentina
21.6	14.7	56.2	–	–	Bahrain
19.5	19.4	39.1	–	–	Brazil
38.5	21.4	49.3	33.5	24.7	Canada
29.2	29.5	39.2	43.0	28.4	Chile
13.6	14.1	33.9	14.4	13.9	Costa Rica
17.6	9.2	43.6	9.0	11.9	Croatia
14.7	6.2	58.8	7.9	9.5	Cyprus
32.4	26.8	55.7	–	–	Ecuador
1.9	3.9	37.8	–	–	Egypt
22.6	25.2	49.1	–	–	El Salvador
16.5	9.4	44.7	11.3	11.7	Estonia
7.5	5.3	43.9	–	–	Finland
13.2	10.7	38.9	19.1	10.9	France
22.5	8.4	56.5	14.4	12.8	Germany
26.3	24.4	55.0	–	–	Guatemala
10.0	5.9	44.1	–	–	Hungary
13.6	11.0	56.7	–	–	India
8.6	9.1	40.1	9.2	8.9	Israel
13.3	10.0	35.5	15.8	10.5	Italy
12.0	9.2	60.9	–	–	Jordan
19.4	10.7	43.0	11.7	13.4	Latvia
21.0	15.2	38.0	–	–	Lithuania
11.6	8.2	43.8	10.5	7.5	Luxembourg

* Excludes any economy where “foreign-born” is 5% or less of the APS sample.

Table A3 (continued)

	Levels of Total early-stage Entrepreneurial Activity (TEA) by gender (% women, % men)		Levels of Established Business Ownership (EBO) by gender (% women, % men)	
	Women	Men	Women	Men
Mexico	16.8	22.2	3.3	6.6
Netherlands	10.1	14.3	6.8	9.9
Norway	5.1	12.4	4.2	9.2
Oman	6.7	6.0	2.1	7.1
Peru	13.3	12.4	5	5.7
Poland	2.8	3.0	12.1	12.6
Puerto Rico	13.9	17.5	3.5	5.4
Qatar	1.5	2.7	0.2	1.6
Republic of Korea	8.8	9.3	14.9	17.5
Romania	2.7	4.6	3.3	5.3
Saudi Arabia	27.0	30.0	11.1	13.7
Slovak Republic	10	12.7	3.3	6.6
Slovenia	5.3	8.8	7.8	11.6
South Africa	14.6	14.9	3.4	4.5
Spain	7.2	8.5	5.9	8.9
Sweden	6.1	12.9	2.9	7.1
Switzerland	9.0	11.4	5.8	7.6
Taiwan	8.5	11.8	5.4	11.8
Thailand	17.6	20.5	14.9	16.4
United Arab Emirates	16.0	22.4	3.3	5.5
United Kingdom	19.0	24.9	10.2	16.4
United States	15.9	19.3	4.5	6.5
Venezuela	7.6	7.8	1.8	2.0

The level of Total early-stage Entrepreneurial Activity (TEA) for adults aged 18–34 and for those aged 35–64 (% adults in each group)		The percentage of those starting or running new businesses who are in the age group 18–34 (% of total number of those starting or running new businesses)	The level of Total early-stage Entrepreneurial Activity (TEA) for those born in that country (native-born) and for those born elsewhere (foreign-born), both as % of their respective groups*		
Adults aged 18–34	Adults aged 35–64		Foreign-born	Native-born	
24.8	15.1	56.6	–	–	Mexico
16.1	10.0	47.5	13.2	12.0	Netherlands
9.2	8.7	37.6	4.2	9.3	Norway
5.5	7.2	42.9	–	–	Oman
12.0	13.5	39.2	–	–	Peru
3.4	2.7	35.9	–	–	Poland
17.7	14.4	42.2	13.2	15.9	Puerto Rico
1.9	2.9	39.6	2.6	1.4	Qatar
8.4	9.3	28.2	–	–	Republic of Korea
3.9	3.6	31.7	–	–	Romania
26.3	31.4	44.4	–	–	Saudi Arabia
15.2	9.7	41.0	–	–	Slovak Republic
11.2	5.5	45.6	5.7	7.2	Slovenia
15.4	14.1	49.9	–	–	South Africa
9.3	7.2	35.3	14.0	7.2	Spain
11.5	8.5	43.1	12.7	9.2	Sweden
8.2	11.2	26.4	13.4	9.5	Switzerland
9.6	10.4	28.9	–	–	Taiwan
18.4	19.4	33.1	–	–	Thailand
16.0	24.5	37.3	19.6	22.4	United Arab Emirates
31.7	16.4	52.0	17.2	22.1	United Kingdom
23.2	14.3	49.4	–	–	United States
8.2	7.3	45.1	–	–	Venezuela

Table A4. The motivations of early-stage entrepreneurs

	Motivations, somewhat or strongly agree as a percentage of early-stage entrepreneurs (% Total early-stage Entrepreneurial Activity [TEA])			
	“To make a difference in the world”	“To continue a family tradition”	“To build great wealth or very high income”	“To earn a living because jobs are scarce”
Angola	82.9	56.3	80.4	90.4
Argentina	19.5	25.8	33.4	92.4
Bahrain	39.3	35.8	64.2	71.6
Brazil	75.9	45.9	68.7	71.0
Canada	67.1	41.9	68.6	71.3
Chile	61.4	29.9	60.9	76.6
Costa Rica	73.7	49.6	58.1	83.1
Croatia	30.8	20.7	58.8	66.2
Cyprus	43.7	26.7	92.1	60.9
Ecuador	51.1	43.1	59.2	91.5
Egypt	68.0	40.0	80.2	78.2
El Salvador	40.4	45.0	45.8	89.0
Estonia	34.1	18.9	43.6	58.6
Finland	39.3	24.9	47.8	66.3
France	19.5	20.2	42.4	48.9
Germany	49.9	37.5	65.4	62.1
Guatemala	76.0	48.7	78.7	86.7
Hungary	71.4	15.1	26.3	59.9
India	82.3	77.3	77.8	83.7
Israel	45.3	22.0	70.6	52.6
Italy	37.4	35.5	55.4	58.5
Jordan	36.5	29.3	86.1	86.1
Latvia	39.5	29.4	49.8	59.8
Lithuania	45.8	35.7	53.2	68.8
Luxembourg	46.6	20.6	51.7	35.6
Mexico	61.1	47.1	64.3	85.9
Netherlands	44.6	29.7	41.2	39.0
Norway	33.1	25.1	32.0	32.8

	Motivations, somewhat or strongly agree as a percentage of early-stage entrepreneurs (% Total early-stage Entrepreneurial Activity [TEA])			
	“To make a difference in the world”	“To continue a family tradition”	“To build great wealth or very high income”	“To earn a living because jobs are scarce”
Oman	27.9	49.3	62.6	43.2
Peru	63.4	30.5	85.9	71.6
Poland	15.3	12.4	29.7	74.8
Puerto Rico	66.3	28.8	54.6	70.1
Qatar	50.7	24.9	76.1	74.9
Republic of Korea	4.4	5.6	88.9	34.2
Romania	51.4	28.3	52.6	86.4
Saudi Arabia	60.8	34.1	82.0	82.2
Slovak Republic	50.9	42.1	54.4	75.9
Slovenia	51.0	20.3	54.2	51.3
South Africa	78.2	51.3	84.2	87.3
Spain	56.8	25.5	53.9	66.7
Sweden	41.0	22.6	46.3	30.0
Switzerland	57.7	11.0	41.5	44.6
Taiwan	39.6	23.3	67.0	35.6
Thailand	53.5	60.7	75.6	86.0
United Arab Emirates	63.2	52.3	84.9	80.8
United Kingdom	71.5	42.2	77.7	62.9
United States	66.5	35.6	71.2	69.2
Venezuela	53.6	35.4	41.2	88.0

Table A5. International reach and sustainability

	The percentage of early-stage entrepreneurs (% Total early-stage Entrepreneurial Activity [TEA]) with customers outside their own countries		The share of early-stage entrepreneurs who have taken steps to minimise the environmental impacts and/or maximise the social impacts of their business in the past year (% TEA)
	2024	2025	
Angola	–	16.1	72.7
Argentina	9.3	9.2	80.9
Bahrain	–	47.8	70.6
Brazil	6.1	4.1	96.4
Canada	33.5	37.7	69.4
Chile	9.2	5.9	64.2
Costa Rica	6.0	3.0	70.4
Croatia	39.4	44.1	61.2
Cyprus	37.1	30.3	60.1
Ecuador	5.9	13.0	45.0
Egypt	21.4	6.9	52.4
El Salvador	–	10.1	68.5
Estonia	54.6	52.9	38.8
Finland	–	34.2	59.7
France	31.5	38.1	36.7
Germany	39.8	43.9	69.0
Guatemala	1.7	3.0	67.9
Hungary	28.5	30.4	54.5
India	1.5	6.4	45.3
Israel	29.2	30.7	43.8
Italy	38.7	34.3	61.8
Jordan	16.5	19.9	51.1
Latvia	47.3	51.9	51.2
Lithuania	32.8	52.9	69.1

The share of early-stage entrepreneurs who always consider social implications and/or environmental impacts when making decisions about the future of their business (% TEA)	The share of younger (18–34) and older (35–65) new entrepreneurs who agree that they prioritise sustainability above profitability or growth (% younger TEA, % older TEA)		Early-stage entrepreneurs (% TEA) categorised by GEM as “sustainability-focused” because they agree with the motive of making a difference, they are taking sustainable actions, they build sustainability into their strategies and they prioritise sustainability over profits*	
	18–34	35–64		
98.3	90.0	91.2	56.2	Angola
91.4	61.9	63.1	12.9	Argentina
88.7	73.2	77.0	23.0	Bahrain
97.5	79.9	86.9	63.4	Brazil
83.5	65.9	67.1	42.1	Canada
94.7	73.0	83.0	36.3	Chile
95.8	68.2	80.0	44.7	Costa Rica
81.7	56.0	62.4	14.3	Croatia
77.1	43.0	62.6	17.0	Cyprus
81.4	68.2	65.2	19.3	Ecuador
92.0	78.7	81.8	26.1	Egypt
85.9	70.2	73.3	24.1	El Salvador
65.7	25.7	32.1	10.0	Estonia
79.4	49.4	53.9	13.3	Finland
84.8	51.1	63.5	4.9	France
80.3	50.9	55.3	28.2	Germany
96.7	77.9	84.8	44.6	Guatemala
79.1	36.7	38.6	18.0	Hungary
93.8	91.2	87.6	30.9	India
62.9	34.3	47.5	13.5	Israel
84.5	62.5	58.1	17.7	Italy
80.7	58.2	68.4	17.6	Jordan
84.0	44.5	38.9	12.8	Latvia
84.1	57.7	46.7	26.9	Lithuania

* Central value.

Table A5 (continued)

	The percentage of early-stage entrepreneurs (% Total early-stage Entrepreneurial Activity [TEA]) with customers outside their own countries		The share of early-stage entrepreneurs who have taken steps to minimise the environmental impacts and/or maximise the social impacts of their business in the past year (% TEA)
	2024	2025	
Luxembourg	67.5	46.9	56.1
Mexico	11.2	21.0	70.7
Netherlands	–	35.1	44.8
Norway	33.2	28.7	48.0
Oman	32.3	18.4	44.2
Peru	–	12.7	38.8
Poland	11.7	7.2	76.6
Puerto Rico	35.2	32.8	65.7
Qatar	38.0	37.2	48.1
Republic of Korea	7.9	24.2	60.0
Romania	16.4	12.5	87.0
Saudi Arabia	14.2	7.9	76.4
Slovak Republic	37.4	47.6	63.1
Slovenia	46.7	47.9	49.6
South Africa	–	28.8	67.5
Spain	35.4	32.6	59.3
Sweden	36.6	29.5	44.0
Switzerland	42.8	38.3	52.5
Taiwan	28.4	25.1	74.1
Thailand	31.3	25.7	85.6
United Arab Emirates	52.2	54.4	71.2
United Kingdom	40.0	50.0	75.5
United States	30.9	32.7	67.7
Venezuela	9.4	6.3	41.7

The share of early-stage entrepreneurs who always consider social implications and/or environmental impacts when making decisions about the future of their business (% TEA)	The share of younger (18–34) and older (35–65) new entrepreneurs who agree that they prioritise sustainability above profitability or growth (% younger TEA, % older TEA)		Early-stage entrepreneurs (% TEA) categorised by GEM as “sustainability-focused” because they agree with the motive of making a difference, they are taking sustainable actions, they build sustainability into their strategies and they prioritise sustainability over profits*	
	18–34	35–64		
80.2	43.6	52.6	18.7	Luxembourg
95.5	80.9	74.1	40.2	Mexico
63.2	31.2	49.6	17.2	Netherlands
73.6	38.2	57.8	13.1	Norway
68.1	57.9	72.9	7.6	Oman
86.5	69.3	42.6	14.0	Peru
94.1	18.3	34.4	3.1	Poland
95.9	72.5	79.7	38.4	Puerto Rico
75.5	58.3	52.3	24.7	Qatar
71.9	48.8	43.2	2.8	Republic of Korea
87.7	61.4	85.7	38.4	Romania
92.2	77.3	74.1	39.5	Saudi Arabia
85.1	76.9	69.8	31.8	Slovak Republic
95.2	59.8	79.2	29.9	Slovenia
92.2	77.7	72.7	48.4	South Africa
81.8	59.5	56.0	27.1	Spain
60.4	44.0	41.8	13.8	Sweden
80.4	56.4	52.4	22.7	Switzerland
74.9	53.2	57.4	25.5	Taiwan
91.9	66.0	77.2	38.1	Thailand
94.9	83.3	87.3	47.0	United Arab Emirates
90.0	79.6	76.7	52.7	United Kingdom
83.9	68.8	49.4	36.6	United States
79.0	60.3	71.5	16.1	Venezuela

Table A6. Digitalisation and entrepreneurship

	The percentage of those starting new businesses who report each digital marketing tool as being very important (% TEA)			
	Social media	Email communication	Email marketing	Website
Angola	85.8	78.2	75.0	75.6
Argentina	–	–	–	–
Bahrain	88.0	48.9	30.2	68.5
Brazil	–	–	–	–
Canada	–	–	–	–
Chile	82.4	65.3	48.6	72.1
Costa Rica	80.3	50.6	42.4	64.3
Croatia	57.4	60.6	42.7	55.6
Cyprus	76.2	64.2	42.0	68.4
Ecuador	66.9	37.7	35.1	41.2
Egypt	76.3	62.8	51.7	57.5
El Salvador	66.3	26.0	24.6	31.0
Estonia	55.7	63.1	24.3	44.1
Finland	–	–	–	–
France	–	–	–	–
Germany	18.9	59.7	41.7	50.4
Guatemala	71.4	43.5	34.4	53.6
Hungary	63.7	64.9	43.9	56.8
India	45.6	43.2	31.1	39.5
Israel	53.1	51.0	36.6	46.8
Italy	56.3	45.0	34.6	49.4
Jordan	76.0	38.6	28.3	47.9
Latvia	60.0	53.7	34.0	49.7
Lithuania	51.0	50.8	31.1	44.4

The percentage of early-stage entrepreneurs expecting to use more digital technologies to sell their products or services in the next six months (% TEA)		The percentage of early-stage entrepreneurs (% TEA) and Established Business Owners (% EBO) who anticipate artificial intelligence becoming very important to their business in the next three years		
2024	2025	TEA	EBO	
–	93.4	66.1	63.4	Angola
51.6	44.9	41.3	39.2	Argentina
–	76.4	47.3	46.2	Bahrain
79.6	77.2	61.7	53.3	Brazil
58.1	56.6	34.0	34.4	Canada
69.9	76.7	55.1	53.3	Chile
67.2	80.1	61.1	50.9	Costa Rica
50.8	47.6	18.9	23.2	Croatia
56.9	56.9	36.0	27.9	Cyprus
63.1	56.9	31.2	19.9	Ecuador
68.4	75.8	37.4	54.8	Egypt
–	49.8	39.0	39.5	El Salvador
38.1	44.9	21.9	20.7	Estonia
–	46.0	18.1	13.0	Finland
51.4	47.7	24.1	16.1	France
50.5	57.4	40.9	48.8	Germany
77.0	77.5	45.1	44.1	Guatemala
42.2	46.5	35.8	19.5	Hungary
33.2	47.8	37.0	28.9	India
39.3	42.2	35.5	38.2	Israel
60.5	62.6	35.6	24.3	Italy
49.7	52.2	35.8	26.0	Jordan
59.0	59.0	33.3	21.0	Latvia
37.3	46.7	27.5	23.6	Lithuania

Table A6 (continued)

	The percentage of those starting new businesses who report each digital marketing tool as being very important (% TEA)			
	Social media	Email communication	Email marketing	Website
Luxembourg	–	–	–	–
Mexico	73.4	54.7	47.1	60.8
Netherlands	–	–	–	–
Norway	–	–	–	–
Oman	58.9	21.7	27.6	32.2
Peru	86.4	17.2	39.0	70.2
Poland	37.6	43.4	27.9	37.2
Puerto Rico	–	–	–	–
Qatar	89.0	68.7	63.3	81.8
Republic of Korea	51.5	54.1	40.2	48.7
Romania	67.6	73.4	62.3	73.2
Saudi Arabia	–	–	–	–
Slovak Republic	57.3	65.4	46.1	59.3
Slovenia	52.1	69.6	31.0	64.2
South Africa	79.0	71.7	53.4	69.4
Spain	54.2	52.1	35.3	53.7
Sweden	–	–	–	–
Switzerland	39.3	60.2	17.9	55.6
Taiwan	59.2	43.6	32.3	52.3
Thailand	79.1	39.4	32.3	50.7
United Arab Emirates	75.2	58.7	44.3	67.1
United Kingdom	–	–	–	–
United States	65.0	58.3	40.4	56.6
Venezuela	79.2	40.9	42.2	51.5

The percentage of early-stage entrepreneurs expecting to use more digital technologies to sell their products or services in the next six months (% TEA)		The percentage of early-stage entrepreneurs (% TEA) and Established Business Owners (% EBO) who anticipate artificial intelligence becoming very important to their business in the next three years		
2024	2025	TEA	EBO	
72.4	54.1	33.3	22.4	Luxembourg
70.6	75.2	33.1	35.6	Mexico
–	39.1	32.0	28.5	Netherlands
47.9	52.1	24.9	17.7	Norway
61.0	60.1	47.1	47.3	Oman
–	72.0	44.2	36.3	Peru
43.9	53.6	10.7	15.5	Poland
68.0	68.2	49.8	49.3	Puerto Rico
81.0	63.2	43.7	47.8	Qatar
19.1	63.8	36.2	21.0	Republic of Korea
44.4	51.9	42.2	40.5	Romania
68.3	79.0	32.4	23.5	Saudi Arabia
53.7	54.0	29.2	25.9	Slovak Republic
54.0	50.1	32.8	32.1	Slovenia
–	65.6	49.2	49.2	South Africa
50.7	53.7	34.0	26.3	Spain
45.7	35.5	14.7	9.6	Sweden
42.2	48.6	31.4	29.5	Switzerland
59.1	54.7	24.8	26.4	Taiwan
63.1	60.0	56.4	49.6	Thailand
83.2	69.9	58.8	62.5	United Arab Emirates
62.3	70.3	46.2	44.2	United Kingdom
60.0	56.4	34.8	17.8	United States
68.2	43.1	32.3	35.0	Venezuela

About GEM

Entrepreneurship matters! It drives societal health and economic growth. Innovation is unleashed. Jobs are created. New opportunities come to fruition. Some of society's greatest challenges are addressed (such as the United Nations Sustainable Development Goals).

During its 25+ years of existence, Global Entrepreneurship Monitor (GEM) has repeatedly provided valuable insights on how best to foster entrepreneurship to propel prosperity. GEM is a networked consortium of national country teams, primarily associated with top academic institutions, which carries out survey-based research on entrepreneurship and entrepreneurship ecosystems around the world. It is the **only global research source** that collects data **directly from entrepreneurs**. Based on these entrepreneurs' insights, GEM publishes the annual Global Report as well as a range of national and special-topic reports.

The go-to source for policymakers

Governments increasingly need credible data to make key decisions that stimulate sustainable forms of entrepreneurship. Official statistics, like the number of registered businesses, capture only a very small part of the picture. Stakeholders need to understand on-the-ground perceptions directly from entrepreneurs. By using GEM research, government officials therefore make better-informed decisions to help entrepreneurs and entrepreneurial ecosystems thrive.

Other stakeholders also benefit:

- **Academics** are able to apply unique methodological approaches to studying entrepreneurship at a national level.
- **Sponsors** advance their organisational interests and gain a higher profile.
- **International organisations** incorporate or integrate GEM indicators within their own data sets and/or use GEM data as a benchmark for their own analyses.
- **Entrepreneurs** have better knowledge on where to invest and how to influence key stakeholders.

25+ years of impact

GEM has been generating impact for more than a quarter-century!

- 25+ years of data, allowing longitudinal analysis in and across geographies on multiple levels;
- 170,000+ interviews annually with experts and adult populations, including entrepreneurs of all ages;
- Data from 120 economies across five continents;
- Collaboration with 370+ specialists in entrepreneurship research;
- Involvement of 150+ academic and research institutions;
- Support from 150+ funding institutions.

In the world of university research, 25+ years is a very long time! The most common projects are short-lived and dictated by the longevity of PhD theses. GEM has created both immediate and generational benefits. Not many research projects can make a similar claim!

The beginning

Professors Bill Bygrave of Babson College and Michael Hay of London Business School co-created GEM in the late 1990s. Did they dare to imagine that this “light bulb” research idea would last so long? They were particularly visionary academics, so the answer is a resounding “Yes!”

GEM's first annual study covered 10 countries. Since then, some 120 countries have participated in the research. This has enabled GEM to become the richest source of reliable information on the state of entrepreneurship and entrepreneurial ecosystems across the globe.

Moving forward

GEM has become much more than a project. It is a networked organisation. Currently, there are 60+ National Teams comprised of hundreds of passionate researchers.

Moving forward, GEM aims for a long-term future. The data generated will never lose relevance as economies seek to grow and thrive and as the world seeks innovative solutions to some of the greatest threats that face us. GEM will continue to be a fundamental study generating knowledge about new ventures and their subsequent economic and social impacts around the world.

Join us on the journey!

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* GRIPs = GEM Research & Innovation Projects

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Sponsor GEM

Most stakeholders want to advance entrepreneurial activity. But it is difficult to make informed decisions without having the right data. Global Entrepreneurship Monitor fills this void. Watch this short video to learn why many organisations – such as Babson College, Cartier Women’s Initiative, Fribourg School of Management, Shopify and the Women Entrepreneurs Finance Initiative – sponsor GEM, the world’s longest-running study of entrepreneurship. (Click on the image or go to <https://www.youtube.com/watch?v=UAFWuMSUxJE>.)

Entrepreneurship fuels economic growth, drives innovation, creates jobs and tackles global challenges. Global Entrepreneurship Monitor (GEM) has repeatedly provided valuable insights on how best to foster entrepreneurship to propel prosperity.

GEM is a networked consortium of national country teams, primarily associated with top academic institutions, that carries out survey-based research on entrepreneurship and entrepreneurship ecosystems around the world. It is the only global research source that collects data directly from entrepreneurs.

Why GEM?

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- **Academics** are able to apply unique methodological approaches to studying entrepreneurship.
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- **Entrepreneurs** have better knowledge on where to invest.

25+ Years of Data and Impact

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GEM began in 1999 as a joint project between Babson College and London Business School. Today there are 60+ national teams.

Join us on the journey of shaping entrepreneurship worldwide!



**Global
Entrepreneurship
Monitor**