

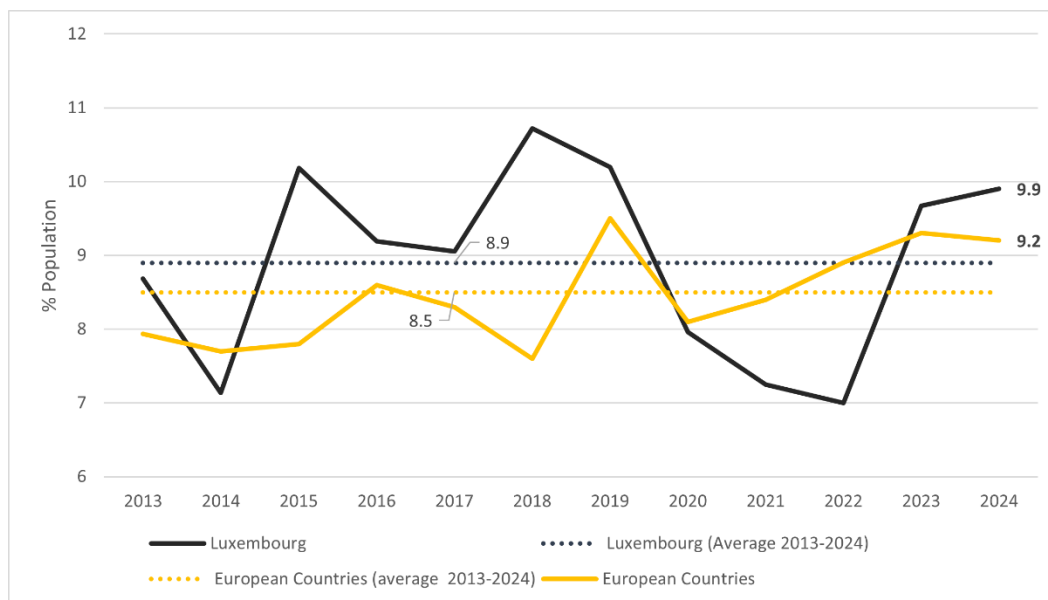


Entrepreneurship grows in Luxembourg as AI raises both optimism and fear

Entrepreneurial intentions and early-stage activity continued to grow in 2024, according to the Global Entrepreneurship Monitor (GEM). Although the post-pandemic recovery is progressing, entrepreneurs' growth expectations remain weak.

In 2024, the share of residents actively involved in a new business increased to 9.9% from a historic low of 7% in 2022. The proportion of nascent and new entrepreneurs, was higher in Luxembourg than in observed European countries (+0.7%) in 2024 (See Figure 1). Fear of failure, which had risen in the post-COVID period, fell significantly in 2024. 41% of respondents who see good business opportunities hesitate to start a business due to fear of failure. This is the lowest value ever recorded in Luxembourg. Despite this, some challenges lie ahead. 44% of entrepreneurs reported lower growth expectations than the previous year, the highest share among observed countries.

FIGURE 1 : EARLY-STAGE ENTREPRENEURIAL ACTIVITY CONTINUES TO RISE



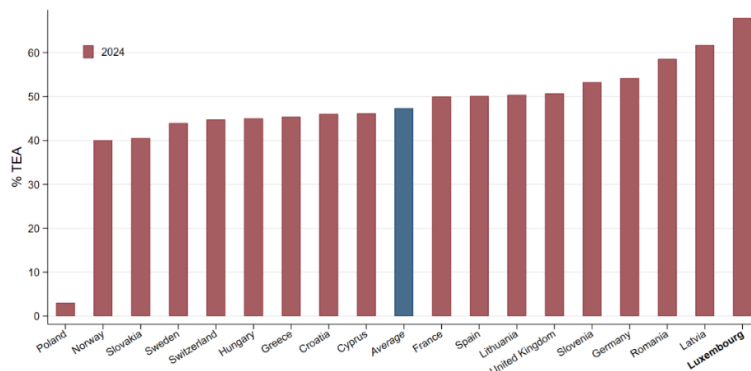
Source: GEM 2024 2025 - Total Early-Stage Entrepreneurial Activity rate (% of population).

Luxembourg's entrepreneurs value Artificial Intelligence

For the first time GEM Luxembourg collected entrepreneurs' views on Artificial Intelligence (AI). Around 34% of TEA¹ entrepreneurs consider AI to be very important for their business. This ranks Luxembourg first among European countries, for which the cross-country average is 22.3%.

Entrepreneurs are both optimistic and fearful of Artificial Intelligence. Around 68% of TEA entrepreneurs in Luxembourg expect that AI will benefit productivity and efficiency of operations. This is the highest share among European countries and well above the cross-country average of 46%. (See Figure 2). However, 58% of TEA entrepreneurs believe that AI could hamper their business because of threats to data security and privacy. These concerns are lower in Europe (45%).

FIGURE 2. ENTREPRENEURS SEE AI AS A DRIVER OF PRODUCTIVITY

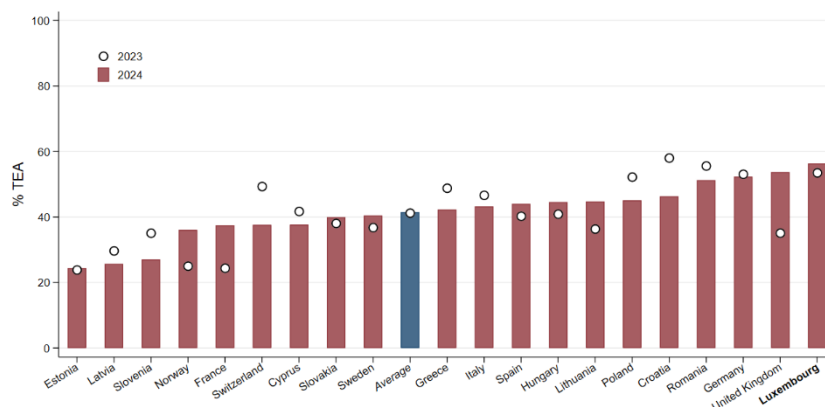


Source: GEM 2024 2025 - Share of entrepreneurs who declared that AI can improve productivity and efficiency of operations (% of TEA)

Luxembourg's entrepreneurs confirm their strong commitment to sustainability

In 2024, 54% of entrepreneurs declared to be actively engaged in minimizing environmental impact of their business. 66% reported to be actively engaged in maximising their social impact. This places Luxembourg on top of the cross-country ranking (See Figure 3).

FIGURE 3. LUXEMBOURG'S ENTREPRENEURS LEAD IN SOCIAL IMPACT INITIATIVES



Source: GEM 2024 2025 - Share of entrepreneurs who declared to have taken steps to maximize the social impact of their business over the previous year (% of TEA)

¹ TEA (Total early-stage Entrepreneurial Activity) refers to the percentage of the adult population actively involved in starting a business or running a new business less than 3.5 years old.

Characteristics of Entrepreneurs in Luxembourg

Necessity: Luxembourg has a considerably lower-than-average necessity-driven entrepreneurship (39% of Luxembourg's entrepreneurs report a business due to a lack of available jobs compared to the EU average of 57%).

Entrepreneurship gender gap widened: Across the observed period, GEM consistently showed that women have a lower propensity to engage in entrepreneurship, and this gap has increased over the past year. In 2024, the share of female entrepreneurs was 6.4% compared to 13.3% for men, whereas in 2023 it stood at 8.7% for women versus 10.6% for men.

More entrepreneurs among immigrants than natives: Immigrants have higher propensity to engage in entrepreneurship. In 2024, 11.7% of immigrants were involved in TEA, compared to 7% of natives.

Cross-border and resident entrepreneurs report difficulties in finding office spaces and funds

Since 2016, GEM Luxembourg has asked respondents to assess strengths and weaknesses of the national entrepreneurial ecosystem. In 2024, a pilot study conducted with the Chamber of Commerce explored how non-resident entrepreneurs evaluate Luxembourg's entrepreneurial ecosystem. Early-stage entrepreneurs in Luxembourg (55%) and neighboring countries (67%) expressed concerns regarding the availability of affordable office space. In addition, 55% of residents and 33% of non-residents reported having difficulties accessing funding.

The Global Entrepreneurship Monitor (GEM) initiative is an international research program focused on entrepreneurship launched in 1999. Since 2013, STATEC, in collaboration with the Ministry of the Economy and the Chamber of Commerce, has been conducting a specific survey among 2,000 residents aged 18 to 64 years. GEM documents the intensity and evolution of entrepreneurial activities, the profiles of entrepreneurs, and the challenges they face. GEM collects and analyzes data to:

- Better understand the entrepreneurial spirit and its link with the economic performance of countries;
- Evaluate the evidence on the link between entrepreneurship and growth;
- Provide the necessary information to support policy actions.

The Global Entrepreneurship Monitor Luxembourg Report 2024/2025 was presented on October 16th, 2025 at the House of Entrepreneurship, 14 Rue Erasme, 1468 Kirchberg Luxembourg.

For more informations

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STATEC would like to thank all the collaborators who contributed to the production of this publication

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