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Luxembourg Global Entrepreneurship Monitor 2025/2026

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STATEC Research

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RESEARCH



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère de l'Économie

HOUSE OF
ENTREPRENEURSHIP
powered by the Luxembourg Chamber of Commerce

CHAMBER
OF COMMERCE
LUXEMBOURG
POWERING BUSINESS

Outline

- Why entrepreneurship?
- The Global Entrepreneurship Monitor research programme
- Measuring entrepreneurship
- Entrepreneurial intensity in Luxembourg
- The entrepreneurial environment
- Who are the entrepreneurs in Luxembourg?
- Barriers and enablers
- Sustainable entrepreneurship
- Artificial Intelligence
- Trade and tariffs
- Sources of funding

Why entrepreneurship?

- Contributes to economic **growth** and job creation.
- Fosters **innovation** and technological advancements.
- Promotes competition and market **efficiency**.
- Contributes to **social** and community development.

What is the Global Entrepreneurship Monitor (GEM)?

- International research consortium to **gather data** and **study entrepreneurship**.
- **Harmonised** quantitative and qualitative surveys in 120+ countries since 1999.
- **Adult Population Survey (APS)** on resident population (18-64 years old).
- **National Expert Survey (NES)** on panel of experts.
- Luxembourg joined in 2013.
- Supported by the Ministry of the Economy, the Chamber of Commerce, and the House of Entrepreneurship.
- **Users** are Luxembourg, EU, OECD, World Bank.

Measuring entrepreneurship

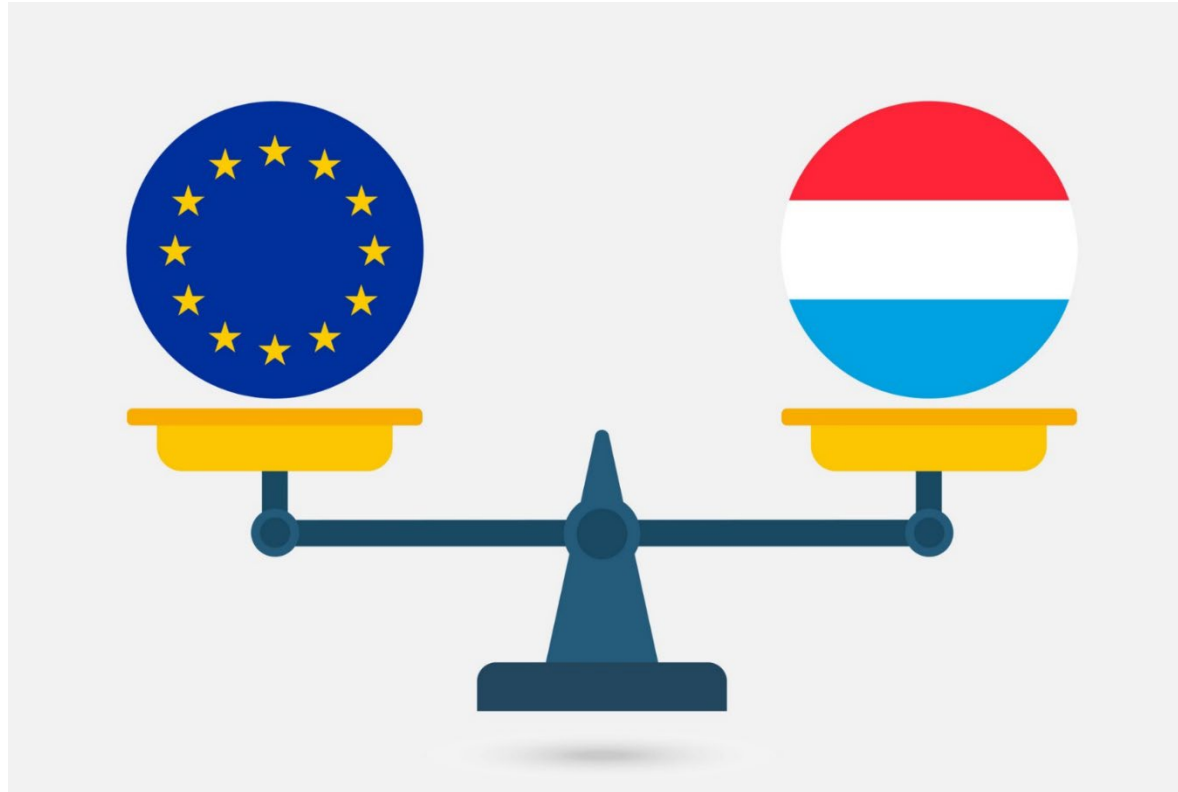
Flagship indicator: **TEA (Total early-stage Entrepreneurial activity)** focuses on entrepreneurs who are currently setting up or running a new business (0-42 months).



- **Potential:**
Intend to start a business in the next 36 months;
- **Nascent entrepreneurs:**
Involved in starting a business;
- **New entrepreneurs:**
Firms younger than 42 months;
- **Established entrepreneurs:**
Firms older than 42 months.

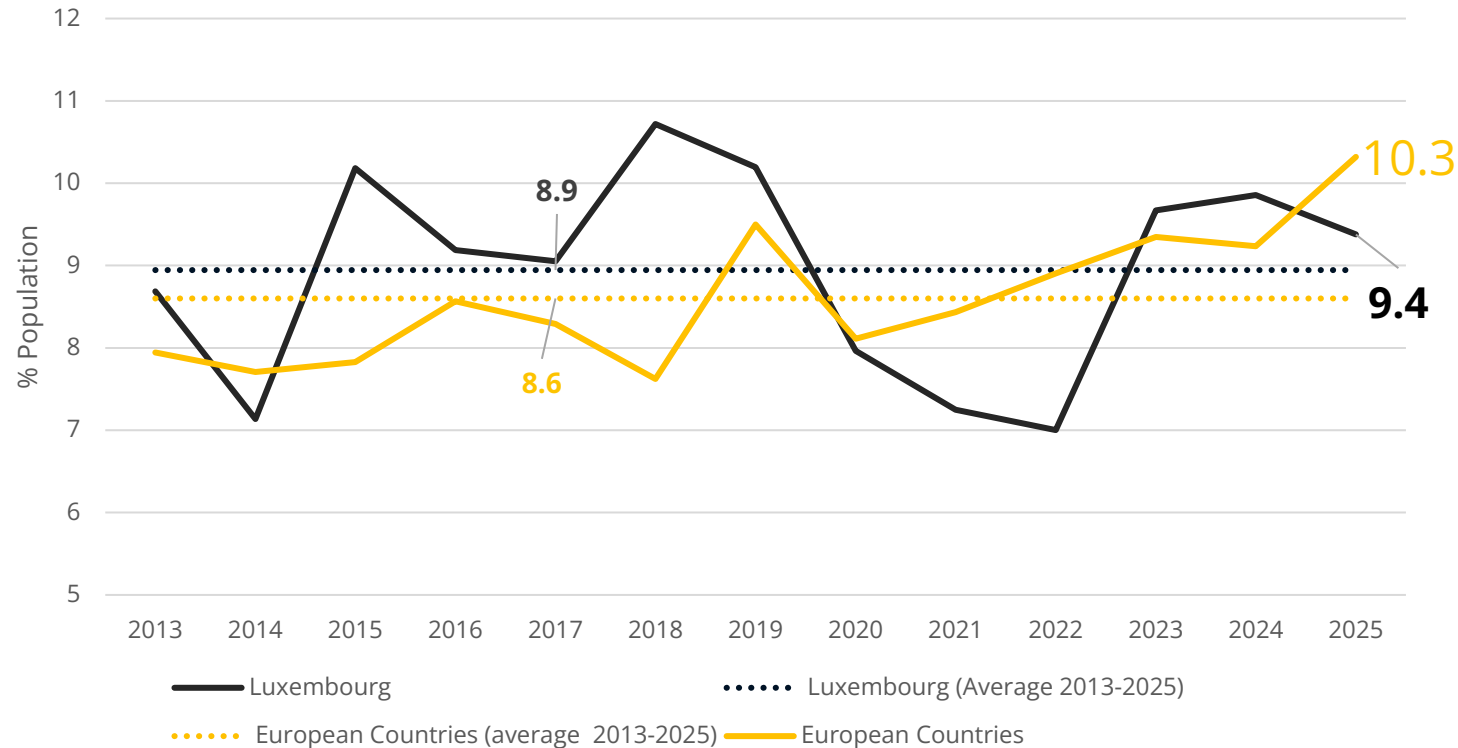
TEA

Internationally comparable data



TEA is stable amid growing global uncertainty

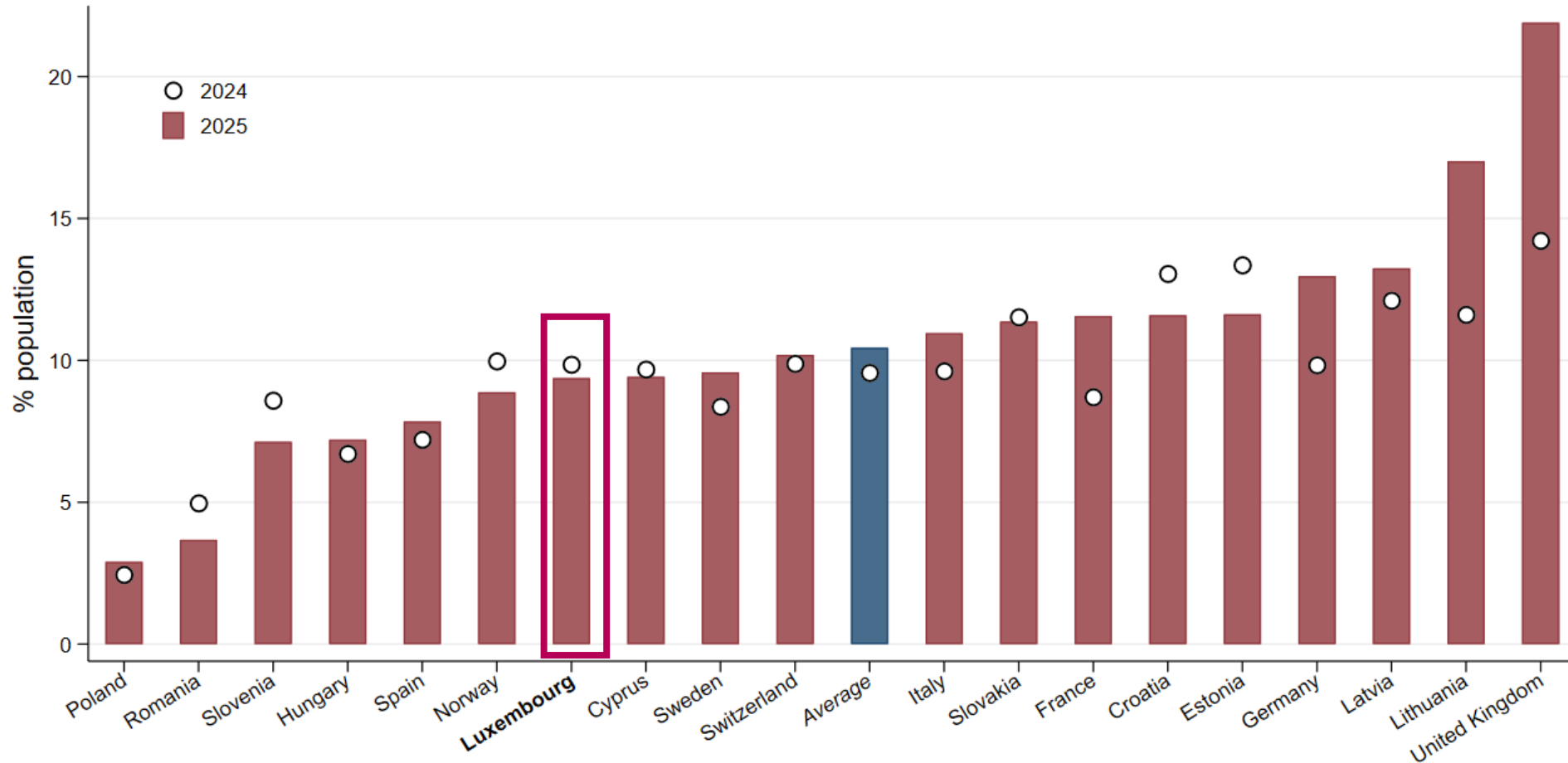
In 2013 - 2025, the period average share of TEA entrepreneurs is 8.9% in Luxembourg (8.6% in European countries).



Share of TEA (% of adults 18-64)
in Luxembourg (black) and other European countries (yellow)

Entrepreneurial activity varies across Europe

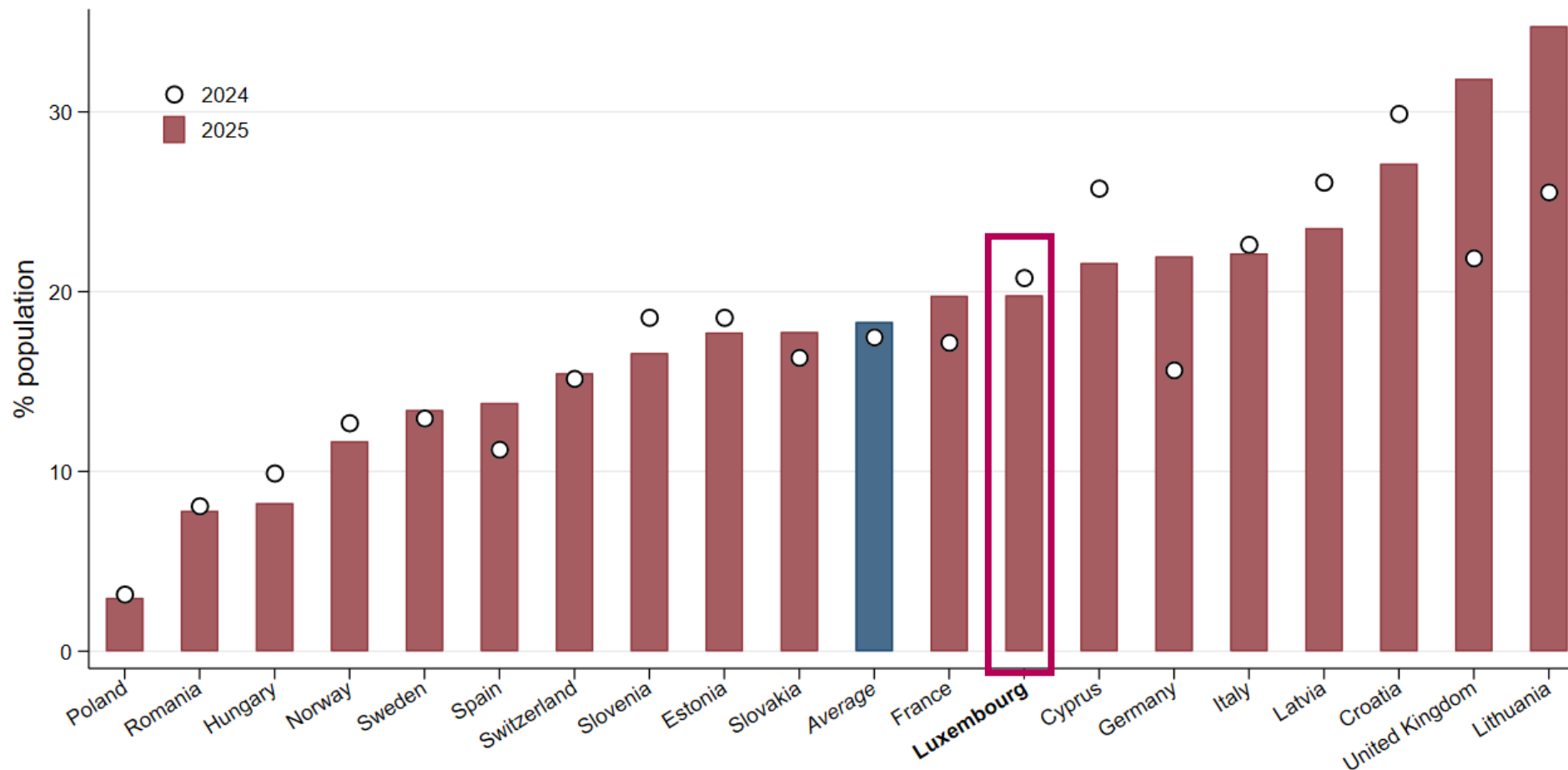
In 2025 UK ranked first with a TEA rate of 22%, and Poland ranked last with TEA rate at 3%. Luxembourg is slightly below the European average (9%).



Ranking of European countries according to TEA share (% of adults 18-64).

Entrepreneurial intentions remain high

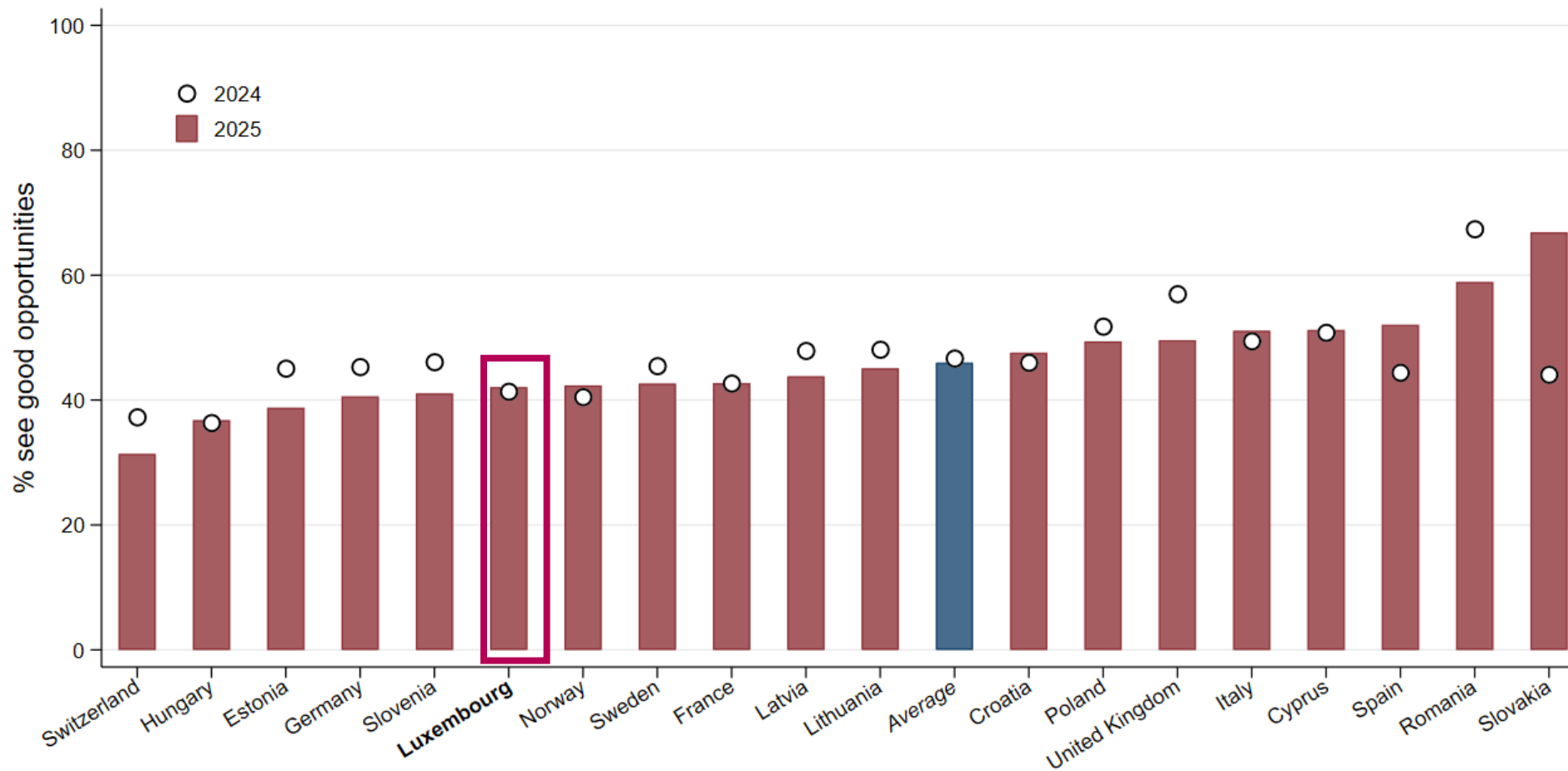
In Luxembourg, the share of people expecting to start a business in the next 3 years is higher than the European average (but it is decreasing).



"Are you expecting to start a new business, within the next three years?"
(% of adults 18-64).

Fear of failure is low

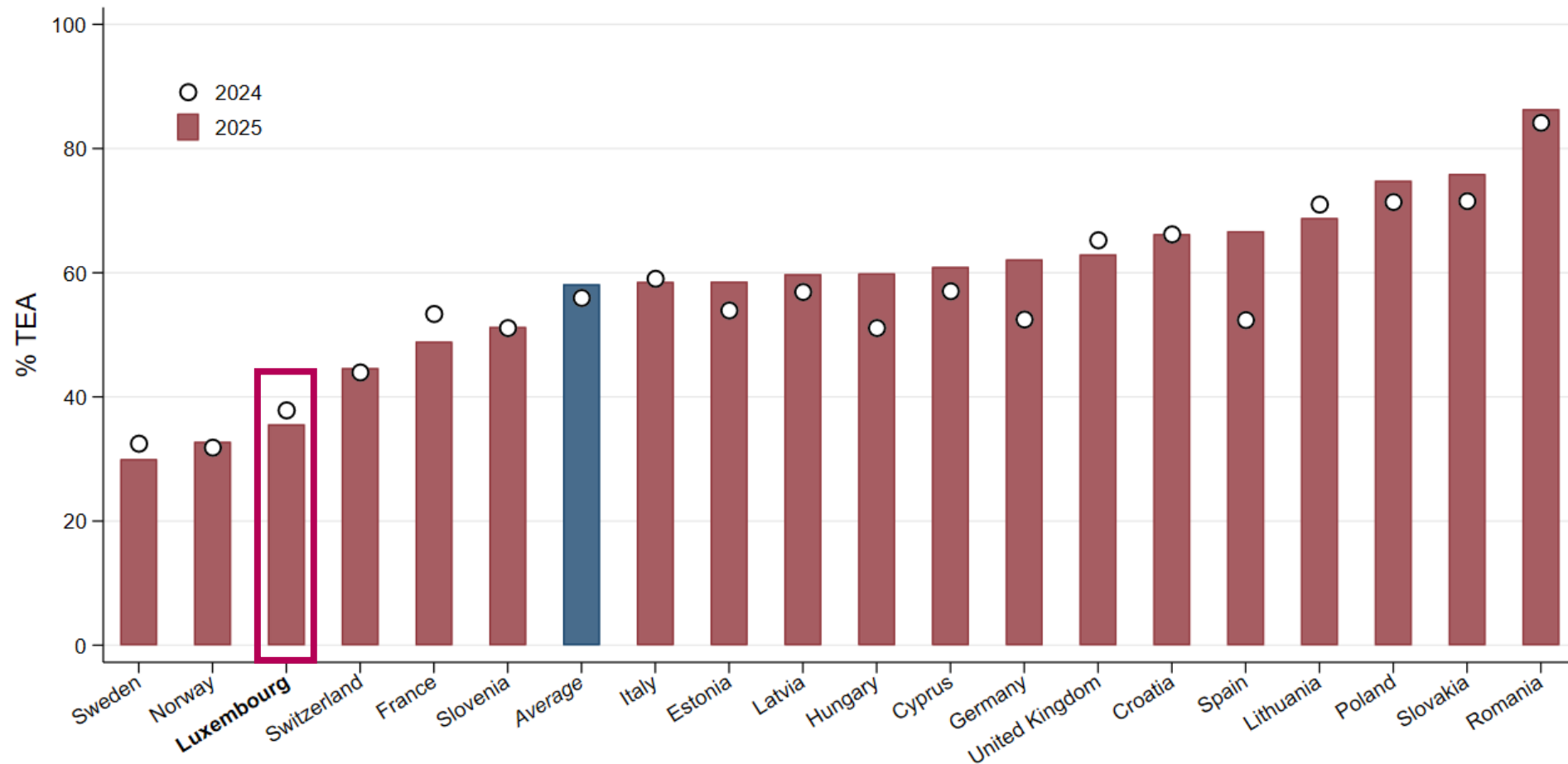
41% of respondents who see good business opportunities hesitate to start a business due to fear of failure.



Share of respondents that see good opportunities who hesitate to start a business due to fear of failure (%).

Necessity-driven entrepreneurship is low and decreasing

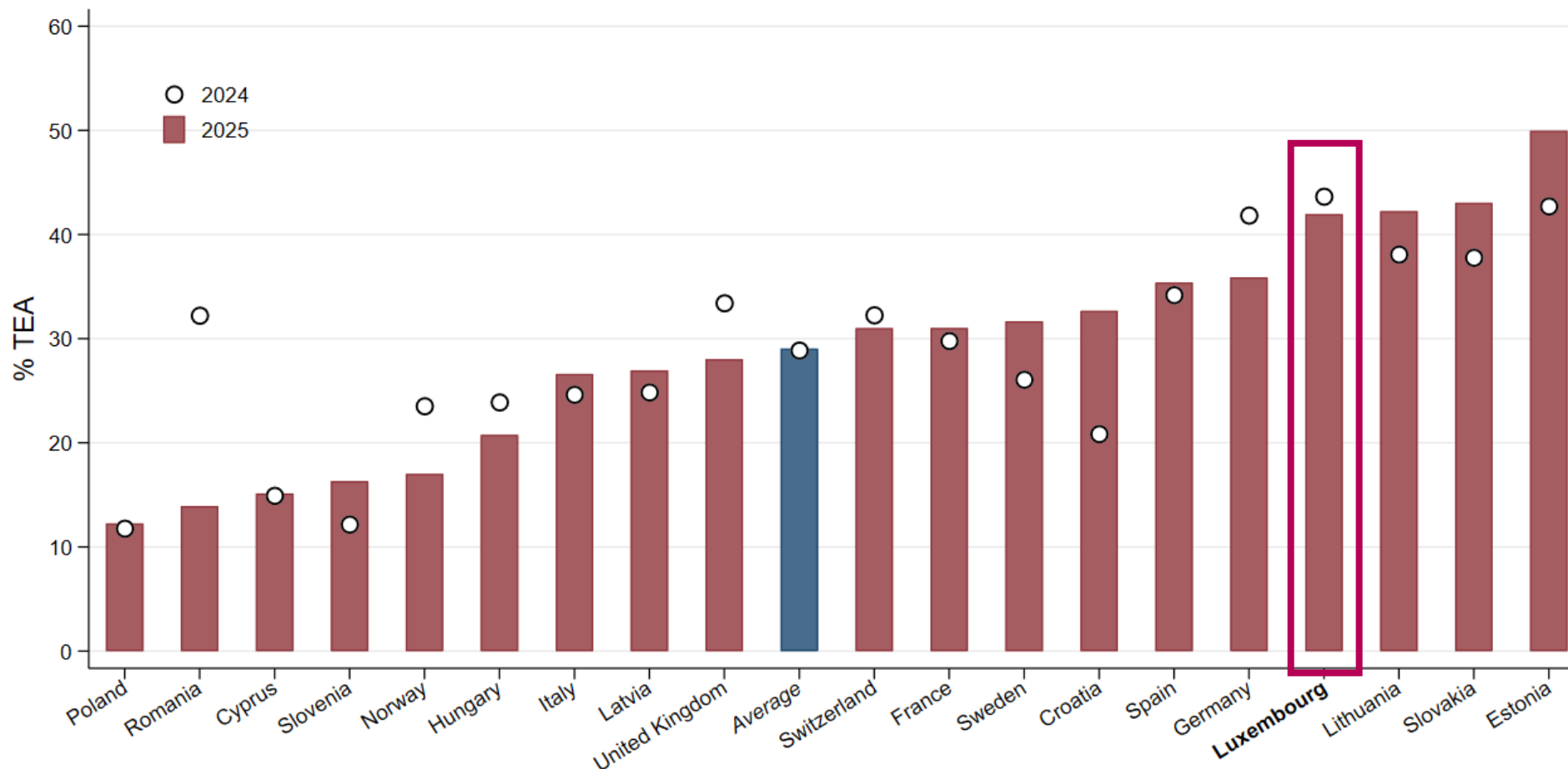
36% of Luxembourg's entrepreneurs report having started a business to earn a living because jobs are scarce (European average: 58%).



Share of TEA reporting started a business to earn a living because jobs are scarce (%).

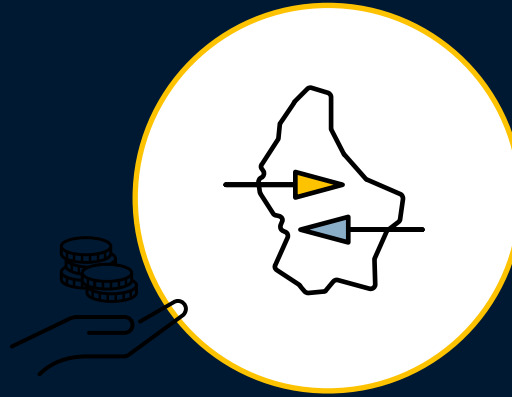
Business growth expectations are low

In 2025, 42% of entrepreneurs reported low growth expectations, the highest share among European countries (29% on average).



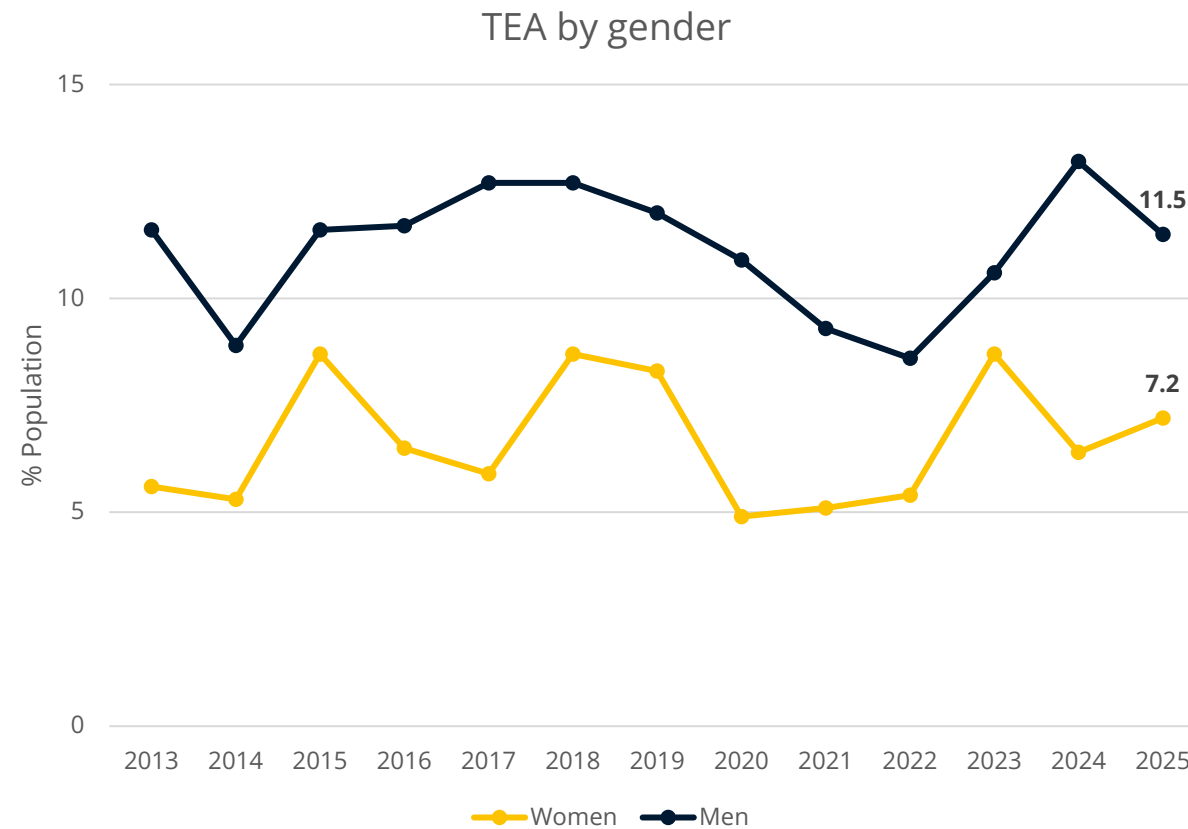
Share of TEA reporting lower growth expectations (% of TEA).

Who are the entrepreneurs?



Gender gap in TEA entrepreneurship narrows but persists

The proportion of TEA entrepreneurs is lower among women than men.
In 2025, 11.5% of men are TEA entrepreneurs compared to 7.2% of women.

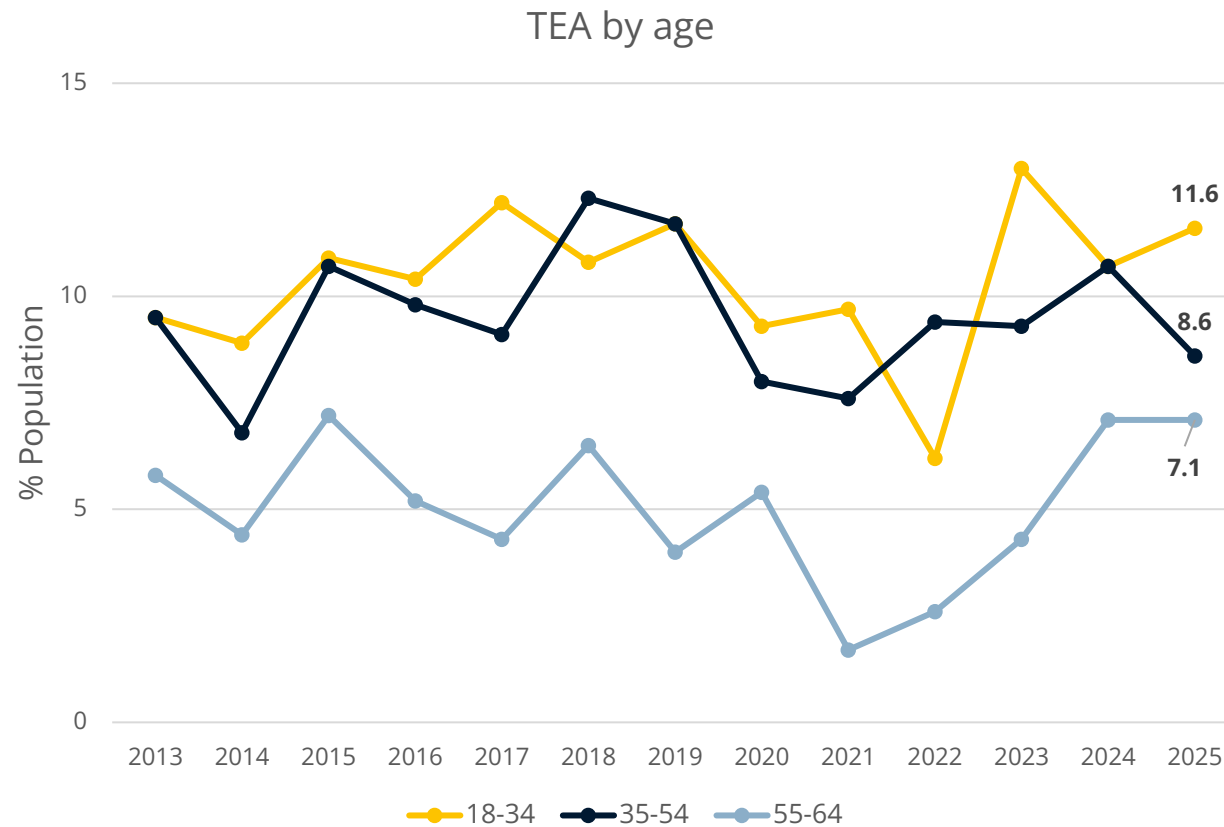


TEA entrepreneurs by gender (%).

Entrepreneurship and age

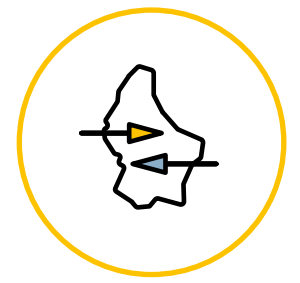


TEA tends to be higher among younger individuals, but it has increased among older age groups.

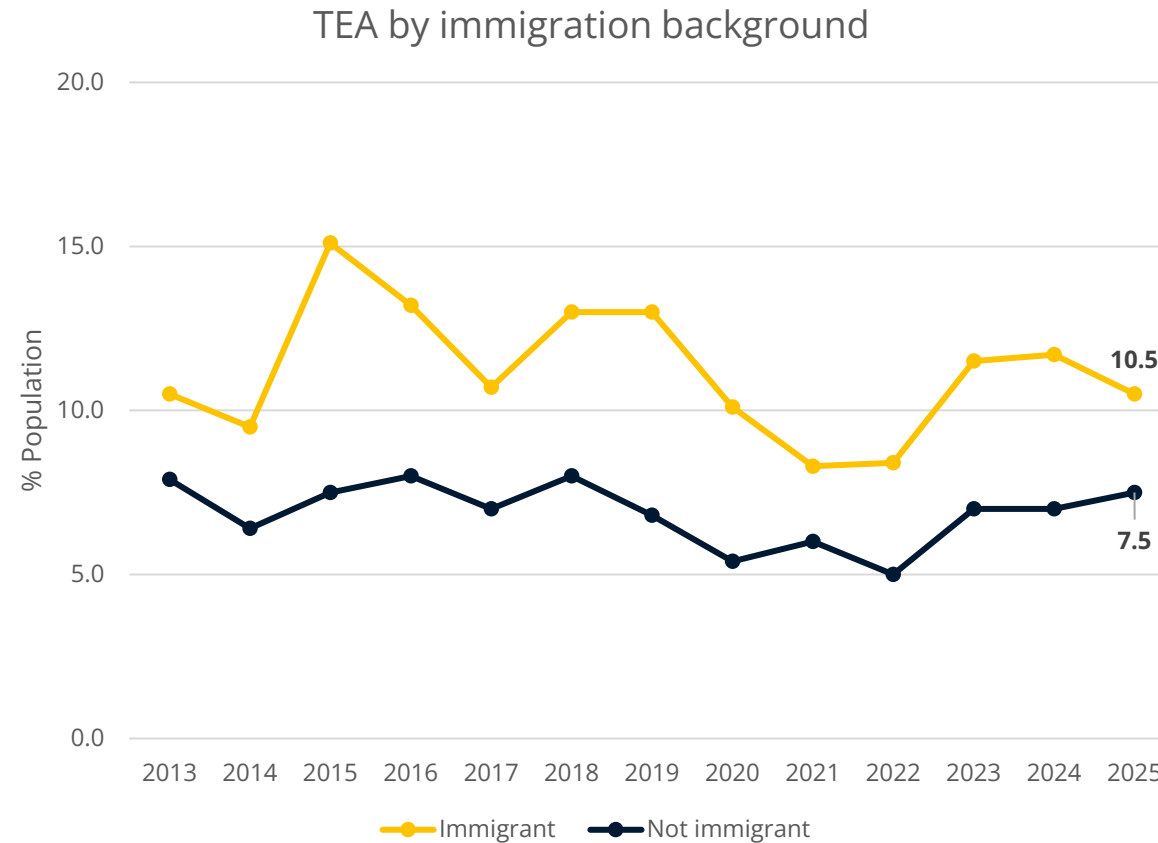


TEA entrepreneurs by age groups (%).

Immigrants contribute to entrepreneurship



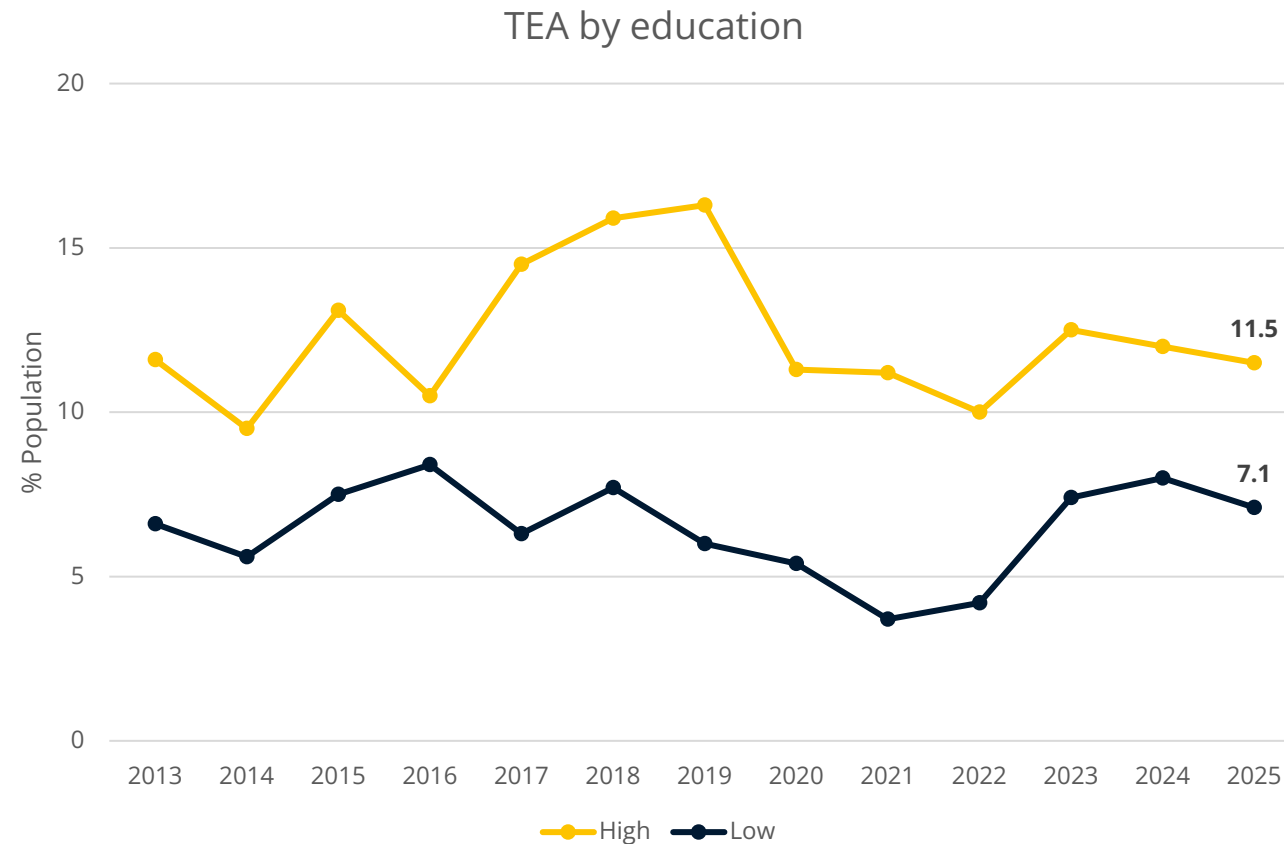
Immigrants have higher propensity to start a business than natives in Luxembourg.



TEA entrepreneurs by migrant status (%)
Immigrants are those residents who are not born in Luxembourg.

Education is positively associated to entrepreneurship

Highly educated individuals have higher propensity to start a business than others.



TEA entrepreneurs by education (high and low, %). High education is defined as obtaining at least a tertiary education degree.

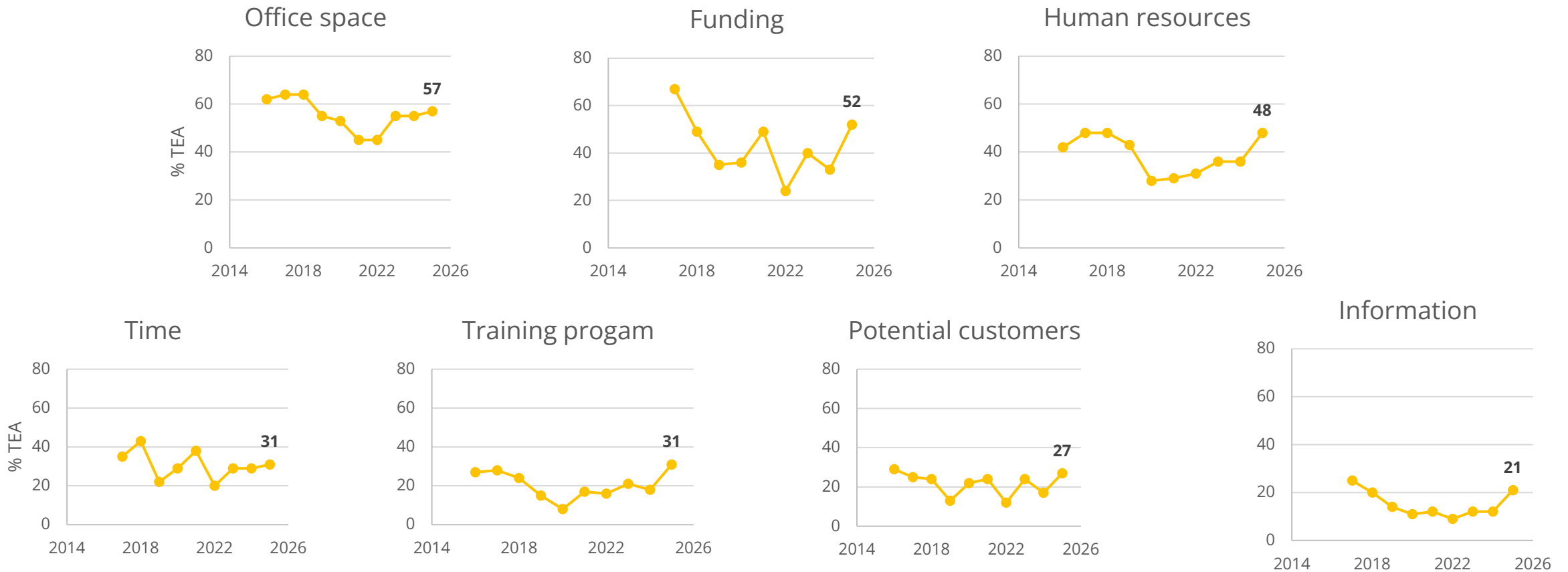
Obstacles and enablers of entrepreneurial activity

What are the perceived barriers to entrepreneurship in Luxembourg?



Office spaces, funding and HR are the main concerns

In 2025, TEA entrepreneurs reported difficulties in accessing affordable office space (57%), and funding (52%) and qualified human resources (48%).



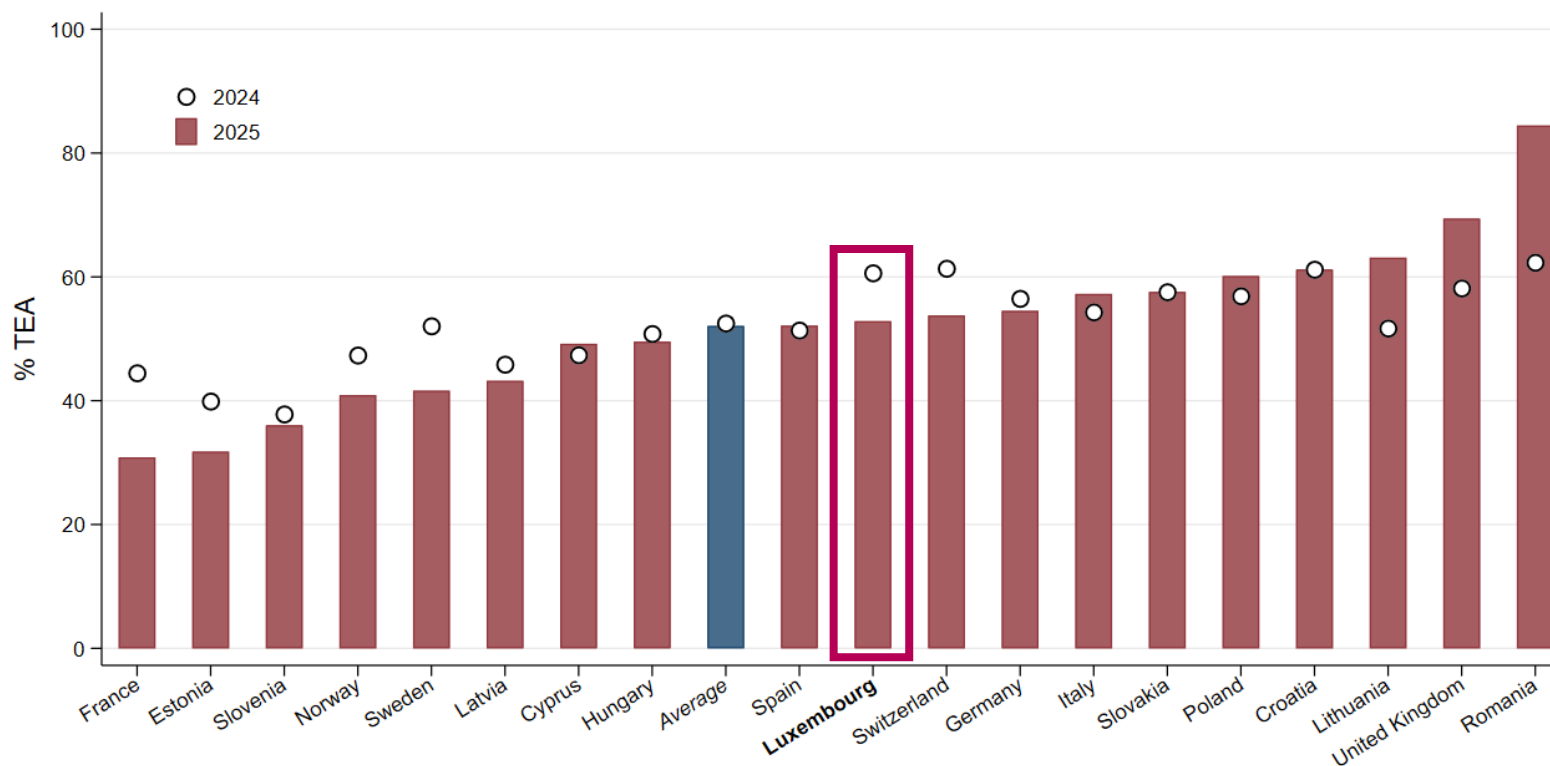
Proportion of TEA entrepreneurs that disagrees or strongly disagrees to the statement: I can easily access...

Sustainable entrepreneurship



Luxembourg position in environmental-friendly entrepreneurship weakened

In 2025, 53% of entrepreneurs reported to be engaged in *minimising environmental impact*, down from 61% in 2024.



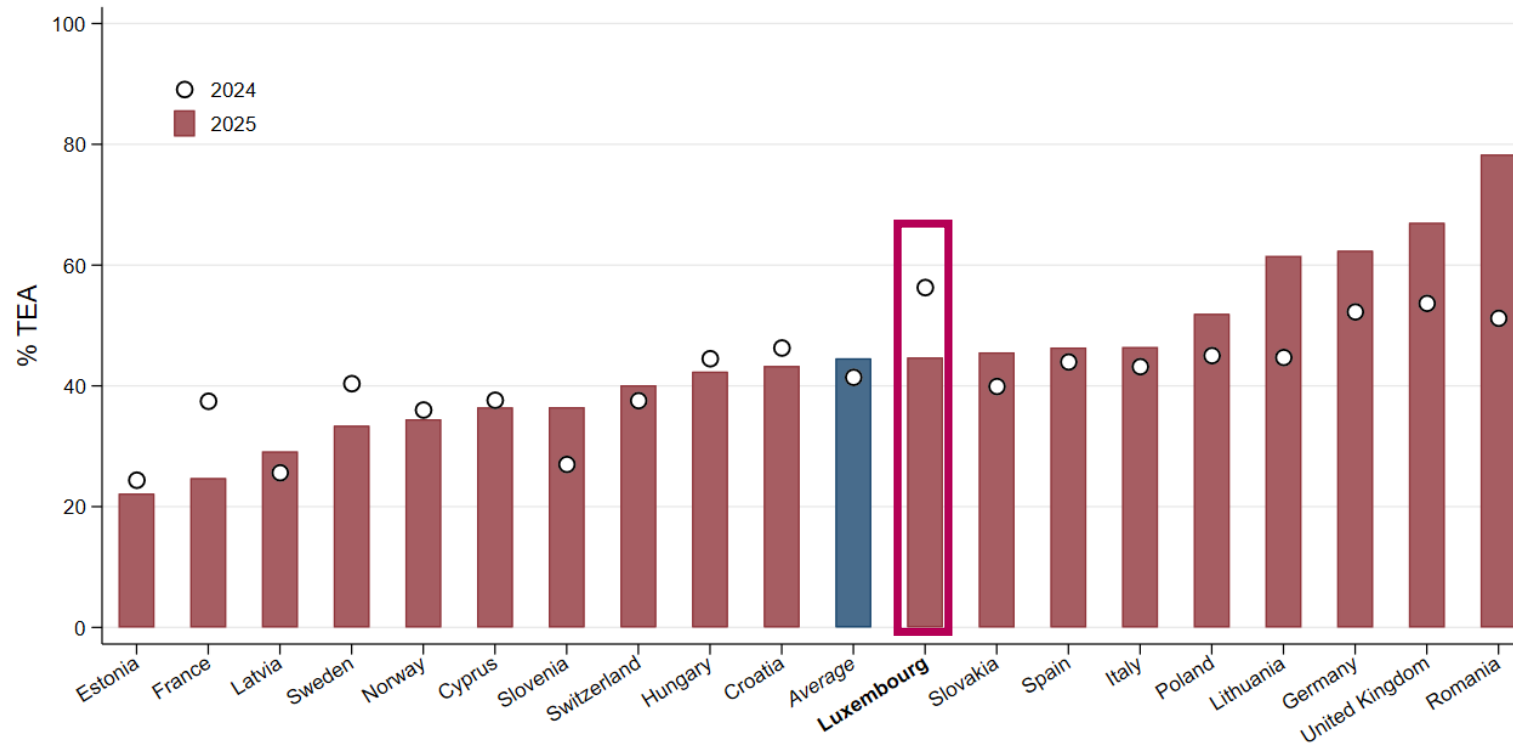
Share of entrepreneurs who declare "Have taken steps to minimize the environmental impact of the business over the past year?" (% of TEA).



Luxembourg position in social entrepreneurship weakened



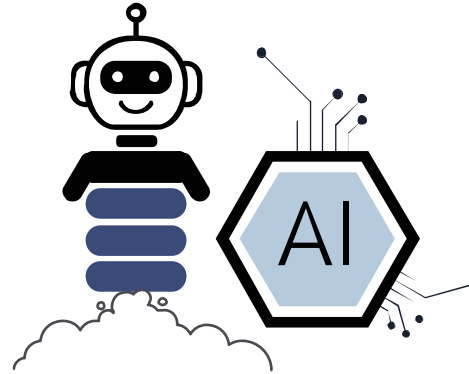
In 2025, 45% of TEA entrepreneurs declared to be engaged in *maximising social impact*, down from 56% in 2024.



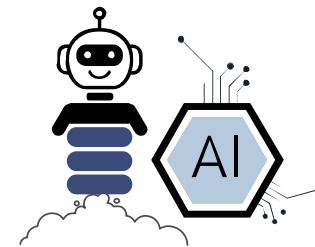
Share of entrepreneurs who declare "Have taken steps to maximize the social impact of the business over the past year" (% of TEA).

Special focus:

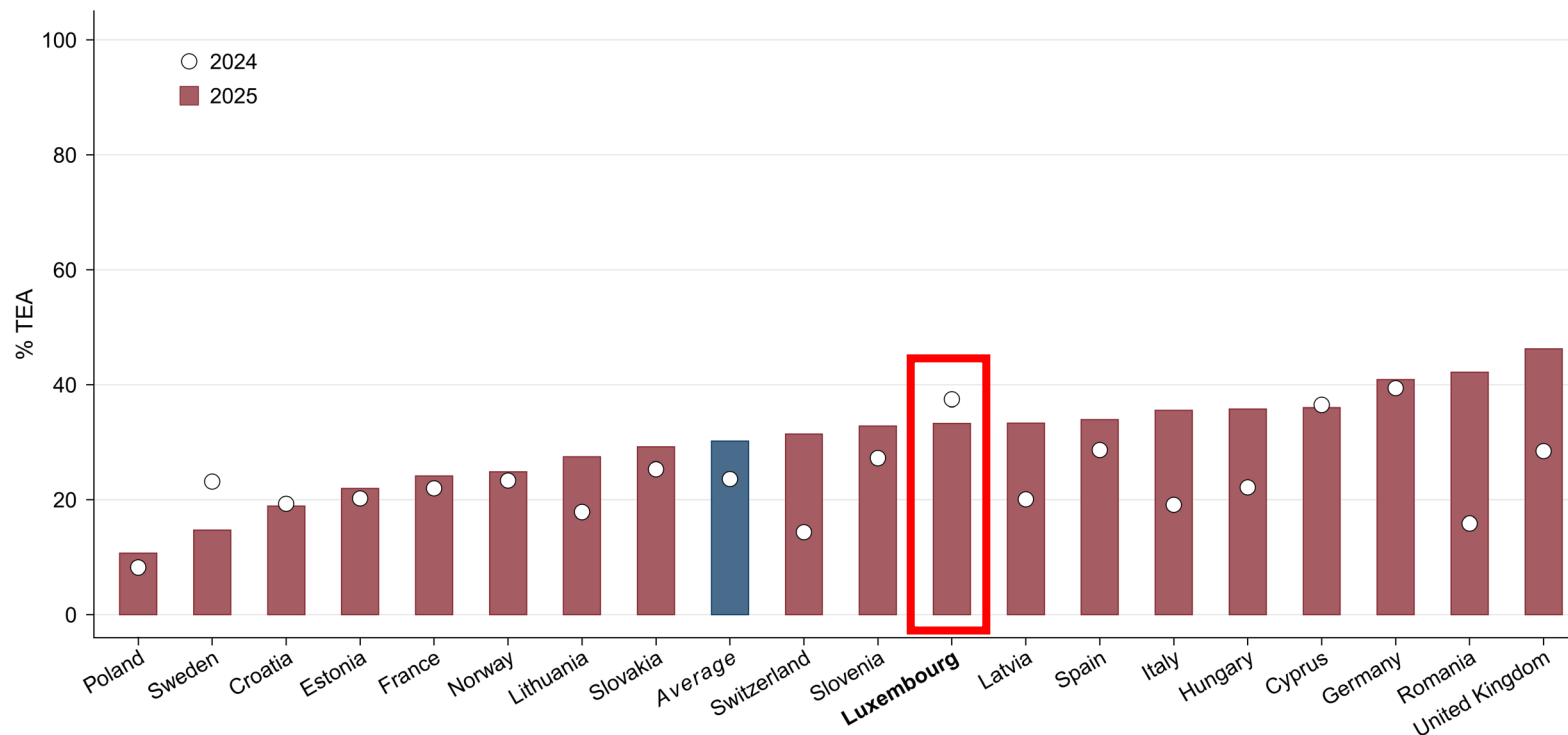
Artificial Intelligence
(across EU countries and time)



AI is embedded in entrepreneurial strategies

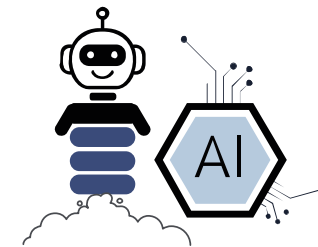


32% of TEA entrepreneurs sees AI as *very* important for their business model and strategy (34% in 2024).

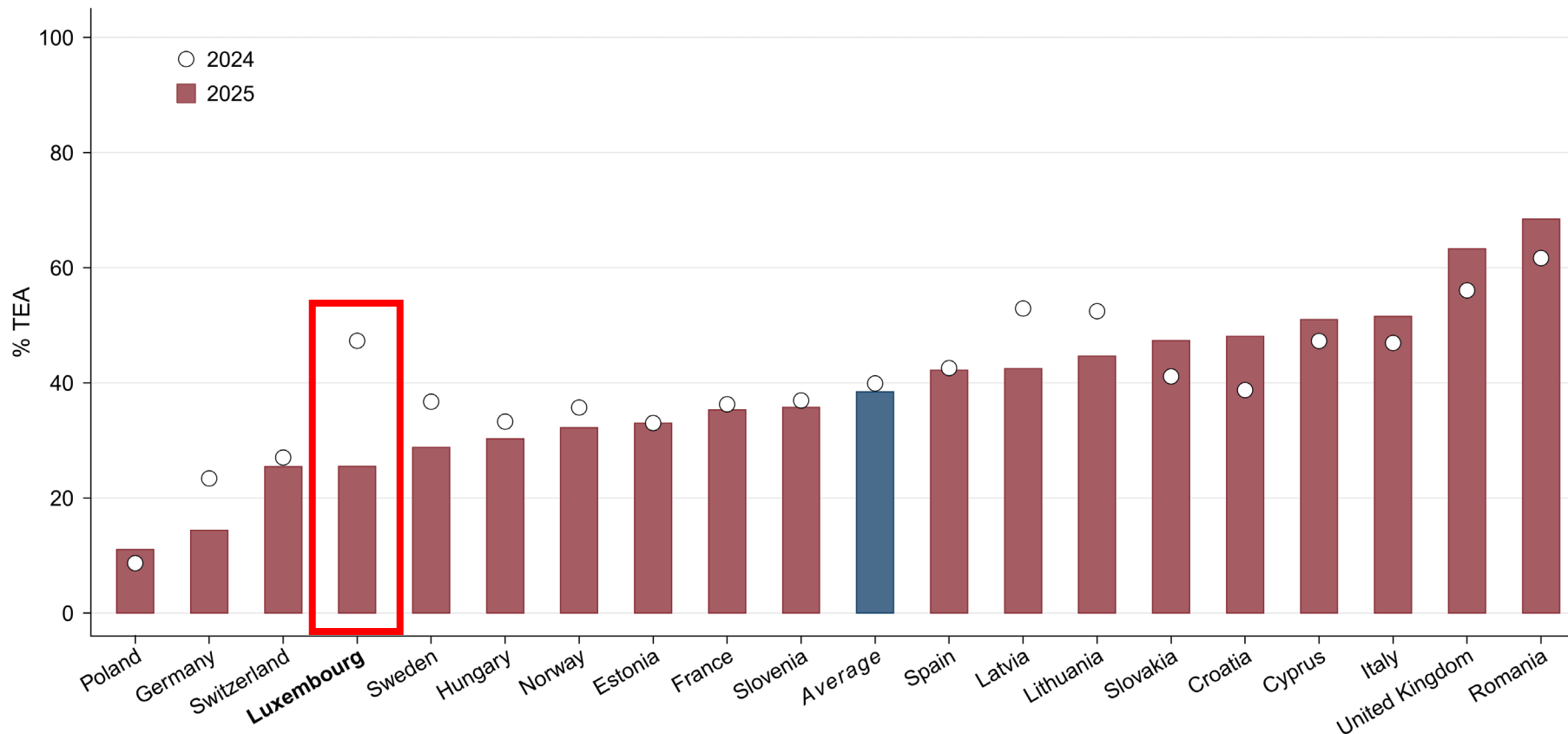


Share of TEA entrepreneurs reporting that Artificial Intelligence (e.g., ChatGPT) is very important for their business model and strategy.

Positive views on AI are decreasing

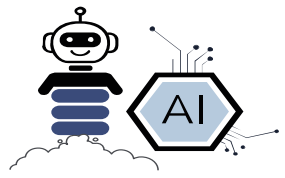


Luxembourg's entrepreneurs expecting AI to increase revenues fell from 47% to 24%.

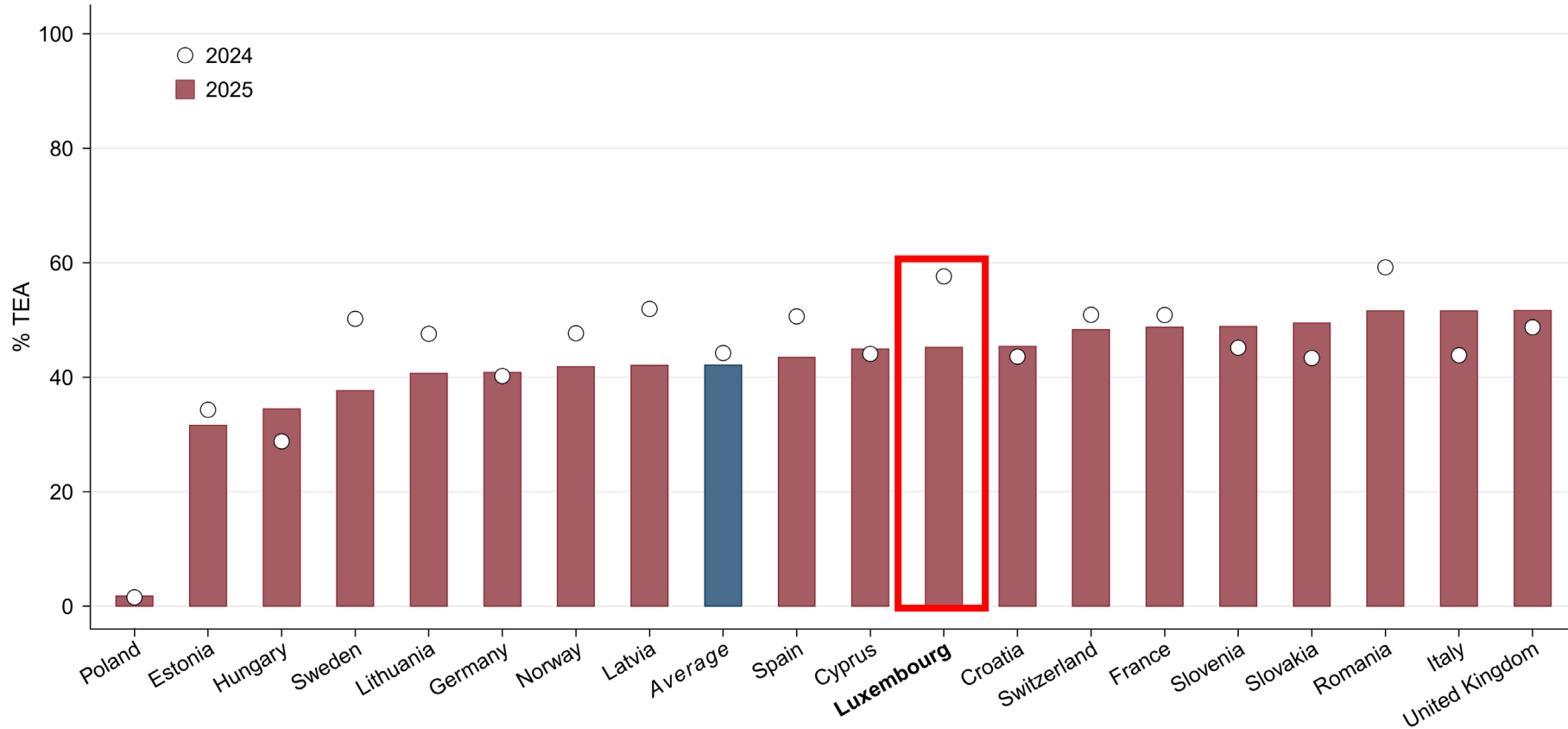


Shares of TEA entrepreneurs expecting a “high” positive impact from “increased business revenue and business growth” when introducing AI (in %).

..also concerns about AI are decreasing



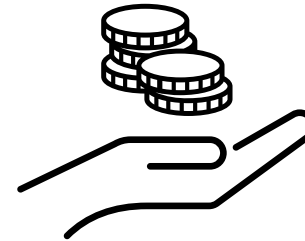
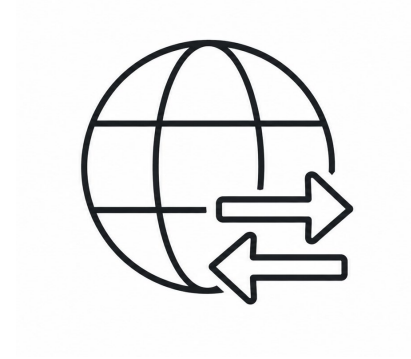
Luxembourg's entrepreneurs highly concerned by data security and privacy fell from 58% to 45%.



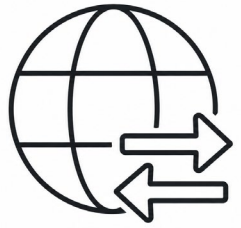
Shares of TEA entrepreneurs expecting a "high" negative impact from "data security and privacy concerns" when introducing AI (in %).

Two Luxembourg's special topics

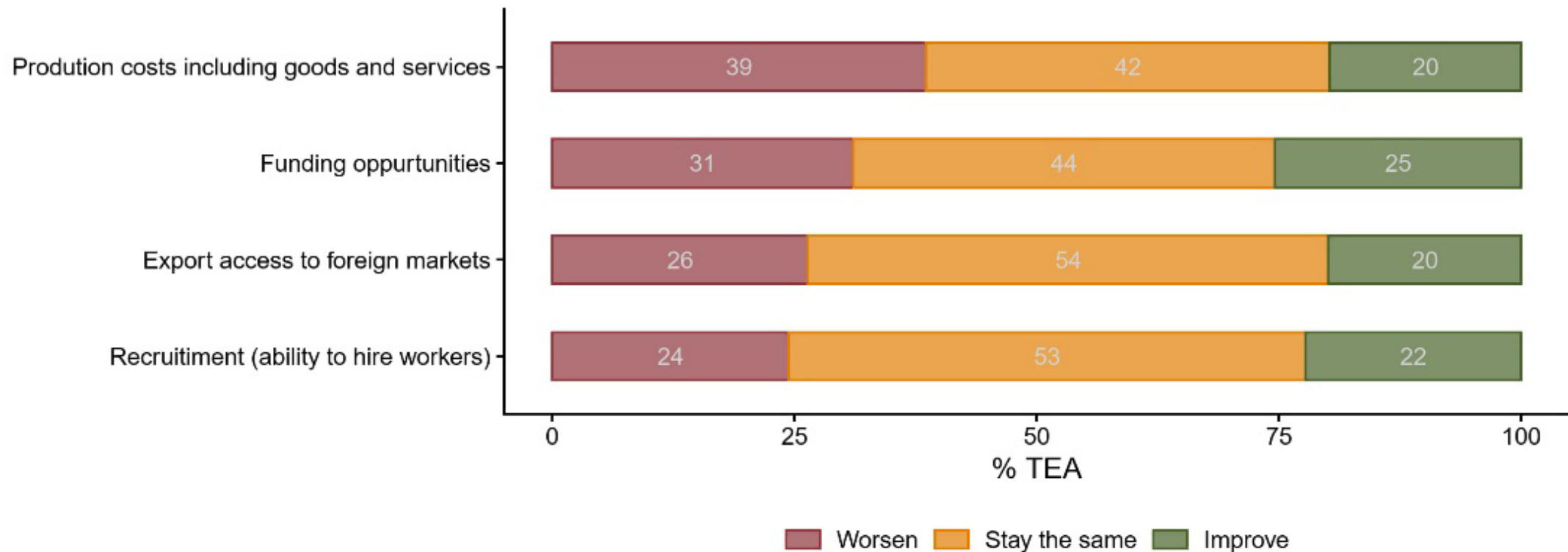
- Trade, tariffs and migration policies
- Source of financing



Change in policies having predominantly negative effects

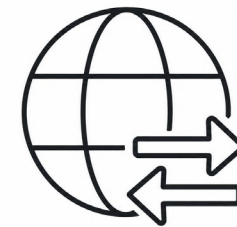


In 2025, 39% of Luxembourg's entrepreneurs expect higher production costs, compared with 20% expecting an improvement.

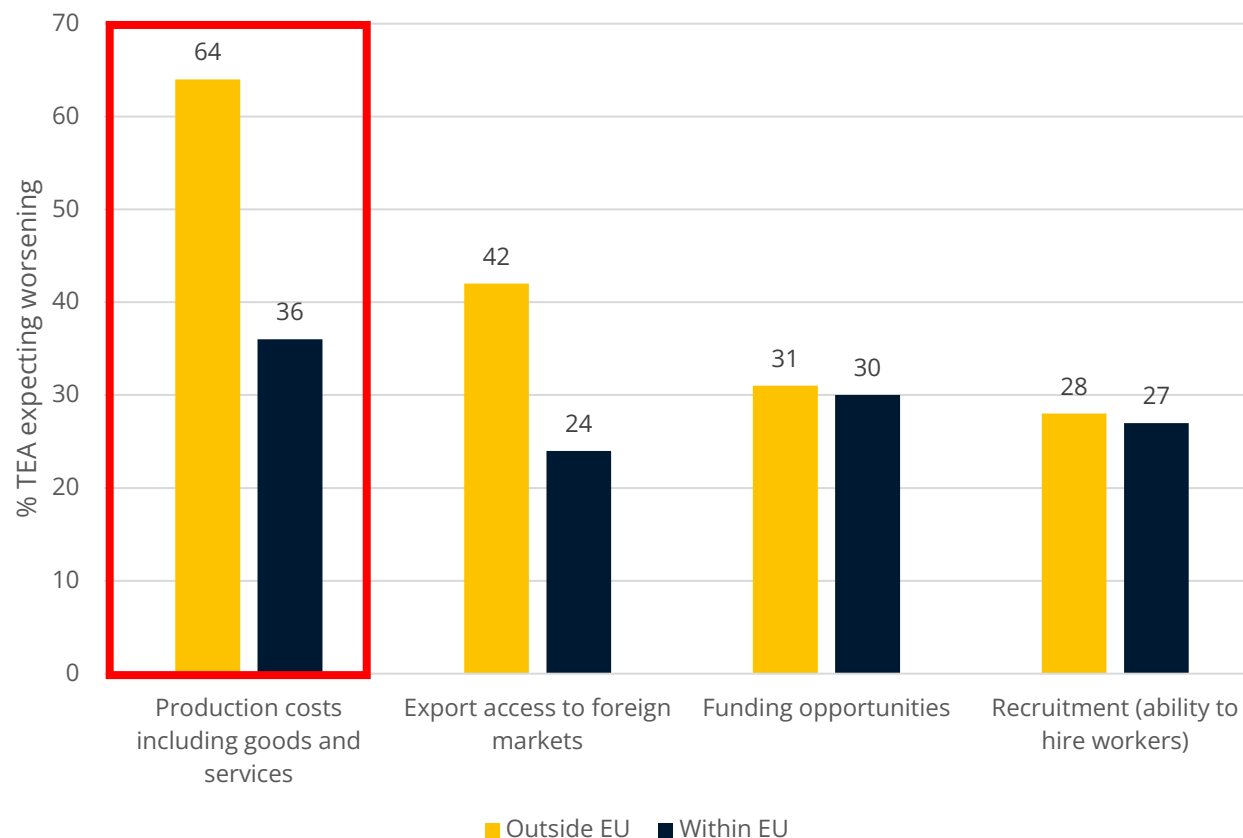


Expected impact of changes in trade, tariff, and migration policies on business conditions (% of TEA entrepreneurs).

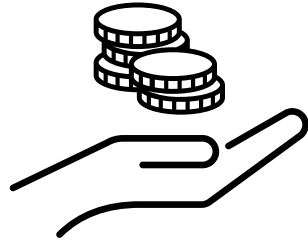
Extra-EU exporters are especially worried



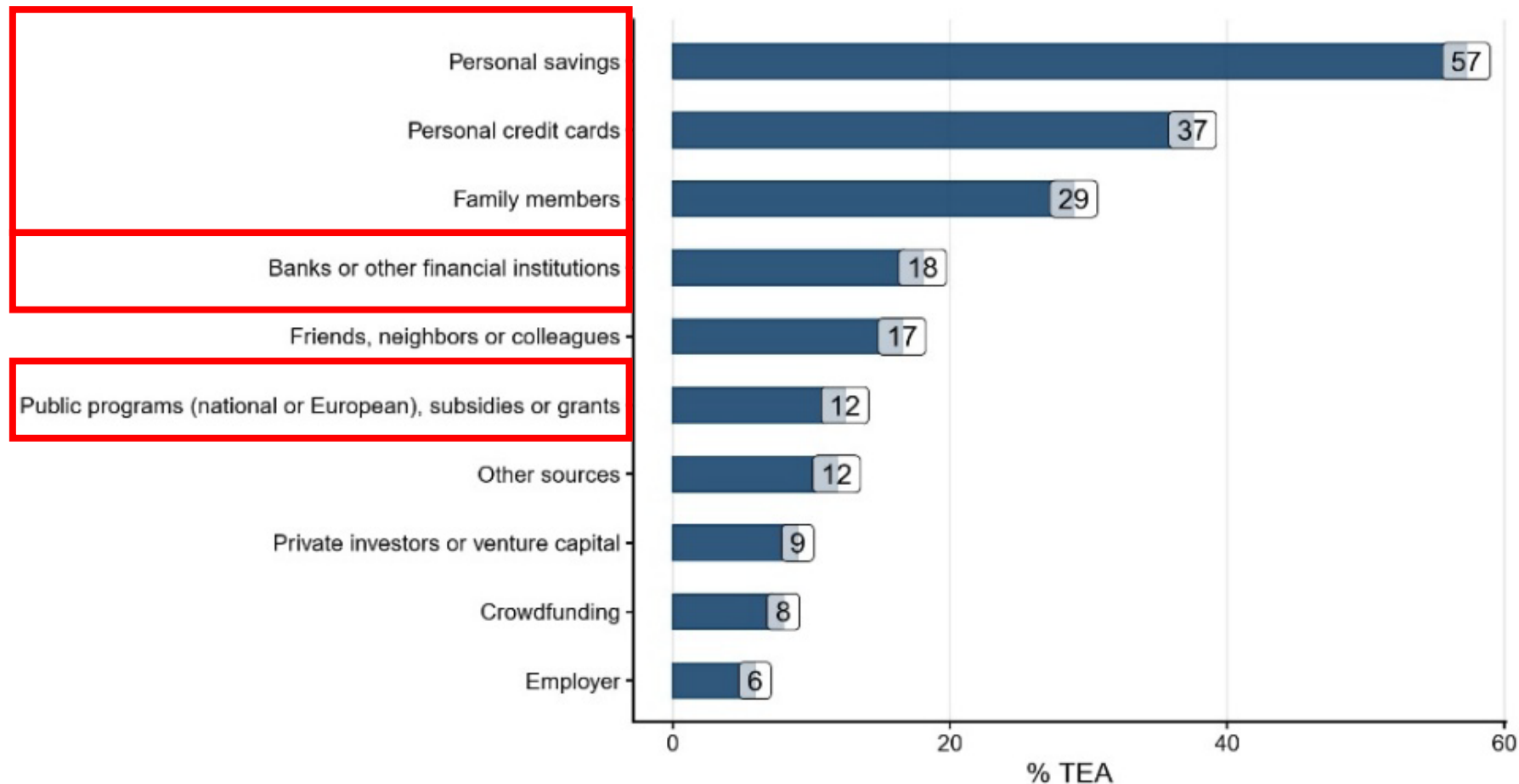
64% of Luxembourg's extra-EU exporters anticipate worsening production costs, 42% access to foreign markets



Luxembourg's entrepreneurs rely on self-financing and informal funding networks.



Sources: personal savings (57%), personal credit cards (37%), family members (29%).
18% accesses banks and 12% public financial support



What is **next**?

GEM 2026/2027 special topic:

- Fear of Failure
- More timely updates (?)



Main takeaways

- Entrepreneurial activity **broadly stable** amid growing global uncertainty.
 - Yet, business growth expectations are weak.
- Luxembourg's entrepreneurs remain **opportunity-driven** and innovative.
- Commitment to **sustainability** remains but position weakened.
- **AI is important** but perceptions evolve.
- Significant gender and socio-demographic **gaps** remain.
- Generally easy to start a business in Luxembourg.
 - Access to **finance** and office space are the main barriers according to entrepreneurs.
- Luxembourg's entrepreneurs rely primarily on **personal savings**.
- **Global uncertainty** weighs on entrepreneurs, especially if extra-EU exporters.



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Thank you! /
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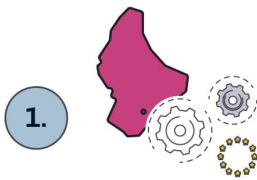
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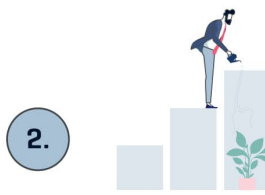
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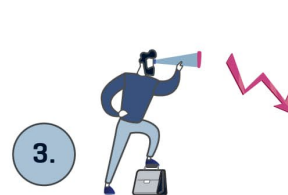
1.

Entrepreneurial activity stabilizes:
Total Early-Stage Entrepreneurial Activity (TEA) stands at 9.4%, below the EU average and aligned with Luxembourg's long-term level.



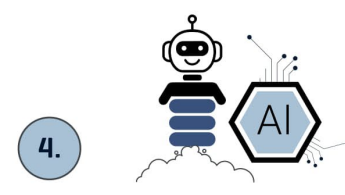
2.

Entrepreneurial intentions remain high:
19.8% of residents plan to start a business within 3 years, above the EU average. Fear of failure is comparatively low at 42%.



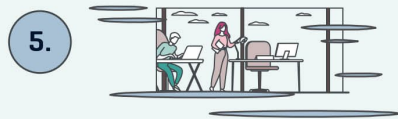
3.

Low business growth expectations:
42% of Luxembourg's entrepreneurs have weak business growth expectations.



4.

Perceived benefits and risks of AI adoption are evolving:
AI is critical for 32% of entrepreneurs. Business growth expectations from AI drop (24% vs. 47% previously), while concerns ease (45% vs. 58% previously).



5.

Funding and office space are critical barriers:
52% of TEA entrepreneurs face difficulties in accessing finance, a marked increase from previous records. Office affordability remains a barrier. Yet, most residents (59%) consider that starting a business in Luxembourg is easy.



6.

Entrepreneurs are predominantly self-funding: They indicate own savings (57%), own credit cards (38%), and family support (29%) as their primary sources of funds.



7.

International trade uncertainties weigh on exporters:
40% of early-stage entrepreneurs expect higher production costs, while only 20% expect improvements. Businesses with global reach are most vulnerable.



8.

Luxembourg's entrepreneurs are committed to sustainability: 54% seek to minimize environmental harm, and 66% to maximize social impact. Luxembourg remains among EU leaders.

TEN TAKEAWAYS



9.

Entrepreneurship gender gap narrows but persists:
In 2025, 11.5% of men vs. 7.2% of women in TEA. Women continue to report lower confidence in entrepreneurial skills.



10.

Early-stage entrepreneurship is higher among migrants:
10.5% of immigrants are involved in TEA, compared to 7.5% of natives.

Global Entrepreneurship Monitor (GEM) 2025-2026