TEN TAKEAWAYS

Global Entrepreneurship Monitor (GEM) 2025-2026

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.

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.