



GLOBAL ENTREPRENEURSHIP INDEX

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2018

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The Global Entrepreneurship Index 2018

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About The Global Entrepreneurship and Development Institute

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The Global Entrepreneurship and Development Institute (The GEDI Institute) is the leading research organization advancing knowledge on the relationship between entrepreneurship, economic development, and prosperity. The Institute, headquartered in Washington D.C., was founded by leading entrepreneurship scholars from George Mason University, the University of Pécs,

Imperial College London and the London School of Economics. The Institute's flagship project is the Global Entrepreneurship Index (GEI), a breakthrough advance in measuring the quality and dynamics of entrepreneurship ecosystems at a national and regional level. The GEI methodology, on which the data in this report is based, has been validated by rigorous academic peer review and has been widely reported in the media, including in *The Economist*, *The Wall Street Journal*, *Financial Times*, and *Forbes*. The Institute's research has been funded by the European Union, The World Bank and major corporations and banks around the world.

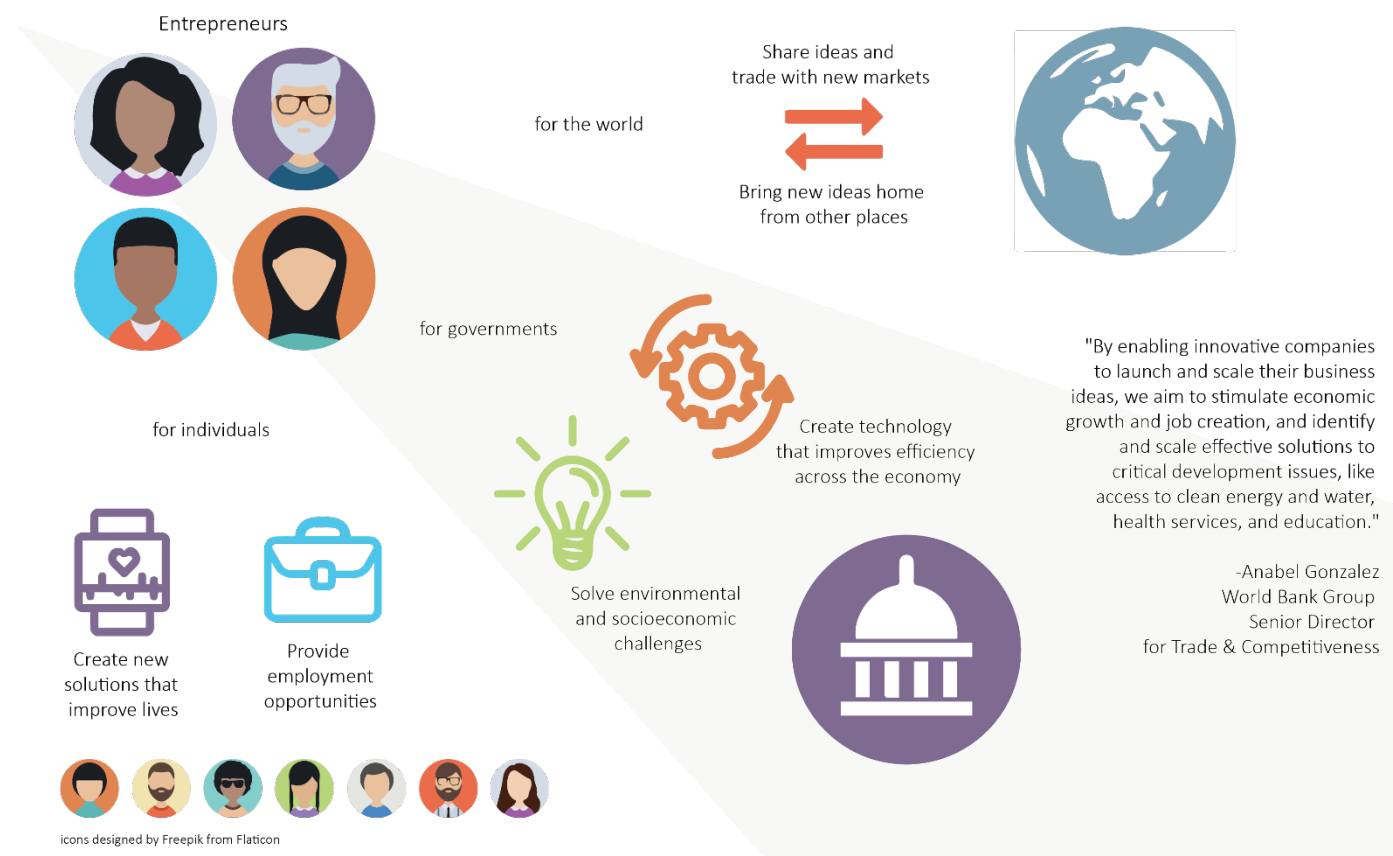
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The 2018 Global Entrepreneurship Index: Executive Summary

Why does entrepreneurship matter? How do entrepreneurs contribute?

Entrepreneurs improve economies and people’s lives by creating jobs, developing new solutions to problems, creating technology that improves efficiency, and exchanging ideas globally. Many of the conditions that help entrepreneurs also help the economy as a whole, providing even broader gains from supporting entrepreneurship.



What is the Global Entrepreneurship Index?

The Global Entrepreneurship Index is a composite indicator of the health of the entrepreneurship ecosystem in a given country.

The GEI measures both the quality of entrepreneurship and the extent and depth of the supporting entrepreneurial ecosystem. We’ve identified the 14 components that we believe are important for the health of entrepreneurial ecosystems, identified data to capture each, and used this data to calculate three levels of scores for a given country: the overall GEI score, scores for Individuals and Institutions, and pillar level

scores (which measure the quality of each of our 14 components). The questions that we seek to answer using the variables we’ve selected for each pillar are:

Component of the entrepreneurship ecosystem ¹	What does it measure?
Pillar 1: Opportunity Perception	Can the population identify opportunities to start a business and does the institutional environment make it possible to act on those opportunities?
Pillar 2: Startup Skills	Does the population have the skills necessary to start a business based on their own perceptions and the availability of tertiary education?

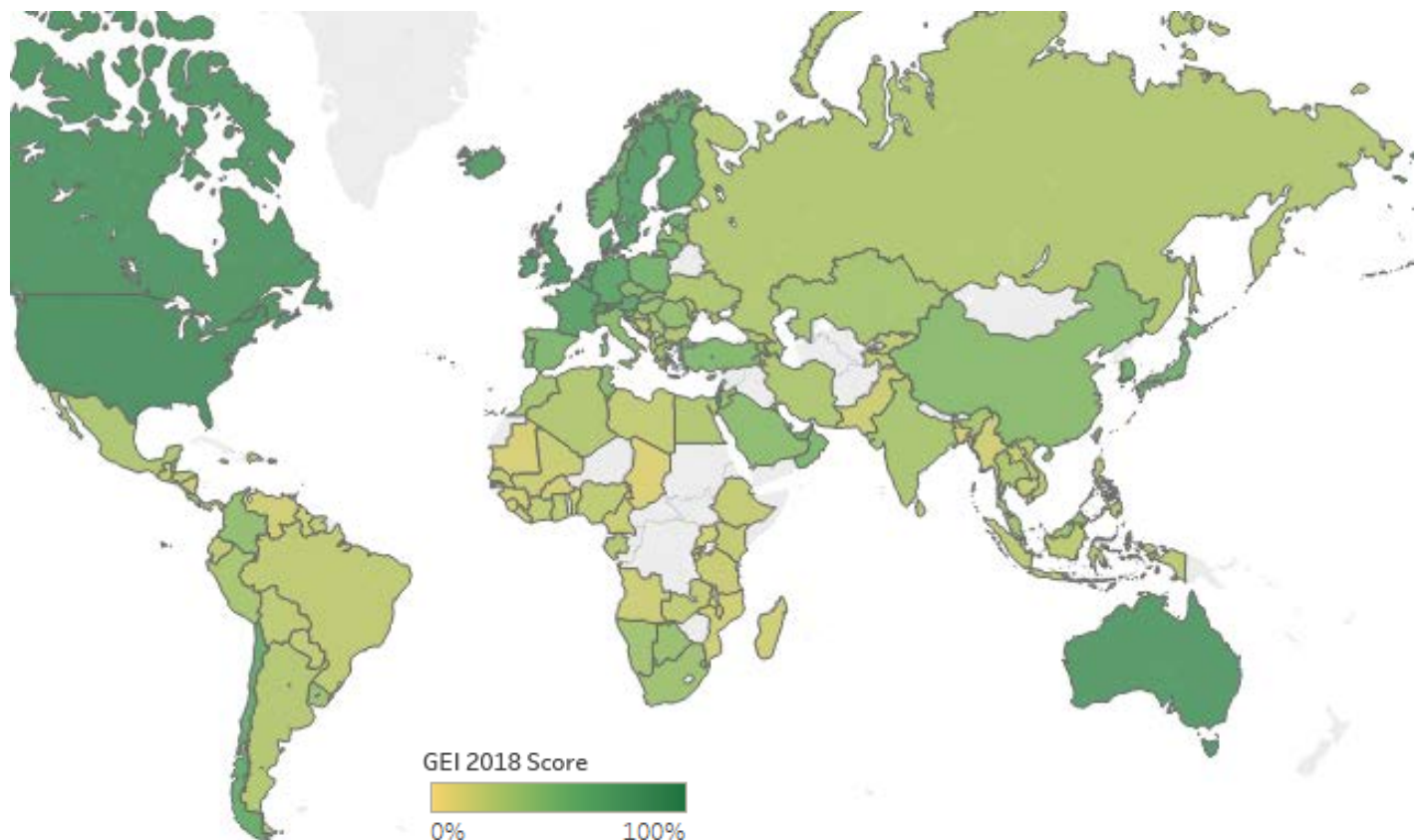
¹ For more detail on the contents of these pillars, see “The Global Entrepreneurship Index 2018: in depth” section of this report. For additional detail on our methodology, see the 2018 GEI Technical Annex, available at www.thegedi.org.

Component of the entrepreneurship ecosystem ¹	What does it measure?
Pillar 3: Risk Acceptance	Are individuals willing to take the risk of starting a business? Is the environment relatively low risk or do unstable institutions add additional risk to starting a business?
Pillar 4: Networking	Do entrepreneurs know each other and how geographically concentrated are their networks?
Pillar 5: Cultural Support	How does the country view entrepreneurship? Is it easy to choose entrepreneurship or does corruption make entrepreneurship difficult relative to other career paths?
Pillar 6: Opportunity Perception	Are entrepreneurs motivated by opportunity rather than necessity and does governance make the choice to be an entrepreneur easy?
Pillar 7: Technology Absorption	Is the technology sector large and can businesses rapidly absorb new technology?

Component of the entrepreneurship ecosystem ¹	What does it measure?
Pillar 8: Human Capital	Are entrepreneurs highly educated, well trained in business and able to move freely in the labor market?
Pillar 9: Competition	Are entrepreneurs creating unique products and services and able to enter the market with them?
Pillar 10: Product Innovation	Is the country able to develop new products and integrate new technology?
Pillar 11: Process Innovation	Do businesses use new technology and are they able access high quality human capital in STEM fields?
Pillar 12: High Growth	Do businesses intend to grow and have the strategic capacity to achieve this growth?
Pillar 13: Internationalization	Do entrepreneurs want to enter global markets and is the economy complex enough to produce ideas that are valuable globally?
Pillar 14: Risk Capital	Is capital available from both individual and institutional investors?

What do this year's results show?

The map below shows the overall GEI score for each of the 137 countries in the 2018 Global Entrepreneurship Index



- Globally, **GEI scores** have improved by 3% on average since last year's Index.
- In the 2018 GEI, **the Asia-Pacific region** on average scores best (and is improving) in Product Innovation. The region is also strong in Human Capital
- **Europe** shows stable high scores in Technology Absorption and Internationalization, and region's average score on Startup Skills has recently climbed into the same league.
- The **Middle East and North Africa** region demonstrates strength in Product Innovation and Risk Capital.
- **North America's** strongest areas are Opportunity Perception and Risk Acceptance
- **South / Central America and the Caribbean** is strongest in the areas of Startup Skills and Product Innovation
- **Sub-Saharan Africa** shows greatest strength in Opportunity Perception.
- Globally, we've seen a **22% increase in Product Innovation scores** since the 2017 GEI, and an **11% increase in Startup Skills scores** since the 2017 GEI. This suggests that the global population is becoming more educated and identifying more opportunities to create new products.
- **Small declines** (less than 2%) since the 2017 GEI were seen across five areas: **Cultural support, Human capital, Competition, Internationalization and Risk**

Capital. This indicates that the overall environment has in some ways become slightly less friendly to entrepreneurship.

The conclusion – certain aspects of being an entrepreneur have become a bit harder, but entrepreneurs are more than meeting this challenge with new skill acquisition and improvements in innovation capacity.

The table below shows the rank of each country in the 2018 Index:

Country	Rank ..	GEI	Country	Rank ..	GEI	Country	Rank ..	GEI
Albania	83	24%	Germany	15	66%	Norway	21	57%
Algeria	80	25%	Ghana	93	21%	Oman	33	47%
Angola	123	14%	Greece	48	37%	Pakistan	120	16%
Argentina	85	24%	Guatemala	108	18%	Panama	70	28%
Armenia	88	23%	Guinea	130	13%	Paraguay	106	19%
Australia	5	75%	Guyana	116	16%	Peru	67	28%
Austria	14	66%	Honduras	107	19%	Philippines	84	24%
Azerbaijan	62	30%	Hong Kong	13	67%	Poland	30	50%
Bahrain	35	45%	Hungary	50	36%	Portugal	31	49%
Bangladesh	134	12%	Iceland	7	74%	Puerto Rico	41	42%
Barbados	55	34%	India	68	28%	Qatar	22	55%
Belgium	17	64%	Indonesia	94	21%	Romania	46	38%
Belize	63	30%	Iran	72	27%	Russia	78	25%
Benin	128	13%	Ireland	8	74%	Rwanda	91	21%
Bolivia	97	20%	Israel	16	65%	Saudi Arabia	45	40%
Bosnia and Herzegovina	95	21%	Italy	42	41%	Senegal	103	19%
Botswana	52	35%	Jamaica	89	22%	Serbia	74	26%
Brazil	98	20%	Japan	28	52%	Sierra Leone	132	12%
Brunei Darussalam	53	34%	Jordan	49	37%	Singapore	27	53%
Bulgaria	69	28%	Kazakhstan	64	30%	Slovakia	36	45%
Burkina Faso	129	13%	Kenya	109	18%	Slovenia	25	54%
Burundi	135	12%	Korea	24	54%	South Africa	57	33%
Cambodia	113	18%	Kuwait	39	43%	Spain	34	45%
Cameroon	121	15%	Kyrgyz Republic	100	20%	Sri Lanka	90	22%
Canada	3	79%	Lao PDR	112	18%	Suriname	111	18%
Chad	137	9%	Latvia	44	40%	Swaziland	86	24%
Chile	19	59%	Lebanon	59	32%	Sweden	9	73%
China	43	41%	Liberia	119	16%	Switzerland	2	80%
Colombia	47	38%	Libya	104	19%	Taiwan	18	59%
Costa Rica	56	33%	Lithuania	29	51%	Tajikistan	99	20%
Croatia	54	34%	Luxembourg	20	58%	Tanzania	115	16%
Cyprus	32	48%	Macedonia	66	29%	Thailand	71	27%
Czech Republic	38	43%	Madagascar	125	14%	Trinidad & Tobago	81	24%
Côte d'Ivoire	105	19%	Malawi	133	12%	Tunisia	40	42%
Denmark	6	74%	Malaysia	58	33%	Turkey	37	45%
Dominican Republic	82	24%	Mali	118	16%	Uganda	131	13%
Ecuador	96	20%	Mauritania	136	11%	Ukraine	73	27%
Egypt	76	26%	Mexico	75	26%	United Arab Emirates	26	53%
El Salvador	114	17%	Moldova	92	21%	United Kingdom	4	78%
Estonia	23	55%	Montenegro	60	31%	United States	1	84%
Ethiopia	110	18%	Morocco	65	29%	Uruguay	51	35%
Finland	12	68%	Mozambique	124	14%	Venezuela	126	14%
France	10	69%	Myanmar	127	14%	Vietnam	87	23%
Gabon	79	25%	Namibia	61	31%	Zambia	102	20%
Gambia, The	117	16%	Netherlands	11	68%			
Georgia	77	26%	Nicaragua	122	15%			
			Nigeria	101	20%			