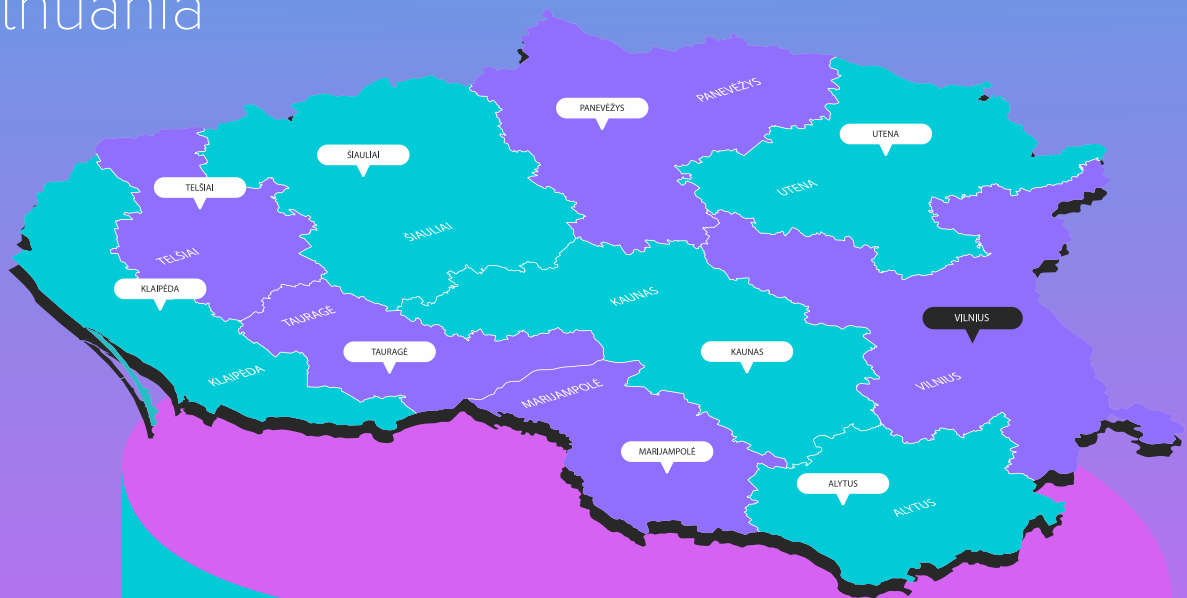




Global
Entrepreneurship
Monitor

Global Entrepreneurship Monitor Lithuania 2025/2026

The Changing Landscape
of Entrepreneurship
in Lithuania



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Disclaimer

This report is based on data collected by the GEM consortium and the GEM Lithuania team; all responsibility for the analysis and interpretation of the data is the authors' sole responsibility, unless otherwise noted in the report.

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Generative AI was used in a limited capacity for text editing and stylistic refinement. The analytical framework, interpretation of findings, and final conclusions were developed and validated by the authors.

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With appreciation for continued institutional engagement



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FOREWORD



Prof. Rimvydas Petrauskas
Rector, Vilnius University

Research that stays within university walls is research only half done. That belief shapes what Vilnius University Business School does with GEM Lithuania. Year after year, the global network of more than 500 scientists around the world asks a simple but demanding question: what is actually happening in entrepreneurship, not what we assume, not what we hope, but what the data show.

What GEM Lithuania shows is genuinely encouraging. More Lithuanians than ever are choosing to build something of their own. Entrepreneurial intentions have reached a record high. The social standing of entrepreneurs is rising. And when businesses do close, it is increasingly because someone saw an opportunity to move on — not because they failed. These are signs of a maturing entrepreneurial culture.

At the same time the report also shows us where the gaps are. The weakest condition in Lithuania's entrepreneurial ecosystem is the transfer of knowledge into the market. Universities produce knowledge. The question this report forces us to ask is whether that knowledge is reaching the people and businesses that could use it — and if not, what we intend to do about it. At Vilnius University, we do not read those findings as a direction for development.

GEM Lithuania exists because we believe that research based evidence, shared openly at both global and national level, makes ecosystems stronger. I hope this report serves that purpose — for policymakers, for entrepreneurs, and for anyone who thinks seriously about where Lithuania is headed.



Edvinas Grikšas,
Minister of the Economy and
Innovation of the Republic of Lithuania

Today, three in four Lithuanian adults see entrepreneurship as a desirable career choice. This reflects a remarkable transformation – Lithuania is not only seeing record-high entrepreneurial ambition, but has also become one of Europe’s leading ecosystems for starting and growing businesses.

These results show that Lithuania has built an ecosystem where strong innovation infrastructure, an open market and a supportive business environment create the right conditions for businesses not only to emerge, but also to grow and succeed.

I am proud of how far Lithuania has come, but I see these achievements as a foundation for even greater progress.

Through our 3i strategy – Innovation, Investment and Institutions – the Ministry of Economy and Innovation is strengthening cooperation between business and science, attracting high-value investments, supporting startups and regional development, and reducing administrative burdens for businesses. Our goal is to ensure that growth opportunities and innovation reach every part of Lithuania, creating the conditions for more businesses to scale, compete internationally and contribute to long-term economic growth.

This report is not only a reflection of where we stand today, but also an encouraging signal of where we are heading – and of the opportunities that lie ahead.

EXECUTIVE SUMMARY

In 2025, the Global Entrepreneurship Monitor continued to capture important changes in Lithuania's entrepreneurial landscape. The results show a country with rising entrepreneurial energy, stronger social recognition of entrepreneurship, and a broadening base of early-stage business creation but also continuing difficulty in converting entrepreneurial entry into stable long-term business growth. At the same time, the data also point to persistent challenges in business maturation, innovation depth, regional resilience, and science-to-market transfer. Lithuania remains one of the strongest entrepreneurial ecosystems in Europe, but the gap between entrepreneurial entry and long-term business growth continues to be one of the defining structural characteristics of the entrepreneurial environment.

Entrepreneurial Activity is Rising, but Business Maturation Remains Fragile

Entrepreneurial activity in Lithuania increased strongly in 2025. Entrepreneurial intentions reached a record high, and the Total Early-Stage Entrepreneurial Activity also rose to the highest level ever observed during the monitoring period. The early-stage business pipeline is increasingly driven by a growing number of nascent businesses, thus showing that more and more people are taking concrete steps toward launching a business.

However, the increase in early-stage entrepreneurship has not yet translated into equally strong established business ownership, suggesting that entrepreneurial entry continues to expand faster than long-term business consolidation. EBO remains low, although it improved if compared with

the previous year. Business discontinuation also increased in 2025, showing that Lithuania's entrepreneurial environment is dynamic but still fragile. Many individuals are entering entrepreneurship, but the transition from TEA to stable, mature business ownership remains one of the main structural challenges.

Business Exits are Becoming More Complex

The rise in business discontinuation should not be interpreted only as a sign of failure. In 2025, more discontinued businesses continued under new ownership, pointing to stronger business survivability and a more diverse exit landscape. A major shift was also visible in the reasons for discontinuation. While, in 2024, the main reason was that the business was not profitable, in comparison, in 2025, the dominant reason already became an opportunity to sell the business, followed by another business opportunity.

At the same time, government and tax policy or bureaucracy remained among the more important reasons for discontinuation, and problems with supply also appeared among the leading factors. This suggests that business exits in Lithuania are becoming more structurally diverse, combining opportunity-driven transitions with closures shaped by administrative, supply-chain, and market pressures.

Consumer Services Still Dominate, but Business Services are Gaining Ground

Early-stage entrepreneurship in Lithuania remained strongly service-oriented in 2025. Consumer-oriented activities continued to represent the largest share of TEA at 51.5%, confirming that retail, personal services, hospitality, education, health, and other consumer-facing activities remain in the most accessible areas for new businesses. Business services increased to 23%, reflecting a stronger role for knowledge-based, professional, administrative, digital, and business-oriented service activities.

The transforming sector decreased to 22.3%, while the extractive sector recovered to 3.2%. Although the extractive sector remains the smallest part of early-stage entrepreneurial activity, it contains a high share of entrepreneurs.

Innovation is Improving Slowly, but Global Novelty Remains Limited

Innovation among Lithuanian businesses is increasing, but the progress remains gradual. The data show that businesses are still more likely to adopt and adapt products, services, technologies, or procedures from elsewhere than to create something entirely new to the world. This is visible in the stronger presence of innovations that are new to the local area or new to the national market.

Technologies and procedures that are new to the world increased in 2025 and returned to levels similar to those observed in 2022. The overall share of globally novel innovation remains limited. Lithuania's innovation profile, therefore, remains more strongly characterised by diffusion, adaptation, and technology transfer than by breakthrough entrepreneurial creation. This has value for modernisation and competitiveness, but it also shows that more support is needed for globally original innovation.

Research Transfer Remains a Key Bottleneck

Research and development transfer remained one of the weakest entrepreneurial ecosystem conditions in 2025. This reinforces one of the central challenges for Lithuania: translating scientific knowledge, research outputs, and technological potential into market-ready products, services, and businesses. The weakness of R&D transfer also connects directly to the innovation findings, where businesses are more active in adopting innovation than in creating world-level novelty. Strengthening research commercialisation, university-business cooperation, technology transfer, and innovation finance will be necessary if Lithuania wants to move from adoption-based innovation toward more original, high-value entrepreneurship. Without stronger science-to-market pathways, Lithuania may continue to generate entrepreneurial activity without achieving equally strong innovation intensity and international technological competitiveness.

Societal Attitudes are Strong, but Starting a Business Feels More Difficult

Societal attitudes toward entrepreneurship remained positive in 2025. The share of adults who consider entrepreneurship a desirable career choice increased to 75.6%, while the perceived status and respect associated with starting a business reached a record high of 68.2%. Media visibility of successful new businesses remained high, despite a slight decrease.

At the same time, perceptions of the ease of starting a business weakened. In 2025, 64.6% of adults disagreed that it is easy to start a business, which is the highest level ever recorded during the monitoring period. This creates one of the central tensions within Lithuania's entrepreneurial

environment: entrepreneurship is respected and attractive, but many people still view the process of starting a business as difficult. This perception can affect whether record-high intentions translate into actual business creation and continuity.

Gender Gaps Persist, but Women-led Businesses Show Innovation Strengths

Female entrepreneurs reported higher international market ambition than men and stronger orientation toward products, services, technologies, and procedures that are new to the world. Women also reported slightly higher current use of mid- and high-tech technologies. This shows that women-led entrepreneurship should not be viewed only through the lens of lower participation or business maturation barriers. It also represents an important source of innovation and international potential. At the same time, the data suggest that the main gender challenge in Lithuania is becoming less related to entrepreneurial intention itself and more connected to business progression, scaling, and long-term business ownership.

Lithuania is Strong on AI Readiness, but Education and Ethics Need Attention

Lithuania's AI environment was assessed more positively than the EU average across all AI-related dimensions in 2025. Experts rated Lithuania particularly strongly in entrepreneur awareness, inclusion of AI in business models, and recognition that AI is important for the viability and long-term growth of emerging companies. Employee awareness and competence development were also evaluated positively.

The weakest area for Lithuania was the inclusion of AI-related knowledge and competences in post-school education models. This points to a gap between

business demand and the formal education pipeline. Lithuania also performs less strongly in media and public discussion of AI ethical dilemmas, while the EU average is relatively stronger in this area. As AI adoption has been accelerating, Lithuania's next challenge will be moving from high awareness and early integration toward a more institutionally mature AI ecosystem combining skills, governance, trust, and responsible implementation.

Lithuania Remains Europe's Leading Entrepreneurial Ecosystem

Lithuania remained among the strongest entrepreneurial ecosystems in the world in 2025. Its NECI score decreased only slightly, from 6.42 in 2024 to 6.36 in 2025. The global ranking declined mainly because other countries, such as Taiwan and Saudi Arabia, improved their scores. Lithuania's own ecosystem evaluation remained broadly stable.

Most importantly, Lithuania ranked number one in Europe on the NECI index in 2025. This confirms that experts continue to assess Lithuania's entrepreneurial framework conditions as highly supportive compared with other European countries. Physical infrastructure, commercial and professional infrastructure, social and cultural norms, and market entry conditions remain important strengths. Entrepreneurial finance remains relatively stable but is still not among the strongest ecosystem conditions, while R&D transfer remains the most pressing weakness for innovation-led ecosystem development.

Overall, the 2025 GEM results portray Lithuania as a highly entrepreneurial economy with strong societal support, growing early-stage activity, and increasingly visible innovation and digital readiness. At the same time, the findings highlight a continuing structural

challenge: ensuring that the rising entrepreneurial entry translates into sustainable business maturation, stronger research commercialisation, internationally competitive innovation, and long-term growth-oriented entrepreneurship. Lithuania's entrepreneurial ecosystem is no longer defined primarily by whether entrepreneurship is emerging, but increasingly by the quality, resilience, and long-term developmental impact of that entrepreneurship.

What is the Global Entrepreneurship Monitor (GEM)?

The Global Entrepreneurship Monitor (GEM) is the world's largest and longest-running international research programme dedicated to entrepreneurship. Since 1999, GEM has been measuring how people start businesses, what motivates them, what challenges they face, and how entrepreneurial ecosystems support or constrain entrepreneurial activity across different economies.

Unlike traditional business statistics that mainly track registered firms, GEM focuses on people – notably, on their attitudes toward entrepreneurship, entrepreneurial intentions, early-stage business activity, innovation behaviour, business growth aspirations, and entrepreneurial experiences.

GEM research is based on two complementary annual surveys conducted using a harmonised international methodology:

- the Adult Population Survey (APS), capturing the experiences and perceptions of individuals involved in entrepreneurship;
- and the National Expert Survey (NES), assessing the broader entrepreneurial environment through expert evaluations.

This combination allows GEM to provide a unique evidence base linking entrepreneurial behaviour with the structural conditions shaping entrepreneurship.

Today, GEM is one of the most widely used international sources of entrepreneurship data for researchers, policymakers, universities, international organisations, and innovation ecosystems worldwide.

Why does entrepreneurship matter?

Entrepreneurship plays an increasingly important role in economic development, innovation, and societal resilience. Beyond creating new businesses and jobs, entrepreneurs contribute to the development of new technologies, business models, and solutions addressing social, environmental, and economic challenges.

In a rapidly changing global environment shaped by technological transformation, digitalisation, artificial intelligence, demographic shifts, geopolitical uncertainty, and sustainability challenges, entrepreneurship has become an important source of adaptability and renewal for economies and societies.

Entrepreneurship also contributes to broader public policy goals, including innovation capacity, regional development, social inclusion, competitiveness, and the transition toward more sustainable and knowledge-based economies. Increasingly, entrepreneurial activity is linked not only to economic value creation, but also to social and environmental impact.

At the same time, entrepreneurship is becoming more diverse. Young people, women, senior entrepreneurs, migrants, and technology-driven founders are bringing new perspectives, motivations, and approaches into entrepreneurial ecosystems.

For policymakers, universities, and innovation support organisations, understanding entrepreneurial dynamics is therefore essential for designing effective entrepreneurship, innovation, education, and economic development policies. In this context, GEM provides internationally comparable evidence on entrepreneurial attitudes, activities, aspirations, and ecosystem conditions.

Why GEM matters for Lithuania?

For Lithuania, GEM provides more than international rankings or statistical indicators. It offers a broader understanding of how entrepreneurship evolves within society, how people perceive entrepreneurial opportunities, and what factors encourage or hinder entrepreneurial activity.

The GEM framework makes it possible to:

- compare Lithuania with other economies internationally;
- monitor long-term changes in entrepreneurial activity and attitudes;
- better understand different groups of entrepreneurs, including women, youth, senior entrepreneurs, and innovation-driven ventures;
- evaluate entrepreneurial ecosystem conditions;
- and identify emerging trends related to innovation, sustainability, digitalisation, and artificial intelligence.

As entrepreneurship increasingly contributes not only to economic growth but also to innovation, resilience, social inclusion, and technological transformation, GEM provides an important evidence base for entrepreneurship policy, education, and ecosystem development in Lithuania.

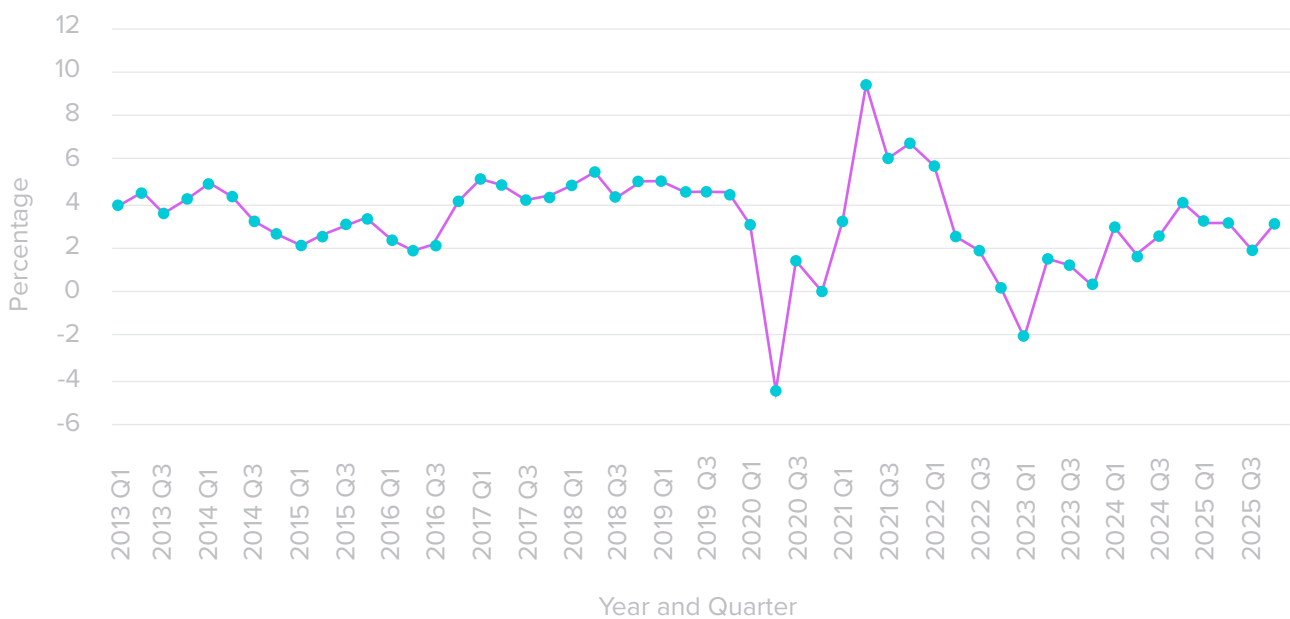
Lithuania has been participating in GEM research since 2011 with a more than a decade of break and came back in 2022, contributing to one of the world's largest longitudinal entrepreneurship databases and enabling continuous monitoring of the country's entrepreneurial development in an international context.

INTRODUCTION

As well as in previous years, the 2025 Global Entrepreneurship Monitor Adult Population Survey was conducted against a changing economic environment. Entrepreneurial intentions, early-stage activity, business ownership, and growth expectations are influenced not only by individual motivation, but also by the wider economic conditions in which people evaluate opportunities, income security, market demand, operating costs, investment risks, and future uncertainty. For this reason, the economic context of Lithuania in 2025 provides an important background for interpreting the entrepreneurial trends presented in this report. Macroeconomic conditions do not determine entrepreneurial behaviour directly, but, instead, they shape how individuals and businesses assess risk, stability, opportunity, and future growth potential.

Lithuania entered the year 2025 after a period of recovery from the weaker economic conditions observed in 2023 and the more stable growth recorded in 2024. Quarterly real GDP growth remained positive throughout 2025, reaching 3.3% in the first quarter, 3.2% in the second quarter, 2.0% in the third quarter, and 3.1% in the fourth quarter. This pattern indicates that the economy continued to grow, although the pace of expansion remained uneven across quarters. For entrepreneurs, stable positive growth can strengthen confidence in market demand, but the uneven quarterly dynamics also suggest that confidence in longer-term economic stability had not fully normalised.

Figure 1. Quarterly Real GDP Growth in Lithuania, 2013–2025

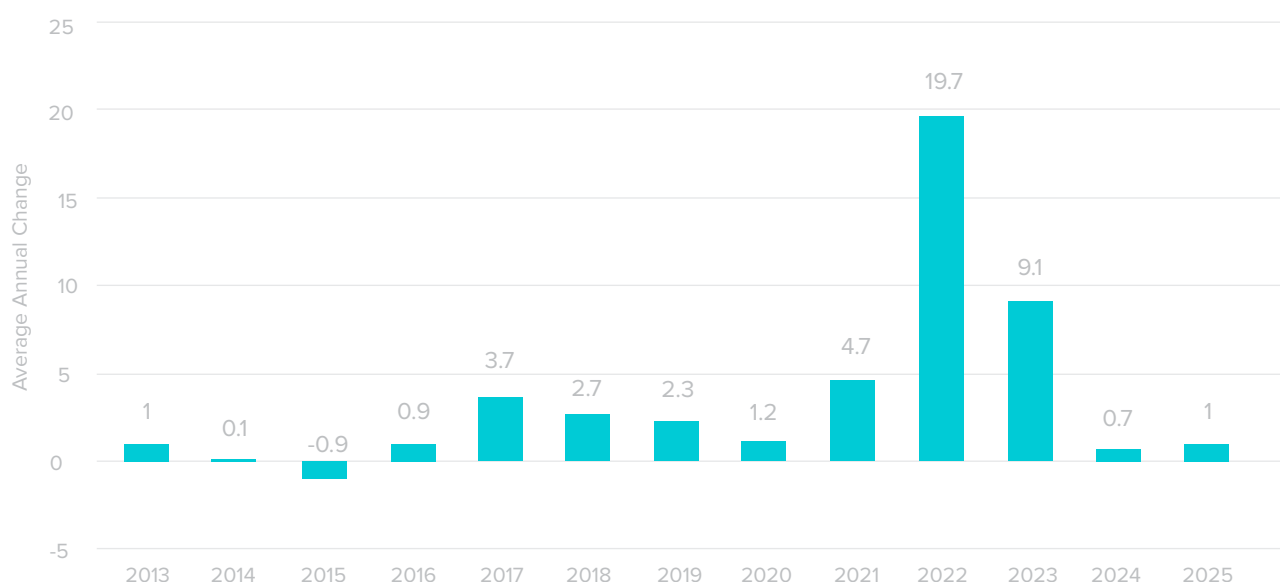


Source: Bank of Lithuania

Inflationary pressures remained far below the extreme levels experienced in 2022. After several years in which rising prices strongly affected households and businesses, the lower inflation environment in 2025 eased part of the pressure on purchasing power, planning, and operating costs. For entrepreneurship, this moderation in inflation is important because high inflation can reduce demand, increase uncertainty, and make it more difficult for new businesses to

estimate costs and prices. A more moderate inflation environment improves the conditions for business planning, although cost sensitivity remains important for both early-stage and established businesses. Lower inflation may also improve the predictability of consumer behaviour and investment decisions, which is particularly important for early-stage businesses operating with limited financial buffers.

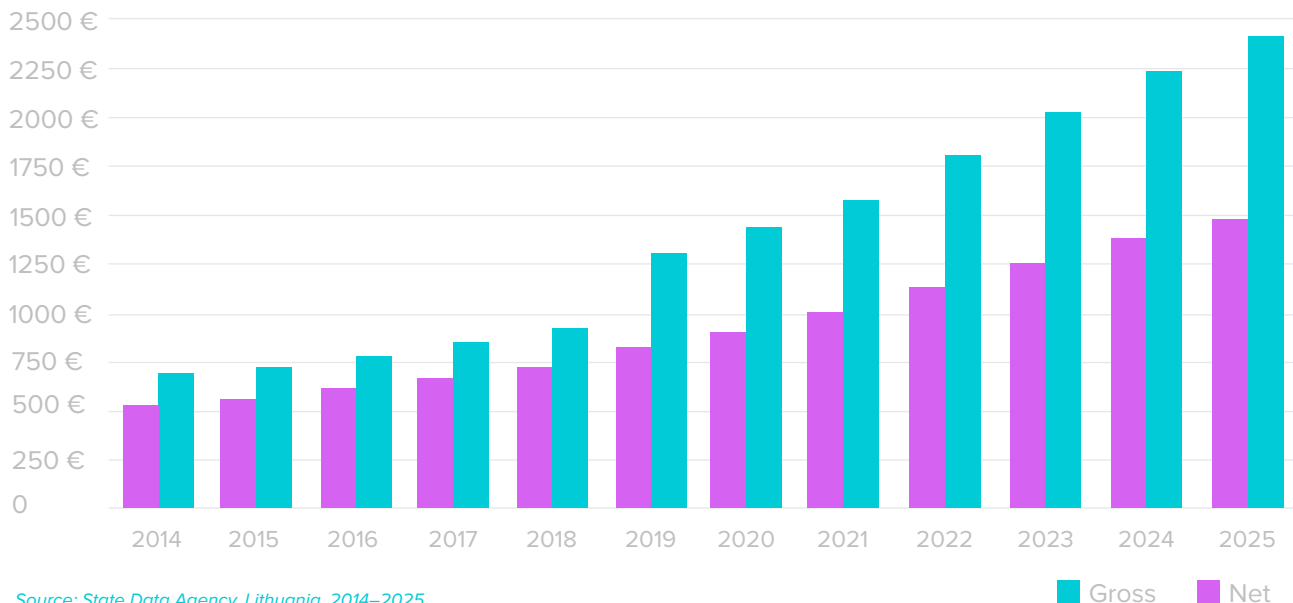
Figure 2. Annual Inflation Rate in Lithuania, 2013–2025 (year-on-year %)



Source: State Data Agency, Lithuania, 2013–2025

Wages continued to increase in 2025. Average monthly gross wages reached approximately €2,420, while average net wages reached around €1,481. Wage growth can influence entrepreneurship in several competing mechanisms. On the one hand, higher wages improve the household income and domestic demand, which can create more favourable conditions for consumer-oriented businesses. On the other hand, stronger wage levels can increase labour costs for firms and reduce the relative attractiveness of entrepreneurship for individuals who already have stable employment opportunities and predictable income.

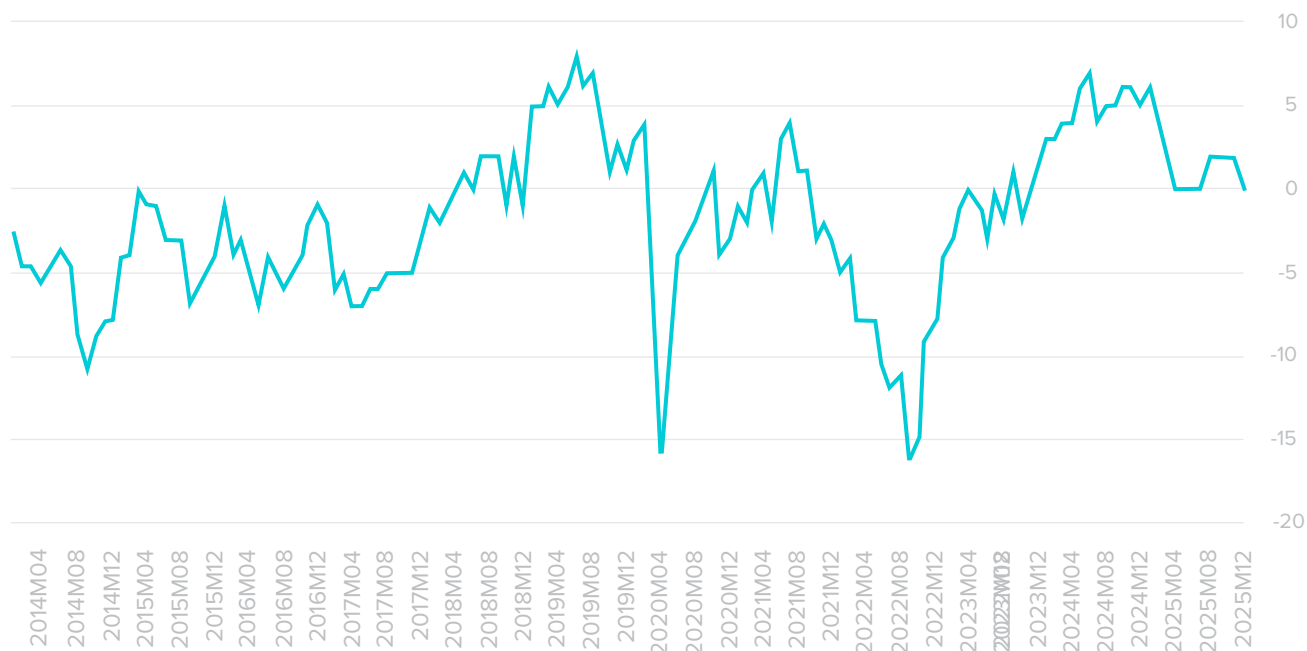
Figure 3. Average Monthly Gross and Net Wages in Lithuania, 2014–2025 (Euros)



Source: State Data Agency, Lithuania, 2014–2025

Consumer confidence remained relatively stable during 2025, moving between positive and neutral levels across the year. Confidence was stronger at the beginning of the year, weakened toward the middle months, and remained moderate later in the year. This points to a cautious household environment characterised more by cautious stability than by strong optimism. Consumers were not experiencing the deep pessimism observed during earlier shocks, but confidence was not consistently strong, either. For entrepreneurs, especially those operating in retail, hospitality, personal services, and other consumer-facing sectors, this means that demand conditions were supportive but not without uncertainty. This type of environment may encourage more moderate and risk-sensitive entrepreneurial decision-making, particularly in consumer-oriented sectors.

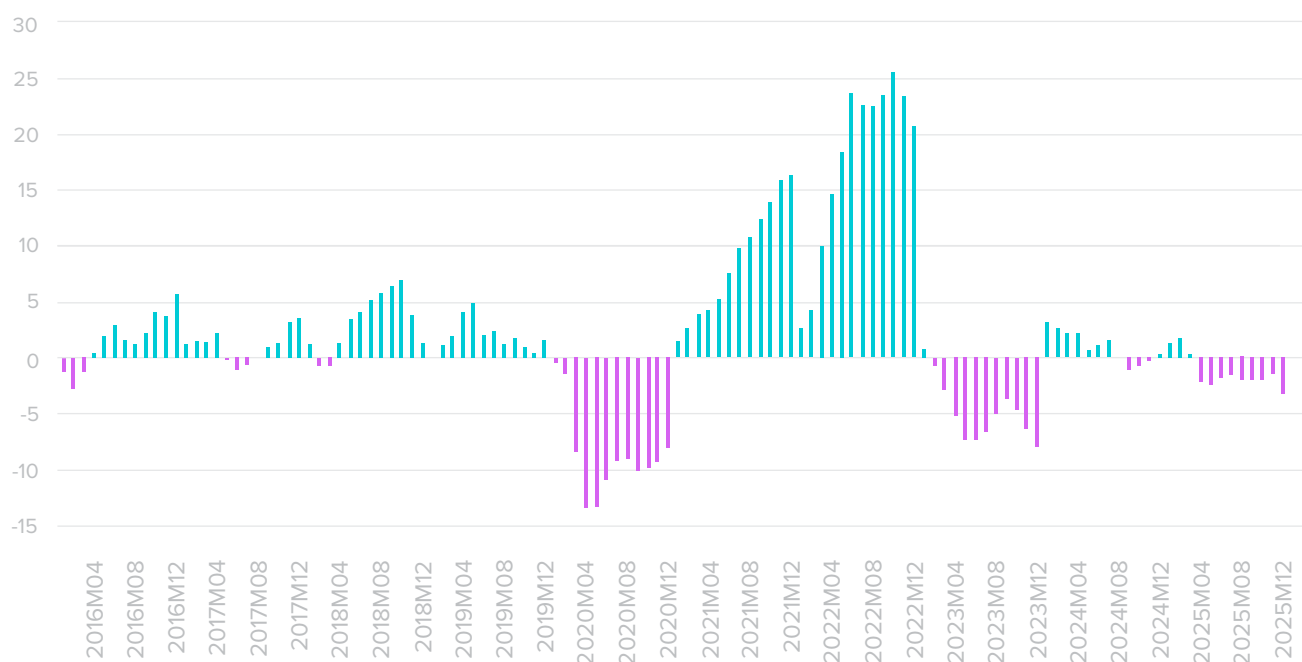
Figure 4. Consumer Confidence Index of Lithuania, April 2014 – December 2025



Source: State Data Agency, Lithuania, 2014–2025

Whereas, industrial production showed a more difficult pattern. Despite earlier signs of recovery, industrial production weakened during parts of 2025, reflecting continued pressure on manufacturing and production-oriented activities. This matters because industrial performance affects export-oriented businesses, supply chains, and firms operating in transforming sectors. The weaker industrial environment may also help explain why entrepreneurship remained more strongly concentrated in services, while more capital-intensive and export-dependent sectors continued to face less favourable operating conditions and higher entry barriers.

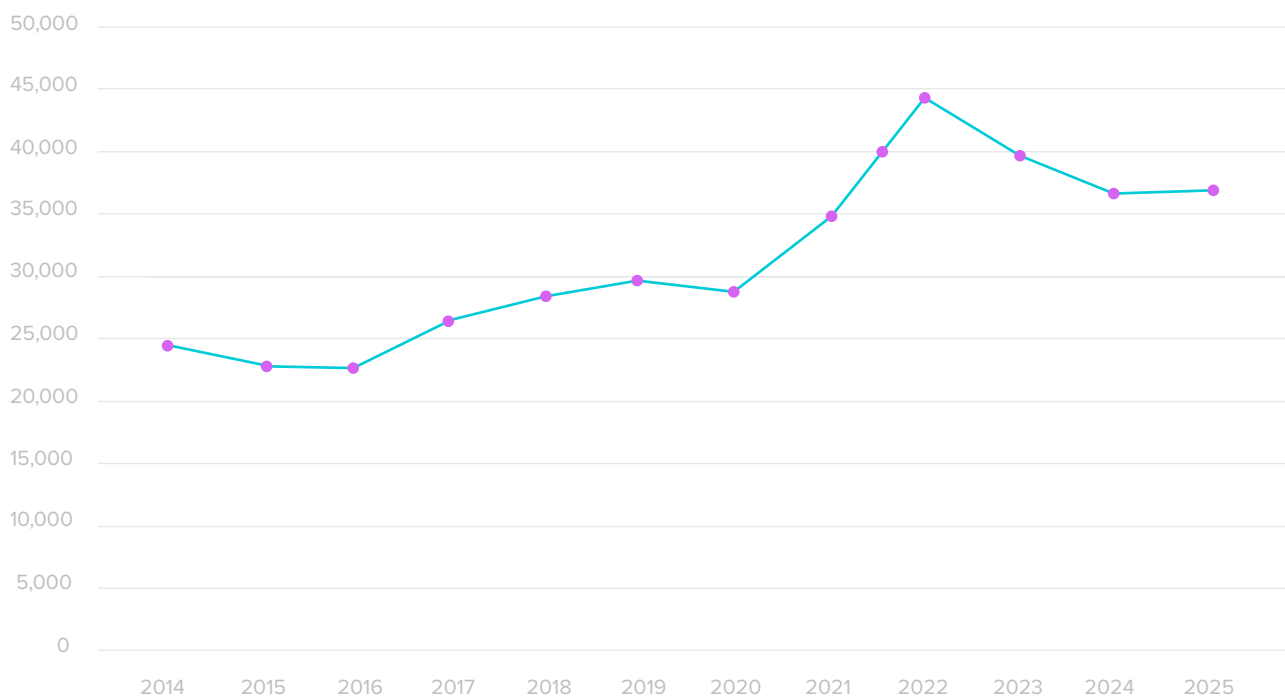
Figure 5. Lithuania's Industrial Production Percentage, 2016–2025



Source: State Data Agency, Lithuania, 2016–2025

Exports remained broadly stable in 2025, reaching approximately €36.9 billion. This number is slightly higher than the value of 2024, but still below the levels recorded during the stronger export years of 2022 and 2023. The export environment therefore remained functional but less expansionary than during the stronger post-pandemic recovery period. For entrepreneurs, this creates a mixed setting: international markets remain important, and some businesses continue to pursue export and international growth opportunities, but external demand and global trade conditions remain less predictable than during the more expansionary periods. For entrepreneurship, this creates a more selective internationalisation environment, in which, export opportunities still exist, but expansion may require greater resilience, competitiveness, and operational flexibility.

Figure 6. Lithuania's Export in Euros (millions), 2014–2025



Source: State Data Agency, Lithuania, 2014–2025

These macroeconomic developments provide the broader economic context for interpreting the 2025 GEM findings. Lithuania's economy continued to grow, inflation was more contained, wages increased, and consumer confidence remained relatively stable. At the same time, industrial production and exports show that the recovery was not equally strong across all parts of the economy. This background helps explain why entrepreneurial intentions and early-stage activity reached record levels, while established business ownership, business discontinuation, and perceptions of business feasibility continue to reveal deeper structural pressures within the entrepreneurial environment. Entrepreneurship in Lithuania in 2025 therefore developed in an environment of improving but still uneven economic conditions, where expanding opportunities coexisted with continuing pressures related to business resilience, scaling, and long-term business sustainability.

CHAPTER 1

ENTREPRENEURIAL ACTIVITY AND BUSINESS PHASES



ENTREPRENEURIAL ACTIVITY AND BUSINESS PHASES

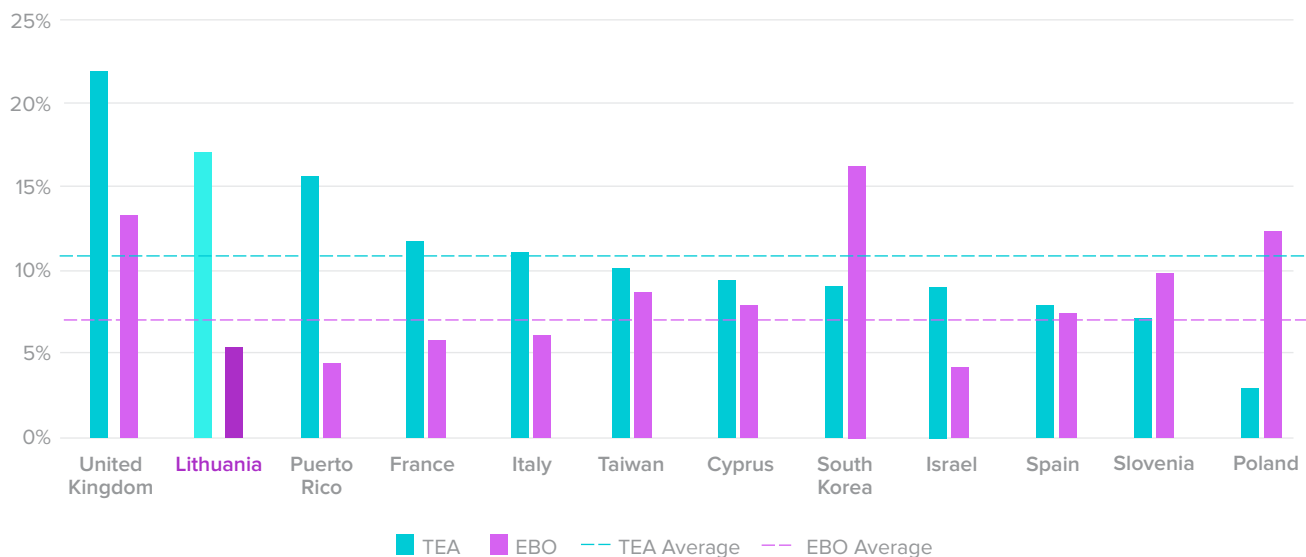
Entrepreneurial activity is one of the key indicators of how dynamic, resilient, and forward-looking an economy is. It shows not only how many people are starting businesses, but also how many are preparing to do so, how many are already running young or established businesses, and how many have recently exited entrepreneurial activity. Together, these phases provide a broader view of the entrepreneurial process, from intention and early experimentation to business continuity, ownership transfer, or discontinuation. This lifecycle perspective is important because a strong entrepreneurial ecosystem is not measured only by the number of new businesses created, but also by its ability to help promising ventures survive, mature, scale up, and renew the wider economy.

In 2025, Lithuania's entrepreneurial landscape showed strong momentum at the earliest stages of business creation. Entrepreneurial intentions reached a record high, while the Total Early-Stage Entrepreneurial Activity also increased to its highest level in the observed period. This suggests that more adults are not only considering entrepreneurship but are also taking concrete steps to create and develop new businesses. The growing number of nascent businesses further indicates that the entrepreneurial pipeline is expanding, with more individuals entering the early stages of business formation. In this respect, Lithuania appears increasingly successful in activating entrepreneurial entry: entrepreneurship is becoming more visible, more socially normalised, and more widely considered as a realistic pathway for income generation, individual autonomy, and opportunity creation.

At the same time, the data show that Lithuania's entrepreneurial ecosystem remains marked by transition and vulnerability. Established business ownership remains relatively low, although it improved compared with the previous year, and business discontinuation continued to increase. This combination points to a dynamic but still structurally fragile environment, where many new initiatives emerge, but the pathway from nascent activity to mature and sustainable business ownership remains challenging. The central issue is therefore not only whether Lithuanians are willing to start businesses, but whether the ecosystem provides sufficiently strong conditions for new ventures to consolidate, grow, transfer ownership, or survive beyond the early stage. This activation–maturation gap is one of the key analytical themes of the results for 2025.

Chapter One examines these developments across the main phases of entrepreneurial activity and business ownership. It also explores the motivations behind starting a business, the age profile of entrepreneurs, the relationship between nascent and baby businesses, and the outcomes and reasons for business discontinuation. Together, these findings help explain not only the level of entrepreneurship in Lithuania, but also the quality, resilience, and continuity of business creation and development in 2025. Particular attention is given to whether Lithuania's rising entrepreneurial momentum is likely to translate into more stable business ownership, stronger growth potential, and a more mature entrepreneurial ecosystem.

Figure 7. TEA and EBO Rates among 15 High-Income Economies (2025) Percentage of population aged 18–64



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

Entrepreneurial activity in Lithuania in 2025 reflects a highly active but still structurally fragile and uneven business landscape. Compared with other high-income economies, Lithuania demonstrates a relatively strong level of early-stage entrepreneurial activity, thus confirming that entrepreneurship has become an increasingly visible and socially accepted part of economic life. The share of adults expressing an intention to start a business reached a record high, indicating that entrepreneurship is increasingly seen as a realistic and attractive career path. This rising entrepreneurial momentum is also reflected in the Total Early-Stage Entrepreneurial Activity (TEA), which reached its highest level in the observed period. This rise in intentions suggests that more individuals are not only

considering entrepreneurship but are also actively attempting to transform business ideas into operational ventures. The growth of TEA indicates that Lithuania is becoming increasingly successful in activating entrepreneurial entry. A broader share of the population is engaging in entrepreneurial experimentation, startup formation, and early business development. This trend may partly reflect changing attitudes toward employment and career security, wider acceptance of entrepreneurship as a professional pathway, and lower barriers to entry in service- and digitally oriented activities. The expanding number of nascent businesses further reinforces the view that Lithuania's entrepreneurial pipeline is strengthening and becoming more socially embedded than in previous years.

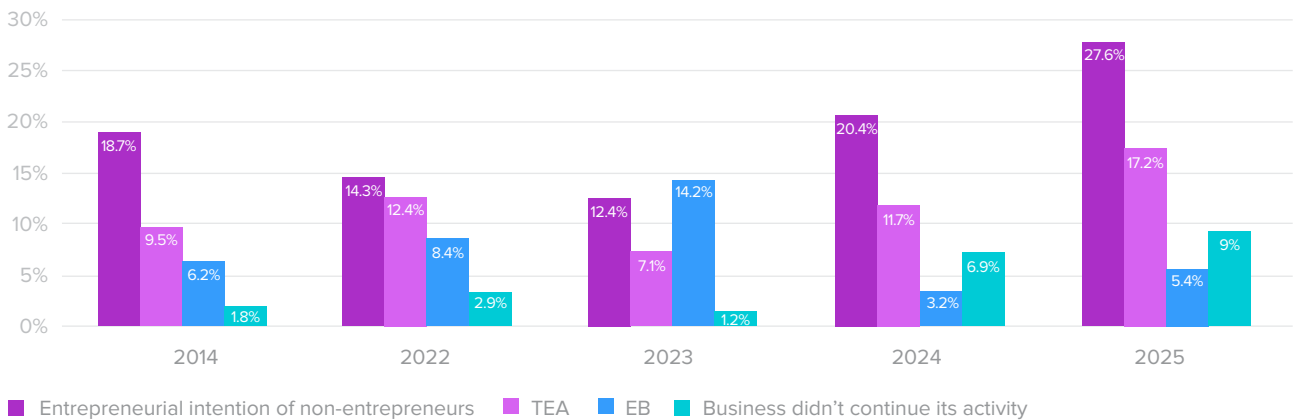
At the same time, Lithuania continues to show a noticeable gap between early-stage entrepreneurial activity and established business ownership. The share of established business owners remains relatively modest when compared with the scale of TEA activity, although it has improved compared with 2024. This suggests that the entrepreneurial ecosystem in Lithuania continues to face challenges in converting early-stage entrepreneurial activity into mature and sustainable businesses. The gap between strong startup activity and relatively modest established business ownership indicates that the entrepreneurial ecosystem is successful in encouraging entry, but still needs stronger conditions for business survival, upscaling, and long-term continuity. In other words, entrepreneurial activation appears stronger than entrepreneurial maturation.

This imbalance is important because a high TEA score alone does not automatically translate into a long-term economic impact. The broader value of entrepreneurship depends on whether new businesses can survive, stabilise operations, generate employment, develop innovation capacity, and remain active beyond the earliest stages of activity. The relatively weaker position of established business ownership therefore points to continuing structural pressures related to business resilience, market expansion, growth capabilities, and long-term sustainability.

Business discontinuation also continued to increase in 2025. However, this trend should not be interpreted exclusively as a sign of entrepreneurial weakness. In more dynamic entrepreneurial ecosystems, higher exit activity can also reflect increasing business mobility, business sales, ownership transfer, or strategic exits, and the reallocation of entrepreneurial experience into new ventures. The case of Lithuania therefore suggests a more fluid entrepreneurial environment, where business creation and business exit increasingly occur simultaneously.

At the same time, rising discontinuation alongside strong TEA growth also indicates a more turbulent entrepreneurial environment, where many businesses are being created, but the path toward stability remains uncertain. Overall, the figure points to an entrepreneurial ecosystem characterised by strong start-up momentum at the early stages, gradual recovery among established businesses, and a growing pressure on business continuity. This combination highlights both the vitality and vulnerability of Lithuania's entrepreneurship in 2025, which is consistent with the way previous Lithuanian GEM reports where entrepreneurship was framed as dynamic but sensitive to broader external conditions.

Figure 8. Phases of Entrepreneurial Activity in Lithuania, 2014, 2022–2025
(percentage of population aged 18–64)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

The composition of business activity in Lithuania in 2025 indicates that the early-stage entrepreneurship is being driven primarily by a growing number of nascent businesses. A growing share of adults are entering the earliest stages of entrepreneurship by developing business ideas, preparing market entry, mobilising resources, or initiating new economic activities. Such a pattern suggests that entrepreneurial entry is widening, and that business creation is becoming increasingly accessible and socially embedded within the Lithuanian economy.

At the same time, the ratio of nascent to baby businesses reveals a more complex structural dynamic within the entrepreneurial ecosystem. A rising ratio indicates that the inflow of new entrepreneurial initiatives is expanding faster than the number of businesses that have already survived their first months of activity. Such a pattern reflects strong entrepreneurial mobilisation but also appoints to potential bottlenecks in business consolidation and early-stage survival. This means that the ecosystem will need to support these new initiatives through

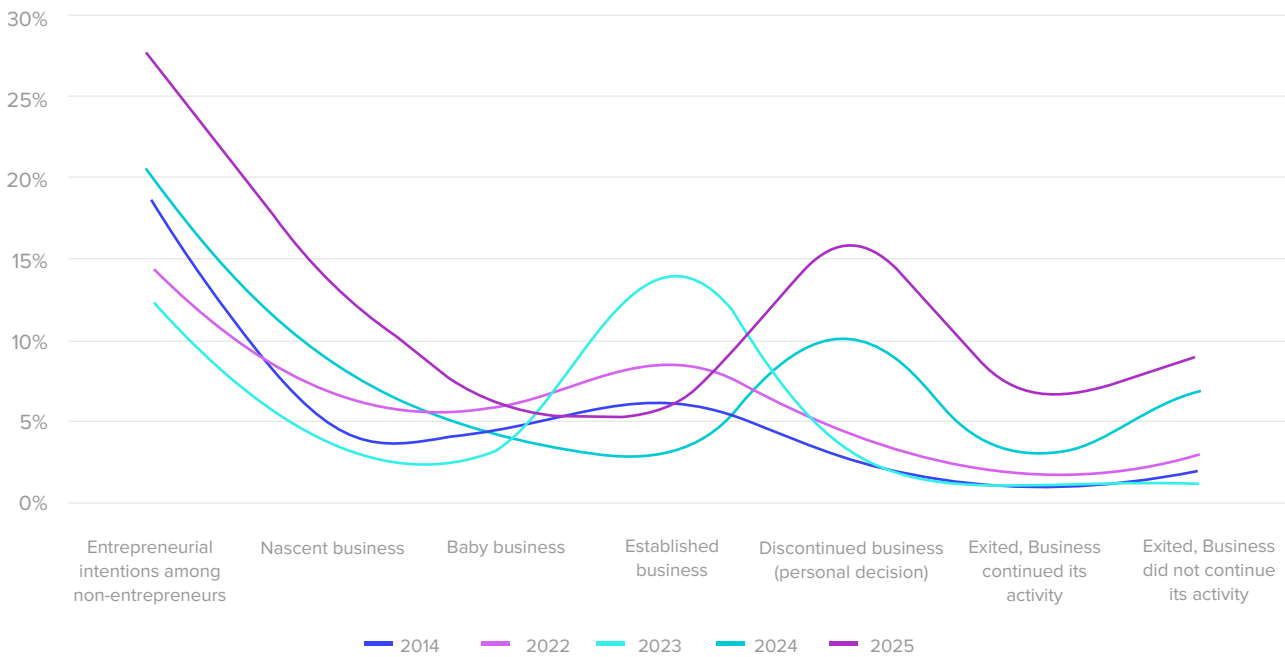
the next stage of development and not only to encourage people to start, but also to help them move from experimentation to operational continuity.

This distinction is analytically important because rapidly growing nascent activity does not automatically translate into sustainable entrepreneurial development. In more mature entrepreneurial ecosystems, a larger share of early-stage ventures is typically able to progress toward operational stability, market consolidation, and long-term business continuity. In Lithuania, however, the results for the year 2025 suggest that the entrepreneurial pipeline is currently expanding faster than the ecosystem's capacity to stabilise and mature new ventures.

Compared with the earlier years, the year 2025 pattern points to a more entry-driven entrepreneurial environment. More individuals are willing to act on entrepreneurial intentions, while the relatively smaller base of baby businesses suggests that business maturation remains more gradual and uncertain for many new ventures.

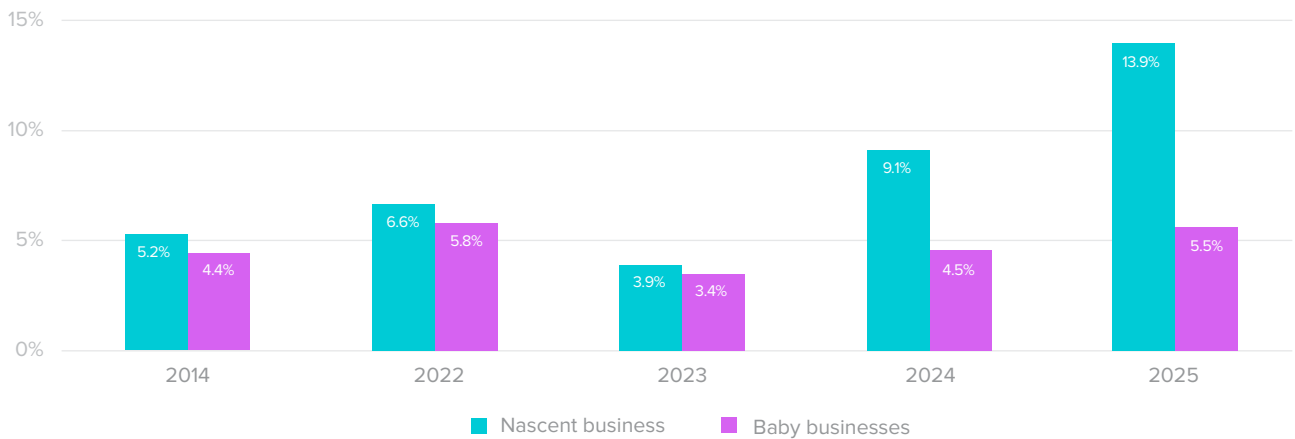
The broader economic significance of this pattern depends on whether these nascent businesses are able to survive beyond the initial launch phase, generate stable income, create employment, and develop longer-term growth potential. For this reason, the strengthening of entrepreneurial entry should be interpreted as an important – but still incomplete – stage in the development of Lithuania's entrepreneurial ecosystem. The central challenge increasingly lies not only in stimulating business creation, but also in improving the conditions that support business continuity, resilience, as well as the ability to generate income, create jobs.

Figure 9. Phases of Business Activity in Lithuania, 2014, 2022–2025 (Percentage of Population Aged 18–64)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

Figure 10. Breakdown of TEA in Lithuania, 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

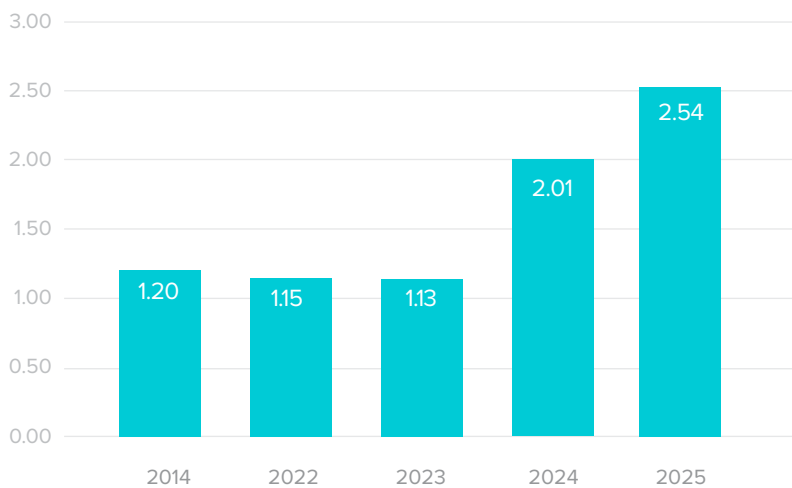


Figure 11. Ratio of Nascent to Baby Businesses in Lithuania, 2014, 2022–2025

Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

The structure of early-stage entrepreneurial activity in Lithuania in 2025 suggests that the recent increase in TEA is being driven primarily by stronger participation at the nascent stage of business creation. While this confirms the expansion of entrepreneurial entry, as discussed earlier, the motivation data provide additional insight into why more individuals are choosing to engage in entrepreneurial activity.

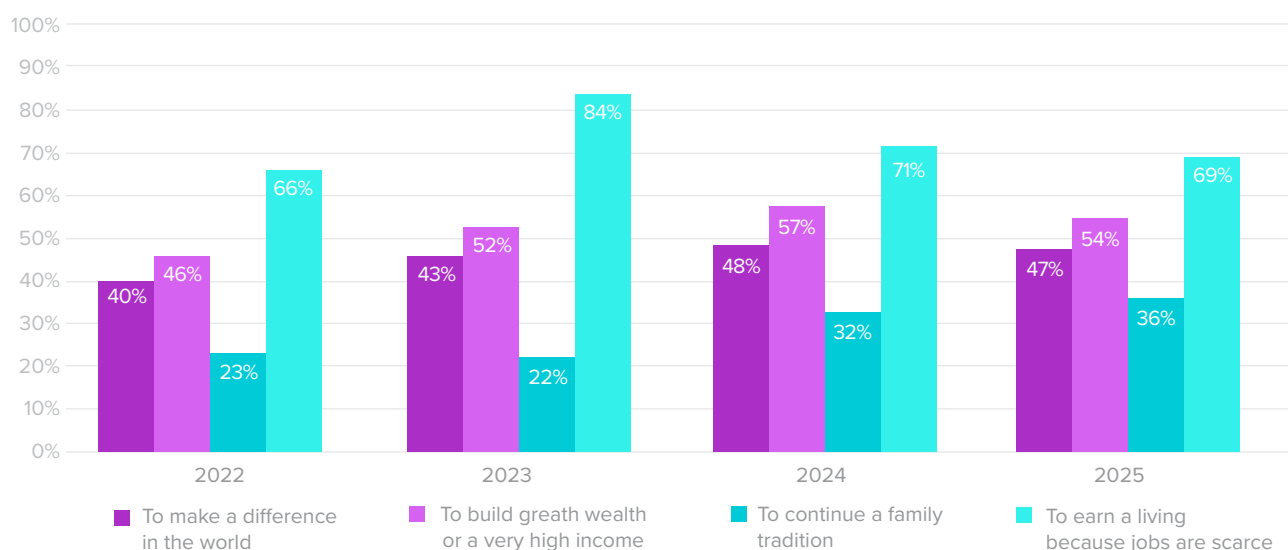
The leading entrepreneurial motivation in Lithuania in 2025 remained the need to earn a living because jobs are scarce, as reported by 69% of early-stage entrepreneurs. Although this remains the dominant reason for starting a business, its gradual decline from the peak observed 2023 indicates that necessity-driven entrepreneurship may be easing. This points to a slightly less defensive entrepreneurial climate, where starting a business is still strongly linked to income security, but not only to a response to labour market pressure.

At the same time, opportunity-oriented motives remained important, although they did not increase compared with the previous year. The share of entrepreneurs motivated to make a difference in the world stood at 47%, which is almost unchanged from 48% in 2024. Similarly,

the motivation to build great wealth or achieve a very high income reached 54%, compared with 57% the previous year. While being slightly lower, this still indicates that financial ambition remains a major driver of entrepreneurial activity in Lithuania. The coexistence of financial necessity, financial ambition, and broader purpose-oriented motives suggests that Lithuania's entrepreneurial environment is becoming more diverse and multidimensional. Entrepreneurship is no longer driven by a single dominant logic, but increasingly combines survival, aspiration, autonomy, and self-realisation motives.

The growing importance of family tradition as an entrepreneurial motive is particularly noteworthy. Compared with the previous years, a larger share of entrepreneurs reported continuing a family business tradition or following their family's entrepreneurial experience. Its increase may suggest that entrepreneurship is becoming more embedded across generations, and that family experience, inherited business knowledge, or continuity of already existing activities are playing a stronger role in motivating new entrepreneurs. Such trends are often associated with the gradual social institutionalisation of entrepreneurship within an economy.

Figure 12. Entrepreneurial Motives in Lithuania, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

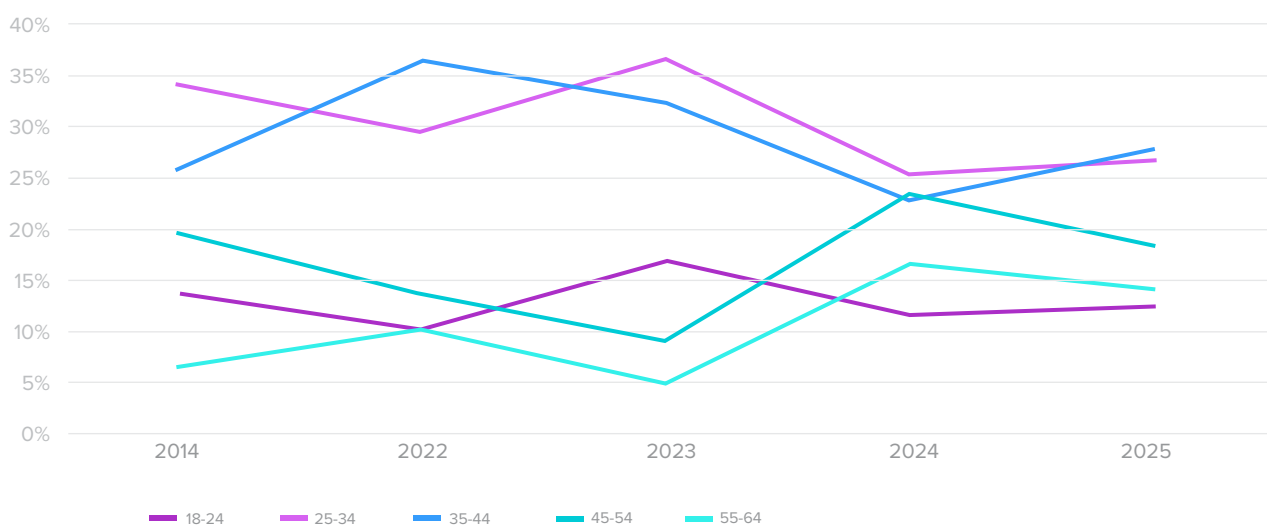
Entrepreneurial participation by age group in 2025 shows a shift toward mid-career adults. The largest share of early-stage entrepreneurs was recorded among 35–44-year-olds, reaching 27.9%. This marks an increase compared with the previous year and suggests that entrepreneurship is becoming more associated with work experience, professional networks, and sector-specific knowledge, which are all playing a larger role in new business creation.

The 25–34-year-old age group remained highly active and were ranked second, accounting for 26.7% of early-stage entrepreneurs, thereby confirming that younger adults continue to play a central role in Lithuania's entrepreneurial landscape. Together, the 25–44 y.o. age range forms the core of the country's early-stage entrepreneurship, combining the initiative and flexibility often associated with younger founders with the practical experience and resources that are more common among mid-career individuals. This concentration may also reflect broader structural changes in the labour market, where entrepreneurship is increasingly integrated into professional career development rather than being viewed only as an alternative to traditional employment.

At the same time, the share of entrepreneurs aged 45–54 decreased to 18.6%. This decline suggests some cooling of entrepreneurial participation in this age group after stronger involvement in previous years. While this may partly reflect cyclical fluctuations, it could also indicate differences in risk tolerance, labour market stability, or willingness to transition into new entrepreneurial activity at later stages of professional life. However, entrepreneurial participation did not weaken across all senior cohorts. The 55–64 y.o. age group, which increased sharply last year, maintained a relatively stable share at 14.2%, indicating that later-career entrepreneurship remains more visible than it was in earlier periods.

The youngest group, aged 18–24, accounted for 12.5%, placing it close to the 55–64 group. This suggests that the youngest adults are present in the entrepreneurial landscape, but are not yet at the same level as the 25–44 y.o. age groups. At the same time, the comparatively lower participation of the youngest cohort may also reflect the growing complexity of business creation, where access to experience, networks, specialised knowledge, and financial security plays an increasingly important role in entrepreneurial entry.

Figure 13. Entrepreneurial Participation by Age Group in Lithuania, 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

The age structure of entrepreneurship becomes clearer when the share of entrepreneurs is compared with participation rates within each age group rather than only through the overall distribution of entrepreneurs. Although the 18–24 y.o. group represents a relatively modest share of all early-stage entrepreneurs, they remain one of the most active groups relative to its own population size. In 2025, 20.1% of adults aged 18–24 was involved in entrepreneurial activity, placing this group second only to the 25–34 cohort, where the participation rate reached 21.2%.

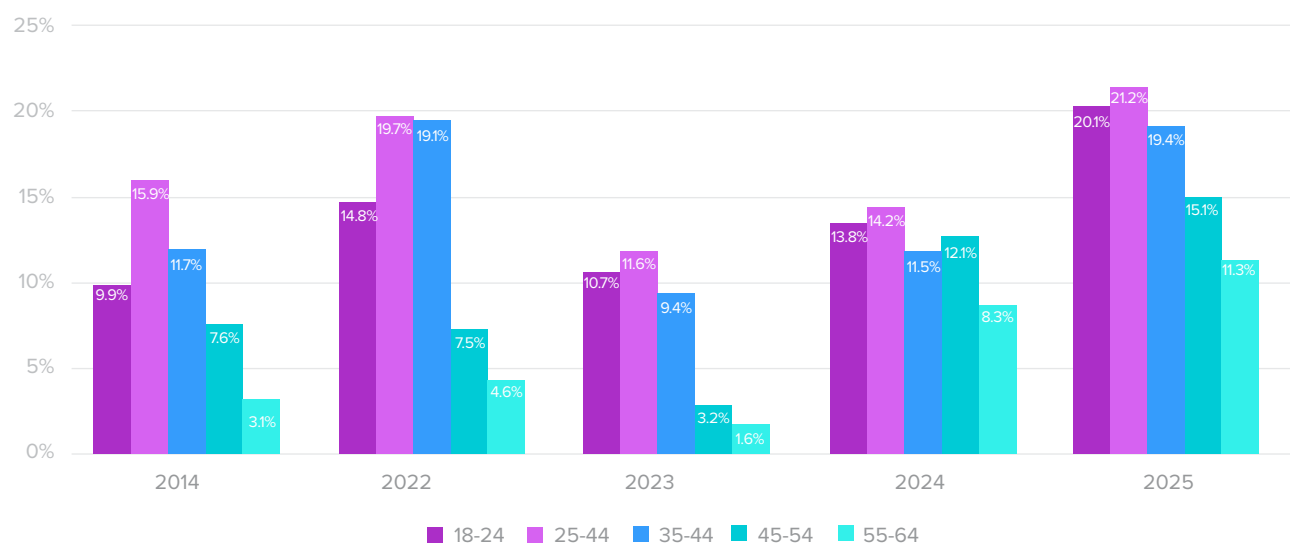
This distinction is important because it shows that younger adults are highly entrepreneurial when measured within their own age group, even if their total contribution to the entrepreneurial population is smaller because the group itself is of a narrower age band. The result indicates that entrepreneurship is becoming increasingly visible as well as socially normalised among younger generations, particularly in environments shaped by digital business models, platform-based work, flexible career expectations, and lower entry barriers in

certain sectors. Younger adults may also be more willing to experiment with entrepreneurial activity earlier in their professional lives, even if many of these initiatives remain small, temporary, or exploratory.

At the same time, the year 2025 data show that entrepreneurship participation rates gradually decrease with age, thus indicating that younger and early mid-career adults are more likely to engage in starting or running new businesses. This pattern is consistent with broader international trends, where entrepreneurship is often concentrated among groups combining higher labour market mobility, longer future earning horizons, and greater willingness to accept business-related risk. Nevertheless, the relatively stable presence of the 55–64 y.o. group confirms that entrepreneurship is not limited to younger adults, and that it continues to offer opportunities later in working life.

Taken together, the figures suggest that Lithuania's entrepreneurial ecosystem is developing a relatively broad generational base, while remaining most strongly concentrated among adults aged 25–44. These groups combine high participation intensity with the largest overall contribution to early-stage entrepreneurship, reinforcing their central role in business creation and entrepreneurial renewal. At the same time, the visible participation of both younger and older cohorts indicates that entrepreneurship is becoming more socially embedded across different stages of professional life.

Figure 14. Entrepreneurship Participation Rates Within Age Groups in Lithuania, 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

Entrepreneurship across business phases by age group in 2025 reveals important differences not only in who starts businesses, but also in how businesses survive over time. Younger and early mid-career adults remain more visible in entrepreneurial intentions and early-stage activity, which confirms their central role in business creation. However, the business outcomes following entrepreneurial exit suggest a different pattern: businesses linked to older entrepreneurs appear more resilient after the owner's exit.

The 45–64 age group shows a stronger tendency for businesses to continue their activities after exit, whether through more established business models, stronger customer relationships,

accumulated managerial experience, and better succession or transfer options. This may indicate that businesses created or managed by older entrepreneurs are structurally more stable and institutionally embedded within the economy. Longer market presence may increase the likelihood that such businesses survive beyond the founder's direct involvement. In this respect, older entrepreneurship appears to contribute not only to business creation, but also to business continuity and organisational resilience.

By contrast, the 18–44 age groups show higher shares of exits where the business did not continue its activity. This suggests that younger and mid-career entrepreneurs may be more

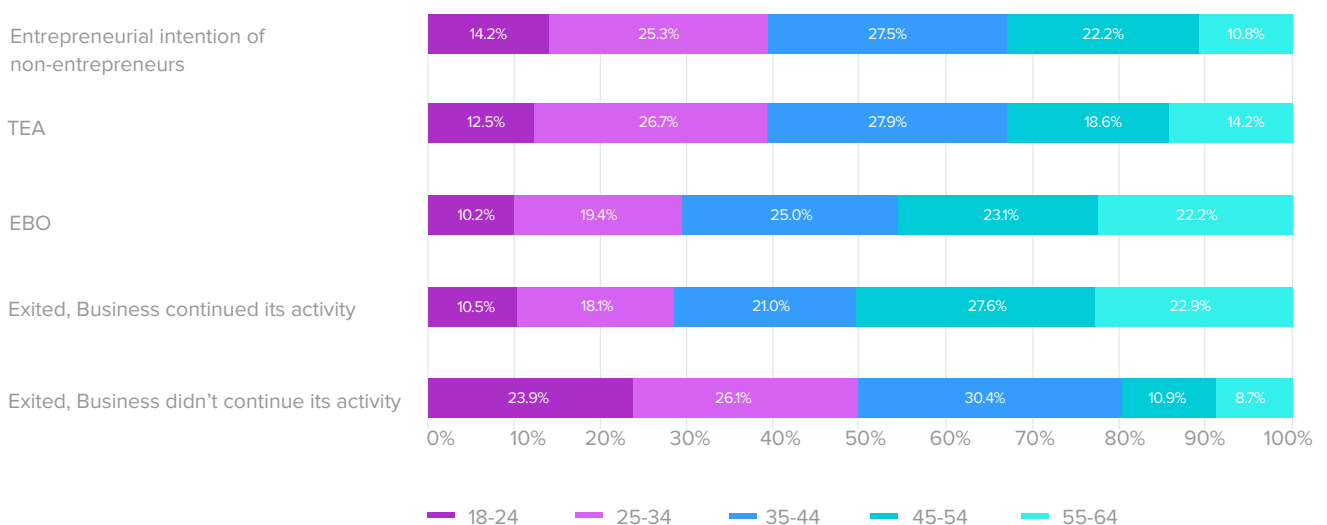
exposed to early-stage risks, market testing, financial constraints, or business model uncertainty. Since these groups are also the most active in starting businesses, higher discontinuation without alternative continuation of the activity may partly reflect a more experimental entrepreneurial profile, where some ventures are launched, tested, and closed before reaching maturity. In the context of Lithuania's increasingly digital and service-oriented entrepreneurial environment, lower entry barriers may further encourage faster cycles of startup formation and closure.

These patterns suggest that entrepreneurial activity in Lithuania is becoming increasingly differentiated by entrepreneurial function across age groups. Younger cohorts contribute dynamism, experimentation, and entrepreneurial renewal, while older cohorts appear to play a more significant role in sustaining business continuity and preserving economic activity after the founder's exit. Such differentiation may indicate gradual maturation within

the entrepreneurial ecosystem itself, where entrepreneurship increasingly includes not only startup formation, but also succession, ownership transfer, and longer-term organisational sustainability.

At a broader level, the figure also highlights the lifecycle nature of entrepreneurship in Lithuania. Entrepreneurial participation is no longer concentrated within a single demographic profile, but is already distributed across different stages of working life, with different age groups contributing distinct forms of entrepreneurial value. This distinction is important because it shows that entrepreneurial contribution varies across age groups: younger cohorts bring entry, experimentation, and renewal, while older cohorts contribute stability, resilience, and continuity. This may become increasingly important in the context of demographic ageing, labour market transformation, and the growing importance of knowledge- and experience-based economic activity in Lithuania as well as other high-income European economies.

Figure 15. Entrepreneurship Across Business Phases by Age Group in Lithuania, 2025



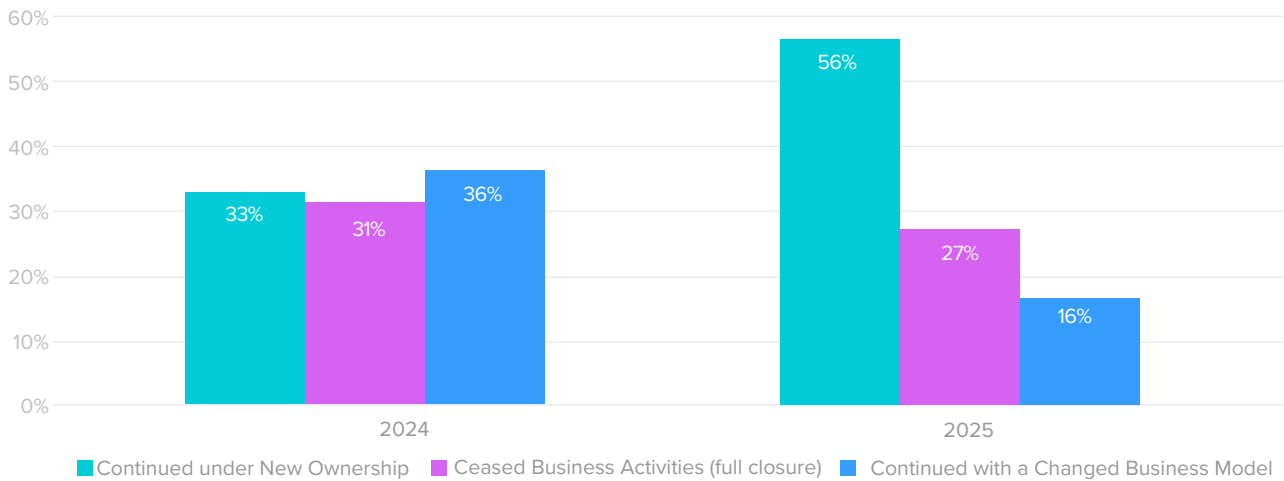
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

Outcomes of business discontinuations in Lithuania in 2025 suggest a more differentiated and potentially more mature entrepreneurial landscape as a larger share of discontinued businesses continued their activities under new ownership. This distinction is important because entrepreneurial exit does not necessarily imply economic failure or the disappearance of business activity. In some cases, it reflects transfer, sale, succession, or restructuring, where the original entrepreneur exits but the business remains economically active. The growing share of businesses continuing under new ownership may indicate improving business survivability along with stronger circulation of entrepreneurial assets within the economy. Businesses that retain operational continuity after the founder's exit are more likely to possess transferable market value, established customer relationships, organisational routines, or accumulated know-how. From an ecosystem perspective, this suggests that part of Lithuania's entrepreneurial sector is becoming more institutionally stable and capable of sustaining economic activity beyond the involvement of individual founders. At the same time, full business closures remain an important component of entrepreneurial exit, indicating continuing pressures related to profitability, operational sustainability, and market adaptation. Overall, the results for the year 2025 suggest that entrepreneurial exits in Lithuania are becoming more diverse, and they increasingly include continuity-oriented transitions rather than only complete market withdrawal.

The main reasons for business discontinuation in Lithuania in 2025 show a notable shift from negative to more opportunity-driven exits. While, in 2024, the leading reason was the business not being profitable, in comparison, in 2025, the dominant reason became an opportunity to sell the business, followed by another business opportunity. This suggests that a growing share of entrepreneurial exits may reflect strategic repositioning rather than business failure, with entrepreneurs increasingly choosing to realise business value through sale or redirect their experience, capital, and networks toward new ventures. Such patterns are often associated with more mature entrepreneurial ecosystems, where exit becomes part of broader entrepreneurial recycling processes rather than a final withdrawal from economic activity.

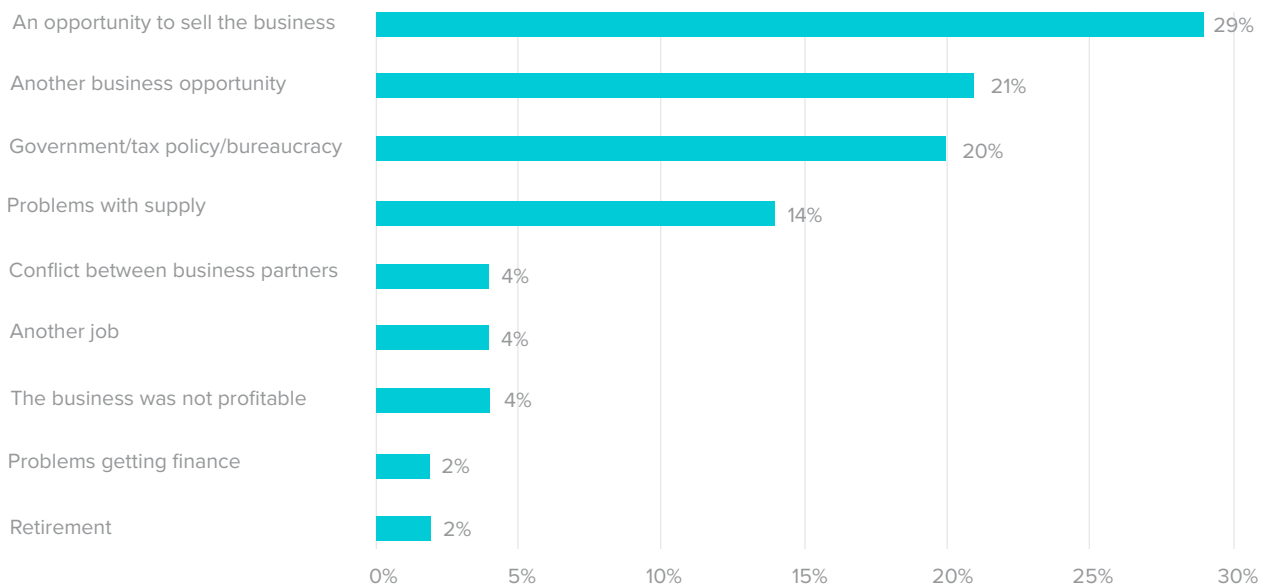
At the same time, government and tax policy or bureaucracy remains among the more prominent reasons for discontinuation, indicating that administrative and regulatory burdens continue to affect business continuity. Problems with supply also appear among the leading factors, likely reflecting the continued effects of geopolitical instability, supply chain fragmentation, energy price volatility, and broader uncertainty affecting European markets in recent years. Overall, the 2025 results point to a more multidimensional exit landscape, where discontinuation includes both pressure-driven closures and more mature, opportunity-based ownership transfer, strategic exits, and entrepreneurial reallocation.

Figure 16. Outcomes of Business Discontinuations in Lithuania, 2024–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2024-2025

Figure 17. Main Reasons for Business Discontinuation in Lithuania, 2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

Overall, the results for the year 2025 show that entrepreneurship in Lithuania is becoming broader, more socially embedded, and more diverse across different age groups and entrepreneurial pathways. At the same time, the data suggest that entrepreneurial activity remains uneven in its longer-term outcomes, as strong startup dynamics continue to coexist with business discontinuation, operational pressures, and uneven business survival. The findings, therefore, point to an entrepreneurial environment that is increasingly active and adaptive, but still shaped by uncertainty, structural constraints, and differing capacities for long-term business development.



CHAPTER 2

**ENTREPRENEURIAL
ACTIVITY AND BUSINESS
PHASES**



ENTREPRENEURIAL ACTIVITY AND BUSINESS PHASES

Entrepreneurial activity matters not only because new businesses are created, but also because of their broader economic impact, including the type of economic activity they generate, the sectors they enter, and the extent to which they contribute to productivity, innovation, employment, and competitiveness. This chapter examines how entrepreneurship in Lithuania contributes through sectoral participation, innovation, technology intensity, and expected job creation. These dimensions are important because a high level of entrepreneurial activity does not automatically translate into high economic value. Its broader contribution depends on whether new ventures remain concentrated in low-barrier local services or move into more knowledge-intensive, innovation-oriented, exportable, and employment-generating activities. In 2025, Lithuania's early-stage entrepreneurship remained strongly service-oriented. Consumer-oriented activities continued to represent the largest share of early-stage activity, while business services increased compared with the previous year. This pattern reflects two different dynamics at the same time. On the one hand, entrepreneurship remains strongly connected to domestic consumption and relatively accessible service activities. On the other hand, the rise of business services suggests a gradual movement toward business-oriented service, knowledge-based activities that may have stronger links to productivity, digitalisation, and business modernisation. At the same time, the transforming sector decreased, and the extractive sector remained small despite some recovery. This is consistent with a wider economic environment in which services offer easier entry conditions, while manufacturing, construction, transport, and other capital-intensive activities face higher investment

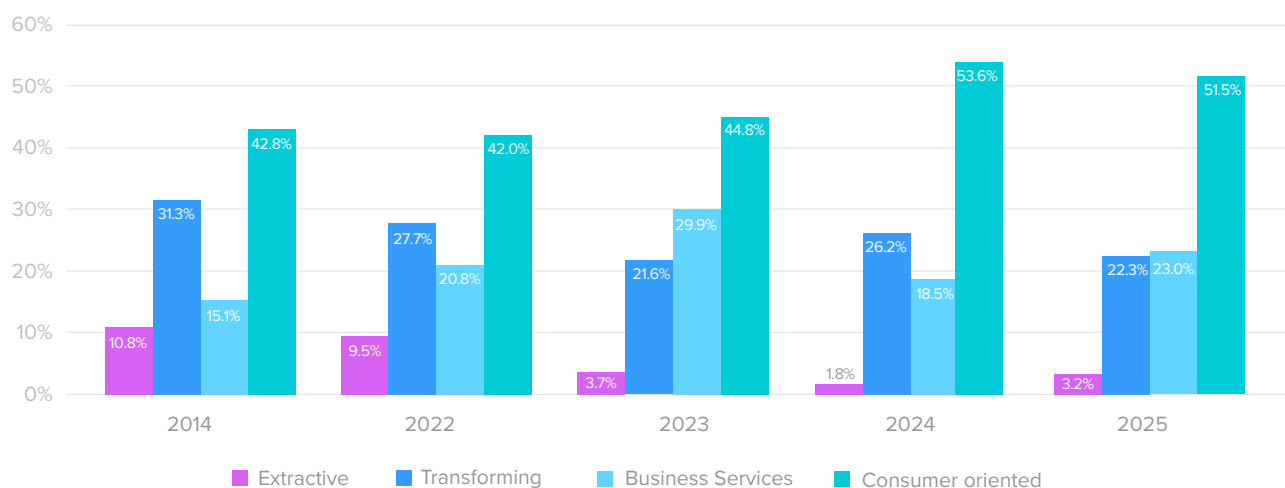
requirements, operational complexity, and exposure to industrial and export uncertainty.

The chapter also considers the innovation profile of Lithuanian businesses. The data show that many firms continue to adopt and adapt products, services, technologies, or procedures that are new to the local area or national market, while, globally, novel innovation remains more limited. This suggests that Lithuania's entrepreneurial innovation model is still driven more by diffusion, adaptation, and upgrading than by breakthrough creation. Such innovation should not be undervalued, because it can modernise local markets and improve competitiveness; however, it also shows that the transition toward globally distinctive, technology-based entrepreneurship remains incomplete. Finally, the chapter looks at medium- and high-tech participation and job creation expectations among early-stage entrepreneurs and established business owners. In 2025, TEA showed stronger participation in medium- and high-tech sectors than EBO, suggesting renewed technology-oriented activity among newer ventures. Job creation expectations further highlight the different roles of early-stage and established businesses: early-stage entrepreneurs carry stronger growth ambitions, while established owners remain more cautious and stability-oriented. Taken together, these findings shift the focus from the quantity of entrepreneurship to its quality: whether Lithuania's high entrepreneurial activity is becoming more productive, innovative, internationally oriented, and capable of generating future employment.

The sectoral composition of early-stage entrepreneurial activity in Lithuania in 2025 remained strongly oriented toward consumer-facing activities. Consumer-oriented services continued to account for the largest share of early-stage entrepreneurship, standing at 51.5%. Although the share is slightly lower than in the previous year, the result confirms that retail, hospitality, personal services, education, health, and other consumer-facing activities continue to represent the dominant entry point into entrepreneurship. This reflects the relatively accessible nature of these sectors, where entry barriers are lower, startup costs are often more manageable, and entrepreneurial activity can respond quickly to shifts in domestic demand and changing consumer behaviour. At the same time, the strong concentration of entrepreneurship in consumer-oriented services also highlights the continuing dependence of much of Lithuania's entrepreneurial activity on the domestic market and relatively small-scale business models. Business services increased compared with 2024 and reached 23%. The increase points to a growing role of knowledge-based and firm-oriented activities within Lithuania's entrepreneurial structure, including consulting, digital support, financial, administrative, and specialised professional services. This trend may reflect broader structural changes taking place in the Lithuanian economy, where firms increasingly require external expertise, digital solutions, process optimisation, and flexible specialised services.

The rise of business services is particularly significant because these activities are often more strongly associated with productivity growth, knowledge diffusion, and integration into wider business value chains than purely consumer-oriented entrepreneurship. The transforming sector decreased to 22.3%, which indicates a somewhat weaker presence of early-stage businesses in activities such as manufacturing, construction, transport, and utilities. Compared with service sectors, these activities typically require higher capital intensity, longer investment horizons, more complex operational capacity, and greater exposure to external market fluctuations. In the Lithuanian context, this may also reflect continuing uncertainty related to industrial demand, export markets, energy costs, and labour shortages, which can make entrepreneurial entry into transforming sectors more difficult and risk-intensive. Meanwhile, the extractive sector recovered to 3.2%, although it remains the smallest part of early-stage entrepreneurial activity. Overall, the results for 2025 suggest that the entrepreneurial structure of Lithuania is gradually diversifying, but remains clearly service-led. While the growth of business services points toward increasing knowledge intensity within entrepreneurship, more capital- and technology-intensive sectors continue to occupy a comparatively smaller position within the entrepreneurial landscape.

Figure 18. Sectoral Composition of Early-Stage Entrepreneurial Activity in Lithuania, 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

The change in the share of TEA by sector group shows that entrepreneurship has become more dominant across all major parts of the Lithuanian economy in 2025. Although the extractive sector remains the smallest sector in terms of the overall early-stage entrepreneurial activity, it contains the highest share of entrepreneurs, reaching 91%. This suggests that activity within the sector is currently being shaped much more by newer entrepreneurial initiatives than by established firms. While the sector itself remains limited in the absolute size, the result indicates a very strong entrepreneurial orientation wherever activity occurs.

Business services also recorded a sharp increase in the share of entrepreneurs, reaching 89% in 2025. This reinforces the growing role of business-oriented and knowledge-based services within Lithuania's entrepreneurial structure. Compared with consumer-facing activities, these sectors are more closely linked to digitalisation, professional expertise, and inter-firm economic activity, suggesting that part of Lithuania's entrepreneurial growth is increasingly connected to the

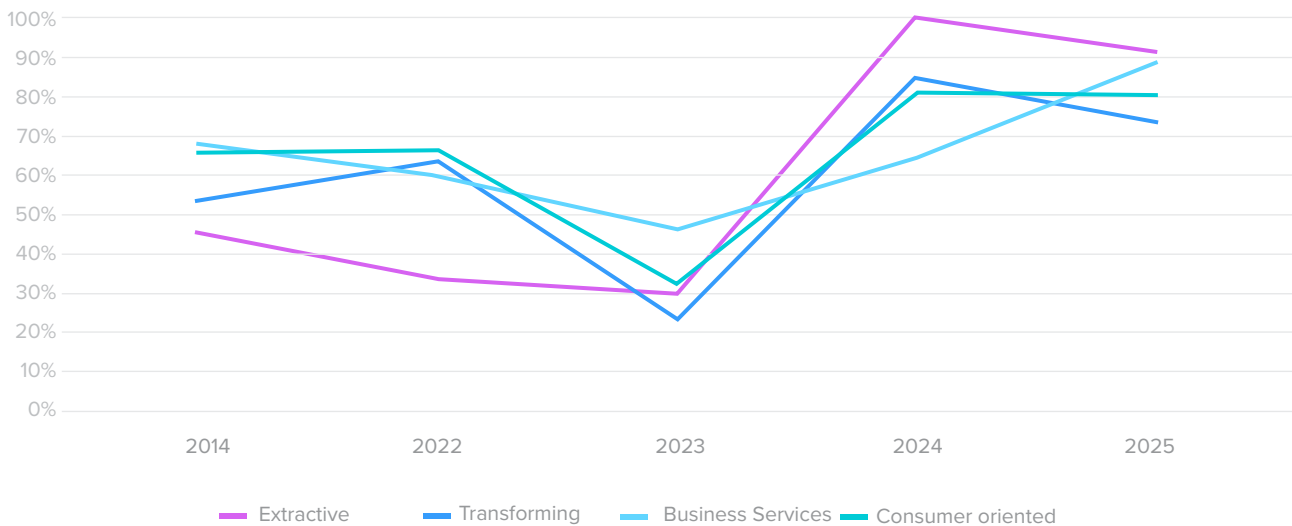
modernisation needs of other businesses. The result may also reflect broader structural developments in the Lithuanian economy, where firms are relying more heavily on outsourced specialised services, digital support, consulting, and flexible operational solutions in response to labour shortages, technological change, and an increasing competitive pressure. Consumer-oriented activities remained broadly similar to the previous year, with entrepreneurs accounting for 80% of the sector. This confirms that consumer services continue to function as the broadest and most accessible entry point for entrepreneurship in Lithuania. Their continued dominance suggests that a significant part of entrepreneurial activity remains oriented toward relatively local and demand-driven markets, where business creation can take place with lower investment requirements and faster market entry. At the same time, the slightly lower entrepreneurial share compared with business services may indicate a stronger presence of already established firms in retail, hospitality, health, education, and personal service activities.

The transforming sector decreased slightly in the share of entrepreneurs but still remained at a high level, thus indicating that entrepreneurial activity continues to maintain a visible presence even in more operationally intensive sectors such as manufacturing, construction, transport, and utilities. However, compared with service-oriented activities, entrepreneurial expansion in these sectors appears more constrained. This may reflect higher capital requirements, longer investment cycles, operational complexity, and continued uncertainty affecting industrial production, export demand, energy costs, and supply chains in the wider European economic environment.

Overall, the results for 2025 strengthen the notion of rising entrepreneurship in

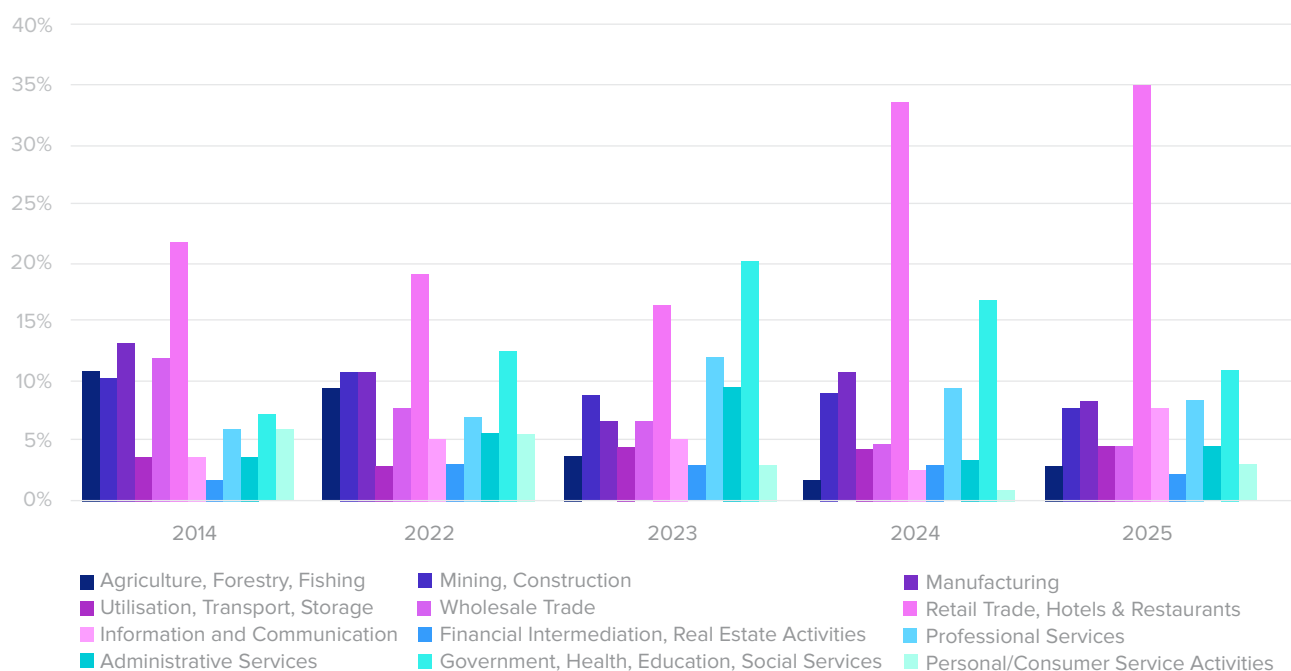
Lithuania. Compared with the year 2023, the share of entrepreneurs across sector groups remains considerably higher, suggesting that the recent increase in entrepreneurial activity is not limited to one part of the economy. Instead, it reflects a broader expansion of early-stage entrepreneurship across different sectoral environments, from consumer services and business services to transforming and extractive activities. Still, more capital- and technology-intensive sectors remain comparatively smaller, suggesting that the transition toward a more innovation- and productivity-driven entrepreneurial structure is still gradual rather than fully established.

Figure 19. Change in Share of TEA by Sector Group, between 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

Figure 20. Industry breakdown of Early-Stage Entrepreneurs in Lithuania, 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

The innovation profile of businesses in Lithuania in 2025 shows gradual progress but also confirms that breakthrough innovation remains limited. Most businesses continue to operate with products, services, technologies, or procedures that are not new to the world. This suggests that Lithuania's business activity is still more strongly oriented toward adaptation, improvement, and market transfer than toward globally novel innovation. Such a pattern is common in smaller economies, where firms often create value by introducing, localising, refining ideas that have already proven successful in international markets rather than developing entirely new technological breakthroughs.

At the same time, the results for 2025 show encouraging movement in the adoption and diffusion of innovation.

Lithuanian businesses continue to introduce products, services, technologies, and procedures that are new to their local area or new to the country. This indicates that firms are bringing ideas from wider international markets and adapting them to Lithuanian conditions. Although such innovation does not necessarily represent world-level novelty, it still plays an important economic role by modernising the local markets, strengthening competition, improving the service quality, and accelerating the diffusion of newer technologies and operational models across the economy.

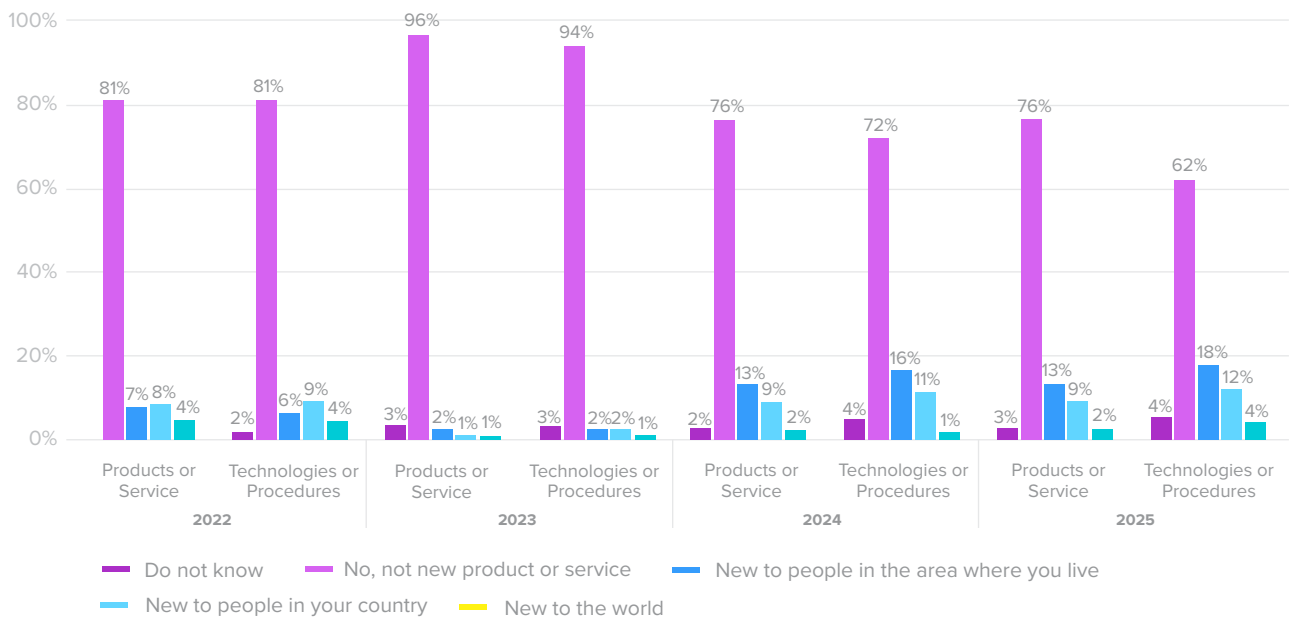
A notable development is the increase in technologies and procedures that are new to the world. In 2025, this category rose significantly compared with the previous year and returned to levels similar to those observed in 2022.

Although the overall share of this category remains relatively limited, the increase suggests that part of Lithuania's business sector is becoming more ambitious in technology and process innovation. This is important because it slightly qualifies the broader picture of adaptation-led innovation: while most

improving or localising some already existing solutions, a smaller but visible segment is moving toward more original technological and operational development. The key question is whether this segment can grow beyond isolated cases and become a stronger source of internationally distinctive entrepreneurial activity.

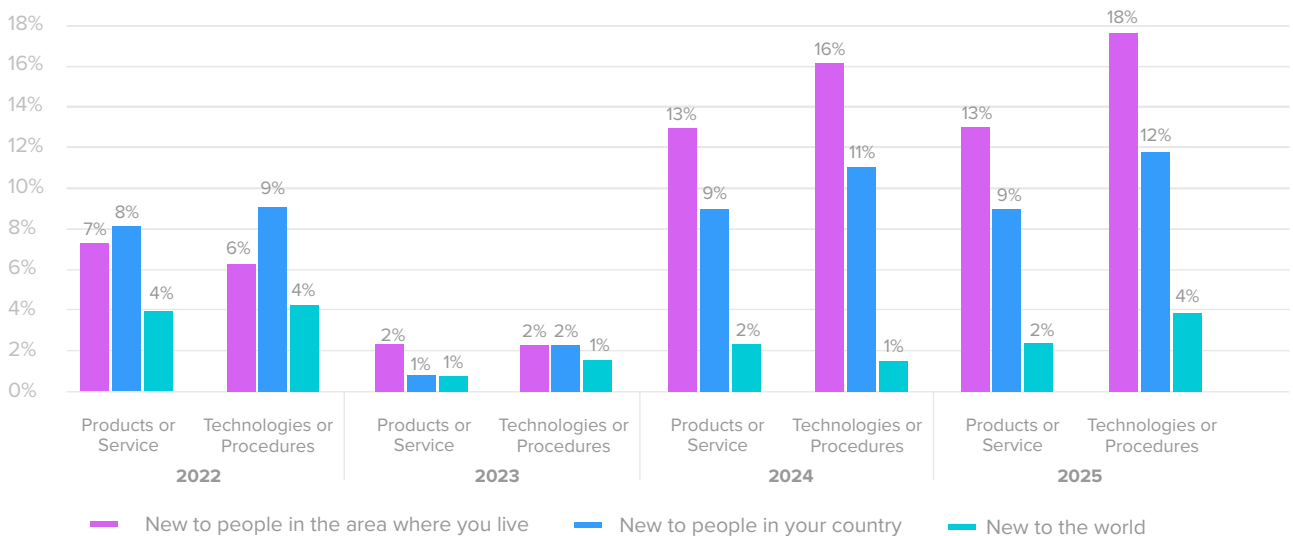
Lithuanian businesses still innovate by

Figure 21. Innovation Profile of Early-Stage Entrepreneurs in Lithuania, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

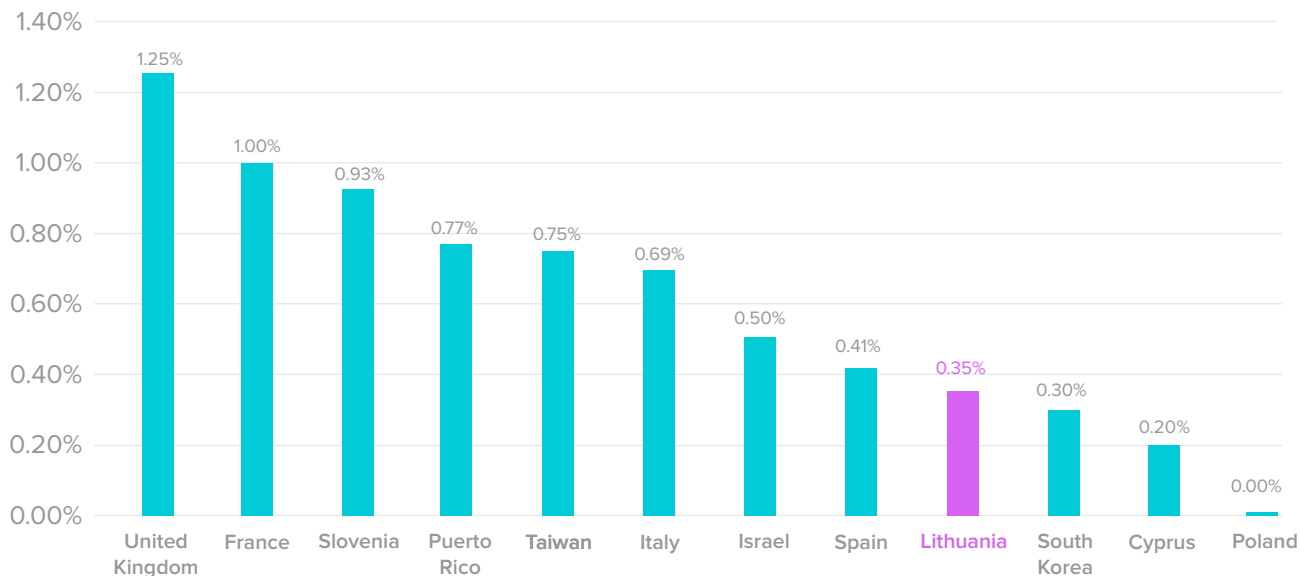
Figure 22. Percentage of Respondents who Indicate that their Products or Technologies are New to their Local Area, to the National Market, or to the World, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

Figure 23. Newness of Technologies or Procedures Used by Early-Stage Entrepreneurs in High-Income Economies, 2025

Comparison across Countries of the Perceived Novelty of Technologies or Procedures in Use



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, 2025

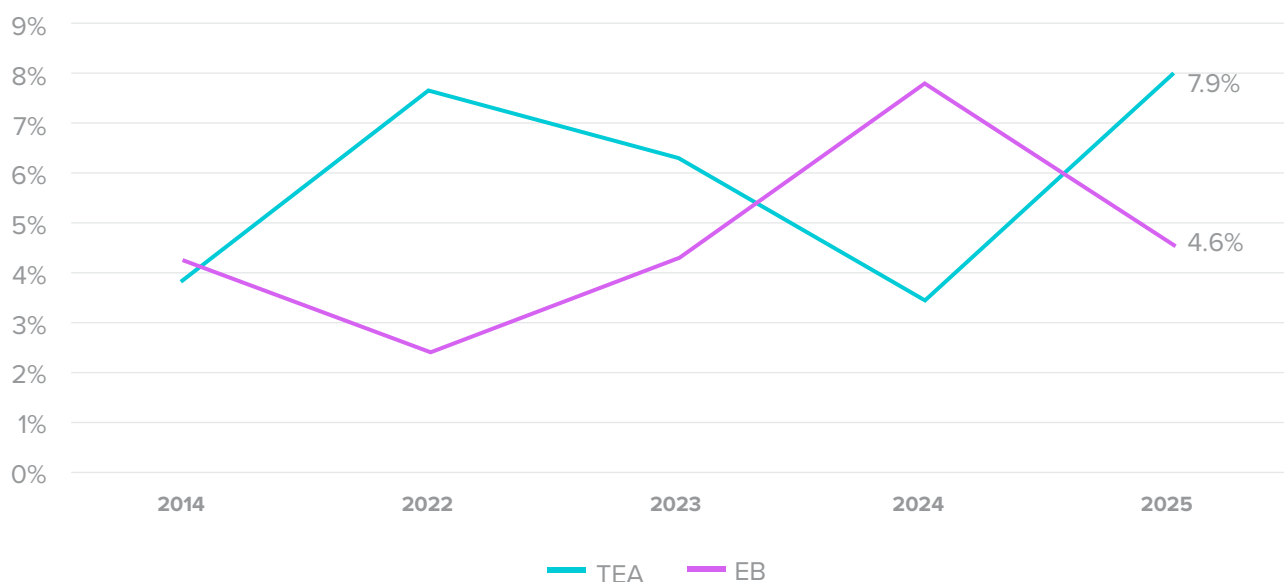
Taken together, the results suggest that innovation among Lithuanian early-stage entrepreneurs remains driven more strongly by adaptation and technology adoption than by globally novel innovation. Many businesses appear to compete by introducing, improving, or localising solutions which are already present in international markets rather than by creating entirely new technologies or products. While this type of innovation can still support business modernisation and competitiveness, the relatively limited share of world-level novelty suggests that strengthening the capacity for more original and internationally distinctive innovation remains an important longer-term challenge.

Participation in medium- and high-tech sectors in Lithuania in 2025 shows a stronger presence of early-stage entrepreneurs than established business owners. TEA participation reached 7.9%, while EBO stood at 4.6%. Such a pattern may reflect the entry of younger ventures into digital, engineering, advanced services, or technology-enabled activities, where new firms can be more flexible and quicker to adopt emerging business models. It may also suggest that technological renewal within Lithuania's entrepreneurial ecosystem is currently driven more strongly by new market entrants than by the transformation of already established businesses.

The longer-term pattern is also notable because TEA and EBO appear to move in the same direction across the observed years: when participation among early-stage entrepreneurs increases, participation among established business owners also tends to increase, and when one decreases, the other also weakens. While the data alone do not explain why this happens, one possible interpretation is that both groups are responding to the same broader conditions, such as demand for technology solutions, availability of skilled labour, access to finance, or confidence in innovation-oriented sectors. This suggests that participation in technology-intensive entrepreneurship is shaped strongly by broader ecosystem conditions, including financing, talent availability, and confidence in innovation-oriented sectors.

The gap between TEA and EBO, as observed in 2025, also suggests that technology-intensive activity may currently be stronger at the entry stage than at the maturity stage. While this can be seen as a positive signal of renewal in the entrepreneurial base, it also highlights a potential structural weakness: Lithuania appears more successful in generating technology-oriented entrepreneurial entry than in sustaining long-term technology-oriented business growth. If early-stage technology activity continues to rise, the key challenge will be ensuring that these ventures have access to specialised talent, growth finance, infrastructure, and international markets needed to sustain their position beyond the TEA phase. This may become particularly important in a smaller economy, such as Lithuania, where technology-oriented firms often need to internationalise early in order to achieve scale and maintain competitiveness.

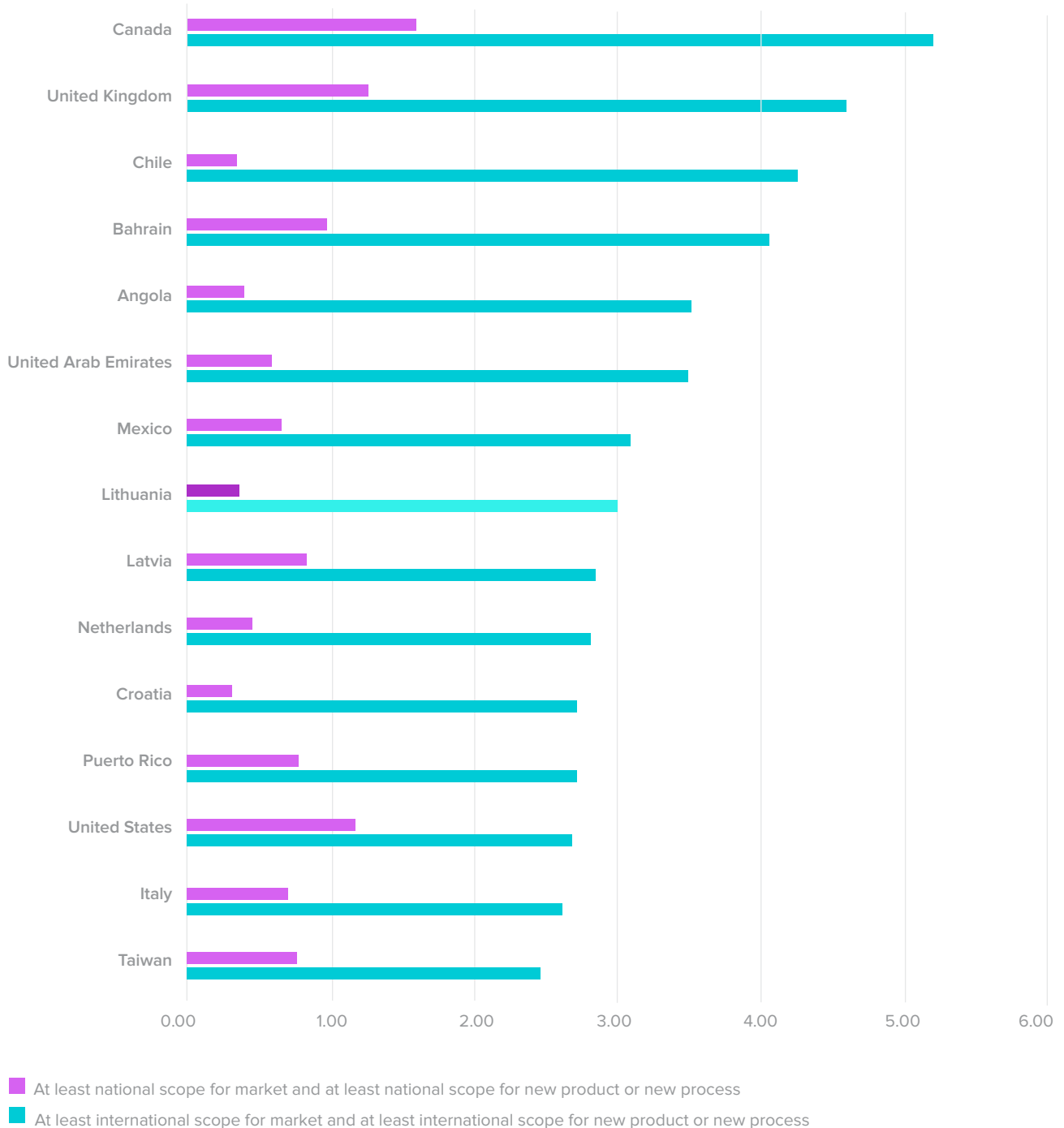
Figure 24. Participation in Medium–High-Tech Sectors by Early-Stage and Established Entrepreneurs in Lithuania, 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

Figure 25. Geographic Scope of Early-Stage Entrepreneurs in 15 High-Income Economies, 2025

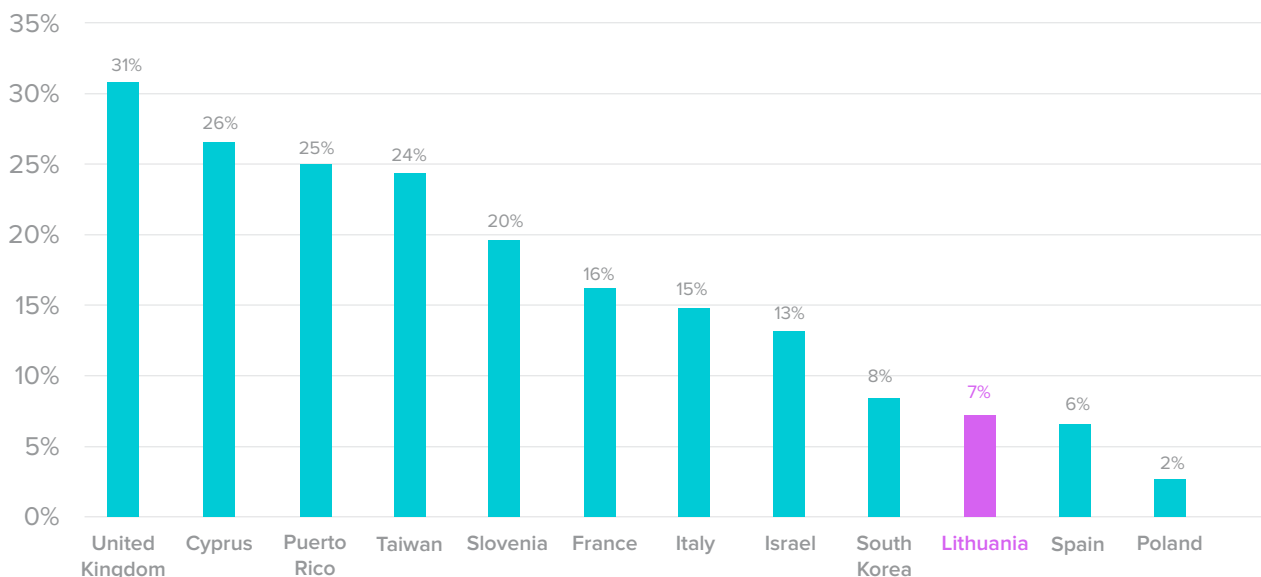
Share of TEA reporting whether their primary market is local, national, or international. Lithuanian entrepreneurs report a more limited market reach relative to peers in other high-income economies



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

Figure 26. High-Growth Job Expectations among Early-Stage Entrepreneurs in High-Income Economies, 2025

International comparison of the percentage of early-stage entrepreneurs expecting to create at least 10 jobs and increase the turnover by 50+% within five years. Lithuania ranks in the lower tier



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

The international comparison figures suggest that Lithuania's entrepreneurial ecosystem demonstrates stronger performance in entrepreneurial entry than in internationalisation and high-growth orientation. Compared with many other high-income economies participating in GEM, Lithuanian early-stage entrepreneurs report a more limited international market reach and comparatively lower expectations for rapid employment growth. This partly reflects the structure of entrepreneurial activity in Lithuania, where consumer-oriented and domestically focused services continue to play a major role. At the same time, the results may also indicate continuing challenges related to scaling up the capacity, export readiness, access to growth finance, and expansion into larger international markets.

Expected job creation among early-stage entrepreneurs in Lithuania in 2025

shows how strongly TEA activity is connected with growth ambition. This is not surprising, as early-stage ventures are still searching for markets, customers, and scalable business models, and may therefore express higher expectations for future expansion. However, expectations should be interpreted cautiously because many businesses at this stage have not yet fully tested their customer base, financial capacity, or ability to operate under competitive conditions.

Across the 2022–2025 period, the pattern among early-stage entrepreneurs suggests that job creation remain sensitive to the wider business environment. In years when entrepreneurial confidence is stronger, a larger share of early-stage entrepreneurs expects to create jobs, while uncertainty tends to increase the share of those expecting limited or no employment growth. The year 2025

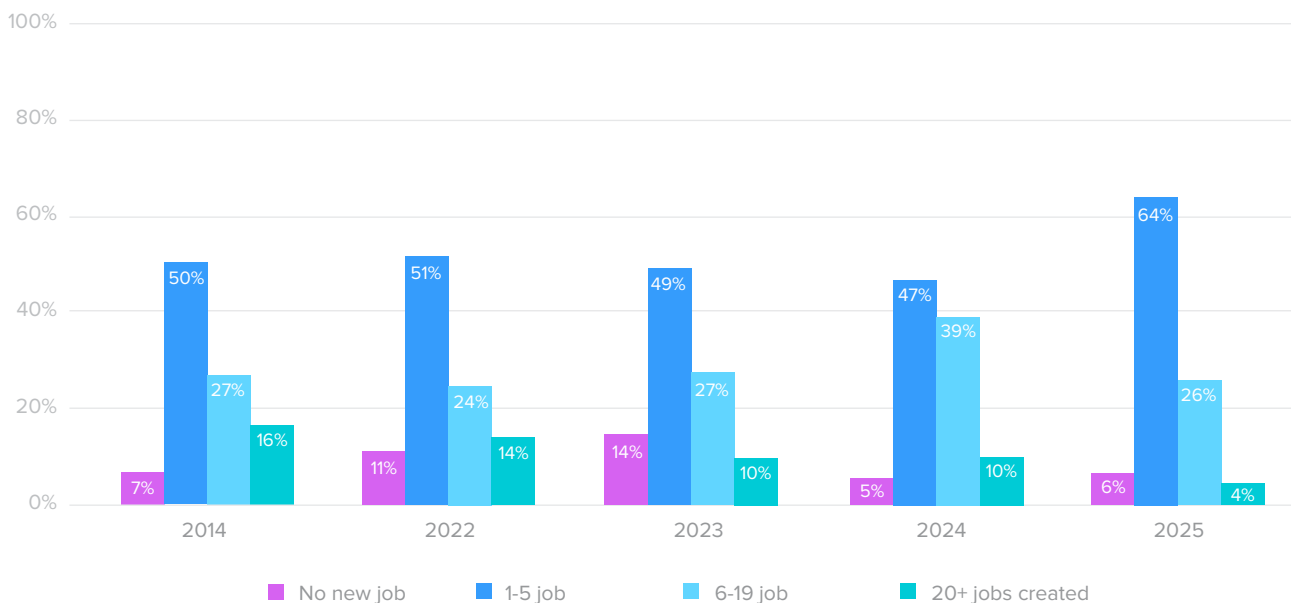
results should therefore be interpreted together with the broader rise in entrepreneurial activity. Lithuania is generating more early-stage businesses, but their longer-term economic contribution will depend on whether this activity develops into stable employment rather than only higher startup numbers.

Established business owners show a more cautious employment outlook. Compared with TEA, EBO businesses are generally more mature, and they may have already reached a stable operating size. Their job creation expectations are therefore typically lower and more conservative. This does not necessarily indicate weak performance but rather reflects different business priorities and operating conditions. Established owners may prioritise efficiency, profitability, or continuity over rapid expansion,

especially in an environment shaped by cost pressures, labour market constraints, and uncertain demand.

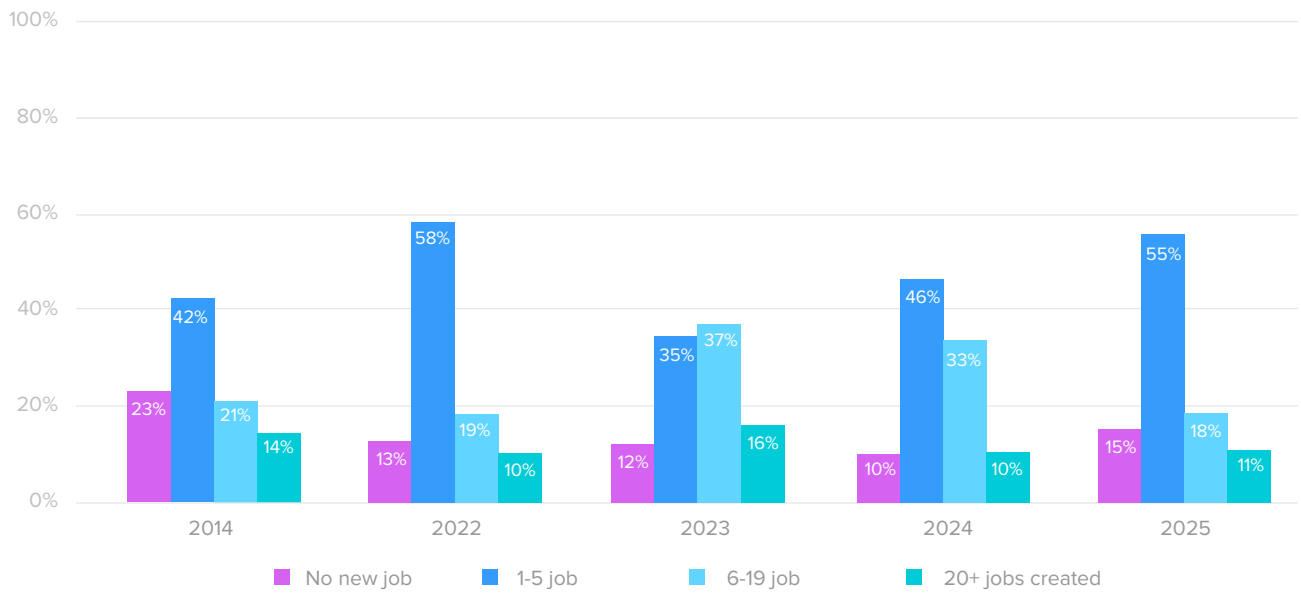
A comparison between TEA and EBO highlights a broader distinction in Lithuania's entrepreneurial structure. Early-stage entrepreneurs appear to carry more of the expected future job creation potential, but this potential remains conditional rather than guaranteed. Its economic impact will depend on whether new ventures are able to survive, attract resources, expand into larger markets, and move beyond relatively small-scale or domestically limited activity. The key issue is therefore not only whether entrepreneurs expect to create jobs, but whether Lithuania's entrepreneurial ecosystem can help transform an early ambition into sustained long-term employment growth.

Figure 27. Expected Job Creation Among Early-Stage Entrepreneurs in Lithuania, 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

Figure 28. Expected Job Creation Among Established Business Owners in Lithuania, 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

CHAPTER 3

ENTREPRENEURIAL ATTITUDES, ASPIRATIONS, AND CAPABILITIES



ENTREPRENEURIAL ATTITUDES, ASPIRATIONS, AND CAPABILITIES

Entrepreneurial activity is also shaped by the way(s) how people perceive entrepreneurship, opportunities, and their own ability to start a business. Positive societal attitudes can strengthen the legitimacy of entrepreneurship as a career choice, while individual confidence and fear of failure influence whether people are willing to turn intentions into action. For this reason, attitudes, aspirations, and capabilities are important elements of the entrepreneurial ecosystem.

In 2025, Lithuania showed a supportive social environment for entrepreneurship. More adults considered entrepreneurship a desirable career choice, and the perceived status and respect associated with starting a new business reached the highest level recorded during the monitored period. This indicates that entrepreneurs are being increasingly viewed as valued contributors to economic and social development. Media visibility of successful new businesses remained high, thus further supporting the public presence of entrepreneurship in Lithuanian society.

At the same time, perceptions of the practical ease of starting a business weakened. A growing share of adults disagreed that it is easy to start a business in Lithuania, which suggests that positive attitudes do not automatically remove perceived barriers. This creates an important contrast: entrepreneurship is respected and attractive, but many people still see the process of starting a business as difficult.

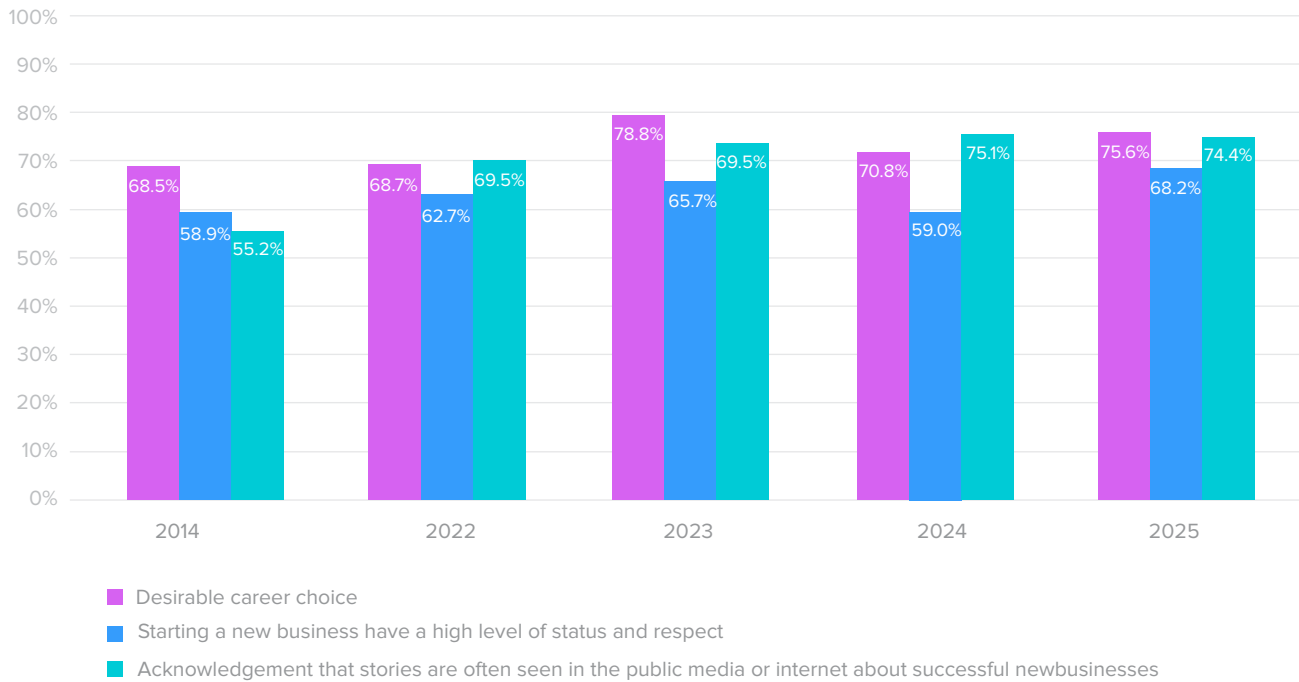
This chapter is intended to examine how Lithuanians perceive entrepreneurship as a career path, how they assess business opportunities, whether they feel capable of starting a business, and how fear of failure affects entrepreneurial potential. Together, these indicators help explain the social and psychological foundations behind Lithuania's record-high

entrepreneurial intentions amid rising early-stage activity in 2025.

Societal attitudes toward entrepreneurship in Lithuania remained highly positive in 2025. The share of adults who consider entrepreneurship a desirable career choice increased to 75.6%, thus indicating that starting and running a business continues to be viewed as an attractive and legitimate professional path. This improvement suggests that entrepreneurship is becoming more embedded in public expectations about work, income generation, and personal achievement. The most notable change is the significant increase in the perceived status and respect associated with starting a new business. This indicator reached 68.2%, which is the highest level recorded during the monitored period. Such a result suggests that entrepreneurs are increasingly recognised not only as economic actors, but also as socially valued contributors to innovation, employment, and national development. A higher perceived status may also strengthen entrepreneurial motivation, especially among individuals who are still considering whether to start a business.

Media visibility remained strong, although it decreased slightly compared with the previous year. The share of adults who often see stories in public media or online about successful new businesses remains high, and the decline should not be interpreted as a major change. Overall, the results for 2025 show that Lithuania has a supportive social climate for entrepreneurship, where business creation is seen as desirable, respected, and visible in the public discourse. This positive social perception provides an important foundation for the record levels of entrepreneurial intention and early-stage activity observed in 2025.

Figure 29. Societal Attitudes Toward Entrepreneurship in Lithuania, 2014, 2022–2025

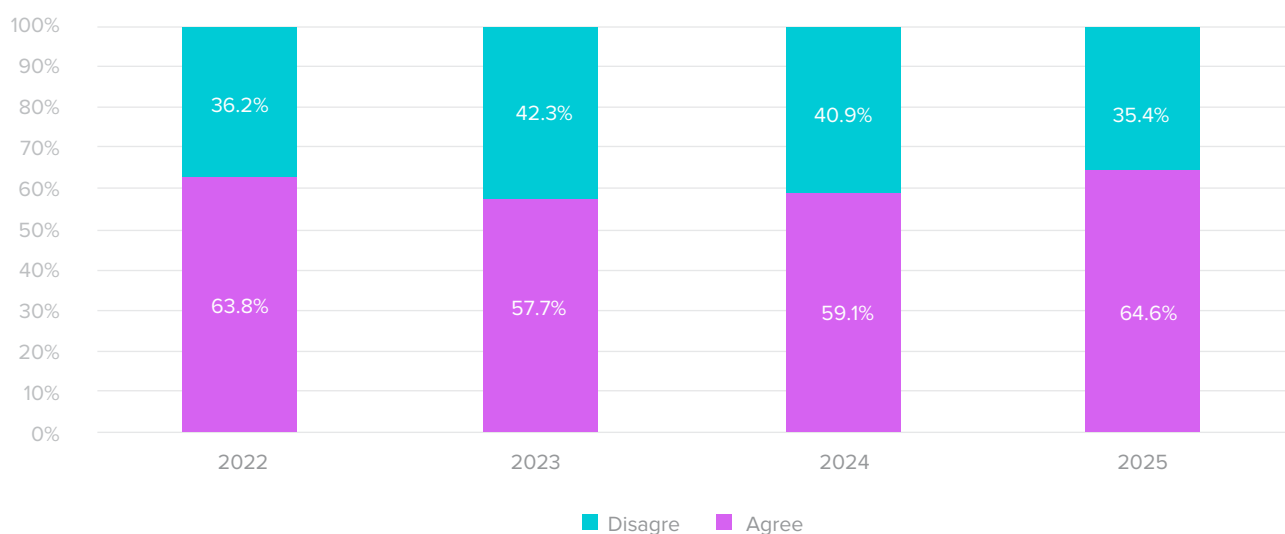


Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

Perceptions of the ease of starting a business in Lithuania weakened in 2025. The share of adults who disagree that it is easy to start a business increased to 64.6%, which is the highest level recorded during the monitored period. This suggests that, despite the positive societal attitudes toward entrepreneurship accompanied with high levels of entrepreneurial intention, many people still perceive practical barriers to business creation. This result reveals a growing disconnect between the cultural attractiveness of entrepreneurship and perceptions of its practical accessibility in Lithuania.

Entrepreneurship is increasingly respected, visible, and socially legitimised, yet a growing share of adults still perceives the actual process of starting a business as difficult. This suggests that positive entrepreneurial attitudes alone are no longer the main constraint in the Lithuanian ecosystem. Instead, the challenge may be shifting toward implementation-related barriers, including regulatory complexity, financing constraints, labour shortages, market uncertainty, and the operational demands of transforming entrepreneurial intentions into sustainable business activity.

Figure 30. Perceived Ease of Starting a Business in Lithuania, 2022–2025

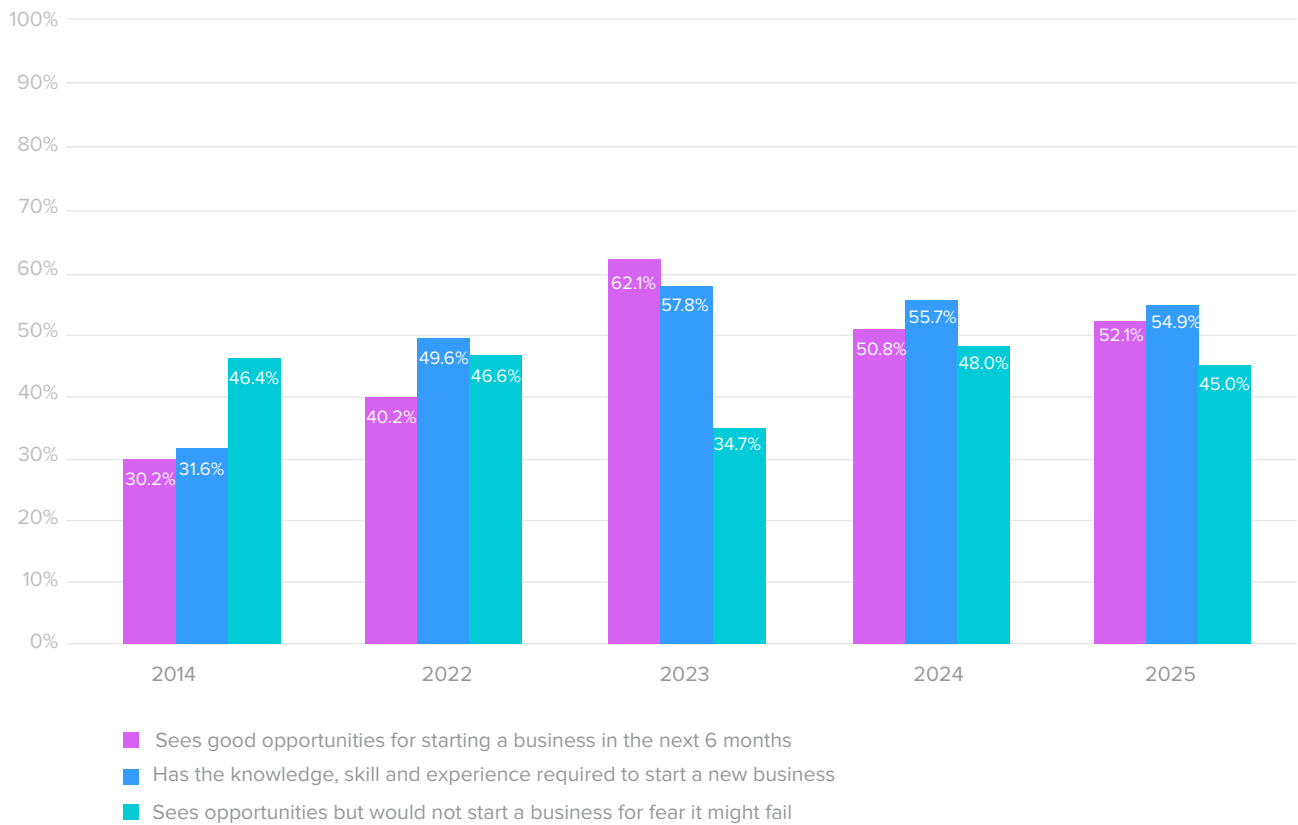


Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

In 2025, 52.1% of adults in Lithuania reported seeing good opportunities to start a business in the next six months, representing a slight increase compared with the previous year. This suggests a modest improvement in the way how people assess the external environment for entrepreneurship. At the same time, perceived entrepreneurial capability decreased slightly to 54.9%, which means that just over a half of adults believe they have the knowledge, skills, and experience needed to start a business. Fear of failure also decreased to 45% among those who see good opportunities, which is a positive signal, as fear can prevent individuals from acting even when opportunities are visible.

Taken together, these indicators suggest that Lithuania's entrepreneurial environment is becoming more opportunity-oriented and psychologically supportive of entrepreneurship, but not yet equally confident in entrepreneurial execution. The combination of rising opportunity perception and a lower fear of failure would normally support stronger entrepreneurial mobilisation. However, the weaker improvement in perceived capabilities suggests that part of the population may still be doubting whether they possess the practical knowledge, experience, or resources necessary to start a business successfully.

Figure 31. Opportunities, skills, fear of failure and personal acquaintances with entrepreneurs, 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025



CHAPTER 4

GENDER DYNAMICS IN ENTREPRENEURSHIP

GENDER DYNAMICS IN ENTREPRENEURSHIP

Gender dynamics provide an important perspective on the inclusiveness and maturity of Lithuania's entrepreneurial ecosystem. Examining entrepreneurship through a gender lens helps reveal whether women and men participate equally across different stages of business activity, how they perceive opportunities and barriers, and whether their businesses differ in innovation orientation, market scope, technology use, and growth expectations.

In 2025, societal attitudes toward entrepreneurship remained positive across both women and men, suggesting that entrepreneurship is widely recognised as a desirable and respected career path across Lithuanian society. However, gender differences become more visible when moving from general attitudes to perceived feasibility and actual participation. Women remain less likely than men to perceive starting a business as easy and report lower confidence in having the knowledge, skills, and experience required to start a business, despite improvements in opportunity perception and declining fear of failure. Women therefore appear more likely to perceive greater practical barriers when considering entrepreneurship, including access to finance, networks, confidence, administrative complexity, or balancing business creation with other responsibilities.

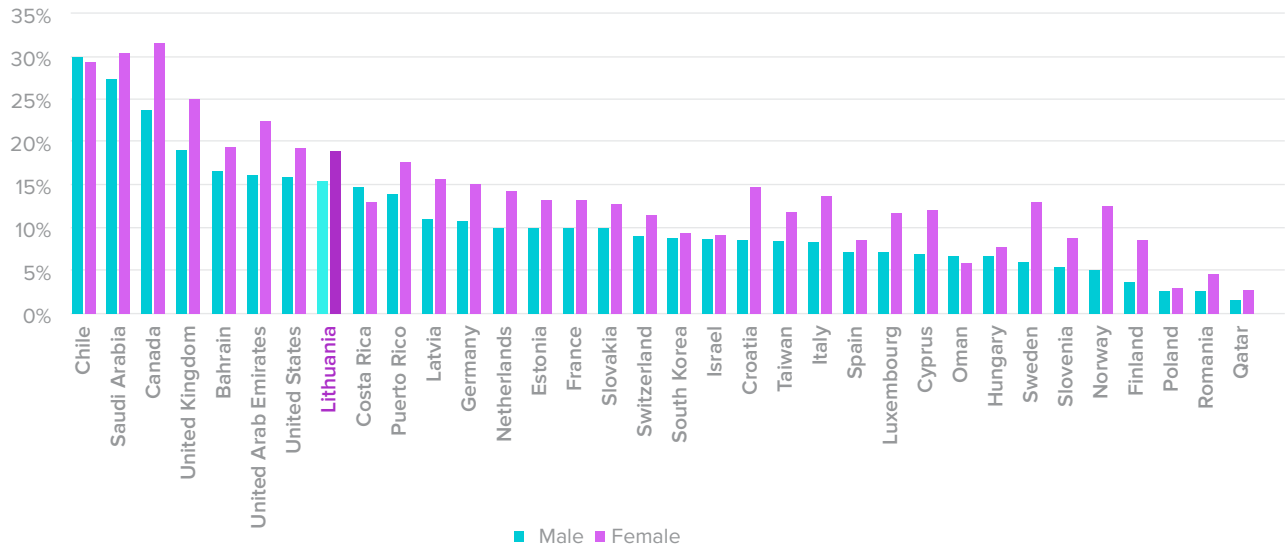
The data for 2025 also show a shift in early-stage entrepreneurial activity. While TEA was relatively balanced by gender in the previous year, male early-stage activity increased more strongly in 2025. Men now show higher

participation in nascent and baby businesses, as well as a continued dominance in established business ownership. This suggests that women remain active in entrepreneurship but still face challenges in progressing from business entry to business maturation and long-term ownership.

At the same time, the chapter highlights important areas of strength among women-led businesses. Female entrepreneurs show higher international market ambition, stronger orientation toward world-level product and technology novelty, and a slightly higher use of mid- and high-tech technologies. These findings show that women-led entrepreneurship should not be understood only through the lens of gaps or constraints. It also represents an important source of innovation, internationalisation, and technological potential. This chapter examines gender differences across the entrepreneurial pipeline, from attitudes and self-perceptions to intentions, early-stage activity, established ownership, discontinuation, sectoral participation, innovation, market scope, technology use, and job creation expectations. Together, the findings show that Lithuania's gender dynamics in entrepreneurship are complex: social attitudes are broadly supportive, but differences remain in perceived capability, business maturation, sectoral distribution, and growth pathways.

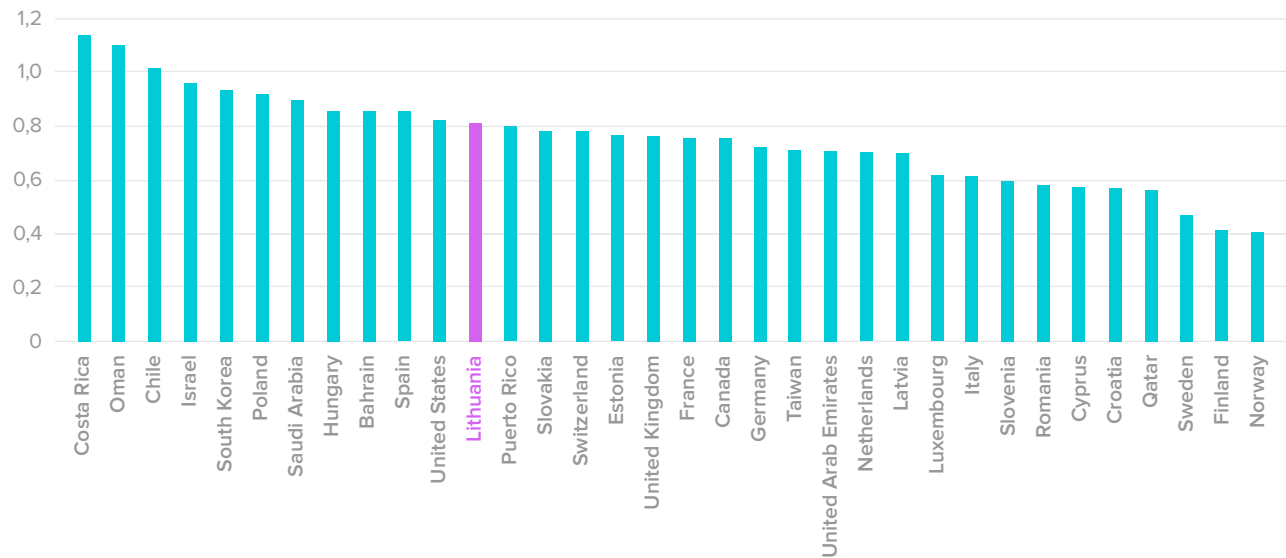
Figure 32. Gender Gaps in Early-Stage Entrepreneurial Activity in High-Income Economies, 2025

Panel A. Total Early-stage Entrepreneurial Activity (TEA) by gender (% of adult population)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, 2025

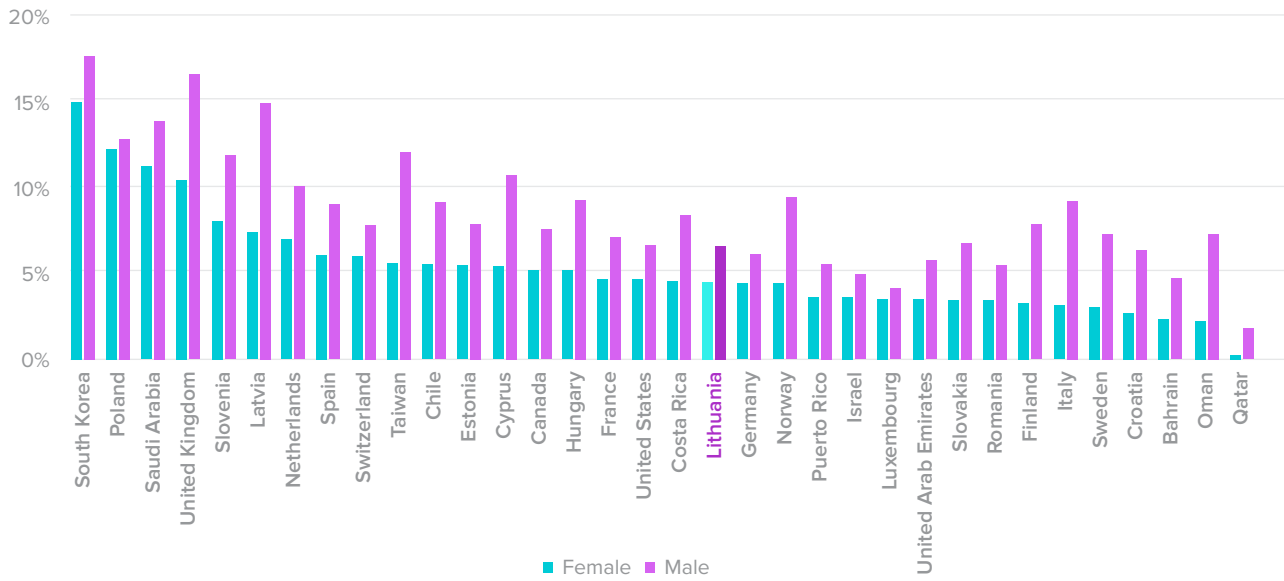
Panel B. TEA Gender Ratio (Female/Male)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, 2025

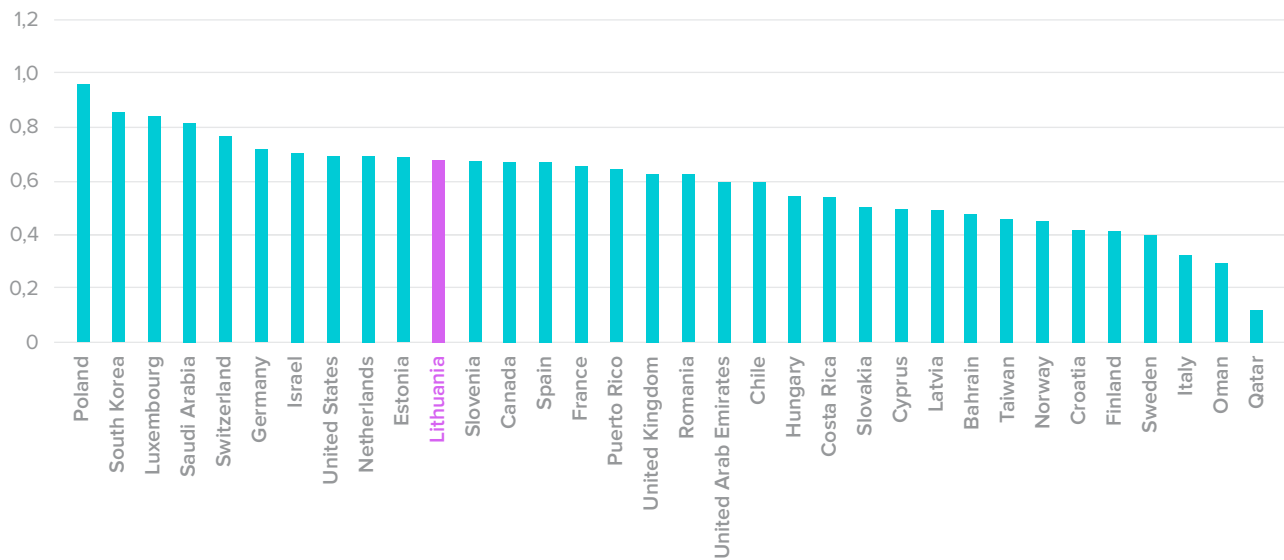
Figure 33. Gender Gaps in Established Business Ownership in High-Income Economies, 2025

Panel A. Established Business Ownership (EBO) by gender (% of adult population)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, 2025

Panel B. EBO Gender Ratio (Female/Male)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, 2025

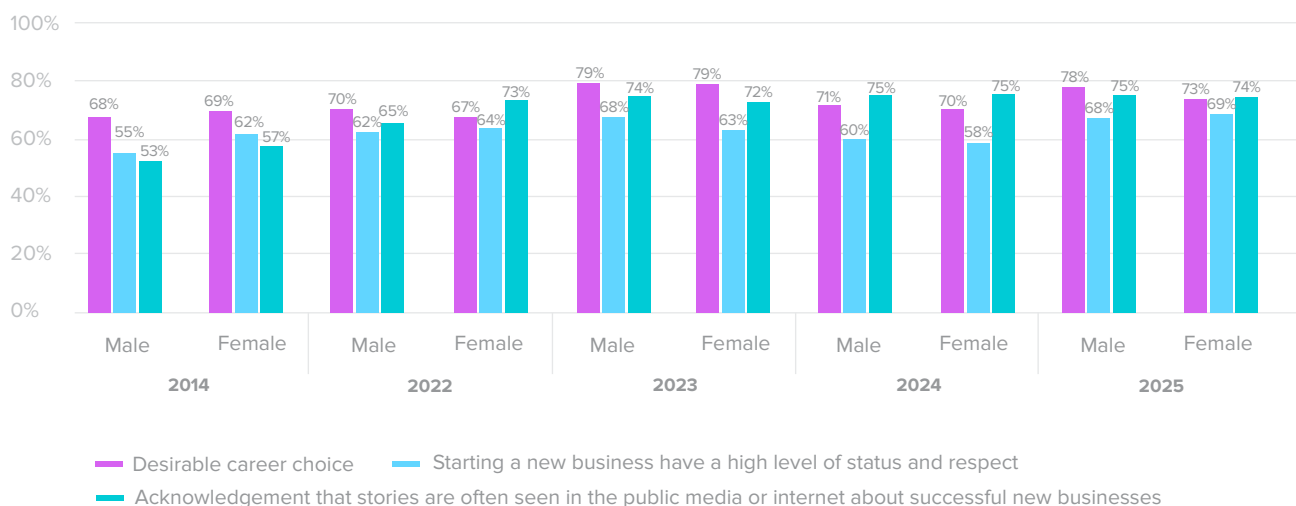
Societal attitudes toward entrepreneurship in Lithuania in 2025 remain broadly positive across both women and men, thus suggesting that entrepreneurship is being increasingly recognised as a desirable and respected career path across society rather than for one gender alone. An increase in the perceived status and respect associated with starting a business appears to reflect a wider cultural strengthening of entrepreneurship. However, this positive social perception should be distinguished from the level of how easy people believe it is to start a business.

When the perception of ease of starting a business is examined by gender, a clearer difference emerges. Although the previous chapter showed that the overall perception of ease weakened in 2025, the gender breakdown indicates that this challenge is felt more strongly by women. The trend observed last year continues because fewer women than men still

perceive starting a business as being easy. This suggests that women may face, or anticipate, greater practical barriers when considering entrepreneurship, including access to finance, networks, confidence, administrative complexity, or balancing business creation with other responsibilities.

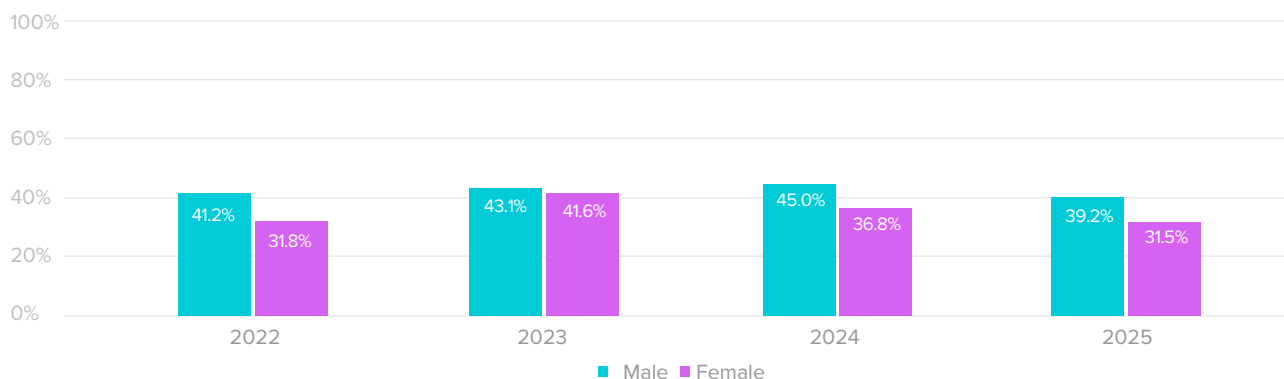
Taken together, the two figures suggest that gender differences in entrepreneurship in Lithuania are less related to social attitudes toward entrepreneurship itself and more connected to perceived feasibility. While entrepreneurship is increasingly viewed positively across society, women remain less likely to perceive the process of starting a business as accessible in practice. This distinction is important because perceived feasibility strongly influences whether positive entrepreneurial attitudes translate into entrepreneurial action.

Figure 34. Societal Attitudes Toward Entrepreneurship by Gender in Lithuania, 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

Figure 35. Perceptions of Ease of Starting a Business by Gender in Lithuania, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

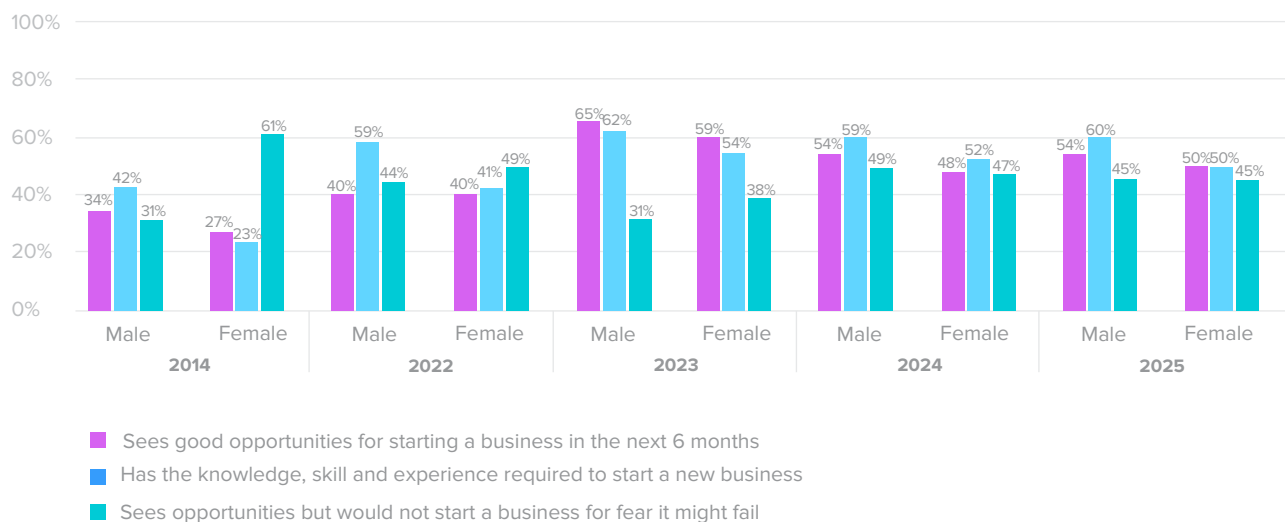
Entrepreneurial self-perceptions by gender in 2025 show a mixed picture. On the positive side, the opportunity perception gap between women and men has narrowed. The share of men who see good opportunities to start a business remained at 54%, while the share of women increased to 50%. This suggests that women are increasingly recognising market opportunities, and that the difference between genders in how they assess the external entrepreneurial environment is decreasing.

At the same time, the perceived capability gap has widened. Among men, the share of those who believe they have the knowledge, skills, and experience required to start a business increased to 60%, while, among women, it decreased to 50%. The findings show that, even as women are seeing more opportunities, they are less likely than men to feel fully prepared to act on these opportunities. The pattern highlights the importance of

targeted support, mentoring, skills development, and confidence-building measures that would help women convert opportunity perception into entrepreneurial action.

A positive development is that fear of failure decreased for both women and men and reached the same level of 45%. This convergence is important because fear of failure has often acted as a barrier to entrepreneurship, especially when opportunities are otherwise visible. In 2025, the gender difference in terms of fear of failure appears to have disappeared, thus suggesting that the main gender gap is shifting away from fear and toward perceived capability. Overall, the figure shows that women and men are becoming more similar in how they perceive opportunities and risk, but less similar in how confident they feel about having the necessary skills to start a business.

Figure 36. Entrepreneurial self-perceptions by gender in Lithuanian adult population, 2014, 2022–2025 (percentage of population aged 18–64)

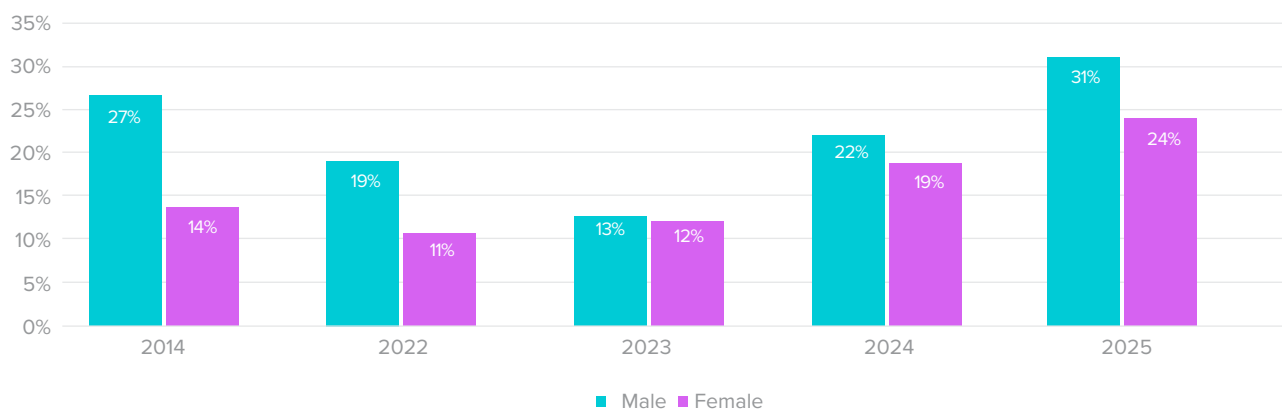


Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

Entrepreneurial intentions by gender in Lithuania increased in 2025 for both women and men, which reflects the broader national rise in the share of adults planning to start a business. However, growth was considerably stronger among men. Specifically, among men, entrepreneurial intentions rose from 22% to 31%, which is an increase of 9 percentage points. Whereas, among women, the increase was more moderate, rising from 19% to 24%, or by 5 percentage points.

This means that while more women are expressing an intention to start a business, the gender gap in entrepreneurial intentions has widened. This result is consistent with the earlier self-perception findings, where women increasingly recognise business opportunities but report lower confidence in having the knowledge, skills, and experience required to start a business. In contrast, men show both higher perceived capability and a stronger rise in entrepreneurial intentions.

Figure 37. Entrepreneurial Intentions by Gender in Lithuania, 2014, 2022–2025



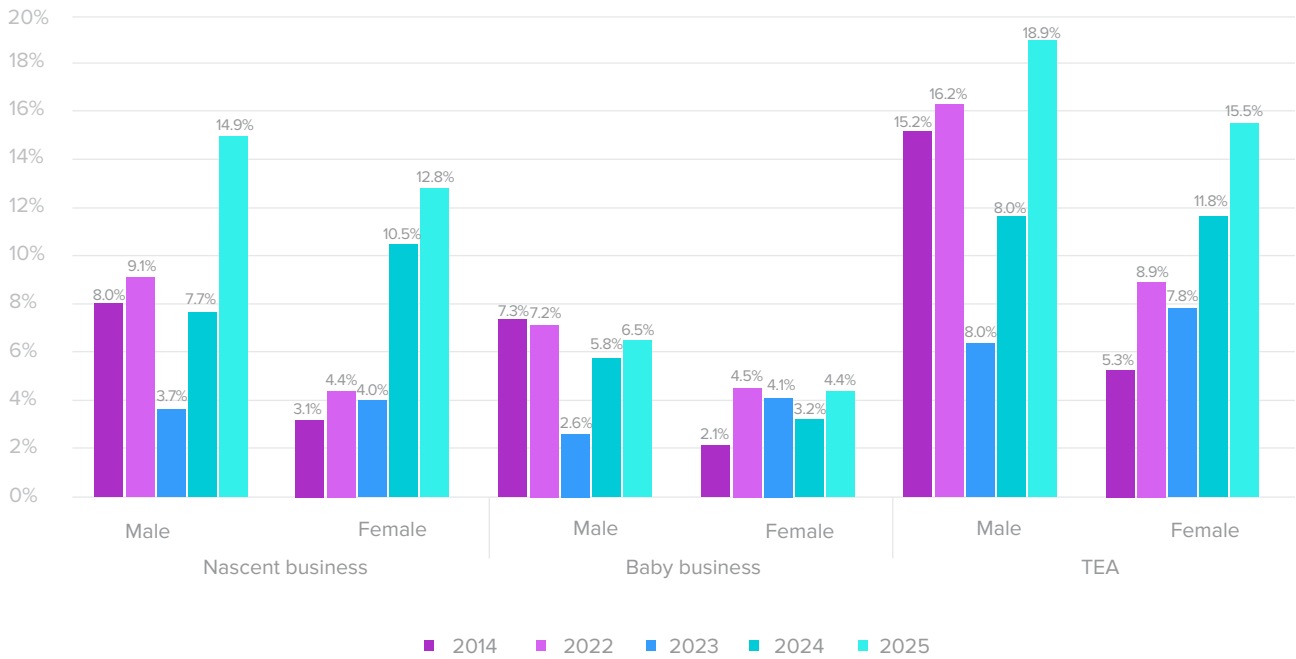
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

TEA rates by gender in 2025 show a clear shift compared with the previous year. While early-stage entrepreneurial activity was relatively balanced between women and men in 2024, male TEA increased more strongly in 2025 and reached 18.9%, compared with 15.5% among women. This indicates that both genders remain active in early-stage entrepreneurship, but the renewed growth in TEA is now more strongly driven by men.

The breakdown into nascent and baby businesses provides a more detailed view of this change. In 2024, nascent entrepreneurship was more strongly led by women, suggesting that women were highly active at the earliest stage of business creation. In 2025, this pattern reversed, with men significantly surpassing women in nascent activity. The difference is also visible among baby businesses, where men continue to show higher participation. Men, therefore, appear more strongly represented not only in the first steps of business creation, but also in the transition toward young businesses that have already begun operating.

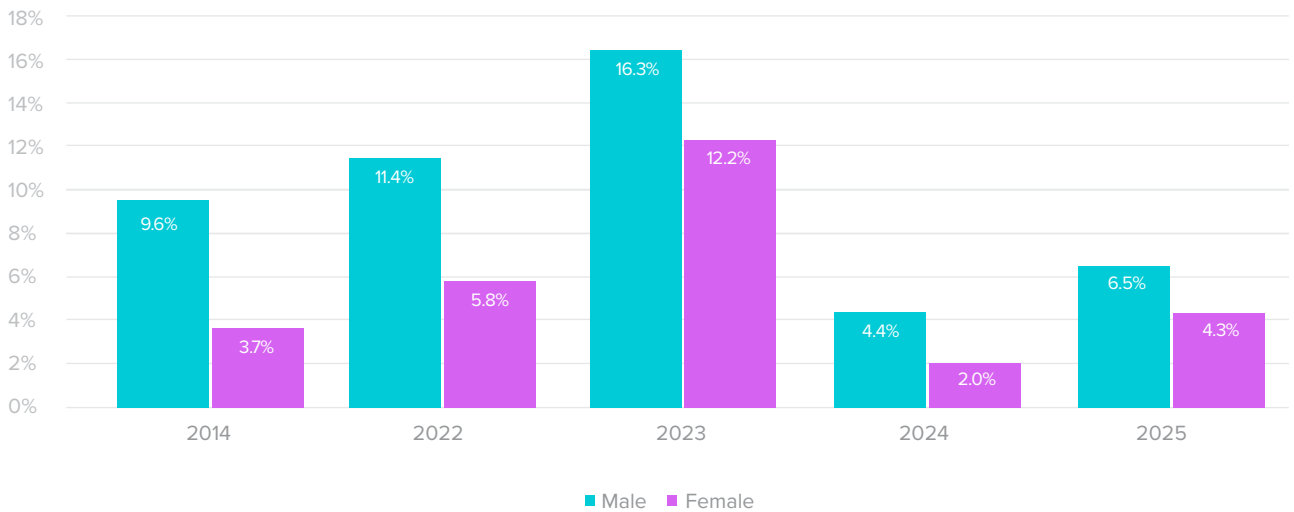
Established business ownership shows an even clearer gender imbalance. Men continue to dominate this more mature stage of business activity, reinforcing the view that women face greater challenges in sustaining, scaling up, or remaining in charge of businesses over time. The gap between women's participation in early-stage entrepreneurship and their lower presence in established business ownership indicates that gender differences in Lithuania are linked less to the entrepreneurial entry itself and more to business sustainability, scaling up, and progression into mature ownership.

Figure 38.1. TEA rates by gender, disaggregated into nascent and baby businesses (2014, 2022–2025)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

Figure 38.2. EBO rates by gender (2014, 2022–2025)

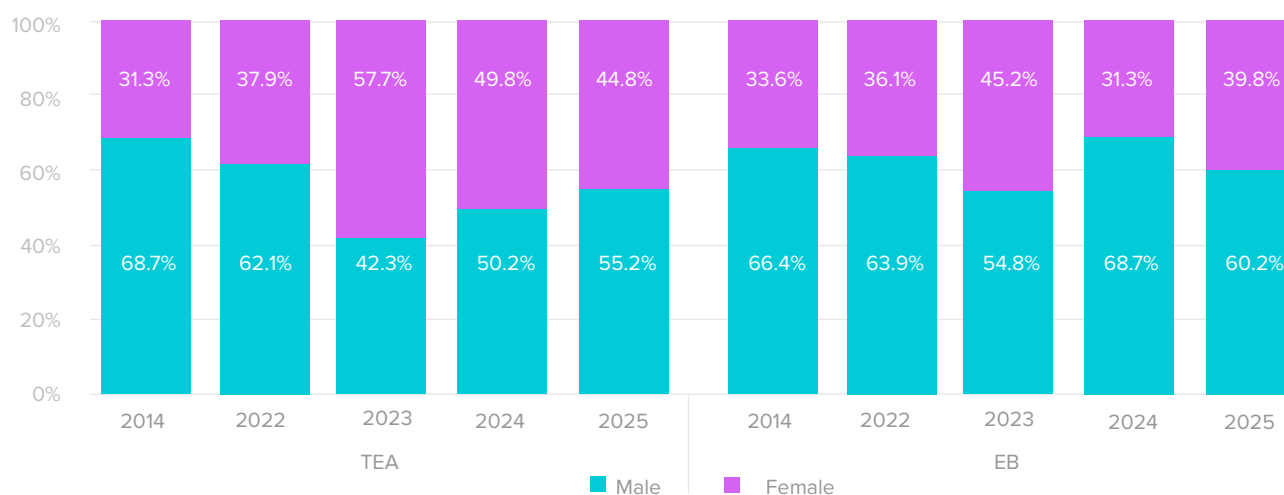


Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

The gender share in early-stage and established business ownership confirms the shift observed in the previous figures. Since 2023, the female share of TEA has been gradually retracting, mainly because male early-stage entrepreneurial activity has increased more strongly. This does not inherently mean that women have disappeared from early-stage entrepreneurship, but, instead, it shows that the recent expansion of TEA has been driven more by men, thus leading to a less balanced gender composition than in the previous year.

In established business ownership, the pattern appears more stable across the monitored period. Men continue to account for a larger share of established business owners, while women remain less represented in this mature phase of business activity. This reinforces the broader finding that gender imbalance becomes more persistent as businesses move from early-stage activity to established ownership.

Figure 39. Gender Share in Early Stage and Established Business Ownership in Lithuania 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

Motivational drivers for starting a business in Lithuania in 2025 show important differences between women and men. Necessity-driven entrepreneurship, measured by the motivation to earn a living because jobs are scarce, increased among men from 62.6% in 2024 to 67.6% in 2025. Among

women, the same motive decreased from 79.8% to 70.6%, although it remains slightly higher than among men. This suggests that women continue to be more affected by income and employment security concerns, but the gender gap in necessity-driven motivation has narrowed.

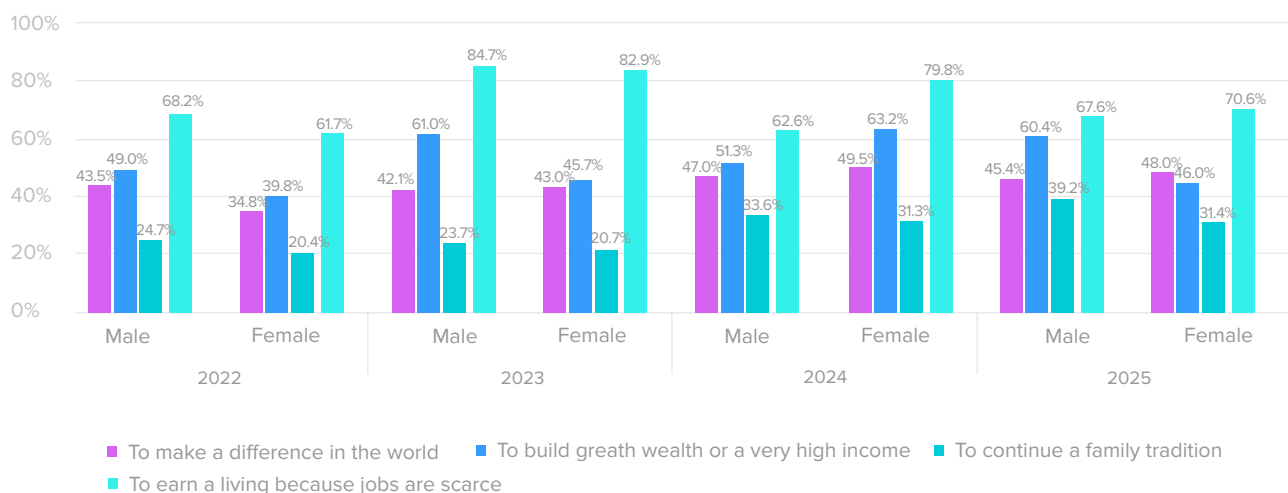
The motivation to make a difference in the world remained relatively similar across genders, despite decreasing slightly for both women and men. Women still reported a somewhat stronger impact-oriented motivation at 48%, compared with 45.4% among men. This indicates that purpose-driven entrepreneurship remains relevant for both genders but continues to be marginally more pronounced among women.

A more significant gender divergence appears in the motivation to build great wealth or achieve a very high income. Among women, this motive decreased sharply from 63.2% in 2024 to 45% in 2025. In contrast, among men, it moved in the opposite direction, increasing from

51.3% to 60.4%. The 2025 results show a stronger increase in wealth-oriented motivation among men, while women placed less emphasis on high-income aspirations than in the previous year.

Continuing a family tradition also remained a stronger motivator among men. Male responses increased from 33.6% in 2024 to 39.2% in 2025, thereby reinforcing the role of family continuity in male entrepreneurship. Overall, the figure shows that men and women are entering entrepreneurship with increasingly different motivational profiles. Women remain more affected by necessity and impact motives, while men in 2025 show stronger growth in wealth-building and family-tradition motivations.

Figure 40. Motivational Drivers for Starting a Business by Gender in Lithuania, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

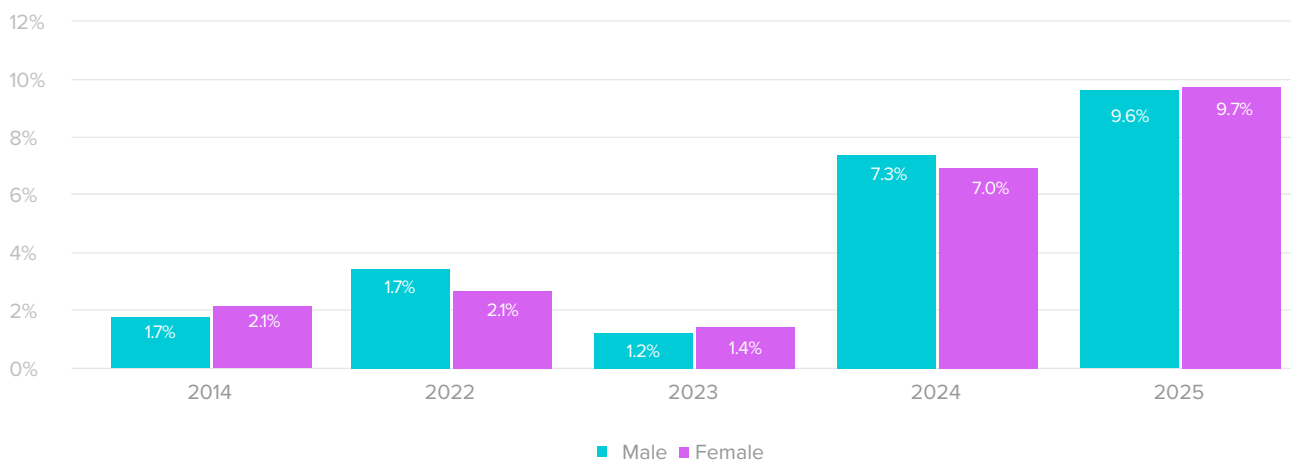
Business discontinuation rates increased in Lithuania in 2025, but the gender difference was almost absent. Discontinuation stood at 9.6% among men and 9.7% among women, which suggests that business exit affected both genders at nearly the same level. This indicates that the rise in discontinuation was not driven by one gender group, but, instead, reflected broader pressures and transitions in the entrepreneurial environment.

The reasons for discontinuation, however, show more distinctive gender patterns. For both women and men, government and tax policy or bureaucracy was one of the leading reasons for discontinuing a business, indicating that administrative and regulatory burdens remain a relevant challenge across genders. Among men, the same share of discontinuations was also linked to an opportunity to sell the business, suggesting that male exits were partly shaped by strategic or opportunity-driven decisions. The next most common reason among men was another business opportunity, followed by problems with supply. Women were more likely to exit voluntarily, often citing the pursuit of alternative employment or the intention to start a different business.

Among women, problems with supply were the second most important reason for discontinuation, suggesting that

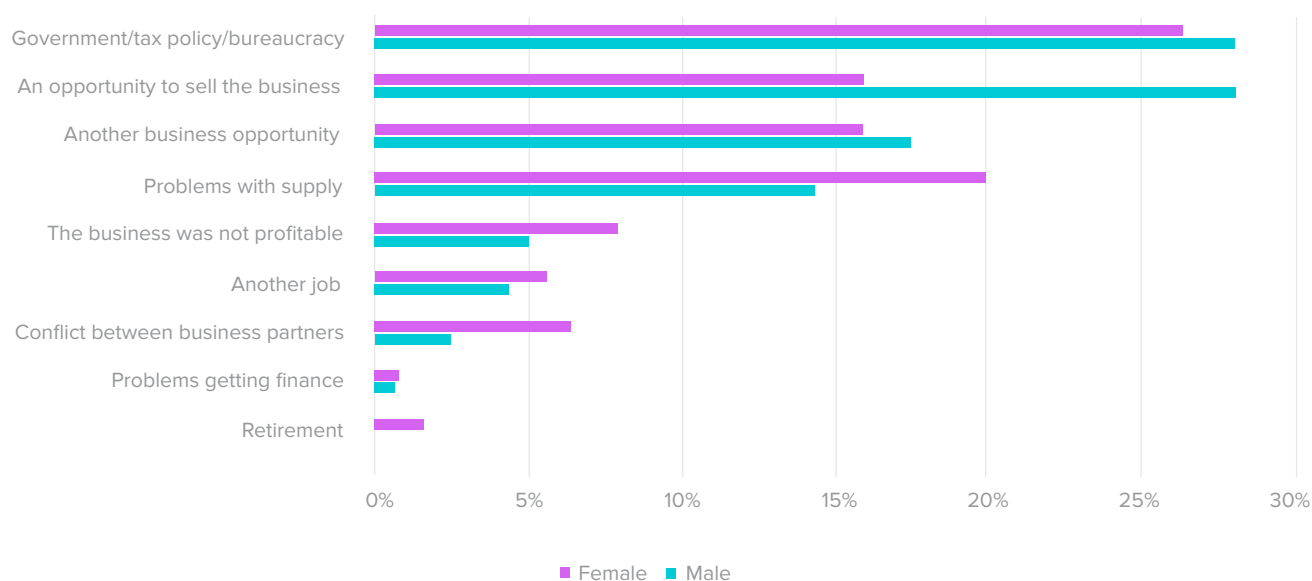
women-led businesses may have been more exposed to input disruptions, supplier instability, or sectoral conditions affected by global market uncertainty. The third position was shared by an opportunity to sell the business and another business opportunity. Overall, the figure shows that while men and women discontinued businesses at almost identical rates, the underlying reasons somewhat differed. Men's exits appear more connected to sale and new opportunity pathways, while women's exits show stronger exposure to supply-related difficulties alongside opportunity-based transitions. This suggests that similar discontinuation rates do not necessarily reflect similar entrepreneurial conditions or business trajectories across genders. Business outcomes, but also by broader differences in employment flexibility, financial exposure, and strategic intent.

Figure 41. Business Discontinuation Rates by Gender in Lithuania, 2014, 2022–2025



Business Discontinuation Rates by Gender in Lithuania, 2014, 2022–2025

Figure 42. Reasons for Business Discontinuation by Gender in Lithuania, 2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

The sectoral distribution of early-stage entrepreneurs by gender in 2025 shows that most sectors remain dominated by male-led new businesses, but the pattern differs considerably across activities. Agriculture, forestry, and fishing stand out as a strongly female-led sector, with women accounting for 89% of early-stage businesses. Also, government, health, education, and social services are also female-led, with women representing 62% of new businesses in this area. Manufacturing shows a more balanced structure, with male and female participation appearing in equal proportions.

At the same time, several sectors remain clearly male-dominated. Wholesale trade is the most pronounced example, with men leading 93% of early-stage businesses. ICT also remains male-led, with men accounting for 71% of new businesses, thereby confirming the continued gender imbalance in

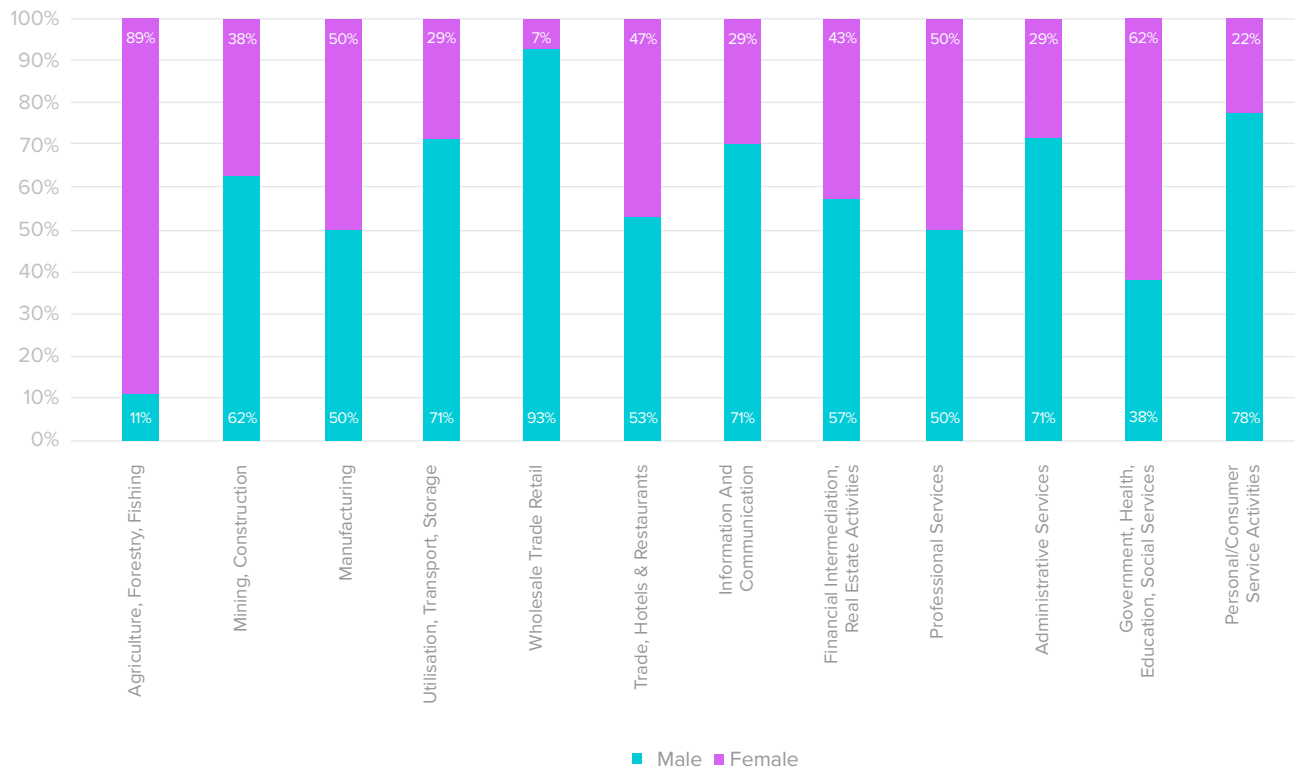
technology-oriented entrepreneurship. This is important because ICT and related digital sectors are often linked to higher growth potential, scalability, and innovation intensity. The findings therefore suggest that gender differences in entrepreneurship are linked not only to participation levels, but also to unequal representation across sectors with different growth and scaling potential.

Gender dynamics in early-stage entrepreneurship are strongly sector-specific. Women are highly represented in some areas, particularly in agriculture and social-service-related activities, but remain underrepresented in sectors such as ICT and wholesale trade. These patterns suggest that gender gaps in entrepreneurship are not only about the overall participation rates, but also about the types of sectors where women and men are creating businesses.

The women-led entrepreneurship in Lithuania cannot be understood solely through the lens of smaller-scale or locally constrained activity. Alongside strong local embeddedness, women also demonstrate comparatively high international orientation, pointing to a more diverse entrepreneurial profile than is often assumed in traditional gender narratives.

Figure 43. Sectoral Distribution of Early-Stage Entrepreneurs (TEA) by Gender in Lithuania, 2025

Share of male and female entrepreneurs (aged 18–64) by sector of activity. The sectors include agriculture, manufacturing, ICT, retail, professional services, education, and others



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

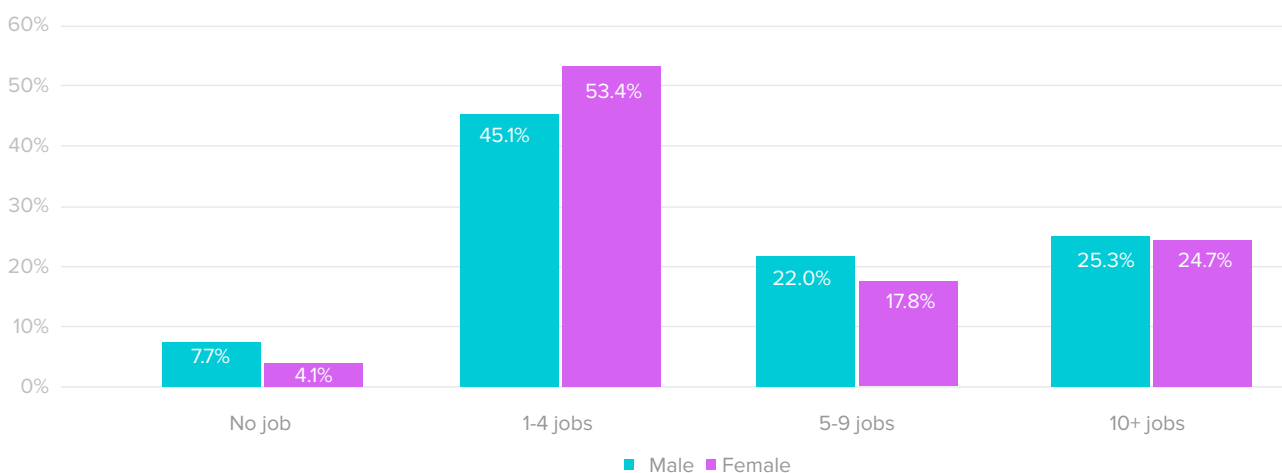
Job creation expectations among entrepreneurs by gender in 2025 continue to show that women and men differ more in the scale of expected growth than in the overall intention to grow. Female entrepreneurs are more oriented toward smaller-scale job creation, especially in the 1–4 jobs category, while male entrepreneurs are more represented in the 5–9 jobs category and are somewhat more likely to expect larger job creation. However, the difference in the 10+ jobs category is not very large, thus suggesting that high-growth ambition exists among both genders, even if men remain slightly more represented in the larger expansion categories.

This pattern appears broadly consistent when compared with the findings of 2024. Last year, women were more concentrated in moderate expansion, while men were more likely to expect 5–9 jobs or 10 or more jobs. The results for 2025, therefore, suggest continuity rather than a complete shift in gendered job creation expectations. Women-led early-stage businesses continue to show growth ambition, but this ambition is more often expressed through smaller, gradual

hiring plans. Male-led businesses remain somewhat more associated with larger employment growth, which may reflect differences in sectoral participation, access to resources, business models, or expectations about scaling up. Overall, the figure suggests that gender differences in job creation are not about whether entrepreneurs expect to grow, but rather about the expected scale and pace of that growth. Similarly motivated businesses.

Figure 44. Job Creation Expectations Among Entrepreneurs by Gender in Lithuania, 2025

Projected number of jobs to be created by early-stage entrepreneurs (TEA) in the next five years, by gender

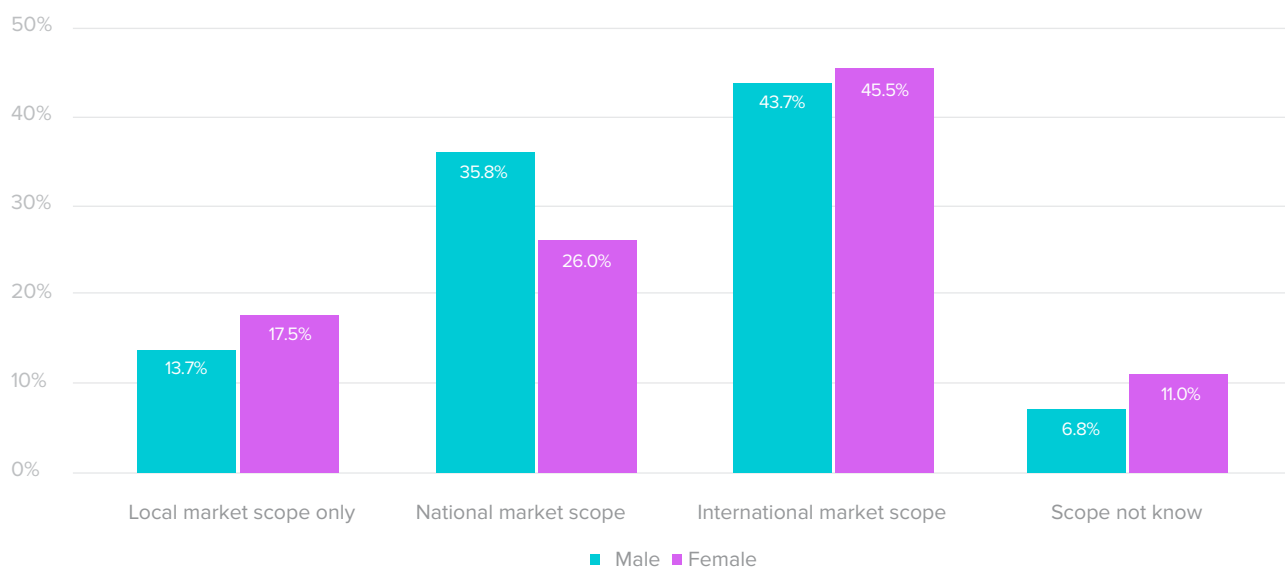


Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

The market scope of early-stage entrepreneurial activity by gender in 2025 shows that women and men differ in the geographic reach they associate with their businesses. Female entrepreneurs report higher ambition for international market scope than men, thus suggesting that part of women-led early-stage entrepreneurship is oriented beyond the domestic market from the very beginning. At the same time, men show a stronger orientation toward the national market, indicating that male-led early-stage businesses are more often positioned to serve customers across Lithuania rather than primarily abroad or locally. Women also show a higher local market orientation, which means that female-led entrepreneurship is more strongly represented at both ends of the market-scope spectrum: local embeddedness and international ambition. This pattern may reflect the diversity of women-led businesses, ranging from community-based services to ventures targeting broader external markets.

Figure 45. Market Scope of Early-Stage Entrepreneurial Activity (TEA) by Gender in Lithuania, 2025

Distribution of entrepreneurs aged 18–64 by intended market reach (local, national, or international)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

Innovation orientation by gender in 2025 shows that female early-stage entrepreneurs report a stronger orientation toward globally novel innovation than male entrepreneurs. Women are more likely to indicate that their products or services are new to the world, at 2.8% compared with 1.6% among men. The difference is even more visible in technologies or procedures new to the world, where women reach 6.2% compared with as little as 2.2% among men. Although these shares remain relatively small in absolute terms, the gender difference is meaningful and suggests that a segment of women-led early-stage businesses is engaging in more breakthrough-oriented innovation.

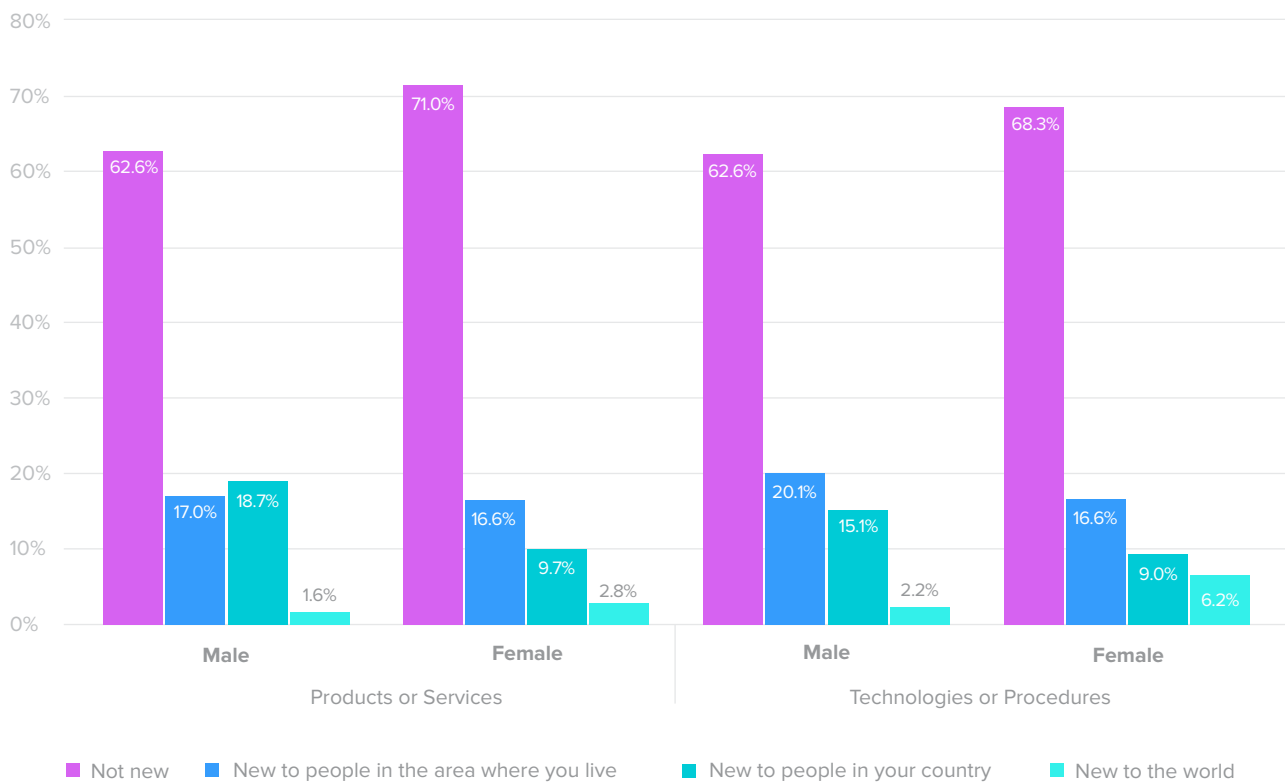
hiring plans. Male-led businesses remain Men, by contrast, appear more focused on innovations that are new to the

country. This points to a different innovation profile, where male-led businesses are more likely to adopt, transfer, or adapt technologies and solutions which are already present elsewhere in the world into the Lithuanian market. This type of innovation remains important, as it supports national modernisation and helps diffuse new practices across the economy.

Overall, the findings challenge the traditional assumptions that women-led entrepreneurship is primarily concentrated in lower-growth or less innovative activities. Although women remain less represented in some high-growth sectors, female-led early-stage businesses in Lithuania demonstrate comparatively strong orientation toward internationally novel products, services, and technologies.

Figure 46. Innovation Orientation of Early-Stage Entrepreneurs by Gender in Lithuania, 2025

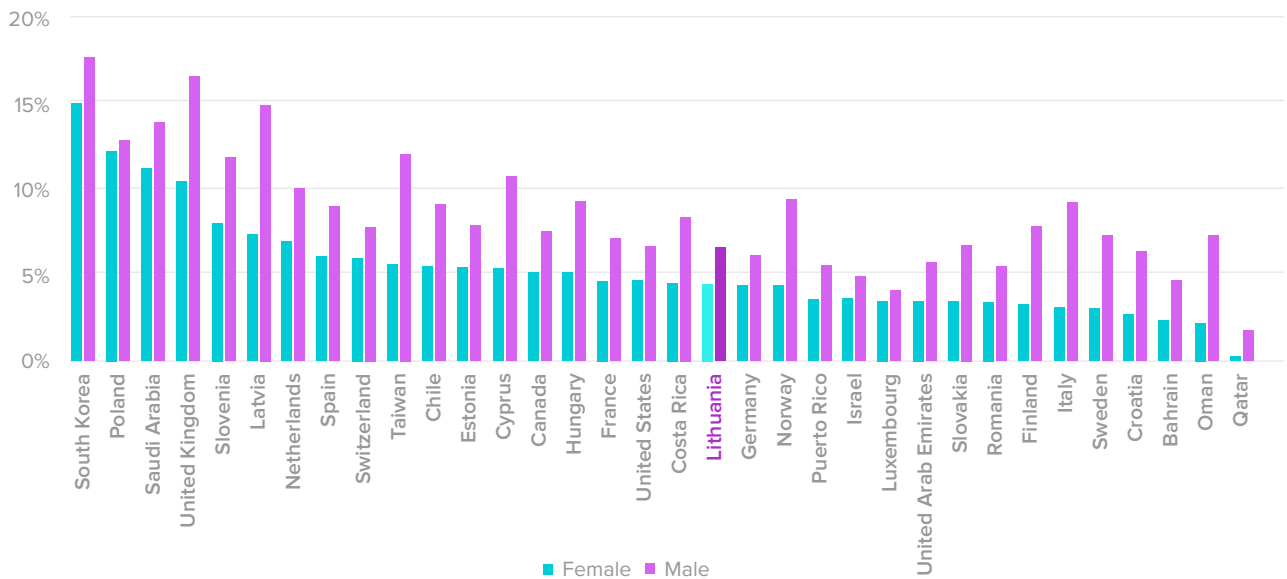
Share of entrepreneurs aged 18–64 reporting the novelty of their products, services, or technologies by geographic scope (local, national, global)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

Figure 47. Digital Technology Intentions and Usage Among Entrepreneurs by Gender in Lithuania, 2022–2025

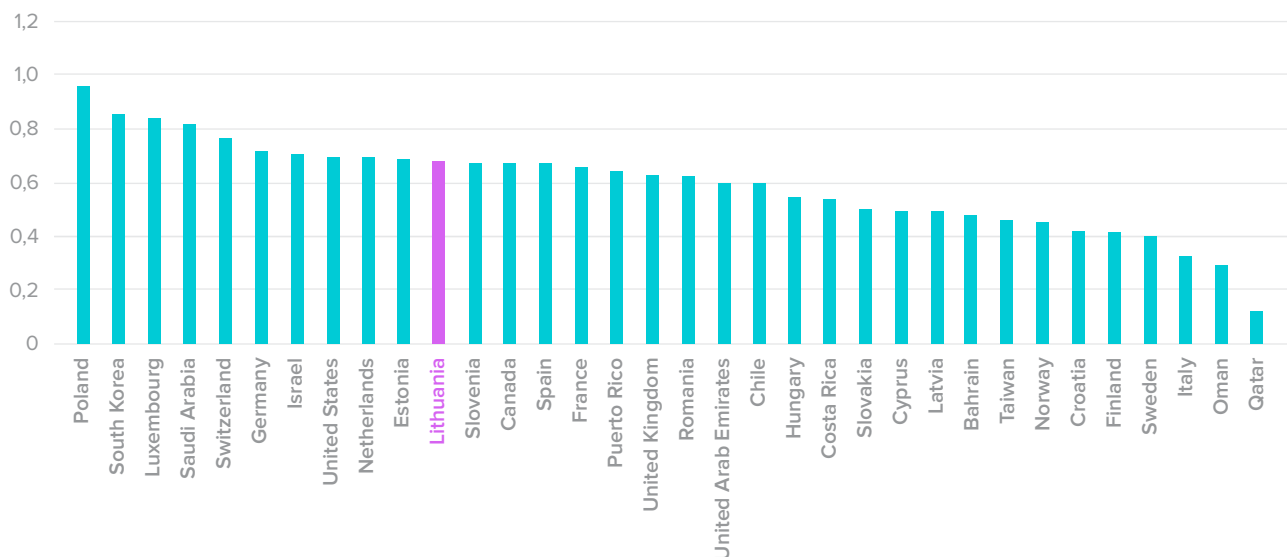
Panel A. Entrepreneurs' expectations to increase digital technology use for sales over the next six months (2022–2025)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

Current use of mid- and high-tech technologies among entrepreneurs by gender in 2025 shows no substantial difference between women and men. Female entrepreneurs report a slightly higher use, at 37%, compared with 35% among male entrepreneurs, but the gap is small and should not be interpreted as a major gender divide. The results indicate that the use of mid- and high-tech technologies is relatively balanced across genders. The findings therefore suggest that women-led businesses are not lagging behind men-led businesses in the current application of more advanced technologies.

Panel B. Current use of mid- and high-tech technologies among entrepreneurs by gender (2025)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

Taken together, the results for 2025 show that gender dynamics in Lithuanian entrepreneurship cannot be reduced to a simple participation gap between women and men. While women remain less represented in established business ownership and continue to report lower perceived entrepreneurial capability, women-led businesses demonstrate comparatively strong orientation toward international markets, world-level innovation, and technology use. The findings, therefore, suggest that the key challenge for Lithuania is not only to increase women's participation in entrepreneurship but also to strengthen the conditions that would help women-led ventures sustain growth, scale-up, and transition into long-term business ownership.

CHAPTER 5

SOCIAL AND ENVIRONMENTAL SUSTAINABILITY



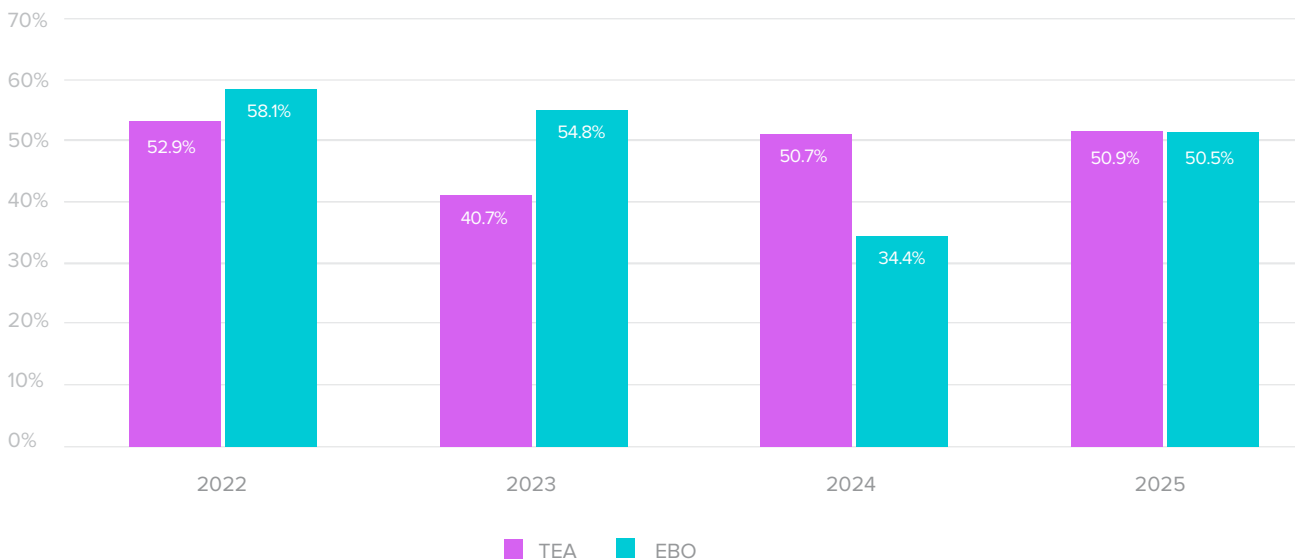
SOCIAL AND ENVIRONMENTAL SUSTAINABILITY

In 2025, social and environmental impact became almost equally important for early-stage entrepreneurs and established business owners in Lithuania, thus suggesting that sustainability-oriented priorities are becoming more deeply embedded across the broader entrepreneurial ecosystem rather than remaining concentrated primarily among new ventures. The share of TEA respondents who prioritised social and/or environmental impact over profitability or growth stood at 50.9%, while the share among established business owners reached 50.5%. This near-convergence is significant because, in previous years, established business

owners were less likely to place social and environmental goals above profitability or growth.

The strongest change is visible among established business owners. Their share increased sharply from 34.4% in 2024 to 50.5% in 2025, suggesting that sustainability-oriented priorities are becoming more embedded not only among new businesses, but also among established ones. This likely reflects growing adaptation by established businesses to customer expectations, regulatory pressures, supply chain requirements, and a broader societal demand for responsible business practices.

Figure 48. Share of Entrepreneurs and Established Business Owners in Lithuania Who Prioritise Social and/or Environmental Impact Over Profitability or Growth, 2022–2025

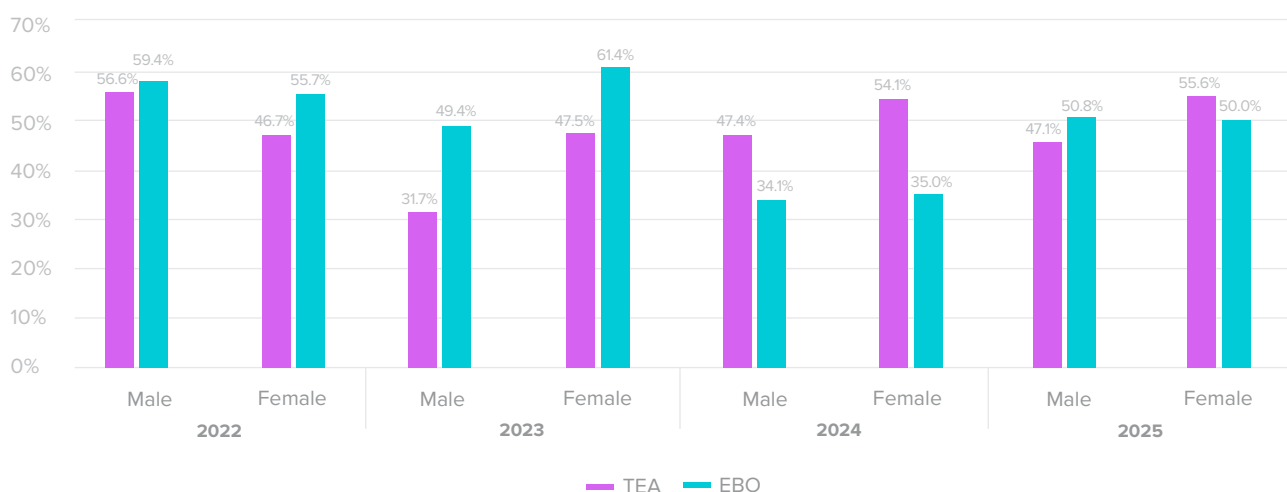


Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

The gender breakdown of sustainability prioritisation in 2025 shows continuity among early-stage entrepreneurs and a strong shift among established business owners. Within TEA, the pattern remains broadly similar to the previous year, suggesting that gender differences in prioritising social and/or environmental impact over profitability or growth have not changed substantially at the early-stage level. This indicates that sustainability values among new entrepreneurs are relatively stable across the recent monitoring period.

The more notable development is visible among established business owners, where prioritisation has risen strongly – and almost equally – for both genders. In 2025, 50.8% of male established business owners and 50% of female established business owners reported prioritising social and/or environmental impact over profitability or growth. This near-equality suggests that the sharp increase observed among EBO is not driven by one gender alone, but that it rather reflects a broader shift in the ways how mature businesses in Lithuania approach sustainability.

Figure 49. Share of Entrepreneurs and Established Business Owners in Lithuania Who Prioritise Social and/or Environmental Impact over Profitability or Growth, by Gender, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

Prioritisation of social and/or environmental impact over profitability or growth by age group shows a more uneven pattern in 2025. Among the youngest respondents, i.e., those aged 18–24, prioritisation decreased significantly in both TEA and EBO. For early-stage entrepreneurs, it fell from 78% in 2024 to 57% in 2025, while among established business owners it decreased from 75% to 45%. This suggests that, although younger entrepreneurs remain relatively sustainability-oriented, their prioritisation of social and environmental goals weakened compared with the previous year. One possible explanation is that younger entrepreneurs may be more sensitive to an increasing pressure to prioritise business survival, financial stability, and competitiveness before placing sustainability and social impact at the centre of their business strategy.

As economic uncertainty, funding constraints, and competitiveness pressures remain strong, the startup environment has become more strongly oriented toward resilience, commercial validation, and survival before placing sustainability and social impact at the centre of the strategy.

At the same time, sustainability prioritisation increased strongly among established business owners in the 25–34 and 35–44-year-old age groups. In the 25–34 y.o. group, EBO prioritisation rose from 22% in 2024 to 80% in 2025, while in the 35–44 y.o. group, it increased from 27% to 65%. This represents a major shift, indicating that sustainability priorities are becoming much more prominent among younger and mid-career established business owners. The 45–54 y.o. group remained relatively stable across both years, suggesting continuity in sustainability orientation, while the 55–64 y.o. EBO group recorded a decrease from 35% to 25%. The rise in sustainability prioritisation among established business owners is not evenly distributed across all age groups. The

This suggests that sustainability integration among mature businesses in Lithuania is currently being driven most strongly by younger and mid-career established business owners rather than by the oldest or youngest business cohorts.

Figure 50. Share of Entrepreneurs and Established Business Owners in Lithuania Who Prioritise Social and/or Environmental Impact over Profitability or Growth, by Age Group, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

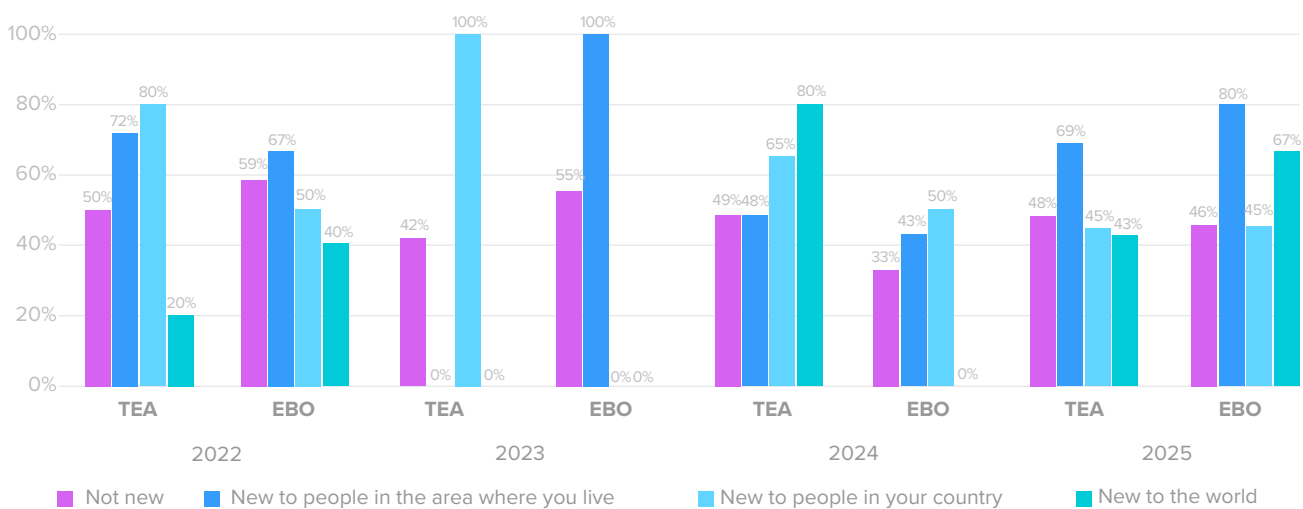
Prioritisation of the social and/or environmental impact by product or service novelty shows a clear shift in 2025. Among early-stage entrepreneurs developing products or services that are new to the world, sustainability prioritisation decreased significantly, from 80% in 2024 to 43% in 2025. This may reflect a tension frequently observed in innovation-driven entrepreneurship, where highly novel early-stage ventures prioritise technological validation, commercialisation, upscaling, and investor readiness before sustainability objectives getting integrated into the business strategy. Among established business owners with new-to-the-world innovations, the opposite pattern is visible, with prioritisation increasing to 67%. This may indicate that once businesses with more advanced innovation become more mature, they are better able to integrate sustainability into their strategic priorities. Established firms may have more resources, clearer market

positioning, or face stronger stakeholder pressure to align innovation with social and environmental impact.

The strongest increase is observed among businesses developing products or services that are new to people in the area where they live. Among TEA, prioritisation rose from 48% to 69%, while among EBO it increased from 43% to 80%. This suggests that locally novel businesses are becoming increasingly sustainability-oriented. Such businesses may be more closely connected to the local community needs, environmental concerns, and visible social impact, which can make sustainability a more natural part of their value proposition.

The findings, therefore, suggest that sustainability orientation in Lithuania may currently be the strongest among businesses whose innovation is closely embedded within local economic and social environments rather than among the most globally novel ventures.

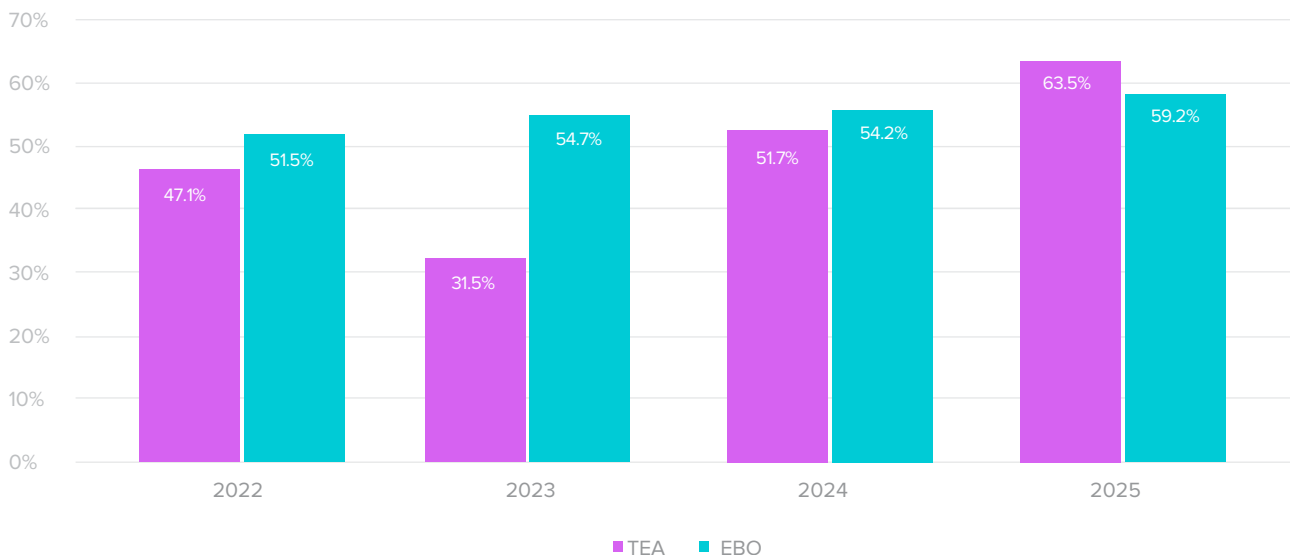
Figure 51. Share of Entrepreneurs and Established Business Owners in Lithuania Who Prioritise Social and/or Environmental Impact over Profitability or Growth, by Product or Service Novelty, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

In 2025, a growing share of both early-stage entrepreneurs and established business owners in Lithuania reported taking concrete steps to minimise the environmental impact of their businesses. Among TEA, the share increased from 51.7% in 2024 to 63.5% in 2025, thus showing a strong rise in environmental action among newer businesses. Among established business owners, the increase was more moderate, from 54.2% to 59.2%, but it still indicates continued progress. This suggests that environmental responsibility is moving beyond the formally stated priorities and is increasingly reflected in real-life business practices. The stronger increase among early-stage entrepreneurs may also indicate that new businesses are more actively incorporating environmental considerations into their activities from the beginning, while established firms appear to be integrating environmental adaptation more gradually into already existing operational structures.

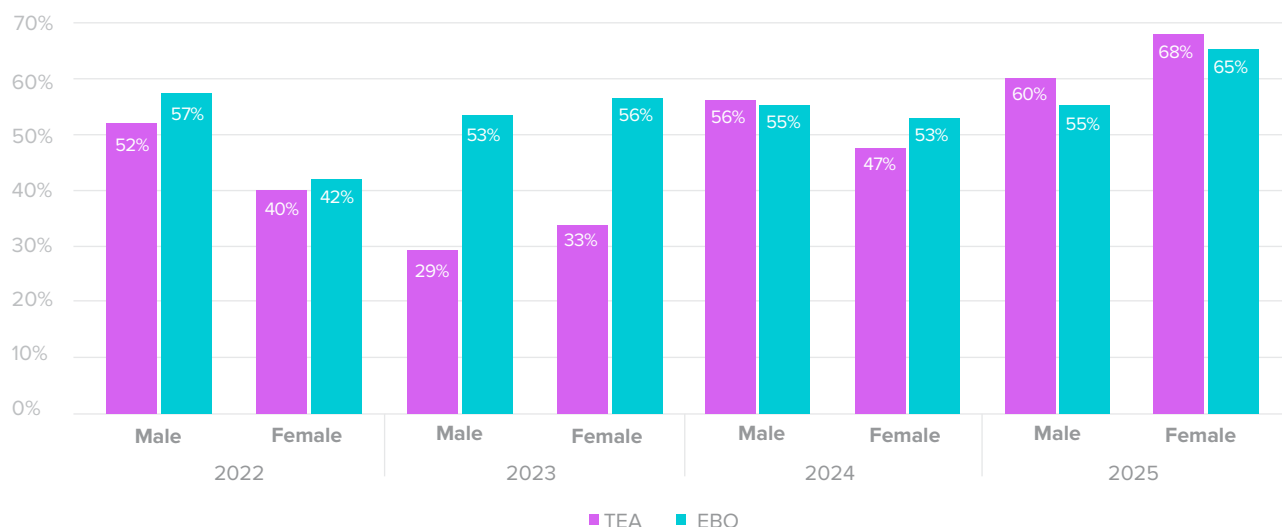
Figure 52. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Minimise Environmental Impact, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

In 2025, the gender dynamics of environmental action notably changed. In 2024, taking steps to minimise environmental impact was slightly more male-led, especially among early-stage entrepreneurs, where 56% of men reported such actions compared with 47% of women. In comparison, among established business owners, the gender difference was smaller, with 55% of men and 53% of women taking environmental steps. By 2025, this pattern reversed. Among TEA, 68% of women reported taking steps to minimise environmental impact, compared with 60% of men. Among EBO, the female share also rose to 65%, while the male share remained at 55%. This suggests that women-led businesses became more active in translating environmental priorities into concrete action, both at early and established stages of business activity. The results, therefore, suggest that women-led businesses in Lithuania are becoming increasingly active not only in expressing sustainability priorities, but also in translating these priorities into concrete operational practices.

Figure 53. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Minimise Environmental Impact, by Gender, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

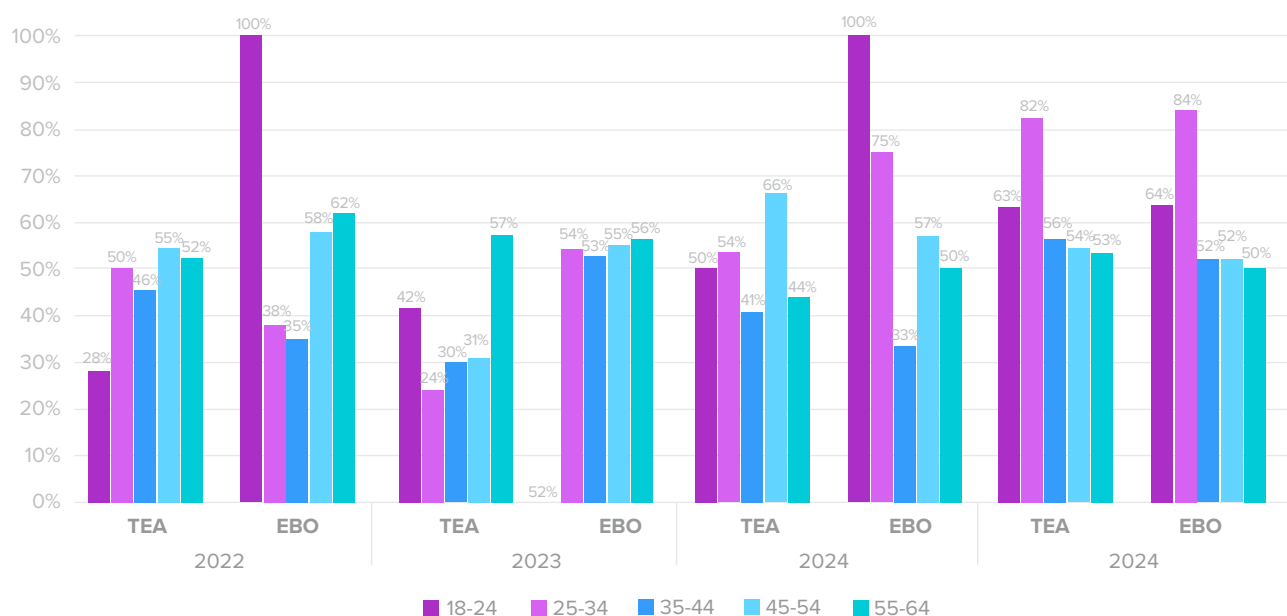
Environmental action by age group in 2025 shows a broad increase across most early-stage entrepreneurs and established business owners, although the pattern differs by age. Among TEA, the strongest increase was recorded in the 25–34-year-old group, rising from 54% in 2024 to 82% in 2025. The 18–24 y.o. group also showed an increase from 50% to 63%, while the scores for the 35–44 y.o. group rose from 41% to 56%, and the 55–64 y.o. group scores increased from 44% to 53%. The only decline among TEA was observed in the 45–54 y.o. group, where the share decreased from 66% to 54%.

Among established business owners, the 25–34-year-old group also stands out, increasing from 75% in 2024 to 84% in 2025. In comparison, the 35–44 y.o. group rose from 33% to 52%, suggesting stronger environmental engagement among mid-career established business owners. Meanwhile, the 45–54 y.o. group showed slightly decreasing values from 57% to 52%, while the 55–64 y.o. group remained unchanged at 50%. The

sharpest decline was observed among the 18–24 y.o. EBO group, falling from 100% in 2024 to 64% in 2025, although this age group may be more sensitive to small sample size effects.

The results for 2025 suggest that environmental action is becoming more common across age groups, especially among 25–34-year-old entrepreneurs and established business owners. The 25–34 y.o. cohort appears particularly active in translating environmental awareness into concrete business practices, thus suggesting that sustainability integration may currently be the strongest among those entrepreneurs who combine relatively high entrepreneurial activity with an increasing business maturity and market experience. At the same time, the decline among the youngest established business owners may indicate that, under stronger business survival pressures, younger owners are less able to maintain environmental action at the exceptionally high level observed last year.

Figure 54. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Minimise Environmental Impact, by Age Group, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

Environmental action by product or service novelty shows that businesses with more innovative offerings are generally more likely to take steps to minimise environmental impact. Among TEA, the share increased across most novelty categories in 2025. For businesses offering products or services that are not new, environmental action rose from 50% in 2024 to 58% in 2025. Among those new to people in the local area, it increased from 62% to 72%, while the strongest rise was observed among businesses new to the country, where the share grew from 47% to 82%. The findings indicate that nationally novel early-stage businesses are increasingly integrating innovation with environmental responsibility.

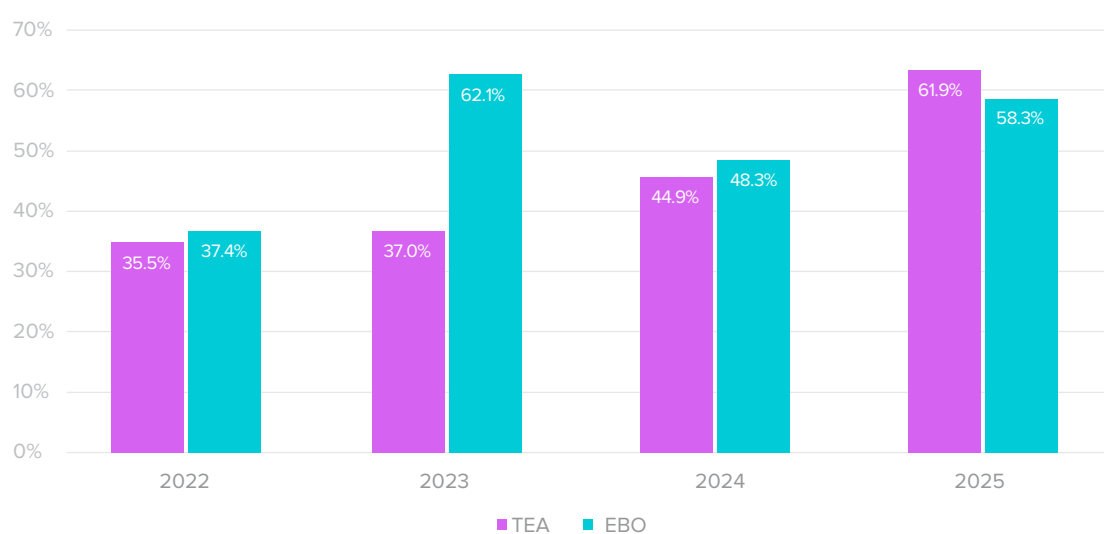
The only decline among TEA was recorded for businesses offering products or services that are new to the world, where environmental action

decreased from 80% in 2024 to 60% in 2025. Despite the decline, the share remains relatively high, thus suggesting that globally novel businesses still show meaningful environmental engagement, but may also face stronger pressure to prioritise market validation, growth, or survival.

Among established business owners, environmental action increased among businesses with products or services that are not new, with an increase from 43% to 54%, and among those new to the world, increasing from 0% to 50%. However, it decreased among businesses new to people in the area where they live, from 100% to 86%, and among those new to the country, from 80% to 64%. These changes should be interpreted cautiously, especially in categories where the number of businesses may be relatively small.

In 2025, both early-stage entrepreneurs and established business owners in Lithuania reported a clear increase in actions taken to maximise the social impact. Among TEA, the share rose from 44.9% in 2024 to 61.9% in 2025, while, among established business owners, it increased from 48.3% to 58.3%. This indicates that the social impact is becoming more actively integrated into business practices, rather than remaining only a formally declared priority. The increase is especially strong among early-stage entrepreneurs, who now lead established business owners in this area. This may suggest that newer businesses are increasingly embedding social value, community benefits, employee well-being, or broader societal contribution into their activities from the beginning.

Figure 55. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Minimise Environmental Impact, by Product or Service Novelty, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

In 2025, actions to maximise social impact increased among both women and men, and across both early-stage and established business activity. Among male early-stage entrepreneurs, the share rose from 49.1% in 2024 to 61.8% in 2025, while, among female early-stage entrepreneurs, it increased even more strongly, notably, from 40.4% to 62.1%. This brought women and men in TEA to almost identical levels, suggesting that social impact action is becoming a shared feature of early-stage entrepreneurship rather than a gender-specific pattern.

Among established business owners, the increase was also visible for both genders. The share of men taking steps to maximise the social impact rose from 47.5% in 2024 to 59.4% in 2025, while, among women, it increased from 50% to 56.4%. This means that male EBO slightly exceeded female EBO in 2025, thus reversing the previous year's pattern.

Figure 56. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Maximise Social Impact, by Gender, 2022–2025

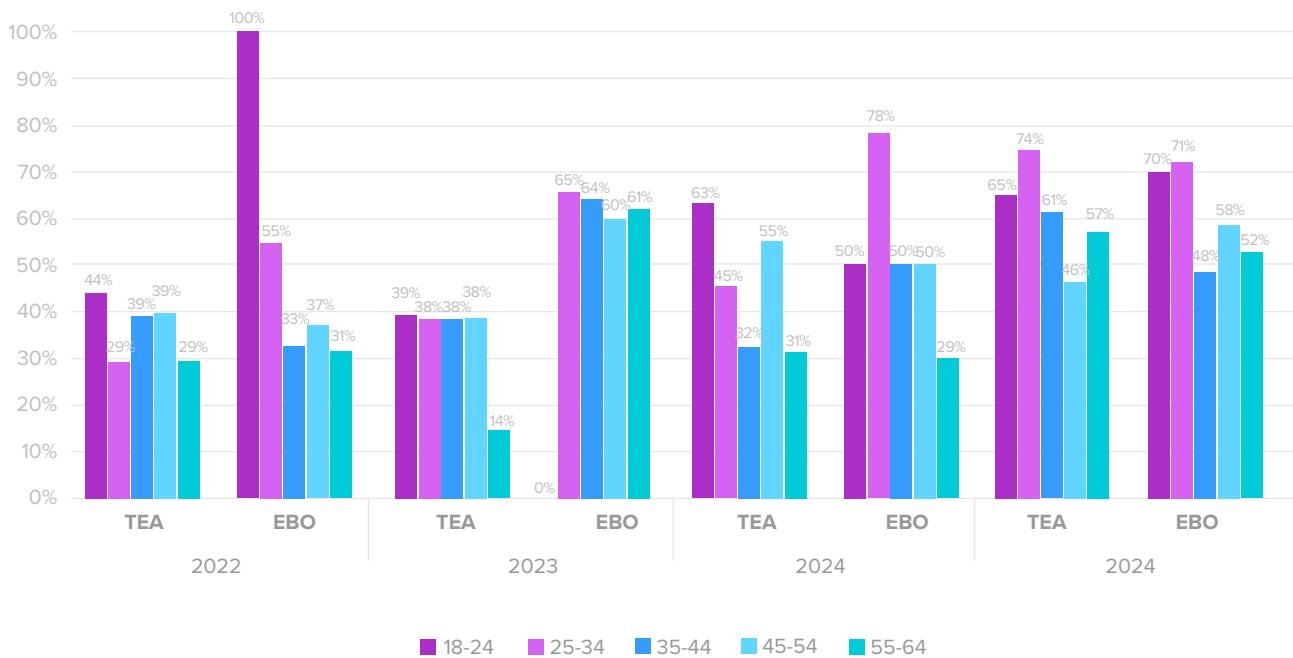


Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

Actions to maximise the social impact increased across most age groups in 2025, especially among early-stage entrepreneurs. Within TEA, the strongest increase was observed among the 25–34-year-old group, rising from 45% in 2024 to 74% in 2025. The 35–44 y.o. group also increased substantially, from 32% to 61%, while the 55–64 y.o. group showed an increase from 31% to 57%. The youngest group, i.e., those aged 18–24, remained highly engaged and increased slightly from 63% to 65%. The only decline among TEA was observed in the 45–54 y.o. group, where the share decreased from 55% to 46%.

Among established business owners, the pattern was more mixed but still generally positive. The 18–24-year-old group had their score increased from 50% to 70%, while the 45–54 y.o. group's score rose from 50% to 58%, and the 55–64 y.o. group increased their value from 29% to 52%. The 25–34 y.o. group remained high, but their score decreased slightly from 78% to 71%, while the 35–44 y.o. group fell marginally from 50% to 48%. The results for 2025 suggest that social impact actions are becoming more widespread across the age groups, with a particularly strong momentum among early-stage entrepreneurs aged 25–44 and older entrepreneurs aged 55–64.

Figure 57. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Maximise Social Impact, by Age Group, 2022–2025

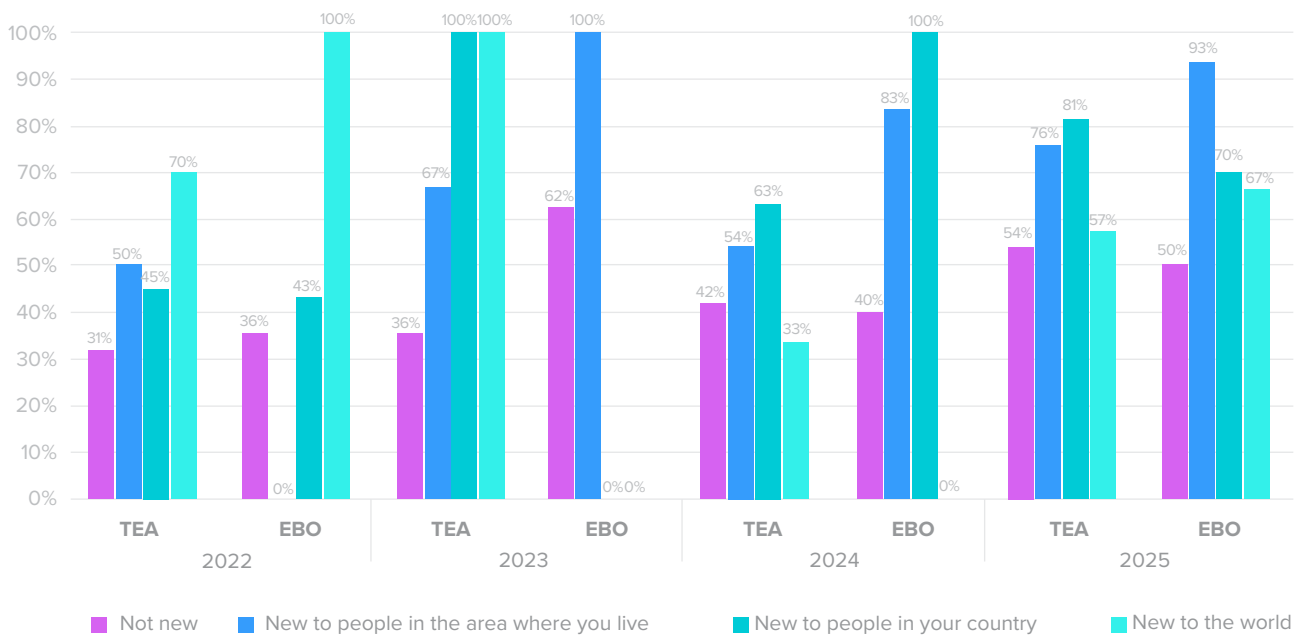


Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

Actions to maximise the social impact by product or service novelty increased across all TEA categories in 2025. Among early-stage entrepreneurs offering products or services that are not new, the share rose from 42% in 2024 to 54% in 2025. The increase was even stronger among those whose products or services are new to people in the local area, rising from 54% to 76%, and among those new to the country, increasing from 63% to 81%. Businesses with products or services new to the world also recorded a notable rise, from 33% to 57%. This suggests that the social impact action is becoming more closely connected with innovation, especially among businesses introducing locally or nationally novel offerings.

Among established business owners, the pattern is also generally positive, although more uneven. Businesses with products or services that are not new increased from 40% to 50%, while those new to people in the area where they live rose from 83% to 93%. A particularly important change is visible among businesses new to the world, where social impact action increased from 0% in 2024 to 67% in 2025. By contrast, EBO businesses new to the country decreased from 100% to 70%, although the level remains high and may be sensitive to small sample size effects.

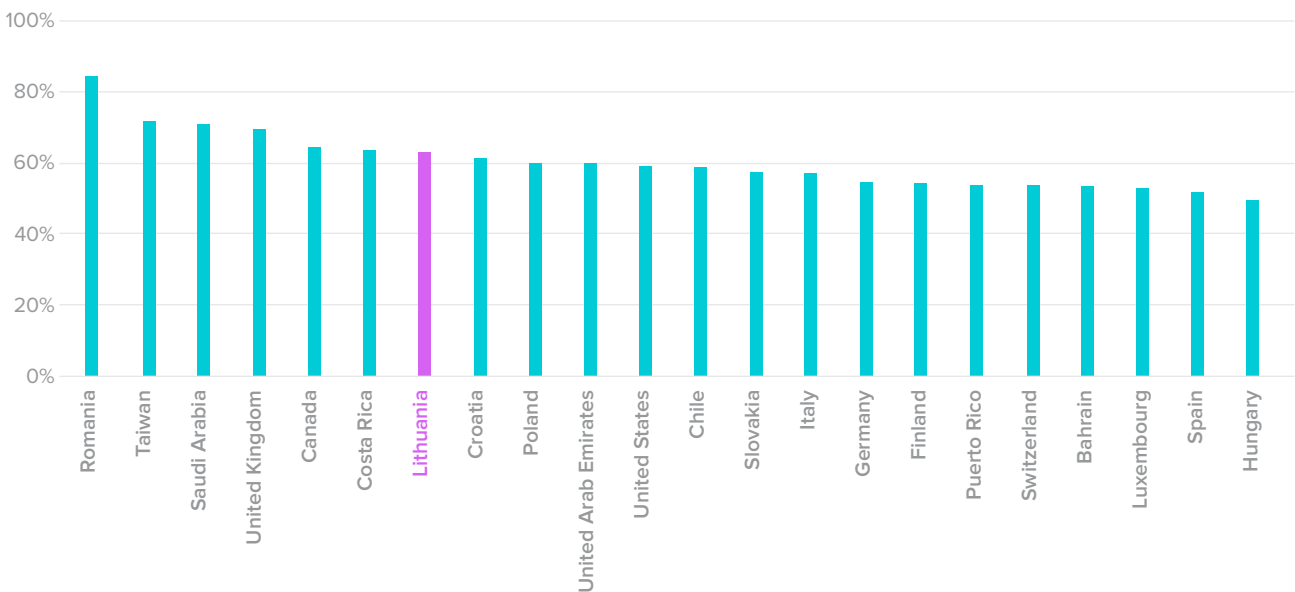
Figure 58. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Maximise Social Impact, by Product or Service Novelty, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

Figure 59. Entrepreneurs in High-Income Economies Who Took Steps to Minimise Environmental and/or Maximise Social Impact, 2025

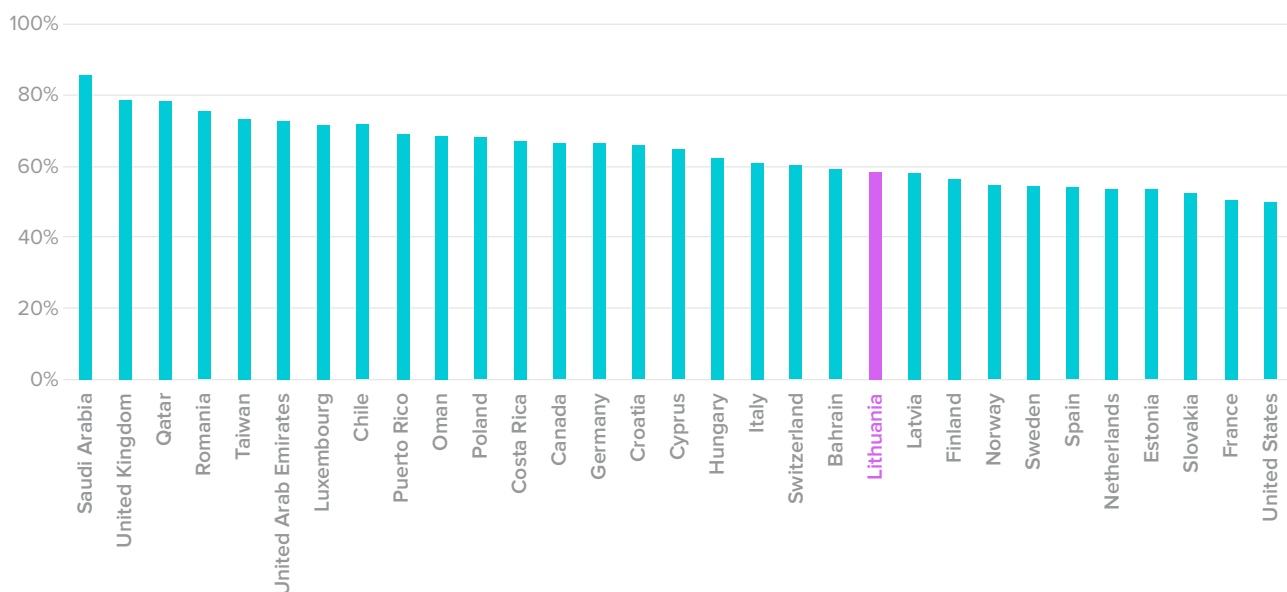
Share of early-stage entrepreneurs (TEA) reporting actions related to sustainability in the past year



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, 2025

Figure 60. Established Business Owners in High-Income Economies Who Took Steps to Minimise Environmental and/or Maximise Social Impact, 2025

Share of EBO respondents reporting actions related to sustainability in the past year



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, 2025

Taken together, the results for the year 2025 suggest that social and environmental sustainability is becoming more deeply integrated into entrepreneurial activity in Lithuania, and not only as a declared priority but, increasingly, through concrete business practices. At the same time, the findings show that sustainability orientation remains uneven across the business stages, age groups, and innovation profiles. The strongest sustainability engagement is manifested among locally embedded and mid-career entrepreneurial groups, while highly novel early-stage ventures continue to face stronger pressure to prioritise survival, upscaling, and market validation. This suggests that the relationship between entrepreneurship and sustainability in Lithuania is becoming more mature but remains shaped by differing business conditions and developmental pressures across the entrepreneurial ecosystem.

CHAPTER 6

ENTREPRENEURSHIP AND LITHUANIA 2050



ENTREPRENEURSHIP AND LITHUANIA 2050

Entrepreneurship is closely connected to Lithuania's long-term development because it shapes where new economic activity emerges, how regions participate in growth, and whether business creation contributes to a more balanced national future. Regional entrepreneurship patterns are particularly important in the context of Lithuania 2050, where long-term economic resilience depends not only on the strength of Vilnius City, but also on the capacity of regional ecosystems to generate innovation, business growth, and sustainable economic renewal.

In 2025, early-stage entrepreneurship remained broadly distributed across the country. Vilnius City regained some share of TEA compared with 2024, but most early-stage activity still came from the rest of Lithuania. Established business ownership also moved more visibly toward the capital, continuing the increase observed since 2023. At the same time, business discontinuation remained largely a regional issue, with most discontinued businesses originating outside of Vilnius. The findings therefore highlight an important regional imbalance: the rest of Lithuania continues to generate a large share of entrepreneurial activity but also carries much of the pressure linked to business exits.

Regional differences are also visible in entrepreneurial motivations and innovation. Necessity-driven and wealth-oriented motivations remain more strongly represented outside of Vilnius, although the capital city increased its share in 2025. Vilnius plays a particularly strong role in more ambitious innovation, including new-to-the-world product or service innovations and medium- and high-tech business activity. Still, regions outside the capital city continue to account for a large part of national innovation and technology activity,

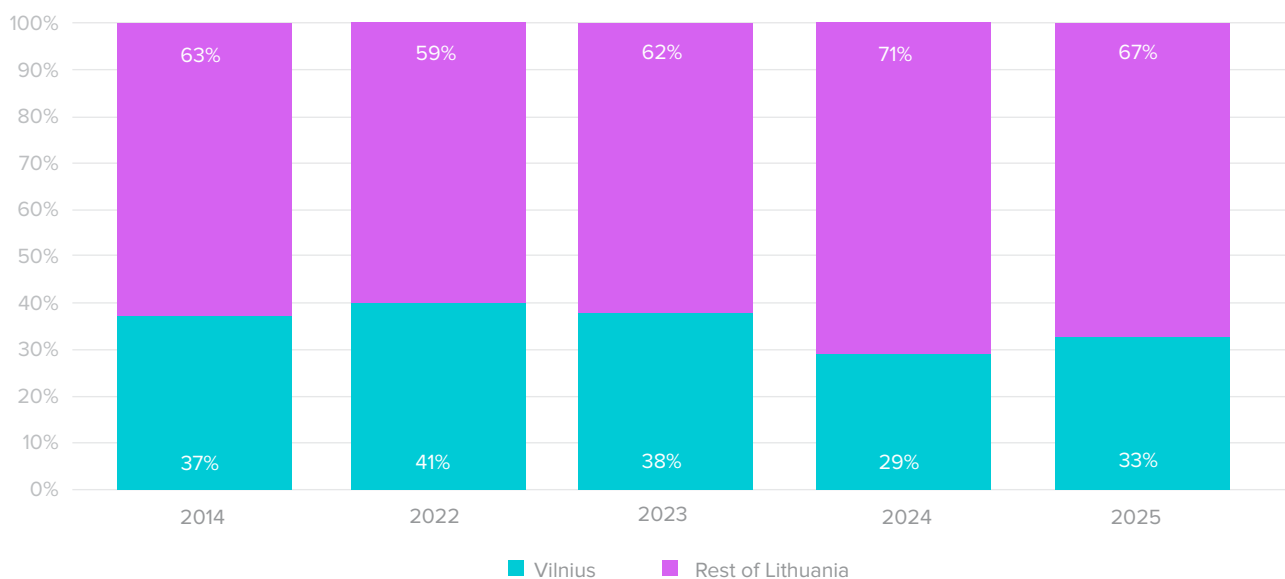
showing that entrepreneurial potential is not limited to one centre.

This chapter also highlights a strong regional role in future growth expectations. Both early-stage entrepreneurs and established business owners outside of Vilnius City account for the majority of high-growth expectations in 2025. This is especially important because it shows that regional businesses are not only participating in entrepreneurship, but also expressing ambition to expand, create jobs, and contribute to long-term economic renewal. The findings point to a national entrepreneurship landscape where Vilnius remains a major hub, while the rest of Lithuania continues to provide a broad and increasingly important base for business creation, resilience, and future growth.

At the same time, the findings also point to a gradual concentration of more mature, innovation-intensive, and technology-oriented entrepreneurial activity in Vilnius, thereby suggesting that regional entrepreneurship expansion and long-term business consolidation may not be developing at the same pace across Lithuania.

The regional distribution of Total Early-Stage Entrepreneurial Activity shows that entrepreneurship in Lithuania remains geographically broader than in the earlier years, even though Vilnius regained some share in 2025. In 2024, Vilnius accounted for 29% of TEA, which is the lowest share in the observed period, while the rest of Lithuania represented 71%. In 2025, the share of Vilnius City increased to 33%, while the rest of Lithuania decreased to 67%. This suggests that the capital city has partially recovered its role in early-stage entrepreneurship, but it no longer dominates the entrepreneurial landscape to the same extent as observed in earlier years.

Figure 61. Total Early-Stage Entrepreneurial Activity (TEA) in Lithuania, by Region, 2014, 2022–2025



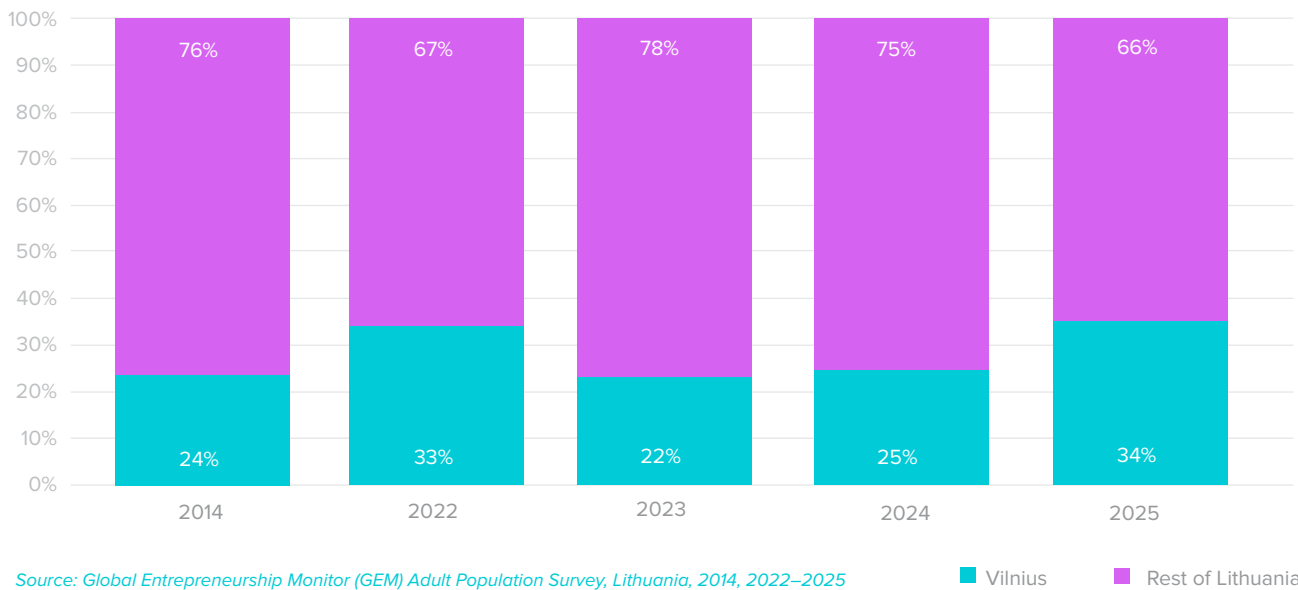
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2025

Established Business Ownership shows a stronger recent movement toward Vilnius than early-stage entrepreneurship. In 2023, Vilnius accounted for 22% of EBO, increasing to 25% in 2024, and then to 34% in 2025. This indicates that the capital city is gaining a larger share of mature business ownership, likely reflecting stronger conditions for business survival, upscaling, access to finance, skilled labour concentration, and integration into larger professional and innovation networks.

At the same time, most established business ownership remains outside of Vilnius, with the rest of Lithuania accounting for 66% in 2025. This shows that regional businesses continue to form the larger part of Lithuania's

mature business base. However, the rising share of Vilnius suggests a gradual concentration of established business activity in the capital. In the context of Lithuania 2050, this pattern is important because it points to a possible divergence between regional entrepreneurial entry and long-term business maturity. While new business creation remains broadly distributed, the ability to sustain and mature businesses may be strengthening more visibly in Vilnius City. This distinction is particularly important for Lithuania 2050 because long-term regional resilience depends not only on entrepreneurial entry, but also on the ability of businesses outside the capital city to survive, scale up, and remain competitive over time.

Figure 62. Established Business Ownership (EBO) in Lithuania, by Region, 2014, 2022–2025

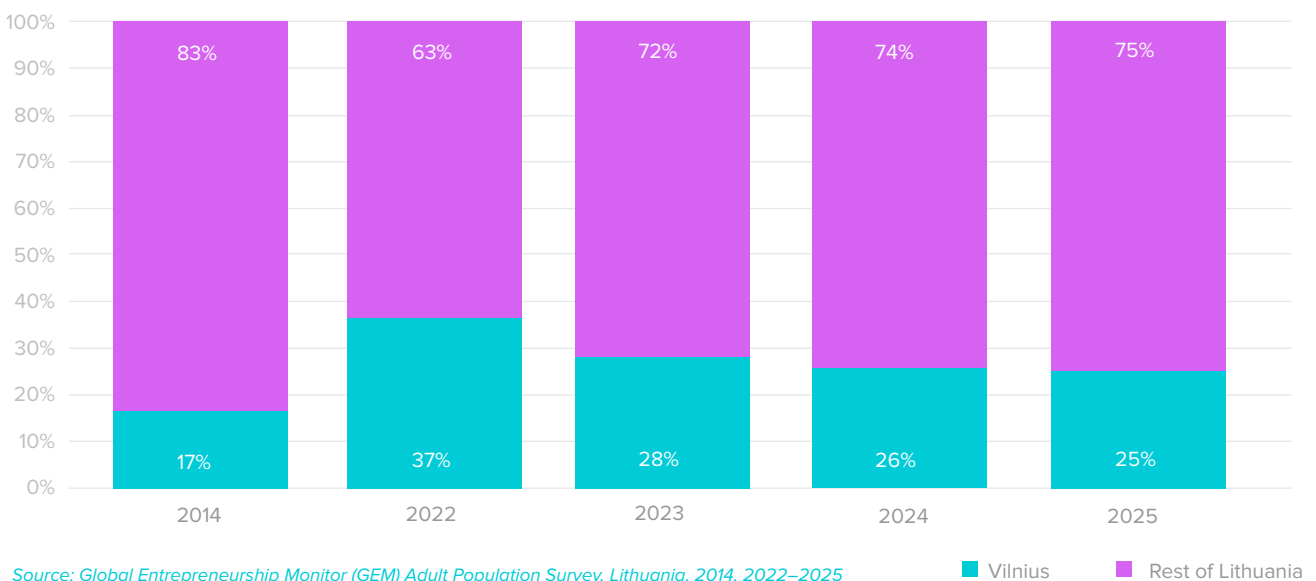


Business discontinuation in Lithuania remains primarily a regional issue. In 2025, 75% of discontinued businesses originated outside of Vilnius City, while the capital city accounted for 25%. This pattern is broadly consistent with the recent years, where the majority of discontinuations have been coming from the rest of Lithuania rather than from the capital city. Although this partly reflects the fact that a larger share of entrepreneurial activity is also located outside of Vilnius, it still highlights the

importance of business resilience in the regions.

The findings suggest that regional entrepreneurial ecosystems may be facing greater exposure to business fragility, operational vulnerability, or market limitations than the capital city. In the longer term, this may create uneven regional development trajectories if higher levels of business discontinuation continue to concentrate outside of Vilnius.

Figure 63. Business Discontinuation in Lithuania by Region, 2014, 2022–2025

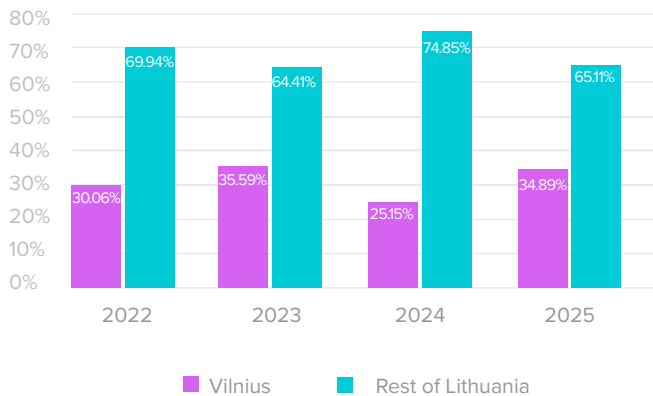


Core entrepreneurial motivations in Lithuania remain more strongly represented outside of Vilnius, but the data for 2025 show a renewed increase in the capital city's share. For the motivation to earn a living because jobs are scarce, Vilnius City increased from 25.15% in 2024 to 34.89% in 2025, while the rest of Lithuania decreased from 74.85% to 65.11%. Necessity-driven entrepreneurship, therefore, still remains more concentrated outside of the capital city, although the gap somewhat narrowed in 2025. The increase in Vilnius may reflect growing cost-of-living pressures, changing labour market expectations, and a stronger tendency to use entrepreneurship as a strategy for income diversification and economic security within the capital city.

A similar pattern is visible for the motivation to build great wealth or achieve a very high income. Vilnius had this score increased from 29.5% in 2024 to 35% in 2025, while the rest of Lithuania observed a decrease from 70.5% to 65%. Wealth-oriented entrepreneurial ambition also remains more prominent outside of Vilnius in terms of the total share, but the capital city regained some weight compared with the previous year. The regional picture in 2025 is therefore less uneven than in 2024, with Vilnius City strengthening its role in both income-security and high-ambition entrepreneurship while the rest of Lithuania continues to account for the larger share of both motives.

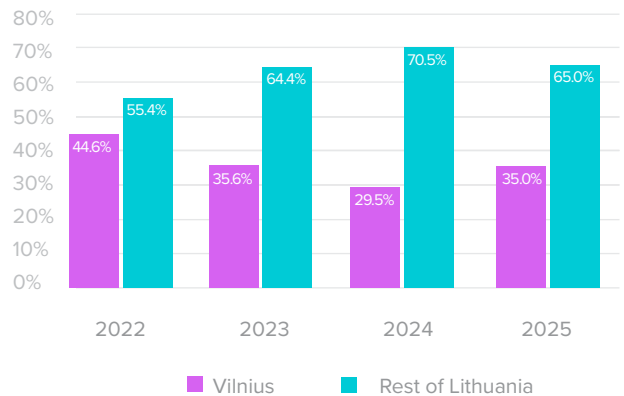
Figure 64. Core Entrepreneurial Motivations in Lithuania by Region, 2022–2025

Panel A: To earn a living because jobs are scarce



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

Panel B: To build great wealth or a very high income



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

Aspirational entrepreneurial motivations remain more strongly represented outside of Vilnius City, although the capital city gained share in both indicators in 2025. For the motivation to make a difference in the world, Vilnius accounted for 36%, while the rest of Lithuania accounted for 64%. This is a higher share for Vilnius than that recorded in 2024, when the capital city represented 29% of this motive. Purpose-driven entrepreneurship, therefore, continues to be rooted more strongly outside of the capital city, but Vilnius regained part of its role after the decline recorded last year.

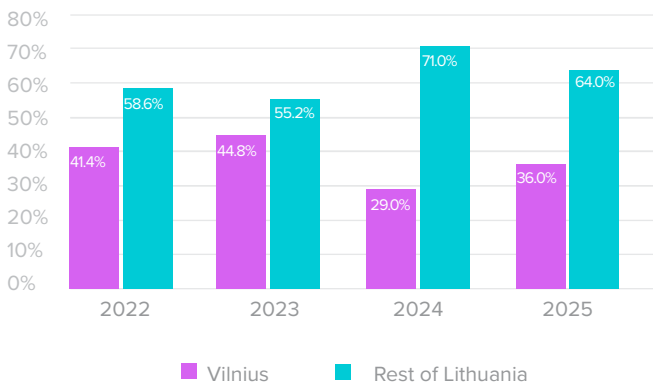
The motivation to continue a family tradition shows a similar regional pattern. In 2025, Vilnius accounted for 35.5%, while the rest of Lithuania represented 64.5%. remains uneven.

This marks a clear increase for Vilnius compared with the score for 2024, when its share stood at 24.3%. Family-tradition entrepreneurship remains more regionally concentrated, which may reflect stronger continuity of family businesses and local economic ties outside of the capital city. Meanwhile, at the same time, the growing share of Vilnius points to a broader presence of intergenerational entrepreneurial motivation across Lithuania's business landscape.

Taken together, the motivational patterns suggest that entrepreneurial aspiration in Lithuania remains geographically broad rather than concentrated only in the capital city, even as Vilnius regains a larger share of several entrepreneurial motivations in 2025.

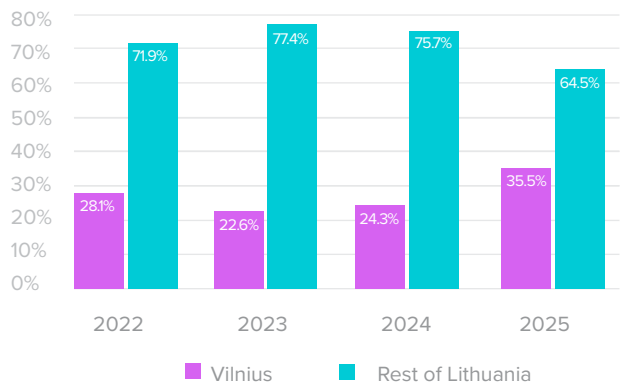
Figure 65. Aspirational Entrepreneurial Motivations in Lithuania by Region, 2022–2025

Panel A: To make a difference in the world



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

Panel B: To continue a family tradition



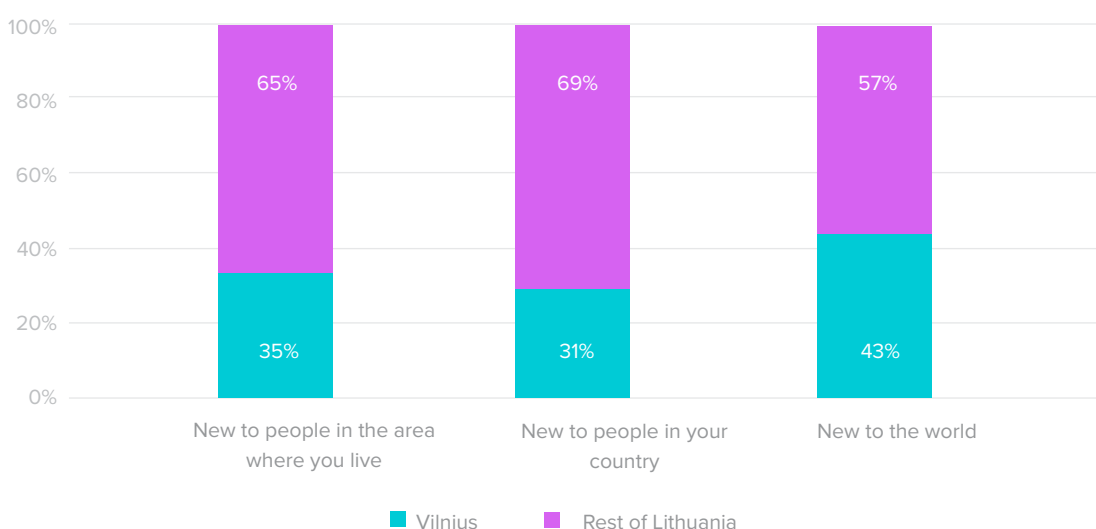
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

In 2025, Vilnius generated a disproportionately strong share of early-stage product or service innovations that were new to the world. While the capital city accounted for 35% of innovations new to people in the local area and 31% of innovations new to the country, its share increased to 43% in the new-to-the-world category. This indicates that Vilnius plays a particularly important role in more advanced and globally oriented innovation, likely reflecting its concentration of research institutions,

startups, skilled talent, finance, and international business networks.

At the same time, the rest of Lithuania still accounted for 57% of new-to-the-world innovations, thus showing that globally novel entrepreneurial activity is not limited to the capital. The regional innovation base remains important, but Vilnius appears to hold a stronger position as innovation becomes more ambitious, internationally oriented, and knowledge-intensive in scope.

Figure 66. Early-Stage Entrepreneurs in Lithuania Reporting 'New-to-the-World' Product or Service Innovations, 2025



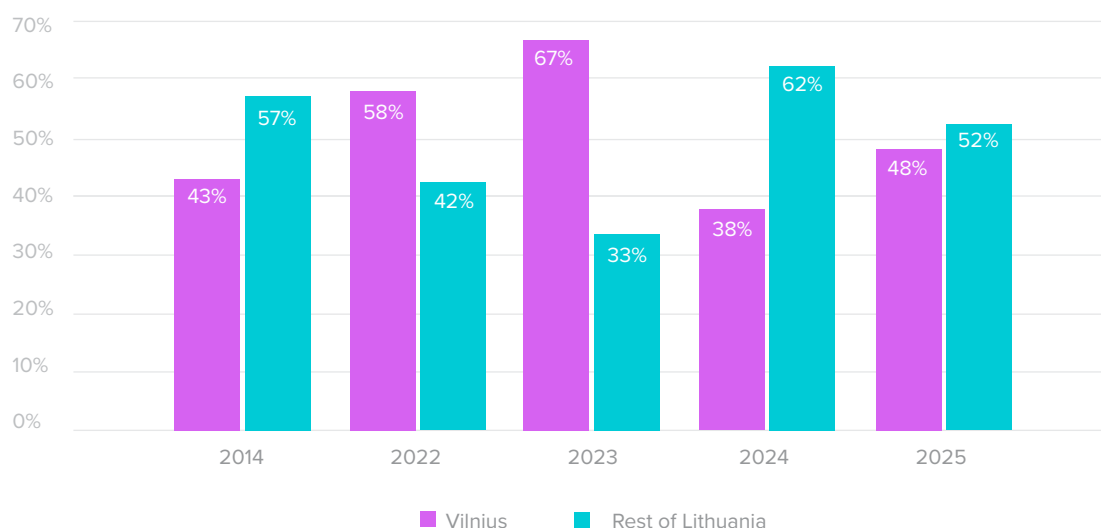
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

Medium- and high-tech business activity in 2025 was almost evenly distributed between Vilnius City and the rest of Lithuania. Vilnius accounted for 48% of activity in this area, while the rest of Lithuania accounted for 52%. This marks a clear increase for the capital city compared with 2024, when Vilnius represented 38% of medium- and high-tech activity. The result for 2025 places Vilnius closer to a half of the national activity in this segment, thus underlining its role as a major centre for technology-oriented entrepreneurship and business development.

At the same time, the rest of Lithuania continues to account for a slightly larger share. This is important because medium- and high-tech activity is not concentrated only in the capital. Regional businesses also substantially contribute to Lithuania's technology base, which matters for long-term competitiveness and balanced economic development. The narrowing gap between Vilnius City and the rest of Lithuania points to a more shared technology landscape, where the capital city remains highly important, but regional ecosystems continue to hold meaningful capacity.

This is particularly important for balanced long-term development, because it suggests that technology-oriented entrepreneurship in Lithuania is not becoming fully centralised in the capital despite Vilnius City strengthening its position in this area.

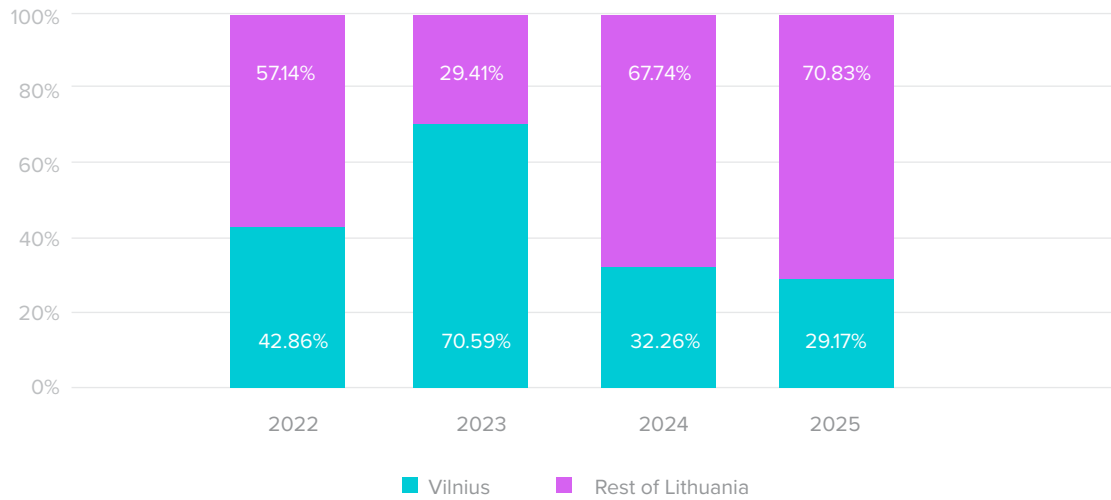
Figure 67. Medium- and High-Tech Business Activity in Lithuania, by Region, 2014, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

In 2025, high-growth expectations among early-stage entrepreneurs were clearly concentrated outside of Vilnius City. The rest of Lithuania accounted for 70.83% of early-stage entrepreneurs expecting to create at least 10 new jobs and achieve at least 50% growth, while Vilnius accounted for 29.17%. This continues the regional pattern observed in 2024, when the rest of Lithuania also led in high-growth expectations. The findings show that ambitious entrepreneurial growth is not limited to the capital city. Regional early-stage entrepreneurs are not only starting businesses, but also expressing strong expectations for expansion, job creation, and future upscaling. For Lithuania's long-term development, this points to the importance of strengthening regional growth infrastructure, including access to talent, finance, markets, and business support, so that these expectations can translate into actual employment and business development.

Figure 68. Early-Stage Entrepreneurs in Lithuania Expecting High Growth (≥ 10 New Jobs and $\geq 50\%$ Growth), by Region, 2022–2025

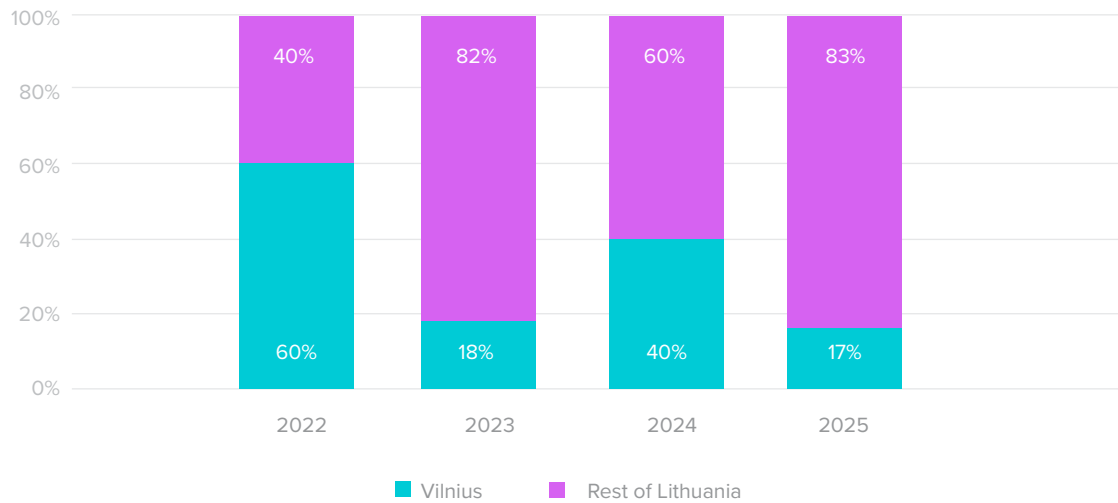


Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

High-growth expectations among established business owners in 2025 are even more strongly concentrated outside of Vilnius City. The rest of Lithuania accounts for 83.33% of established business owners expecting to create at least 10 new jobs and achieve at least 50% growth, while Vilnius accounts for as little as 16.67%. This is particularly interesting given the earlier finding that the share of established business ownership has been moving toward Vilnius in recent years. While more established business ownership is becoming visible in the capital city, the strongest growth expectations among established owners remain regional nevertheless.

This contrast points to an important distinction between where established businesses are located, and where their expansion ambitions are concentrated. Vilnius City may be gaining share in mature business ownership, but regional established businesses appear more likely to report high-growth expectations in 2025. This may reflect different sectoral structures, lower operating costs, expansion opportunities in underserved markets, or stronger growth potential among firms outside of the capital city. The findings reinforce the strategic importance of regional business development not only for entrepreneurship participation, but also for future job creation and upscaling.

Figure 69. Established Business Owners in Lithuania Expecting High Growth (≥ 10 New Jobs and $\geq 50\%$ Growth), by Region, 2022–2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2025

Taken together, the results for 2025 suggest that Lithuania's entrepreneurial landscape remains geographically broader than a simple capital city-centred model. The rest of Lithuania continues to generate a substantial share of entrepreneurial activity, innovation, and growth ambition, thus highlighting the importance of regional ecosystems for the country's long-term development. At the same time, Vilnius City is strengthening its position in mature business ownership, globally oriented innovation, and technology-intensive entrepreneurship. This points to an emerging dual dynamic within Lithuania's entrepreneurial ecosystem: regional entrepreneurship remains broad and active, while the concentration of more advanced and mature entrepreneurial capacity increasingly favours the capital city. The long-term challenge for Lithuania 2050 will, therefore, depend not only on sustaining entrepreneurship overall, but also on ensuring that regional businesses are able to survive, scale up, innovate, and remain competitive alongside the continued strengthening of Vilnius City.



CHAPTER 7

AI AND DIGITAL READINESS IN LITHUANIA

ENTREPRENEURSHIP AND LITHUANIA 2050

Digital readiness and artificial intelligence are becoming increasingly important for Lithuania's entrepreneurial competitiveness. For new and established businesses, digital tools shape customer communication, market visibility, internal efficiency, product development, and the ability to scale up. AI adds another layer to this transformation, as it is being increasingly seen not only as a technological tool, but also as a strategic factor influencing business models, growth potential, productivity, risk management, and long-term competitiveness. The ability of entrepreneurs to integrate AI into business operations is therefore becoming part of broader national competitiveness, innovation capacity, and long-term economic resilience.

In 2025, Lithuania's AI environment was evaluated more positively than the EU average across all AI-related dimensions included in the National Expert Survey. Experts rated Lithuania particularly strongly in entrepreneur awareness, inclusion of AI in business models, and recognition that AI is important for the viability and long-term growth of emerging companies. Employee awareness and competence development were also assessed positively, thereby showing that AI readiness is not limited to founders, but is increasingly becoming a broader organisational capability across the workforce.

At the same time, the data reveal important gaps. The lowest expert evaluation for Lithuania relates to the inclusion of AI-related knowledge and competences in post-school education models. This points to a mismatch between business demand and the formal education pipeline. Lithuania also performs less strongly in public discussion around AI ethics and media attention to ethical dilemmas, while the

EU average is relatively stronger in these areas. As AI adoption has been accelerating, responsible implementation, trust, and governance will become as important as technical readiness itself. Long-term competitiveness in AI-driven entrepreneurship will likely depend not only on the adoption speed, but also on whether businesses and institutions are able to balance innovation with ethical accountability, transparency, and public trust.

The chapter also undertakes to examine how Lithuanian entrepreneurs use digital tools in practice. Traditional tools such as e-mail, social media, e-mail marketing, and company websites are already part of everyday business activity, while newer technologies such as cloud computing, data analytics, and AI are still developing more unevenly. Early-stage entrepreneurs appear more active in customer-facing digital tools and AI experimentation, while established business owners show stronger use of cloud-based operational tools. The rising perceived importance of AI and the more balanced view of its benefits and risks show that Lithuania is moving from the early enthusiasm toward a more mature stage of digital and AI adoption.

The National Expert Survey assessment of the AI environment shows that Lithuania is outperforming the EU average across all evaluated AI-related dimensions in 2025. This suggests that Lithuania is being perceived by experts as developing a comparatively dynamic AI adoption environment, particularly in relation to entrepreneurial awareness, implementation readiness, and business integration compared with the broader EU benchmark.

The highest expert evaluations for Lithuania are linked to awareness and business model integration. Experts rate

Lithuanian entrepreneurs highly in terms of awareness about the need to develop and implement AI solutions, while new and developing companies are also seen as purposefully including AI in their business models. The viability and long-term growth of emerging companies are also strongly associated with active AI implementation. This indicates that AI is not viewed only as a technological addition, but increasingly as a strategic business factor shaping competitiveness, growth, and future business models. This is particularly important for smaller economies, such as Lithuania, where productivity growth, international competitiveness, and upscaling capacity will increasingly depend on the ability of businesses to integrate advanced digital and AI-related capabilities.

Another strong area for Lithuania is employee awareness and competence development. Experts indicate that employees are aware of the need to develop AI competences, and that competence development is thus becoming more common. Lithuania also performs clearly above the EU average in the availability of AI training for entrepreneurs and employees. This reflects a relatively strong learning environment around AI, although not all parts of the education system appear equally advanced.

The lowest expert evaluation for Lithuania is related to the inclusion of AI-related knowledge and competences in post-school education models. This points to a growing structural gap between the rapidly evolving business demand for AI competences and the pace of adaptation within formal education systems. Entrepreneurs and employees may already recognise the importance of AI, and training may be available through market or non-formal channels, but post-school education appears to lag behind the pace of the business needs. For a country aiming to strengthen AI-driven entrepreneurship, this gap is important

because long-term AI readiness depends not only on awareness, but also on a stable pipeline of graduates with relevant competences.

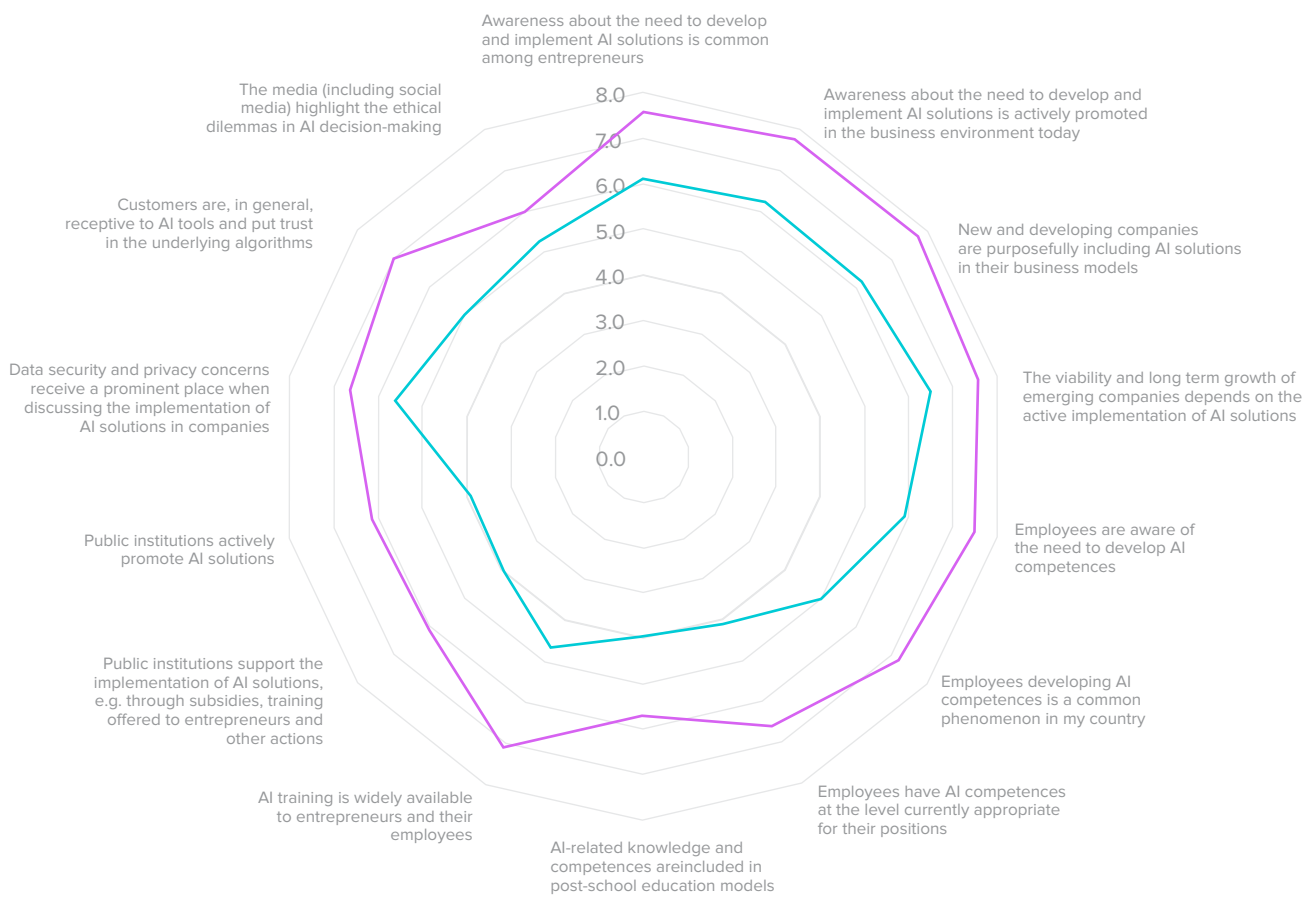
Compared with Lithuania, the EU average is particularly weak on the role of public institutions. The lowest EU scores are related to public institutions actively promoting AI solutions and supporting the implementation of AI through subsidies, training, or other measures. Lithuania performs better on these same dimensions, although they are not among its strongest areas. This suggests that Lithuania currently performs relatively well in institutional support for AI adoption, although these mechanisms may still lack the depth or scale needed for long-term ecosystem leadership.

The figure also reveals a different pattern around the public discourse and trust. At the EU level, media attention to ethical dilemmas in AI decision-making and discussion of data security and privacy concerns are among the stronger dimensions. In Lithuania, these areas receive lower expert evaluations compared with its business-awareness and adoption dimensions. This may indicate that Lithuania's AI environment is currently more strongly focused on adoption, implementation, and competitiveness, while the ethical debate, public scrutiny, and societal reflection around AI are somewhat less developed. This may create a longer-term imbalance where technological adoption advances faster than societal preparedness for managing the broader implications of AI integration. As AI becomes more deeply integrated into entrepreneurship, the balance between rapid adoption and responsible implementation will become increasingly important.

A broader reading of the results shows Lithuania as a high-awareness, high-adoption-readiness AI environment, where entrepreneurs and companies are ahead of the EU average in recognising

AI's strategic role. The main challenge, therefore, appears less related to entrepreneurial awareness and more connected to the institutional depth, especially formal education adaptation, long-term competence development, and governance capacity. This gives Lithuania a strong starting position, but also highlights the next stage of AI readiness: moving from enthusiasm and early integration toward a more complete ecosystem that combines skills, governance, trust, and responsible innovation.

Figure 70. National Expert Survey (NES) Assessment of AI Environment in Lithuania vs. EU Average, 2025

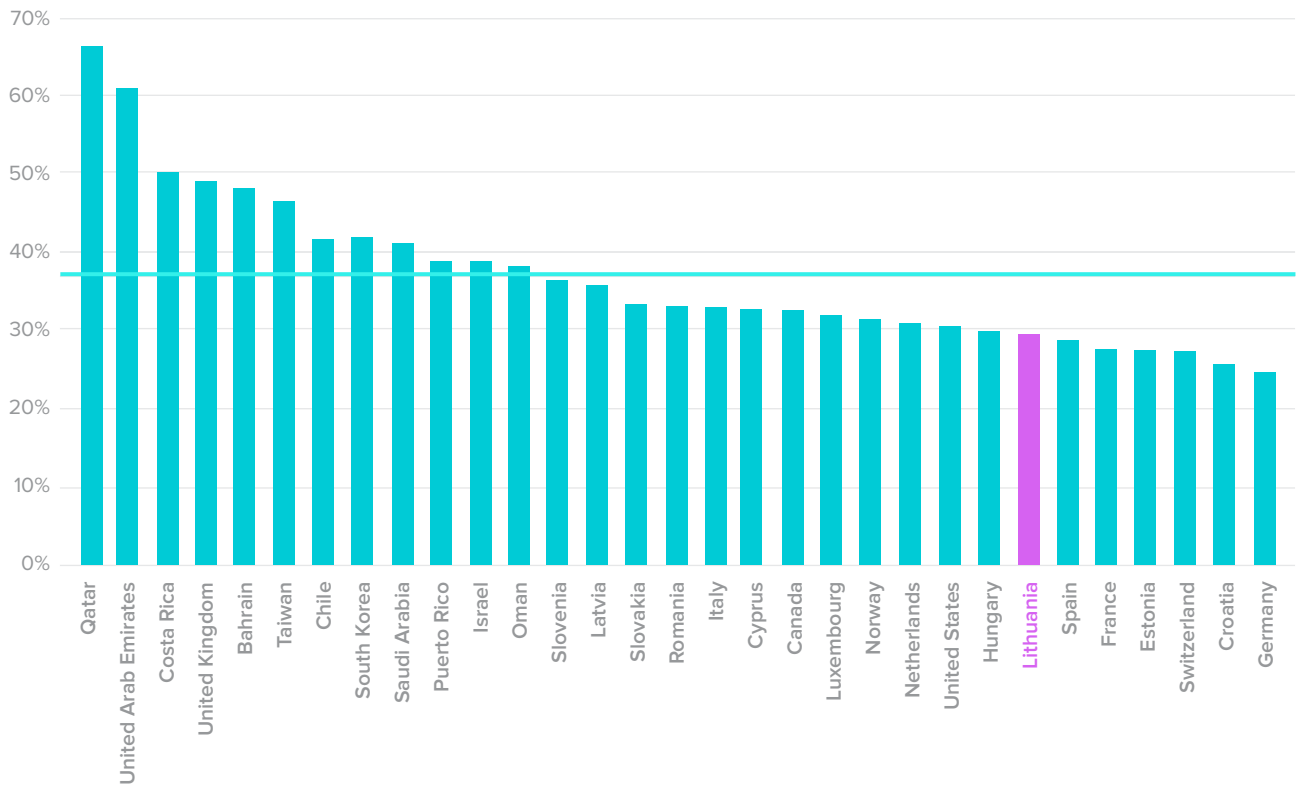


Source: Global Entrepreneurship Monitor (GEM) National Expert Survey, Lithuania, 2025

— Lithuania — EU Average

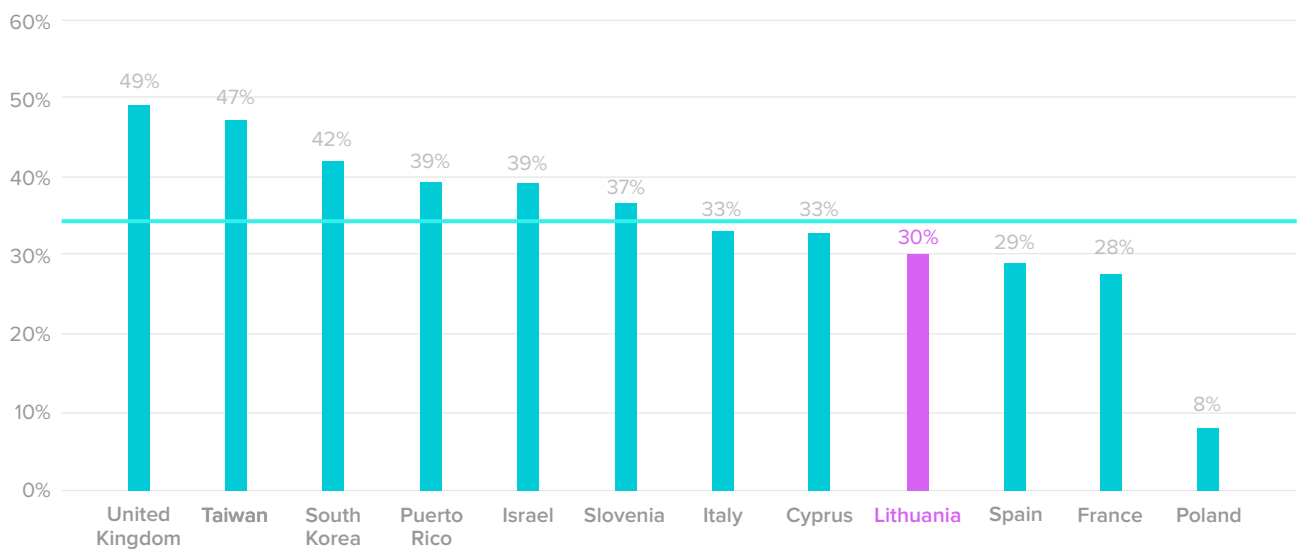
Figure 71. Percentage of Early-Stage Entrepreneurs (TEA) Considering AI 'Very Important' to Business Strategy, Comparison across selected high-income economies, 2025

Panel A. Comparison across selected high-income economies



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025.

Panel B. Comparison across selected low-income economies



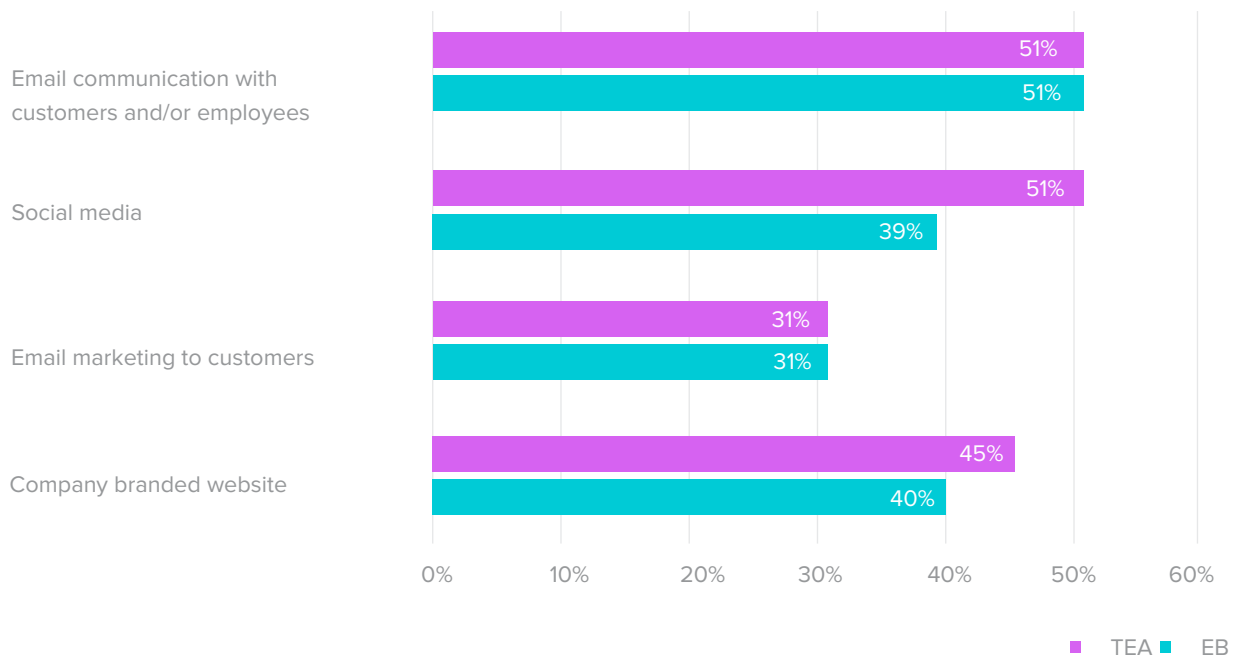
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025.

The use of digital tools by Lithuanian entrepreneurs in 2025 can be read as a distinction between more established, first-generation digital tools and newer, more advanced digital technologies. Traditional tools such as e-mail communication, social media, e-mail marketing, and company websites are already widely used by both early-stage entrepreneurs and established business owners. E-mail communication is used equally by TEA and EBO at 51%, while e-mail marketing also stands at the same level for both groups, at 31%. Social media and company websites show somewhat higher use among early-stage entrepreneurs, with TEA reaching 51% in the social media compared with 39% among EBO, and 45% in company websites compared with 40% among EBO. This suggests that newer businesses rely more strongly on digital visibility and customer-facing channels to build recognition, acquire customers, and compensate for a weaker market position and brand legitimacy.

The pattern changes when looking at newer-generation digital tools, such as cloud computing, data analytics, and artificial intelligence. Cloud computing is more strongly used by established business owners, at 47%, compared with 40% among TEA, which may reflect greater operational complexity, accumulated resources, or more structured internal processes among mature firms. Data analytics is used at a relatively similar level by both groups, with 35% among TEA and 33% among EBO. Artificial intelligence, however, appears more visible among early-stage entrepreneurs, with TEA at 30% compared with 25% among EBO. This points to a different type of digital readiness: the already established businesses appear stronger in infrastructure-oriented tools such as cloud computing, while early-stage entrepreneurs are somewhat more active in experimenting with AI and customer-facing digital channels.

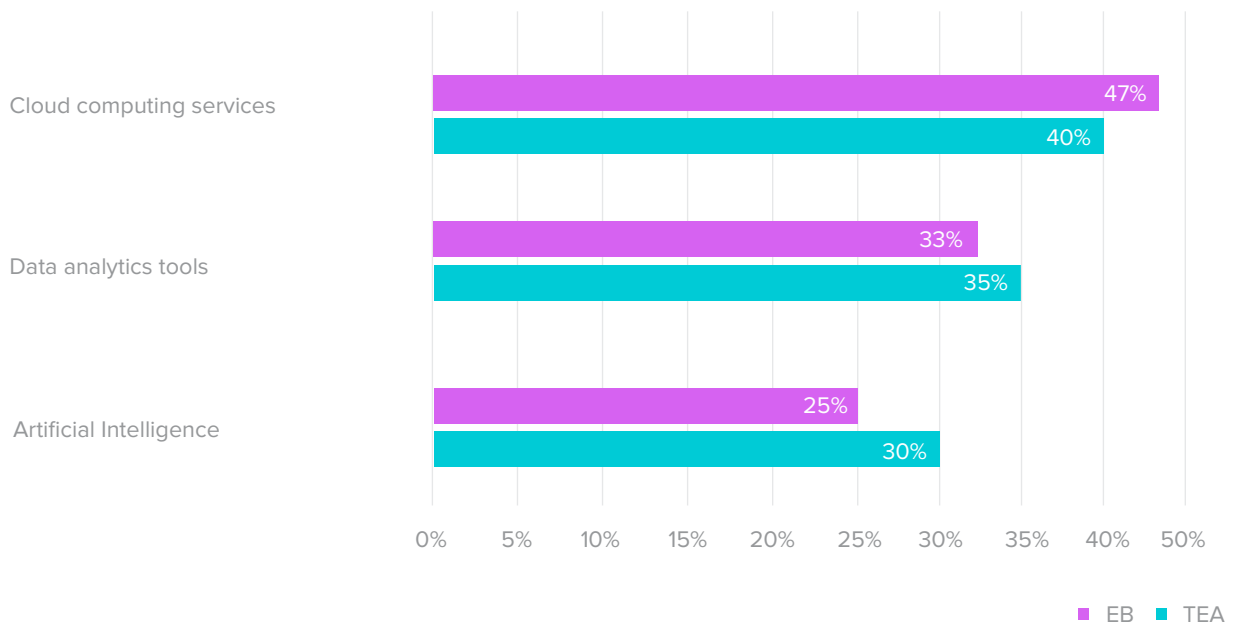
This contrast shows that digital adoption in Lithuania is not uniform across business phases. Established digital tools have become part of the everyday business practice, especially regarding communication and visibility channels. Emerging technologies are still less widely used, but they reveal different strengths across TEA and EBO. Early-stage entrepreneurs appear more active in outward-facing and AI-related experimentation, while established businesses show stronger use of cloud-based operational tools. This suggests that digital maturity differs not only in intensity, but also in function: early-stage entrepreneurs appear more focused on experimentation and market-facing adaptation, while established firms use digital technologies more for operational integration and organisational efficiency.

Figure 72. Use of Digital Tools by Lithuanian Entrepreneurs 2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

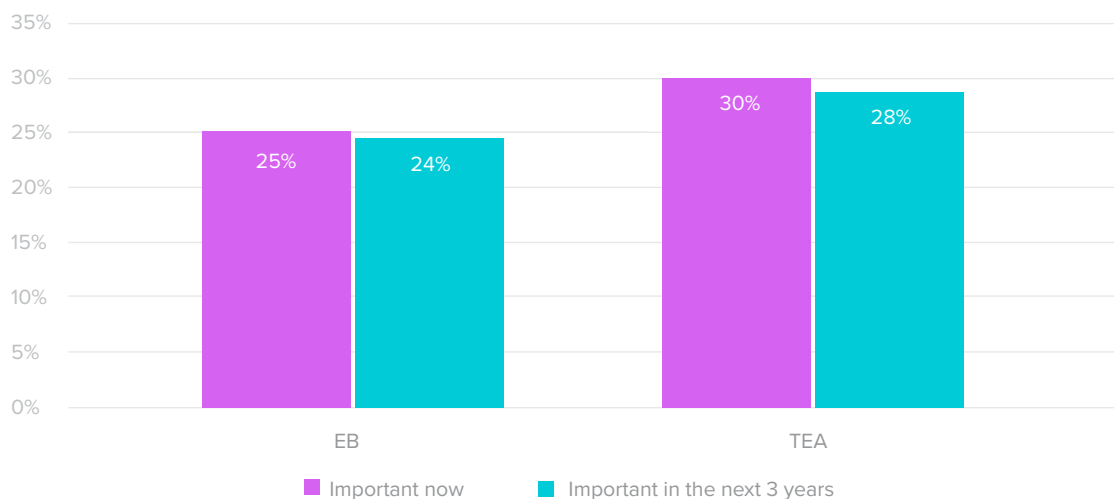
Figure 73. Importance of Emerging Technologies in Business Models of Lithuanian Entrepreneurs 2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

The perceived importance of AI increased in 2025 among both early-stage entrepreneurs and established business owners. Among TEA, 30% report that AI is very important now, compared with 28% who expect it to be very important in the next three years. Among established business owners, 25% consider AI very important now, while 24% expect it to be very important in the next three years. The pattern is also notable because the current importance is slightly higher than the expected future importance for both TEA and EBO. This may indicate that businesses already experimenting with AI increasingly perceive it as an operational necessity rather than only as a future strategic possibility. Early-stage entrepreneurs report higher AI importance than established business owners in both timeframes, which fits the broader pattern of newer businesses being more active in AI experimentation and emerging technology adoption. For established businesses, the increase still matters, as it shows that AI is entering more mature business models as well, even if at a more cautious pace.

Figure 74. Percentage of TEA and EB in Lithuania Anticipating AI to be 'Very Important' within the Next Three Years, 2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

Perceptions of AI-related factors changed noticeably between 2024 and 2025. The positive expectations became more balanced between TEA and established business owners, but the strongest optimism shifted toward TEA in several areas. In 2025, early-stage entrepreneurs rated improved productivity and efficiency across operations at 48%, enhanced personalisation for customers at 46%, increased revenue and business growth at 45%, innovative product and service

development at 44%, and better risk management and compliance at 44%. Compared with 2024, this shows that TEA perceptions became more concentrated around operational efficiency, customer personalisation, and practical business growth. AI is increasingly viewed not only as a tool for innovation, but also as a broader mechanism for operational optimisation, competitiveness, customer engagement, and strategic adaptation.

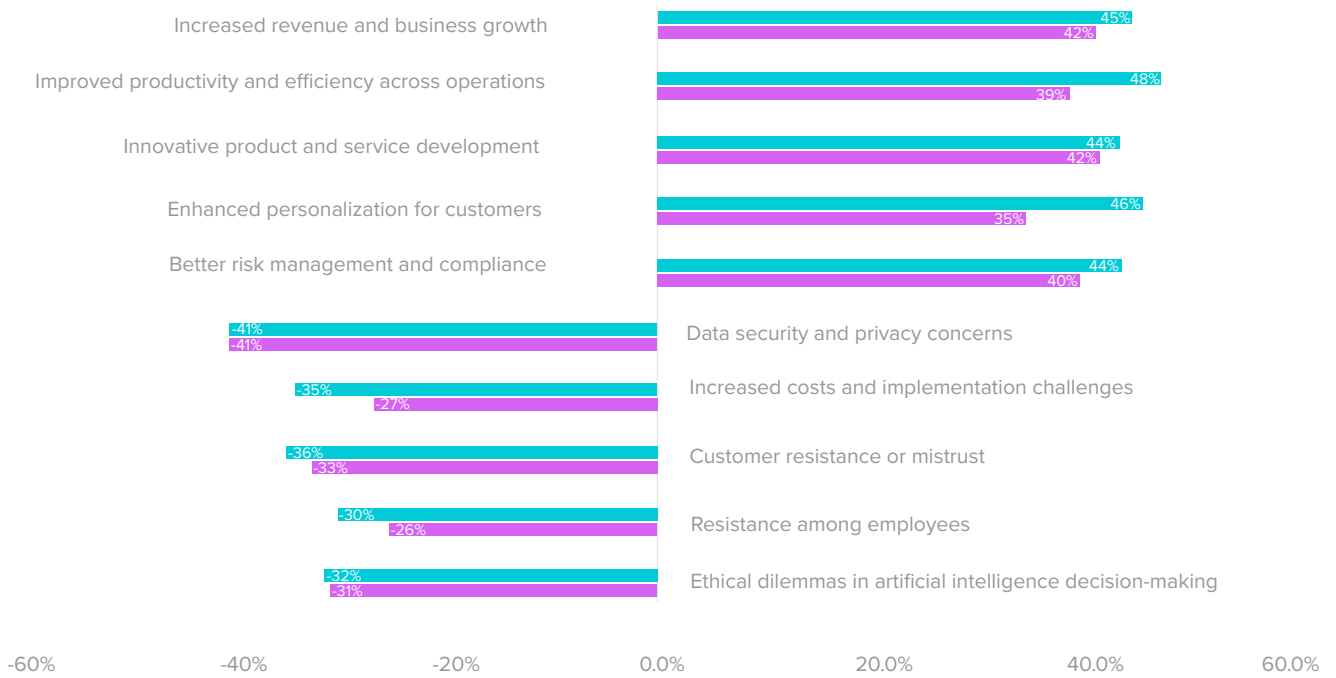
Among established business owners, positive AI perceptions remain strong, but they are generally slightly lower than among TEA in 2025. EB respondents report 42% for an increased revenue and business growth, 39% for productivity and efficiency, 42% for innovative product and service development, 35% for customer personalisation, and 40% for risk management and compliance. Compared with the year 2024, established business owners appear more cautious in some areas, especially in the fields of customer personalisation and productivity, while still recognising AI's role in innovation, revenue growth, and risk management. This fits the broader pattern where established firms may adopt AI more selectively, while focusing on selective integration into existing organisational processes rather than on rapid business-model transformation around AI capabilities.

The perception of barriers has also changed. In 2025, data security and privacy concerns remain the strongest negative factor for both groups, at 41% for TEA and also 41% for EB. This is still the clearest common concern across business stages. Increased costs and implementation challenges remain important, but their weight differs by group, with TEA reporting 35% and EB 27%. Employee resistance stands at 30% for TEA and 26% for EB, while ethical dilemmas in AI decision-making are close across groups, at 32% for TEA and 31% for EB. Compared with 2024, barriers

appear somewhat more evenly distributed, rather than dominated by one or two concerns. This suggests that Lithuanian entrepreneurs are moving beyond a simplistic “AI optimism versus AI fear” perspective and are beginning to evaluate AI adoption through a more practical and strategic business lens.

A comparison between the years points to a more mature AI discussion in 2025. In 2024, positive perceptions were already visible, but the gap between opportunity and risk was more pronounced. In 2025, Lithuanian entrepreneurs still recognise AI's potential for growth, efficiency, innovation, personalisation, and compliance, but they are also clearer about the practical constraints of implementation. Data privacy, costs, employee resistance, and ethical dilemmas are no longer abstract concerns; they have become part of how businesses evaluate AI's strategic impact. This reflects a move from early enthusiasm toward a more realistic phase of AI adoption, where entrepreneurs assess both the value and the operational complexity of using AI in their business strategy. The findings, therefore, suggest that Lithuania is entering a more mature phase of AI adoption, where the central challenge is shifting from awareness and experimentation toward integration quality, organisational capability, governance, and long-term strategic use of AI within business development.

Figure 75. Perceptions of AI-Related Factors Having High Impact on Business Strategy among Entrepreneurs in Lithuania, 2025



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

■ TEA ■ EB

Lithuania's AI and digital readiness landscape in 2025 suggests that digitalisation is becoming increasingly embedded in entrepreneurial activity rather than remaining a separate technological function. AI is now associated not only with innovation, but also with operational efficiency, customer engagement, competitiveness, and business adaptation. At the same time, the findings indicate that future progress will depend less on the initial adoption and more on the ability of businesses and institutions to develop the skills, organisational capacity, and governance frameworks needed for sustainable long-term integration of AI into business practice.

CHAPTER 8

ENTREPRENEURIAL ECOSYSTEM IN FOCUS



ENTREPRENEURIAL ECOSYSTEM IN FOCUS

The quality of the entrepreneurial ecosystem shapes how easily new businesses can be created, financed, supported, and scaled up. While entrepreneurial activity depends on individual motivation and capability, it also relies on wider framework conditions, such as finance, education, government policy, market openness, infrastructure, research and development transfer, as well as social norms. These conditions influence not only whether businesses are created, but also whether they are able to survive, innovate, scale up, and contribute to long-term economic development. The National Expert Survey provides a structured view of how these conditions are assessed in Lithuania, and how they compare with the previous years and a wider European context.

In 2025, Lithuania remained among the strongest entrepreneurial ecosystems globally, despite a small decline in its NECI score and global ranking. The decline in ranking appears to reflect intensifying international competition among leading entrepreneurial ecosystems rather than a substantial weakening of Lithuania's own framework conditions. Lithuania's position as the top-ranked European country in the NECI index remains a particularly important result, thus confirming that experts continue to assess the national entrepreneurial environment as highly supportive.

At the framework condition level, Lithuania's ecosystem shows both strengths and persistent bottlenecks. The physical infrastructure, commercial and professional infrastructure, social and cultural norms, and several market entry conditions remain among the stronger areas. Entrepreneurial finance is stable but not among the highest-rated conditions, while research and development transfer remains one of the weakest parts of the ecosystem. This

highlights a continuing structural challenge in converting scientific and technological capacity into commercially scalable entrepreneurial activity.

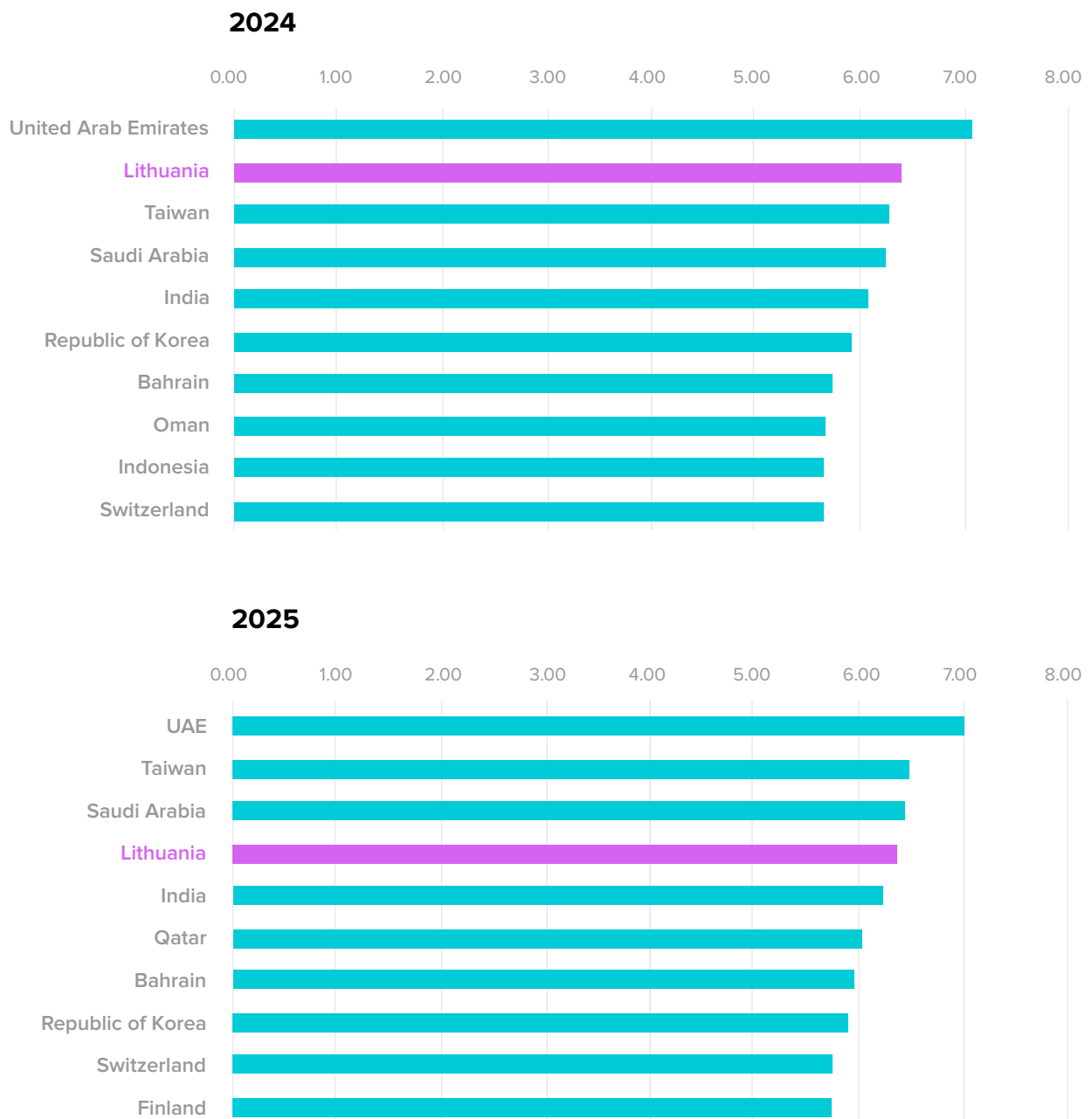
The chapter examines these ecosystem conditions in more detail, while looking at short-term changes between 2024 and 2025 and longer-term developments taking place since 2011. It highlights where Lithuania's entrepreneurial ecosystem has matured, where progress has become more gradual, and which areas require further attention if the country is to sustain high entrepreneurial activity, strengthen innovation, and support long-term business growth.

Lithuania remained among the strongest entrepreneurial ecosystems in the world according to the 2025 National Entrepreneurship Context Index. Its NECI score decreased only slightly, from 6.42 in 2024 to 6.36 in 2025. The limited score change indicates that the expert assessment of Lithuania's entrepreneurial framework conditions remained broadly stable, even if the country's position in the global ranking slightly declined.

The drop in ranking can mainly be explained by stronger improvements in other countries rather than by a substantial deterioration in Lithuania's own score. Taiwan and Saudi Arabia both moved ahead after increasing their scores, while Lithuania's evaluation changed only marginally. This shows that competition among leading entrepreneurial ecosystems has become tighter, with small score differences affecting global ranking positions. This also suggests that Lithuania is increasingly competing within a group of highly developed entrepreneurial ecosystems where maintaining leadership requires continuous ecosystem adaptation rather than only preserving the already existing strengths.

Lithuania's position remains especially strong in the European context. In 2025, Lithuania ranked number one in Europe on the NECI index, ahead of countries such as Switzerland and Finland. This is a highly important result, as it shows that experts continue to evaluate Lithuania's entrepreneurial ecosystem as one of the most supportive in Europe. The challenge ahead will be not only maintaining this position but also strengthening weaker structural conditions that may limit longer-term innovation capacity and business scaling.

Figure 76. Lithuania's NECI Score and Global Ranking (top 10), 2024-2025 Lithuania's rank and composite score in the Global NECI Index (0–10 scale)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

Lithuania's entrepreneurial ecosystem scores remained strong in 2025, although several framework conditions retracted if compared with 2024. The most visible decline was observed in physical infrastructure, which decreased from 8.2 to 7.7, while still retaining the highest-rated condition in the national ecosystem. Government policy support and relevance also declined, from 6.1 to 5.7, and government policy related to taxes and bureaucracy decreased from 6.6 to 6.3. These changes point to areas where expert evaluations became more cautious regarding the predictability and effectiveness of the policy and administrative environment for entrepreneurship.

Some framework conditions improved slightly. Commercial and professional infrastructure increased from 6.6 to 6.8, thereby indicating a stronger assessment of the availability and quality of business services, suppliers, consultants, and professional support. Ease of entry related to market dynamics also rose from 6.2 to 6.4, showing a somewhat more favourable view of market openness and movement. The results, therefore, suggest that Lithuania's ecosystem is currently characterised more by incremental adjustment than by major structural change.

Figure 77. Lithuania's Entrepreneurial Ecosystem Scores by Framework Condition, 2024–2025 Expert Ratings (scale 0–10) across all 13 NES Framework Conditions



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2025

2024 2025

When Lithuania is compared with the EU average, the results for 2025 show that the national entrepreneurial framework conditions continue to perform above the European benchmark. Lithuania scores higher than the EU average across all ecosystem dimensions, with particularly visible strengths in entrepreneurial education at school and the ease of entry related to burdens and regulation. This is particularly significant because entrepreneurial education and regulatory burden are often among the most persistent structural constraints affecting entrepreneurial activity in many economies. Lithuania's stronger position indicates that experts see the country as offering a more supportive environment for entrepreneurial learning and for navigating market entry conditions than the EU average.

Figure 78. Lithuania vs EU Average on Selected Framework Conditions, 2025 Expert Scores for Lithuania and the EU Average on Physical Infrastructure, Post-School Education, and Entrepreneurial Finance (Scale 0–10)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania and EU subset 2025

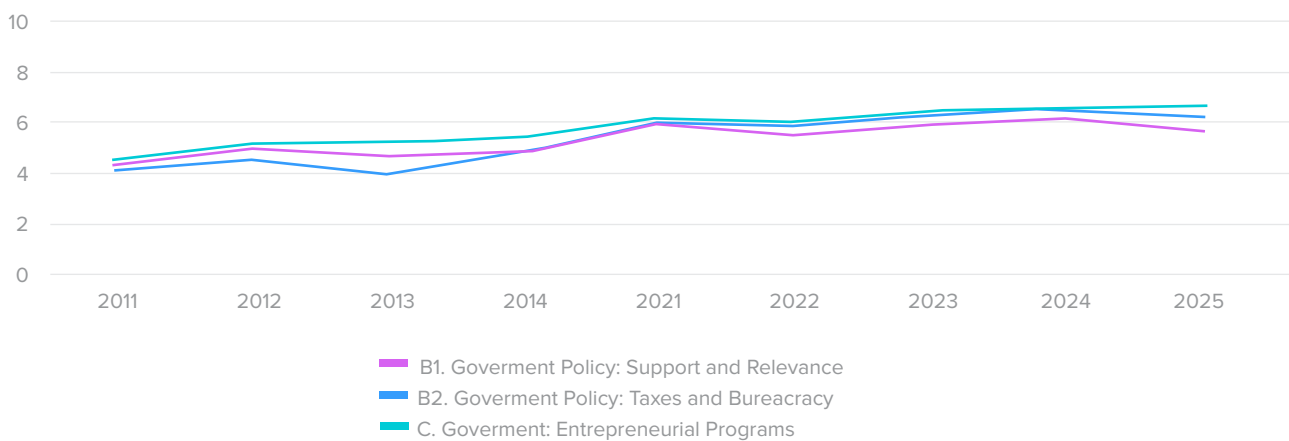
— Lithuania — EU Average

Government policy and program support in Lithuania shows relatively stable results in 2025, with no major shifts compared with the previous year. Looking across the longer monitoring period, the longer-term trajectory remains more positive than in the earlier years of monitoring, as expert scores are higher than in the early years of GEM participation. This indicates that Lithuania's public support environment for entrepreneurship has strengthened over time, even if annual changes are now more gradual.

In 2025, government entrepreneurial

programs received the highest evaluation among the three dimensions, showing that experts continue to recognise the role of public programs in supporting entrepreneurship. Meanwhile, the government's policy related to taxes and bureaucracy remained close behind, while government policy support and relevance recording the lowest score in this group. This ranking shows that the structure of programs and administrative conditions is assessed more positively than the broader strategic coherence, long-term consistency, and perceived responsiveness of the entrepreneurship policy.

Figure 79. Government Policy and Program Support, 2011–2025 Scores for B1 (Support and Relevance), B2 (Taxes and Bureaucracy), and C (Government Programs)

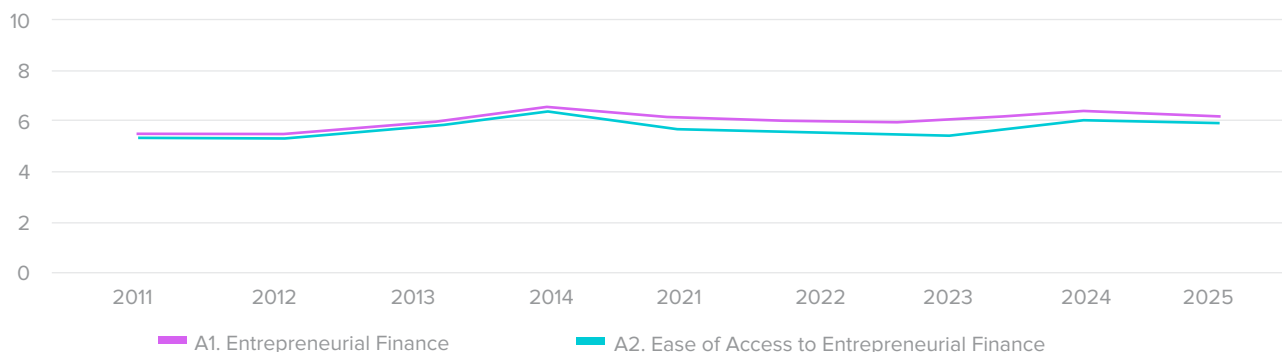


Source: Global Entrepreneurship Monitor (GEM) National Expert Survey, Lithuania, 2011–2014, 2021–2025

Entrepreneurial finance remained broadly stable in 2025, with little change compared with the previous year. The two dimensions, notably, entrepreneurial finance and ease of access to entrepreneurial finance, have been closely aligned since 2024, and continued to move together in 2025. This indicates that experts assess not only the availability of finance, but also the practical accessibility of that finance in a similar way.

Although Lithuania's entrepreneurial finance conditions are not weak, they remain on the lower end if compared with several other ecosystem framework conditions. This means that finance is still not among the strongest parts of the entrepreneurial environment. For entrepreneurs, especially those seeking to scale up, innovate, or enter technology-intensive sectors, access to suitable financing remains an area where further improvement could strengthen the ecosystem. This may become increasingly important as Lithuania seeks to strengthen more innovation-intensive and technology-oriented entrepreneurship, where businesses typically require larger and more specialised financing mechanisms.

Figure 80. Entrepreneurial Finances, 2011–2025 Scores for A1 (Entrepreneurial Finance) and A2 (Access to Finance)

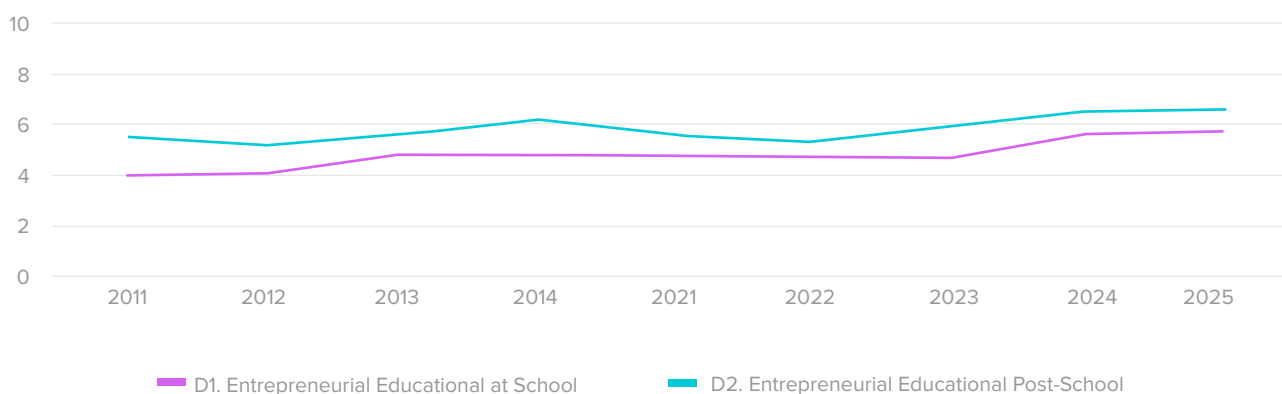


Source: Global Entrepreneurship Monitor (GEM) National Expert Survey, Lithuania, 2011–2014, 2021–2025.

Entrepreneurial education in Lithuania continued to improve gradually in 2025, both at the school level and post-school level. The long-term trend shows progress compared with the early years of monitoring, thus indicating that entrepreneurship has become more visible within the education system and in later-stage learning environments. Post-school entrepreneurial education remains consistently better evaluated, reflecting stronger support through universities, colleges, training programmes, accelerators, and other adult learning opportunities.

Entrepreneurial education at school continues to lag behind post-school education. Although the school-level score has improved over time, it remains one of the areas where further development is still needed. This gap is important because entrepreneurial attitudes, opportunity recognition, and perceived capability are often formed well before individuals enter higher education or professional life. Strengthening entrepreneurship education before higher education would help build entrepreneurial capabilities earlier and make the ecosystem less dependent on post-school interventions.

Figure 81. Entrepreneurial Education, 2011–2025 Scores for D1 (School Level) and D2 (Post-School Level)

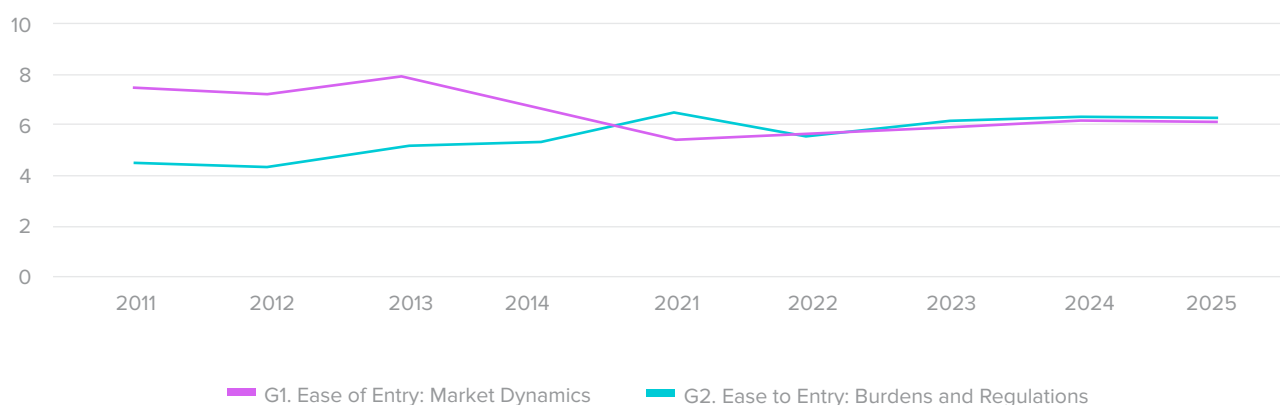


Source: Global Entrepreneurship Monitor (GEM) National Expert Survey, Lithuania, 2011–2014, 2021–2025

Internal market dynamics continued to recover in 2025 after the decline observed between 2013 and 2021. The score has been gradually improving in recent years, although it has not yet returned to the higher levels recorded in the earlier monitoring period. This indicates that the market entry conditions and the pace of market change have become more favourable again, although conditions have not yet fully returned to the stronger levels observed in the earlier monitoring period.

Ease of entry related to burdens and regulation shows a steadier upward trajectory across the monitored period. The score has increased gradually over time, and it now moves closely with the market dynamics. This points to an improving regulatory environment for entrepreneurs, where administrative and market-entry burdens are assessed more positively than in the earlier years. The convergence of the two indicators in recent years shows a more balanced internal market environment, with both market dynamics and regulatory conditions moving in a supportive direction. This suggests that Lithuania's internal market environment is becoming more balanced, with improvements visible both in market responsiveness and in the administrative conditions affecting entrepreneurial entry.

Figure 82. Internal Market Dynamics, 2011–2025 Scores for G1 (Market Dynamics) and G2 (Regulatory Burden)



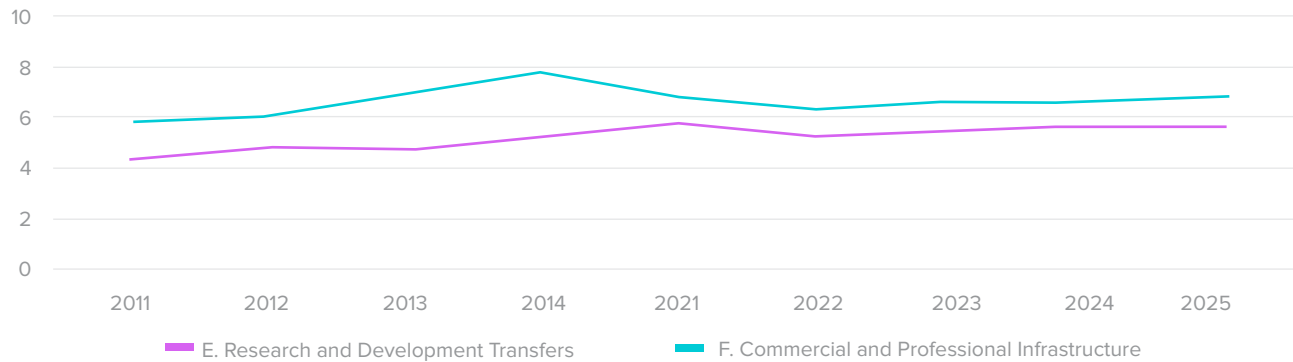
Source: Global Entrepreneurship Monitor (GEM) National Expert Survey, Lithuania, 2011–2014, 2021–2025.

Research and development transfer remains one of the weakest framework conditions in Lithuania's entrepreneurial ecosystem in 2025. Compared with other ecosystem factors, it receives one of the lowest expert scores, thus highlighting a persistent challenge in translating scientific knowledge, research outputs, and technological potential into market-ready products and businesses. This aligns with the broader innovation patterns identified throughout the report, where Lithuanian entrepreneurship demonstrates stronger performance in innovation adoption and diffusion than in the commercialisation of more globally novel scientific and technological outputs.

Whereas, commercial and professional infrastructure remains much stronger. Expert evaluations of this condition are relatively high, thus showing that entrepreneurs have access to business services, suppliers, consultants, legal and accounting support, as well as other forms of professional infrastructure. However, the longer-term trend does not show a major improvement across the monitored period. This means that while the professional support environment is already comparatively well developed, R&D transfer remains the more important bottleneck for strengthening science-to-market pathways and increasing Lithuania's capacity for innovation-led

entrepreneurship. The persistence of this gap suggests that Lithuania's entrepreneurial ecosystem remains stronger in supporting business formation and operational entrepreneurship than in building deep science-to-market commercialisation pathways.

Figure 83. Research and Development Transfer and Professional Infrastructure, 2011–2025 Scores for E (R&D Transfer) and F (Commercial Infrastructure)



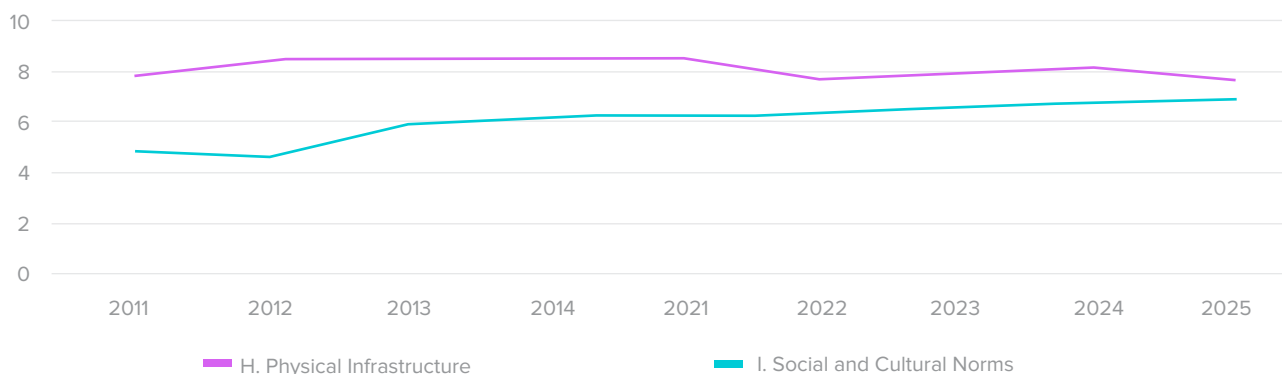
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2011–2014, 2021–2025

Social and cultural norms continued to improve in 2025, thus extending the gradual upward trend visible across the monitoring period. This aligns with the earlier findings, as presented in the report, showing stronger societal attitudes toward entrepreneurship, a higher perceived status and respect for entrepreneurs, and a generally supportive public view of business creation. The steady rise in social and cultural norms indicates that entrepreneurship is becoming more embedded in Lithuania's social environment and is increasingly recognised as a legitimate, respected, and socially embedded economic activity.

Physical infrastructure remains one of the highest-rated framework conditions, but it declined in 2025. Unlike social and

cultural norms, the longer-term pattern for physical infrastructure does not show steady improvement. Instead, it has moved more dynamically across the monitored period, with periods of stability, increase, and decline. The drop observed in 2025 does not remove the physical infrastructure from the group of Lithuania's stronger ecosystem factors, but it does show that this area cannot be treated as automatically improving. Maintaining the infrastructure quality remains important, especially as entrepreneurship becomes more regionally distributed and more dependent on digital, logistical, and physical connectivity. This may become particularly important as Lithuania's entrepreneurial activity becomes more geographically distributed and increasingly dependent on advanced digital and logistical infrastructure.

Figure 84. Physical Infrastructure and Social Norms, 2011–2025 Scores for H (Physical Infrastructure) and I (Social and Cultural Norms)



Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2011–2014, 2021–2025

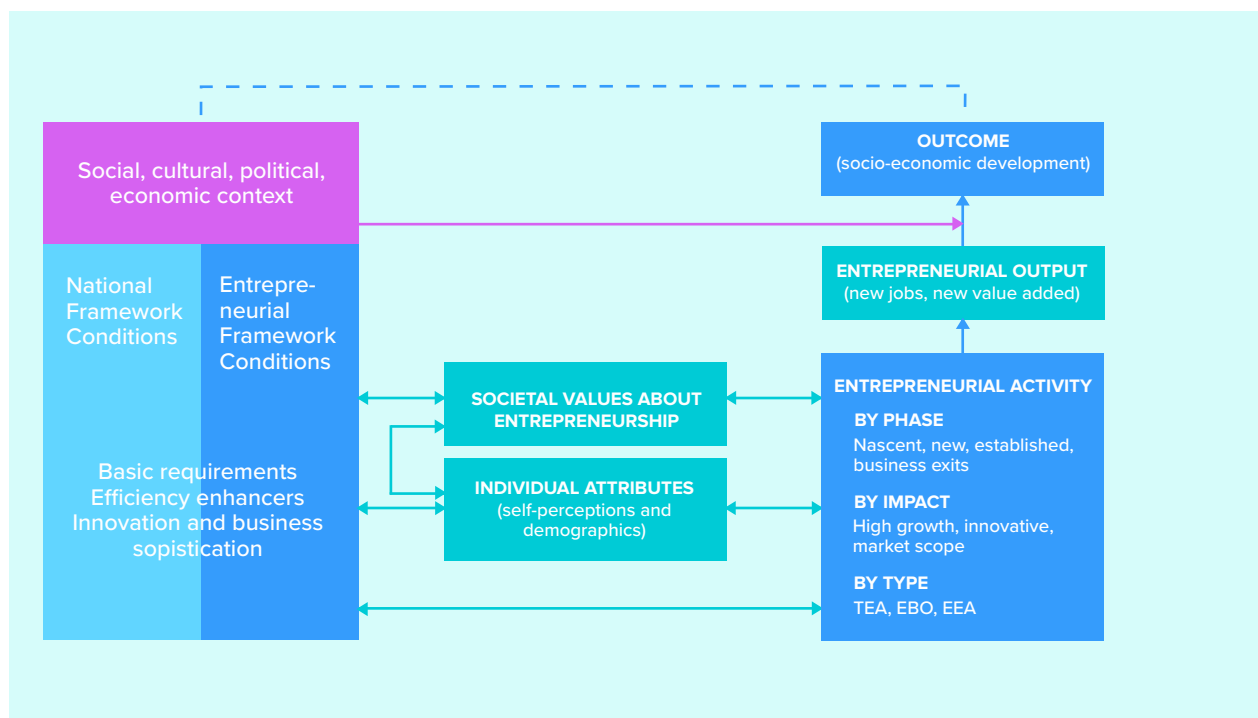
Lithuania's entrepreneurial ecosystem in 2025 continues to demonstrate a high level of overall institutional strength, particularly in comparison with the broader European context. The findings suggest that the ecosystem has moved beyond basic entrepreneurial support toward a more mature phase characterised by relatively stable framework conditions, strong societal support for entrepreneurship, and improving market and infrastructure conditions. At the same time, the results also highlight several structural challenges that may become increasingly important for long-term competitiveness, especially entrepreneurial finance for innovation-oriented businesses, science-to-market transfer, and the development of deeper institutional capacity for innovation-driven growth. The key challenge for Lithuania is, therefore, no longer merely maintaining a supportive environment for business creation, but also strengthening the parts of the ecosystem that determine whether entrepreneurial activity can generate higher levels of innovation, upscaling, and long-term economic value.

ANNEX 1

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 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. 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. The decision to start a business is then set within a social, economic and political context which conditions this decision in terms of variables, including the choice of sector, the scale of operations along with the levels of ambition and innovation. These variables, in turn, influence the impacts of the new business on other factors, such as the 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.



Scheme A1.1. The GEM Conceptual framework

ANNEX 2

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, and a National Expert Survey (NES) of at least 36 national experts. 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 the 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 future.

In each participating economy, the APS is supervised by a GEM National Team, usually consisting of academics at top universities, and sometimes by some other organisation with interest and expertise in entrepreneurship. These organisations work closely with GEM with the objective to ensure that the same questions shall be asked in the same way in each participating economy, so that the answers can be compared across economies, as well as for the same economy longitudinally, i.e., 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's main website (<https://www.gemconsortium.org/report>). Each year, new questions in the APS reflect a changing world: for example, by asking about the impacts of increasing

energy prices or of the awareness of the United Nations Sustainable Development Goals (SDGs).

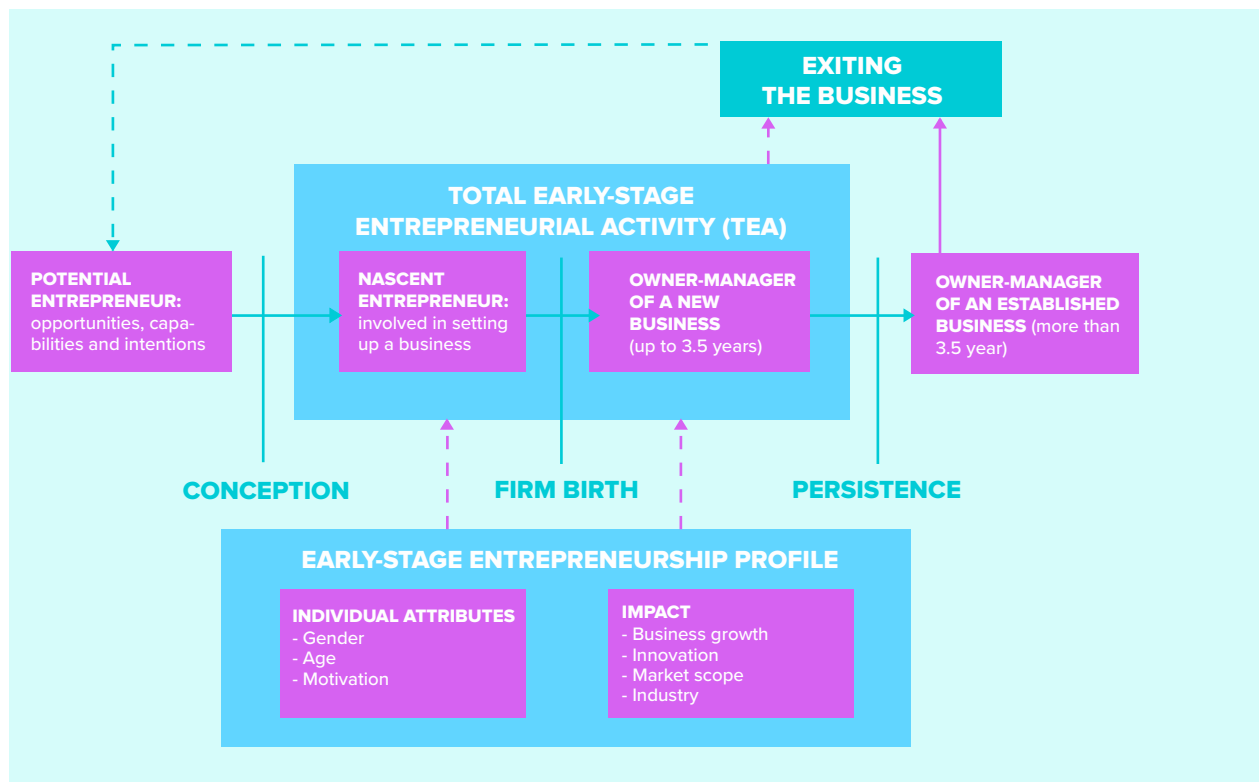
There are many ways to assess the level of entrepreneurial activity in an economy. Most official statistics count new firm businesses or tax registrations as a measure of entrepreneurial dynamics. These are certainly useful but only to the extent that new businesses actually register. In many economies, especially in the less developed ones, new firm registrations can represent only a small proportion of new business starts. There can be several reasons for this: for example, a business may start off informally and be very small, an owner may be waiting to see first if the business works, or, as mentioned, the process of registration may be expensive, difficult or excessively bureaucratic. Another measure is the number of self-employed, individuals but many self-employed people work only for themselves and may not even perceive initially that they are actually running a business. Examples might include journalists, musicians or some taxi drivers. The GEM approach circumvents the challenge of collecting comprehensive data both by being population-based and by assuring anonymity, thereby capturing activity in the informal economy where official statistics cannot collect data. This is a major differentiating factor for GEM when compared to other studies.

The way GEM uses APS data to estimate the 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 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 already established, and the individual is an Established Business Owner.

Scheme A2.1 illustrates the entrepreneurial pipeline, beginning from the time that potential entrepreneurs perceive new opportunities that they believe they can grasp, to when they

begin to expend resources to become nascent entrepreneurs. 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 the centre stage, there is the 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. Each is important, especially in relation to the level of TEA. For example, a high ratio of TEA to EBO may indicate difficulties in transitioning new businesses into established ones, sometimes because of an unsupportive entrepreneurial environment, while a high ratio of TEA to business exits may suggest a growing entrepreneurial base.



Scheme A2.1. The entrepreneurial process and GEM indicators

The decision to start a new business inevitably takes place within a context that can either support or constrain the new startup and its subsequent development. To assess the quality of each national entrepreneurial business context, GEM 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 these conditions. These assessments are then harmonised to provide a single figure for the quality of that entrepreneurial environment. These consistent qualitative data allow a comparison of national entrepreneurial environments at one time, or of the evolution of a national entrepreneurial environment over time. These National Expert Surveys (NESs) provide a crucial complement to the APSs. 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.



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