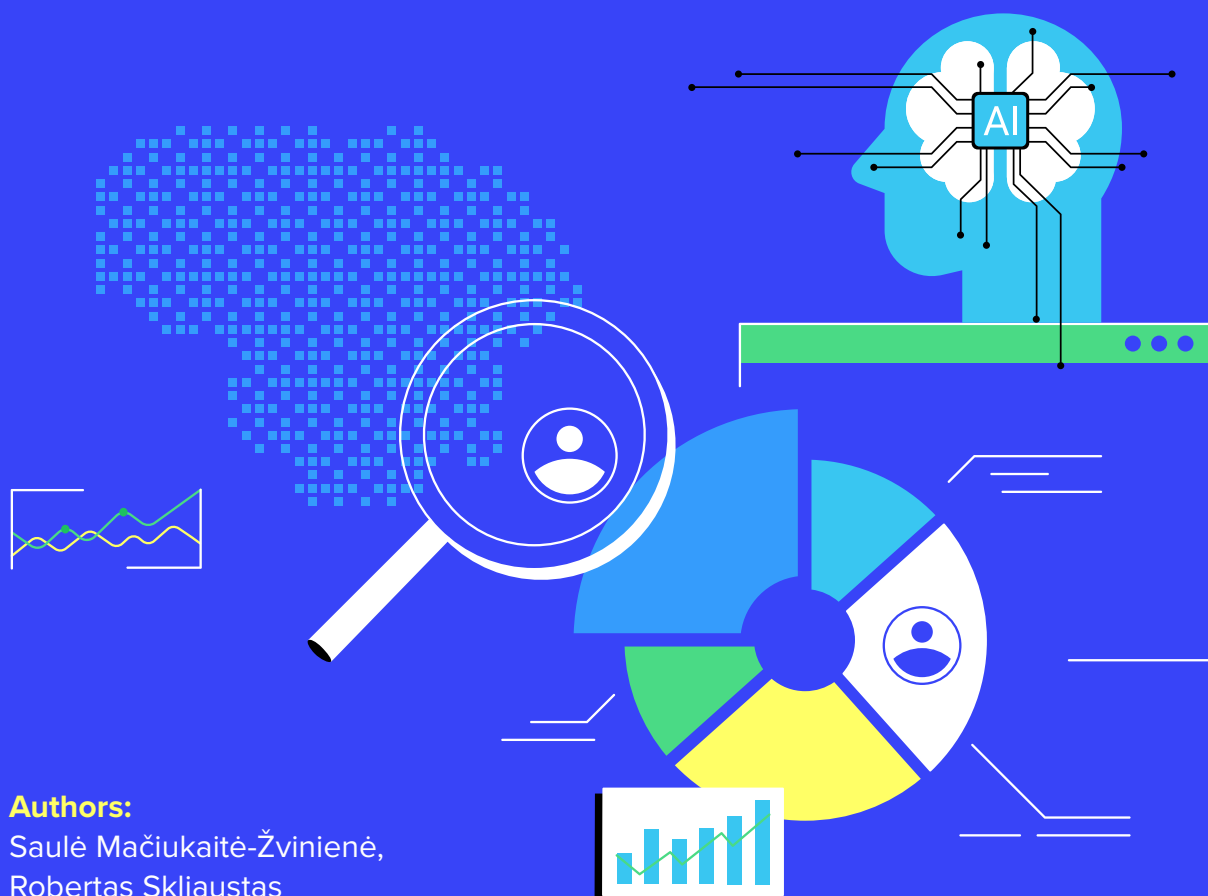




Global
Entrepreneurship
Monitor

GEM 2024/2025

National Entrepreneurship Assessment for Lithuania



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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.

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Executive Summary

In 2024, the *Global Entrepreneurship Monitor* (GEM) conducted its 26th annual survey. Academic research teams in 56 economies collected and analyzed data on rates of participation across phases of business startup and ownership, characteristics of entrepreneurs and their businesses, and the entrepreneurial attitudes, affiliations, and self-perceptions of people in society.

Research teams in over 120 economies have participated in GEM since its first survey in 1999. The 2024–2025 Lithuania national report includes several new insights: findings from the global survey on the special topic of digital technology and *Artificial Intelligence* (AI), and results unique to Lithuania, such as regional analyses, as well as expanded demographic profiles and an examination of the impact on the core national strategy *Lithuania 2050*. Below are presented select findings detailed in this report.

Entrepreneurial Activity is up – but so are Exits

In 2024, Lithuania's Total Early-Stage Entrepreneurial Activity (TEA) rebounded to 11.7%, up from a dip in 2023 (7.1%), showing renewed energy among new entrepreneurs. Intentions to start a business also surged to 20.4%, which is a record high over the past decade. However, this momentum comes alongside challenges: established business ownership (EBO) declined to 3.2%, and business discontinuation rose to 7%, which is the highest level observed in recent years. Together, these trends highlight a dynamic but fragile entrepreneurial landscape, where many initiatives are launched, but fewer transitions into long-term, sustained businesses are observed.

Demographics: More Inclusive, more Diverse

Young adults (25–34) remain the most active founders, accounting for 25.3% of all early-stage entrepreneurs in 2024. At the same time, there is a notable rise in older age groups: entrepreneurs aged 45–54 now make up 22.7%, and those aged 55–64 represent 16.7% - with both age groups showing steady growth over recent years. This shift suggests an increasingly intergenerational entrepreneurial landscape, where mid- and late-career individuals are playing a growing role in new business creation. Lithuania also achieved near gender parity in early-stage entrepreneurship in 2024: women now represent 50% of all TEA participants, driven largely by a sharp increase in nascent activity. However, gaps remain. Women account for just 2.0% of established business ownership compared to 4.4% among men, and they are significantly underrepresented in capital- and tech-intensive sectors, such as ICT, where male founders make up the entire 100% of reported businesses. While some progress is evident, the data still point to ongoing structural imbalances in scaling and sector participation.

Motivation: From Necessity to Ambition

Necessity remains a strong motivator as 71% of founders in 2024 reported starting their business “to earn a living because jobs are scarce.” Yet the picture is evolving. Aspirational drivers are gaining ground: 57% of entrepreneurs cited the desire to build wealth, while 47% pointed to making a difference in the world. Even the traditionally modest motive of continuing a family tradition rose to 32%, thus reaching its highest share in recent years. These motivations also differ sharply between Vilnius and the rest of Lithuania, which hints at deeper regional contrasts in the entrepreneurial purpose.

Product Innovation Advances, but Gaps Remain

Few Lithuanian entrepreneurs are launching globally novel products as only 2.7% of women and 1.7% of men reported offering products that are “new to the world” in 2024. However, there is steady growth in offerings that are new to the national market: 13.6% of entrepreneurs say their product is “new to people in the country,” which goes up from 12.2% in 2023. Most Lithuanian entrepreneurs still focus on refining some already existing ideas, with over 70% reporting that their products or services are not new. Notably, product innovation (e.g., 13.6% nationally new) continues to outpace technological innovation (11.1% nationally new), suggesting a stronger emphasis on consumer-facing improvements than on backend or process-driven innovation. While Lithuania still lags behind other high-income economies in breakthrough innovation, the gradual rise in novel offerings points to a strengthening foundation for future innovation growth.

Technology and AI: Digitalizing, but Slowly

More Lithuanian entrepreneurs are starting to embrace digital tools in their businesses. In 2024, 27% of early-stage entrepreneurs planned to use more digital tools to sell their products or services, which is more than double the share established in 2023 (13%). Reluctance to adopt is also falling: only 14% now say they do not plan to use digital sales technologies, down from 22% last year. Despite this momentum, integration of artificial intelligence (AI) remains modest. As little as 14% of early-stage entrepreneurs consider AI ‘very important’ to their current business strategy, and projections for the next three years rise only slightly to 18%. This cautious uptake stands in contrast to leading high-income economies where AI is already central to many businesses. The gap suggests that Lithuania’s digital infrastructure and talent are improving, but the leap toward AI-driven business models is still in its early stages.

Regional Shifts: Beyond Vilnius

Vilnius remains a key hub for startups, but entrepreneurship is becoming more geographically diverse. In 2024, the capital of Lithuania accounted for just 29% of early-stage entrepreneurial activity, which is way down from 38% in 2023 and 37% in 2014. Meanwhile, the rest of Lithuania now generates over 70% of new businesses. For the first time, a majority of high-growth projections now originate outside Vilnius: in 2024, 68% of early-stage entrepreneurs expecting to grow their businesses by at least 10 employees and 50% turnover were located outside the capital, compared to just 29% in 2023. This shift signals rising confidence in regional ecosystems, where such factors as access to talent, lower costs, and stronger local support are helping more people start and grow their own businesses.

Job Creation: Optimism Meets Caution

Lithuanian entrepreneurs remain hopeful about expanding their teams, but expectations are more reserved compared to other high-income economies. In 2024, just 10% of early-stage entrepreneurs projected creating 10 or more jobs within five years, while nearly half (47%) anticipated hiring between 1 and 4 people. Encouragingly, the share expecting no job growth at all fell to 7%, down from 13% in 2023. Among established business owners, hiring plans are even more conservative: only 6% expect to create six or more jobs, while 58% anticipate no change in staff. This cautious outlook reflects persistent uncertainty which is driven by rising costs, geopolitical pressures, and uneven market recovery.

Social and Environmental Priorities on the Rise

Sustainability is becoming a stronger focus for Lithuanian entrepreneurs. In 2024, 55% of early-stage entrepreneurs and 54% of established business owners reported taking active steps to reduce the environmental impact of their businesses.

At the same time, 45% of early-stage businesses and 48% of established firms stated that they prioritized social or environmental impact over growth or profit, demonstrating a significant rise compared to 2022. These trends are strongest among younger and more innovative founders. Despite ongoing economic pressures, sustainability is increasingly seen not as a cost, but rather as a core part of business success.

Entrepreneurship in Society: Still Valued, but not always Easy

Public support for entrepreneurship in Lithuania remains high, though slightly below last year's record levels. In 2024, 71% of adults viewed entrepreneurship as a desirable career choice, which, despite going down from 79% in 2023, is still well above the level of 69% measured in 2014. Perceptions of a high status linked to entrepreneurship also dipped slightly to 59%, while media visibility continued to rise: 75% of adults reported seeing frequent coverage of successful new businesses. Although 51% of adults believe that there are good opportunities to start a business, fear of failure rose significantly – from 35% in 2023 to 48% in 2024 – thus suggesting that external pressures are weighing more heavily on aspiring entrepreneurs, even as optimism and awareness stay strong.

About the Global Entrepreneurship Monitor (GEM)

The **Global Entrepreneurship Monitor** (GEM) is the world's largest entrepreneurship-related research instrument, focusing on early-stage entrepreneurship and its essential role in driving societal health, wealth, and economic growth. The global GEM research consortium has been measuring the entrepreneurial activity of working-age adults across a wide range of countries in a comparable way since 1999.

GEM's three primary objectives are to measure differences in entrepreneurial attitudes, activities, and aspirations across countries, to identify factors determining the nature and level of entrepreneurial activity, and to formulate conclusions relevant to socio-economic policy, including support for entrepreneurship.

GEM has been instrumental in addressing some of society's greatest challenges, such as the United Nations **Sustainable Development Goals** (SDGs) and the economic shockwave after both the turmoil of the pandemic and, subsequently, the effects of the Russian invasion of Ukraine. GEM employs a uniform data collection methodology, by conducting quantitative surveys on representative samples of adult populations and qualitative surveys involving entrepreneurship experts annually in each participating country. National Teams, primarily composed of representatives of higher education institutions, closely supervise the data collection process, whereas the central methodology team strictly monitors data collection and processing.

With a highly credible track record, in numbers, GEM represents:

- 25 years of data;
- 3,700,000+ GEM Adult Population Survey interviews since 1999;
- 170,000+ interviews annually with experts and adult populations including entrepreneurs of all ages;
- 2,000+ expert interviews for the 2024 GEM National Expert Survey;
- 120+ economies since 1999;
- 370+ specialists in entrepreneurship research (GEM National Team members);
- 150+ academic and research institutions;
- 150+ funding institutions;
- 1,000+ publications in peer-reviewed journals.

The consortium publishes the GEM Global Report annually, along with various national and special topic reports providing policymakers with valuable insights on fostering entrepreneurship and promoting healthy entrepreneurial ecosystems worldwide. By becoming involved with GEM, academics, educational institutions, policymakers, entrepreneurs, investors, and international organizations benefit from

unique methodological approaches, better informed decisions, access to robust data, and opportunities for collaboration with a highly networked organization. Lithuania's first attempts to participate in GEM began in 2011, and, after almost a decade, Lithuania started contributing again since 2021. Lithuania has been represented in GEM by the Vilnius University Business School research team.



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