



Global
Entrepreneurship
Monitor

National Entrepreneurship Assessment for Lithuania

2023/2024

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Executive Summary

Business phases

- The Total Entrepreneurial Activity (TEA) rate edged downward in 2023 from 12.7% to 6.7%
- Established business activity maintained the growth reported in 2022 and increased to 14.5% in 2023.
- Entrepreneurial intentions decreased slightly to 12.6% in 2023.
- The most common motivation for starting a business was fear of losing a job or a higher income (84% of entrepreneurs), followed by desire to make a difference in the world (43%).
- Continuing a family tradition motivated 22% of entrepreneurs.
- The age group (adults aged 25–34) showed high entrepreneurial intentions (20%) and high entrepreneurship rates (12%).
- The business closure rates decreased by two-thirds to 2.9% in 2023. The most significant share of business closures was indicated in Kaunas and Vilnius regions, contributing to 68% of all instances of business closures in the country.
- Most established business owners researched in this report are either sole operators and the only employees (19%), or else they employ five or fewer personnel (37%).
- Additionally, one in five new entrepreneurs is expected to employ six or more people over the next five years. Only four regions (Vilnius, Kaunas, Klaipėda, and Šiauliai) expect job growth in 2023, compared to eight regions in 2022.
- Compared to other advanced economies, Lithuania ranks among the lowest (4.9%) in terms of entrepreneurs anticipating 25% or more of their revenue coming from customers outside their economy.
- Most people in Lithuania (66%) know at least one entrepreneur.

Impact of Entrepreneurship and Established Business Ownership

- More than 40% of Lithuanian entrepreneurs are starting businesses in Agriculture, Forestry, Fishing, Mining, and Construction.
- For early entrepreneurs, among the most popular sections of activity, Health, Education, Government, Social and Consumer Services (20%); Professional services (12%); Retail Trades, Hotels and Restaurants (16%) can be listed, with significantly fewer businesses in Information and Communications Technologies (5%).
- Concerning innovation, 6% of Lithuanian entrepreneurs and 2% of established business owners report that their products and services are new to the people in their region, the country, or the world.

AMONG ADULTS AGED 25–34

20%

Entrepreneurial intentions

12%

Entrepreneurship rates

4%

Business closure rates

Societal Attitudes, Affiliations, and Self-Perceptions in the Adult Population

- Positive societal attitudes toward entrepreneurship improved in Lithuania in 2023, with 68% respondents believing that starting a new business is a desirable career choice, 53% stating that entrepreneurs are conferred a high level of status, and whereas the perceived positive media and/or internet attention about successful entrepreneurs fell to 57%, compared to nearly 60% in 2022.
- Approximately 47% of Lithuanian adults believed they possessed the requisite knowledge and skills for starting a business, which is prominently higher than the levels reported in 2014 and 2022. The share of respondents perceiving opportunities for starting a business prominently increased to 52% in 2023 compared to 32% in 2022.
- Additionally, fear of failure among those seeing opportunities reached the lowest level recorded by GEM in Lithuania (38%).

Gender in Entrepreneurship

- Women in Lithuania are highly likely to believe that entrepreneurship is a good career choice (79%), the same as men (79%). Most women also believe that entrepreneurs receive high status (63%) and positive media attention (72%). However, fewer women (59%) than men (65%) believe that it is easy to start a business.
- Perceptions of own capabilities increased for both genders in 2023 (54% of women and 62% of men).
- Entrepreneurial intentions among women in 2023 slightly decreased (12%) in comparison to the level reported in 2022. However, men exhibited a significant drop from almost 24% in 2022 to 13% in 2023.
- Fear of failure edged downward for women in 2023 (41%) compared to 2022 (60%), but this value still remains higher compared to men (34%).
- TEA rates among women decreased slightly in 2023 (7.2%), while men showed a more significant decrease in entrepreneurship rates throughout 2022 (16.06%) and 2023 (6.7%).
- Established business ownership rates among women and men are among the highest in advanced economies (16.5% for men and 12.7% for women).

- Men entrepreneurs were more likely than women to be motivated to build a great wealth or high income (61% of men vs. 46% of women), while women were slightly more likely than men to make a difference in world-related motives (43% of women vs. 42% of men).
- Among women entrepreneurs, 14% discontinued business due to family reasons or loss of profitability (21%), and these rates decreased compared to 2022 (19% and 36%).
- Around 9% of women and 2% of men entrepreneurs are introducing new and innovative services. Still, over 60% of women do not plan to use digital technologies in the future, compared to 21% of men.

POSITIVE SOCIATAL ATTITUDES

68%

Believe that starting a new business is a desirable career choice

53%

State that entrepreneurs are conferred a high level of status

58%

Acknowledge positive attention of public media about successful entrepreneurs

Entrepreneurship and Sustainability

- Over 40% of entrepreneurs and over half of established business owners (55%) indicate that they prioritised the social and/or environmental impact of their businesses above profitability or growth in 2023.
- More than half (55%) of established business owners and 31.5% of entrepreneurs state that they took action over the past year to minimise the impact of their business on the environment.
- 62% of established businesses acknowledge they have taken steps to maximise social impact with their companies over the past year, which is two-thirds higher than in 2022. The rate of new entrepreneurs also slightly increased, from 35.5% to 37% in 2023.
- Entrepreneurs developing new and innovative products were more likely than non-innovative entrepreneurs to have taken action in the past year to protect the environment and maximise social value (46% versus 18%).
- Additionally, established business owners with critical innovations in the market are more similar in their choices to non-innovative ones when considering environmental sustainability and maximising social value (43% versus 41%).

GENDER AND SUSTAINABILITY

29%

Men entrepreneurs seek to minimise the environmental impact

33%

Women entrepreneurs seek to minimise the environmental impact