



GLOBAL  
ENTREPRENEURSHIP  
MONITOR

# GLOBAL ENTREPRENEURSHIP MONITOR (GEM)

CYPRUS REPORT 2023/24



University  
of Cyprus







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## **AUTHORS**

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# FOREFRONT FROM THE DIRECTOR OF THE CENTRE FOR ENTREPRENEURSHIP

The Center of Entrepreneurship of the University of Cyprus, in its capacity as National Coordinator of the Global Entrepreneurship Monitor (GEM) network, and with the support of the Ministry of Energy, Commerce and Industry, is pleased to present this year's National Entrepreneurship Report.

This publication marks the eighth consecutive year of Cyprus' participation in GEM, which has become one of the most prominent and comprehensive global initiatives for assessing entrepreneurial ecosystems. The National Entrepreneurial Report has likewise evolved into a key component of the local ecosystem, supporting the Center's mission: to inspire, educate and catalyse change, in areas that foster economic and social progress.

GEM provides a wealth of data, drawing in two principal sources: the Adult Population Survey and the National Expert Survey. As such, it offers a valuable opportunity not only to monitor the evolution of the Cyprus entrepreneurial landscape over time but also to generate evidence-based insights, benchmark performance internationally, and identify actionable opportunities for all relevant stakeholders.

This year's report highlights a young, yet resilient ecosystem, particularly in terms of government policy, infrastructure and regulatory environment. Many of the reported indicators show notable improvement compared to previous years, with several outperforming the EU average. At the same time, the findings underscore areas for further development, including entrepreneurial education, funding and support structures.

This year's report also highlights the Cyprus Chamber of Commerce and Industry (CCCI) and its significant role in promoting entrepreneurship and driving the country's economic development over the years.

We express our sincere appreciation to the Ministry of Energy, Commerce, and Industry for their continued support and valuable contributions to the preparation of this year's National Entrepreneurship Report.

It is our hope that the findings presented in this report will offer meaningful insights to all stakeholders and contribute to the ongoing strengthening of our entrepreneurial ecosystem.

Professor Andreas Soteriou  
*Director, Centre for Entrepreneurship*

# FOREWORD BY THE MINISTER OF ENERGY, COMMERCE AND INDUSTRY

It is a great pleasure to present the 8<sup>th</sup> edition of the Global Entrepreneurship Monitor (GEM) Report for Cyprus. The Ministry of Energy, Commerce and Industry is committed to implementing a holistic strategy aimed at fostering an entrepreneurial ecosystem, promoting smart and sustainable industries, enhancing trade and exports, and advancing the sustainable development of our island's energy resources. Our efforts are fully aligned with European principles and strategic goals, with the ultimate objective of guiding the Cypriot economy toward a resilient and sustainable future.

The Ministry places strong emphasis on enhancing business competitiveness and facilitating access to finance. We also aim to strengthen synergies between the industrial and services sectors. To achieve these goals, we implement policies that improve the business environment, design targeted funding programmes, and manage industrial zones. We also ensure that citizens and businesses benefit from the Single Market through digital platforms such as “Your Europe” and the Internal Market Information System (IMI).

At present, the Ministry is working on a new policy document to update Cyprus's current Industrial Policy. This new strategy focuses on six priority areas, fully aligned with the European Union's vision for the future of industry:

1. Strengthening the competitiveness of Cypriot industry through the creation of a business-friendly environment.
2. Supporting industries in achieving the green transition.
3. Supporting industries in achieving the digital transition.
4. Fostering skills development and workforce adaptability.
5. Improving access to finance.
6. Promoting the internationalisation of industrial production.

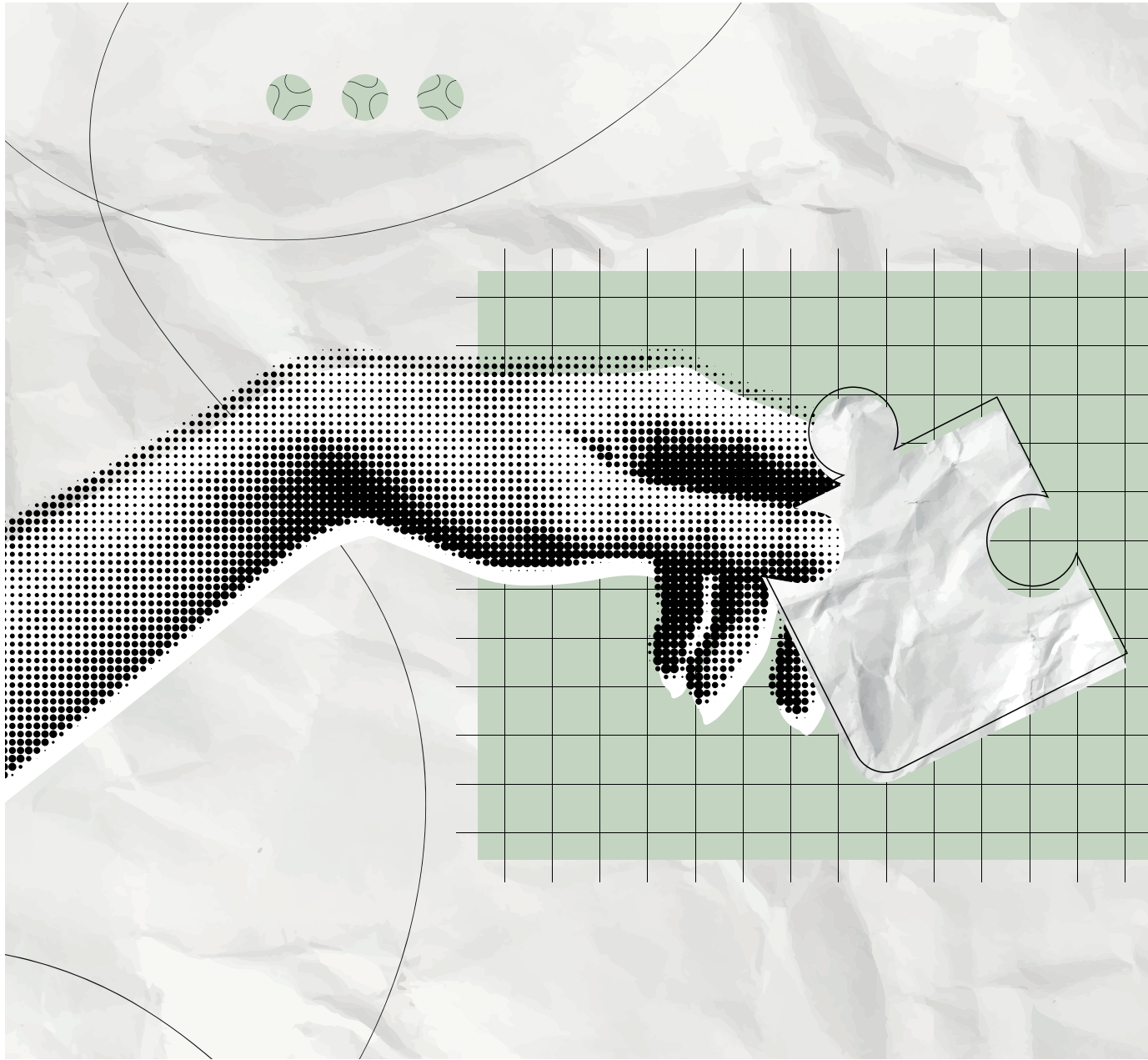
In 2023/2024, Cyprus recorded a notable increase in nascent entrepreneurial activity, reaching 6.8%, compared to 4.5% in 2022/2023 and 5% in 2021/2022. In addition, new business ownership increased to 4.7% from 3.9% the previous year. These figures clearly demonstrate a positive trend, signalling recovery and growth in entrepreneurial activity. This progress is a strong indication that entrepreneurship in Cyprus is on the rise and the business environment is improving.

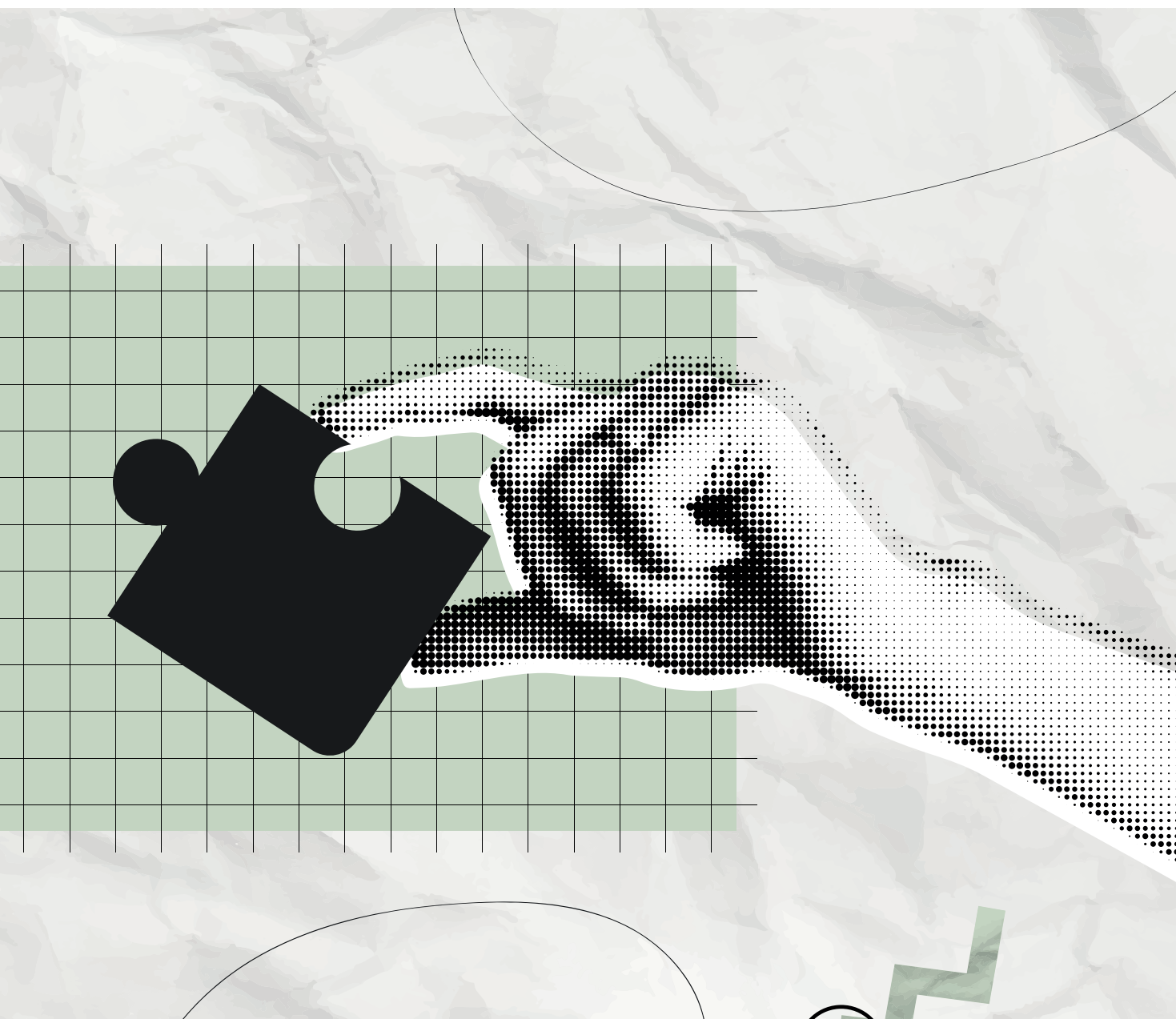
In conclusion, the findings of the 8<sup>th</sup> GEM Report highlight Cyprus's significant progress in promoting entrepreneurship and strengthening its industrial sector. As we continue to implement our strategic initiatives, we remain optimistic about further enhancing our entrepreneurial ecosystem and driving sustainable economic growth.

George Papanastasiou

*Minister of Energy, Commerce and Industry*

# EXECUTIVE SUMMARY





The 2023/2024 GEM Cyprus Report marks the island's eighth consecutive year of participation in the global initiative. As Cyprus continues to recover from the health and geopolitical challenges of recent years and aims for an innovation-led economic growth, its participation in the Global Entrepreneurship Monitor (GEM) offers reliable, longitudinal insights into the country's entrepreneurial activity, public attitudes, and ecosystem performance. In 2024, GEM celebrated 25 years of collecting data on entrepreneurship across multiple economies. Across this timespan, nearly four million individuals in 120 countries have shared their

views on starting business ventures, alongside insights from around 50,000 national experts. Such insights have shaped how policymakers, researchers, and ecosystem leaders understand entrepreneurship as a pathway towards economic and social transformation. From the intention to build new businesses, to funding and scaling new ventures, creating jobs, and tackling emerging challenges such as environmental sustainability and inequality, the GEM insights provide guidance for each economy to adapt and enhance existing policies towards the growth of the entrepreneurial ecosystem.

The 2023/2024 data demonstrate a shift in Cyprus' entrepreneurial landscape. Following the challenges of recent years, this year's results record a growing optimism on entrepreneurship across the population. Perceived business opportunities have increased, with nearly 40% of adults now considering that there are good opportunities to start a business, an increase from 26.8% last year. Perceptions of entrepreneurial skills have also improved, with 60.5% of respondents believing they have the capabilities to start a new venture. At the same time however, the fear of failure has continued to rise, affecting more than half the population (53.3%), signaling the need for greater risk-mitigation support, mentorship, and confidence-building education within the ecosystem.

This year's report provides encouraging evidence of entrepreneurial growth in Cyprus. Total Early-stage Entrepreneurial Activity (TEA) has increased to 11%, placing Cyprus above the EU average (9.2%) and ahead of both Greece (6.7%) and Luxembourg (9.7%), economies which are used as benchmarks. Nascent entrepreneurship has increased to 6.8%, while new business ownership has risen to 4.7%. Established business ownership also demonstrates an increase to 8.2%, from 5.7% last year. These results suggest stability for more established ventures. Cyprus ranks 7th among European economies in TEA, signaling an improved rate of early entrepreneurial activity across its ecosystem. Despite these positive results, the gender gap in entrepreneurship in Cyprus persists. The female-to-male TEA ratio is 0.5, a slight improvement compared to last year (0.4), but still below the EU average of 0.7. Lastly, Cypriot entrepreneurs hold international aspirations, as 22.4% of TEA respondents expect at least a quarter of their revenues to come from outside Cyprus.

GEM 2023/2024 also reflects on Cyprus' entrepreneurial ecosystem through the National Expert Survey (NES). On the positive side, Physical Infrastructure continues to be a strength at 5.8. This reflects the availability of high-quality facilities and services that continue to support business development. Commercial and Professional Infrastructure also remains a strength at 5.0. Along the same lines, Government Policy on Taxes and Bureaucracy has also been identified as a positive at 4.9, contributing to the creation of an entrepreneurial environment where new ventures can more easily be created and grow. However, several ecosystem conditions continue to lag behind. Entrepreneurial Education at School Level remains the most critical weakness, scoring just 2.1. Entrepreneurial Finance (3.5), Government Entrepreneurial Programs (3.5), and R&D Transfer (3.4) also received low scores, pointing to gaps in support for innovation and early-stage funding. The overall entrepreneurial context, as measured by the National Entrepreneurship Context Index (NECI), remains weak as Cyprus with a score of 4.0, recording declines from the previous years in several areas identified as weaknesses.

The findings of the GEM Cyprus 2023/2024 report highlight the need for policy-making action. While early-stage entrepreneurship has increased and public perceptions are improving, important structures of the ecosystem, including education, financing, and support mechanisms need to be

strengthened. More inclusive, gender-sensitive policies and targeted education reforms, could aid in elevating Cyprus' capacity to facilitate entrepreneurial development. The report also recognizes the ongoing contribution of the Cyprus Chamber of Commerce and Industry in fostering ecosystem development, highlighting the importance of strong collaboration between public and private sector stakeholders.

Cyprus' continuous participation in GEM provides an invaluable foundation for informed policymaking and guidance for reforms across several structures of the ecosystem. By translating evidence into action, Cyprus is well positioned to strengthen its entrepreneurial capacity, improve ecosystem performance, and support the long-term resilience and competitiveness of its economy.



# GEM INTRODUCTION AND BACKGROUND



## 2 ABOUT GEM

Global Entrepreneurship Monitor (GEM) is the largest long-term collaborative research initiative focusing on measuring and monitoring entrepreneurship indexes worldwide. The Global Entrepreneurship Monitor (GEM) 2023/2024 marks its silver anniversary, celebrating 25 years of insightful research on entrepreneurship. What began in 1999 with just 10 participating economies has expanded into the largest and longest-running global study of entrepreneurship. As a consortium of National Teams, primarily linked to leading academic institutions, GEM has thus far conducted surveys with nearly 4 million adults across 120 countries, creating the largest and most comprehensive global database on entrepreneurial activities, perceptions, and attitudes. Its extensive dataset has been instrumental in understanding the dynamics of entrepreneurship in each economy. Supported by a well-established research organization and a highly recognized brand, GEM is widely known among entrepreneurial academics, practitioners, and policymakers. Conducted annually, it relies on population-based data to provide a comprehensive measurement of entrepreneurship levels worldwide.

GEM remains the only global research initiative that collects data directly from entrepreneurs and is based on two main surveys. The GEM Adult Population Survey (APS) examines the characteristics, motivations, and aspirations of individuals launching businesses, along with societal perceptions of entrepreneurship. Meanwhile, the GEM National Expert Survey (NES) evaluates the broader national conditions influencing entrepreneurial activity. GEM is a long-running, multinational study that systematically tracks and analyzes entrepreneurial activity across participating economies.

In 2023, APS was carried out across 46 national economies worldwide, covering approximately 57% of the global population and 70% of the world's Gross Domestic Product (GDP)<sup>1</sup>. A key strength of GEM lies in the consistency of its survey questions, which are standardized across countries and repeated over time. By gathering responses from large, randomly selected adult samples in each participating economy, GEM provides a valuable and reliable research resource that policymakers can use to understand and support entrepreneurial activity.

### 2.1 CYPRUS & PARTICIPATION IN GEM

Cyprus marks its eighth year of participating in GEM, underscoring the importance of tracking and analyzing entrepreneurial activity within the country. Establishing and maintaining new businesses is crucial for Cyprus' economic growth, as entrepreneurship plays a vital role in job creation, income generation, innovation, and the introduction of new technologies, products, and processes. However, not all ventures succeed, failure is also a fundamental part of the entrepreneurial journey, providing valuable learning experiences that contribute to future business resilience and economic development.

Cyprus' continued participation in GEM allows for benchmarking against other economies, enabling insightful comparisons and assessments of its entrepreneurial landscape. By consistently measuring entrepreneurial activity, GEM helps track the

evolution of Cyprus' entrepreneurial ecosystem over time. This participation not only provides valuable data on entrepreneurial intentions and activities but also captures expert perspectives on the broader business environment, offering a clearer understanding of the country's economic path and future opportunities.

In 2023, a total of 46 National Teams participated in the APS. Additionally, three National Teams took part in the NES but did not conduct the APS.

Each participating economy is categorized into one of three income groups, based on GDP per capita. To ensure balanced group sizes for analytical purposes, GEM introduced its own income classifications<sup>2</sup> last year and has adjusted them again this year:

- Level A: Economies with a GDP per capita over \$50,000
- Level B: Economies with a GDP per capita between \$25,000 and \$50,000
- Level C: Economies with a GDP per capita below \$25,000

These classifications provide a structured approach to comparing entrepreneurial activity across different economic contexts.

Figure 2.1 illustrates all economies participating in this year's GEM, clustered into three income levels.

### 2.2 GEM METHODOLOGY

The GEM methodology enables Cyprus to assess individuals' intentions to start a business, offering insights into their motivation, capabilities, and determination. At the same time, it examines the social values and structural factors that can either encourage or hinder an entrepreneurial mindset, such as attitudes toward risk-taking. GEM considers the interaction between personal attributes and the broader entrepreneurial environment, helping to understand how these elements shape business creation. The GEM Conceptual Framework, as shown in Figure 2.1, captures these relationships, providing valuable perspectives on the potential socio-economic impact of entrepreneurial activity.

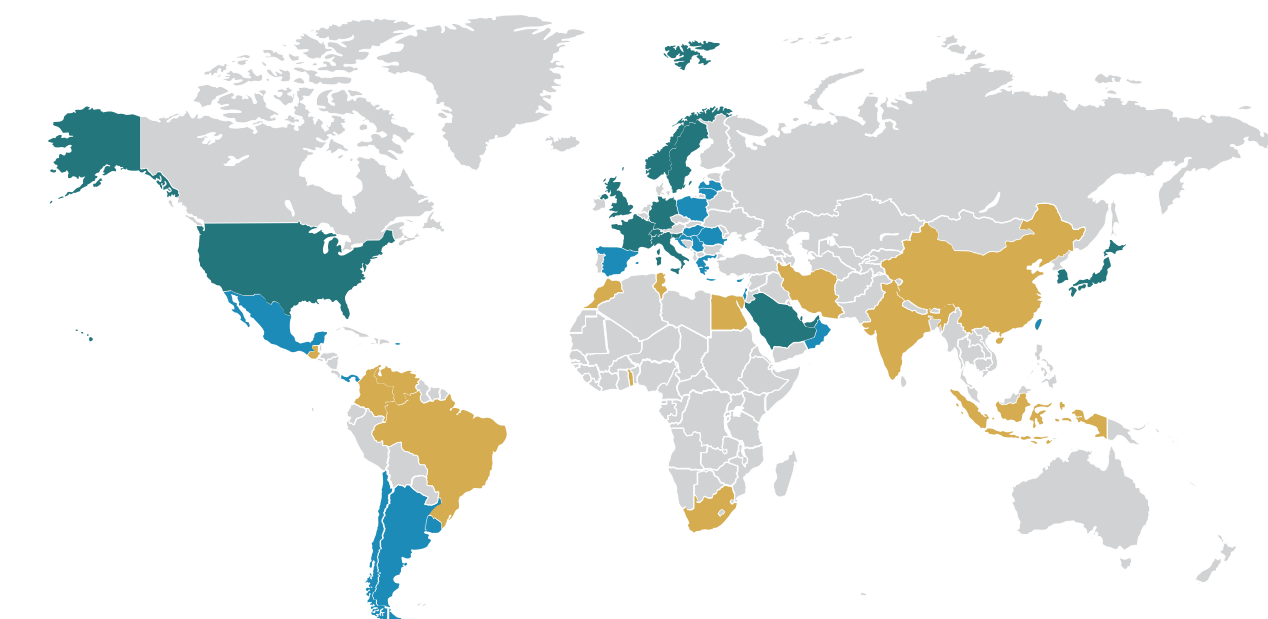
The GEM methodology employs a standard definition of entrepreneurship across all economies participating in the study while also enhancing the means for measuring and assessing entrepreneurship. Each economy involved in GEM identifies a national team responsible for organising the data collection, reporting and disseminating findings based on the national dataset. In each country, the national team is typically led by a leading academic institution with expertise in entrepreneurship. Each GEM National Team manages the entire process of data collection, analysis, and reporting. In the case of Cyprus, the University of Cyprus oversees the country's annual participation in GEM. It coordinates with GEM Global to define the measurement model, organize data collection and analyze the results which leads to the release of Cyprus' National GEM Report.

The GEM methodology consists of two main surveys: the APS and the NES. The APS and NES surveys offer a comprehensive and up-to-date perspective on entrepreneurship in each participating country. GEM's Conceptual Framework, as

<sup>1</sup> Estimated using World Bank data for populations and GDP. See <http://data.worldbank.org>.

<sup>2</sup> GDP per capita (PPP, international \$) and population data are from the World Bank database, accessed 20 October 2023, providing data for 2022, except for Venezuela for which the 2021 figure was used. World Bank data may have been subsequently revised.

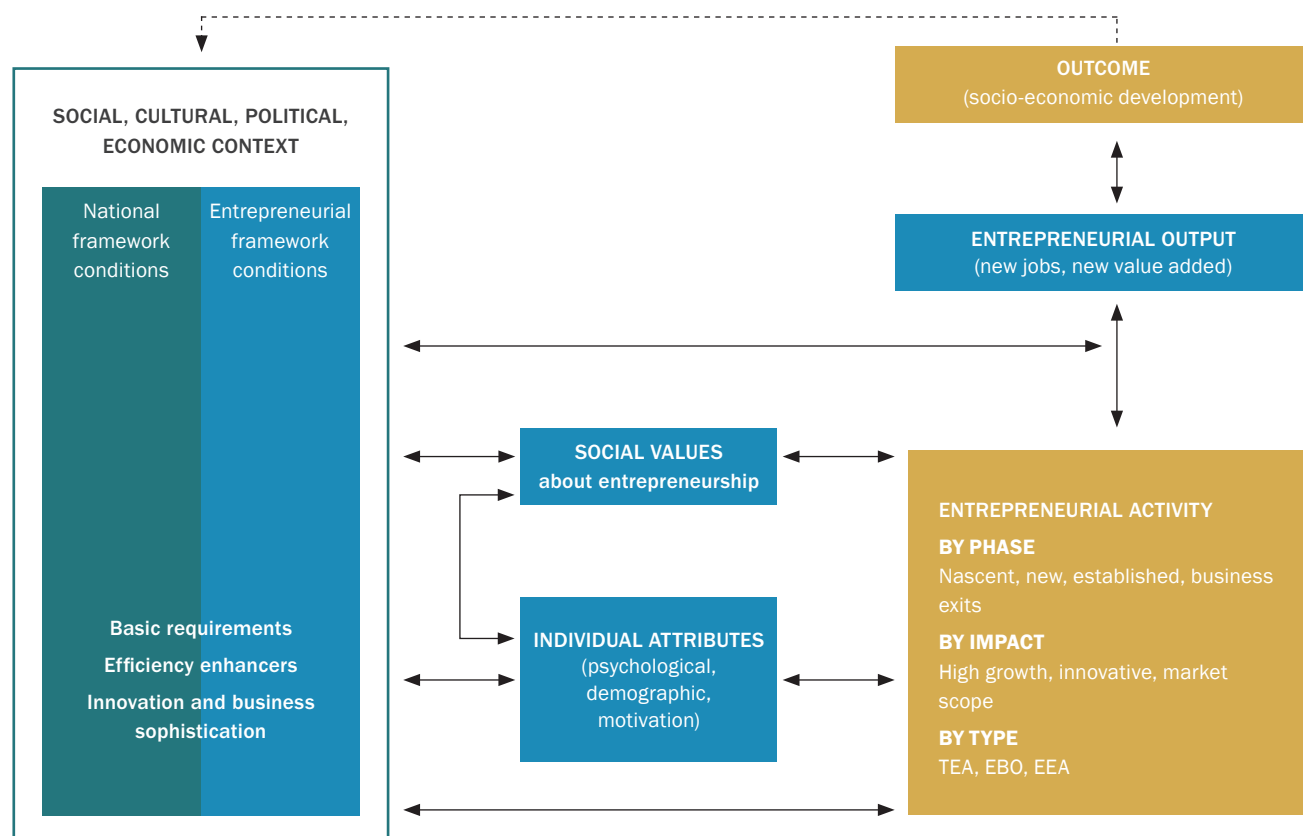
Figure 2.1: Economies participating in GEM 23/24



Level A >\$50,000	Level B >\$25,000 >\$50,000	Level C >\$25,000
Canada, France, Germany, Italy, Rep. Korea, Luxembourg, Netherlands, Norway, Qatar, Saudi Arabia, Slovenia, Sweden, Switzerland, United Arab Emirates*, United Kingdom, United States.	Argentina*, Chile, Croatia, Cyprus, Estonia, Greece, Hungary, Israel, Japan*, Latvia, Lithuania, Oman, Panama, Poland, Puerto Rico, Romania, Slovak Republic, Spain, Uruguay.	Brazil, China, Colombia, Ecuador, Guatemala, India, Iran, Jordan, Mexico, Morocco, South Africa, Thailand, Ukraine, Venezuela.

\*Participated only in the NES, not the APS

Figure 2.2: GEM Methodology



depicted in Figure 2.2, highlights the connection between entrepreneurship and the broader national and regional environment. Entrepreneurship is shaped by various economic, social, and cultural factors that influence individual values. While the NES gathers insights from a limited number of experts who assess the entrepreneurial ecosystem, the APS surveys a large, representative sample of the adult population to capture individual attitudes and beliefs.

In 2023, more than 136,000 individuals participated in the GEM APS interview, contributing to an expanding GEM database. The APS assesses the attitudes and entrepreneurial activities of approximately 2,000 adults aged 18–64 in each participating economy through face-to-face or telephone interviews. In Cyprus, telephone interviews were employed as the main approach for completing the APS survey. Using a standardized questionnaire translated into local languages (Greek in the case of Cyprus), the APS allows GEM and its participating economies to analyze entrepreneurship in terms of starting and managing businesses, as well as entrepreneurs' attitudes, perceptions, and demographic characteristics such as age, gender, and education. Unlike business surveys and official government statistics, the APS focuses on individual choices regarding whether to start or continue a business, new or established, thus mapping out the entrepreneurial journey from inception to growth. Other APS questions examine whether individuals are actively starting a business, already managing an established business, or engaging in entrepreneurship on behalf of an employer. Additionally, the survey explores their motivations and aspirations. In this way, the APS includes all phases of the entrepreneurial process, from individuals who have entrepreneurial intentions, to those in the early stages of business creation (nascent entrepreneurs), new business owners (managing businesses younger than 42 months), and those who own and run established businesses. The consistency of these survey questions allows for the estimation of key variables and facilitates comparisons across economies and across time. As a result, the APS helps track changes in entrepreneurial activity or even trends across years. Indicatively, some of the key indexes included in the APS are:

#### **Total Early-stage Entrepreneurial Activity – TEA:**

Percentage of the adult population between 18 and 64 years, who are in the process of starting a business (nascent entrepreneurs) or are owner-managers of a business younger than 42 months' old.

**Established business ownership rate:** Percentage of the adult population between 18 and 64 years, who are currently owner-managers of an established business, i.e. owning and managing a running business that has paid salaries, wages, or has made other payments to the owners for more than 42 months.

**Business discontinuation rate:** Percentage of the adult population aged between 18 and 64 years (either nascent entrepreneurs or owner-managers of a new business) who have, in the past 12 months, discontinued a business, either by selling, shutting down, or otherwise discontinuing an owner/management relationship with the business.

**Entrepreneurial Employee Activity – EEA:** Percentage of the adult population aged between 18 and 64 years who, as employees, have been involved in entrepreneurial activities such

as developing or launching new goods or services, or setting up a new business unit, a new establishment, or a subsidiary.

At the same time, the NES examines the entrepreneurial environment that shapes the decisions to initiate and sustain a business. The NES focuses on specific environmental factors and invites national experts to assess nine Entrepreneurial Framework Conditions (EFCs). At least 36 national experts participate in the NES, providing insights into the entrepreneurial ecosystem within each economy. The EFCs include the following components:

- Entrepreneurial financing
- Government policies: support and relevance
- Government policies regarding taxes and bureaucracy
- Government entrepreneurship programs
- Entrepreneurship education at primary and secondary school stage
- Entrepreneurship education at post-school stage and entrepreneurship training
- Research & Development (R&D) transfer
- Commercial and legal infrastructure
- Internal market dynamics
- Internal market burdens or entry regulations
- Physical infrastructure
- Cultural and social norms

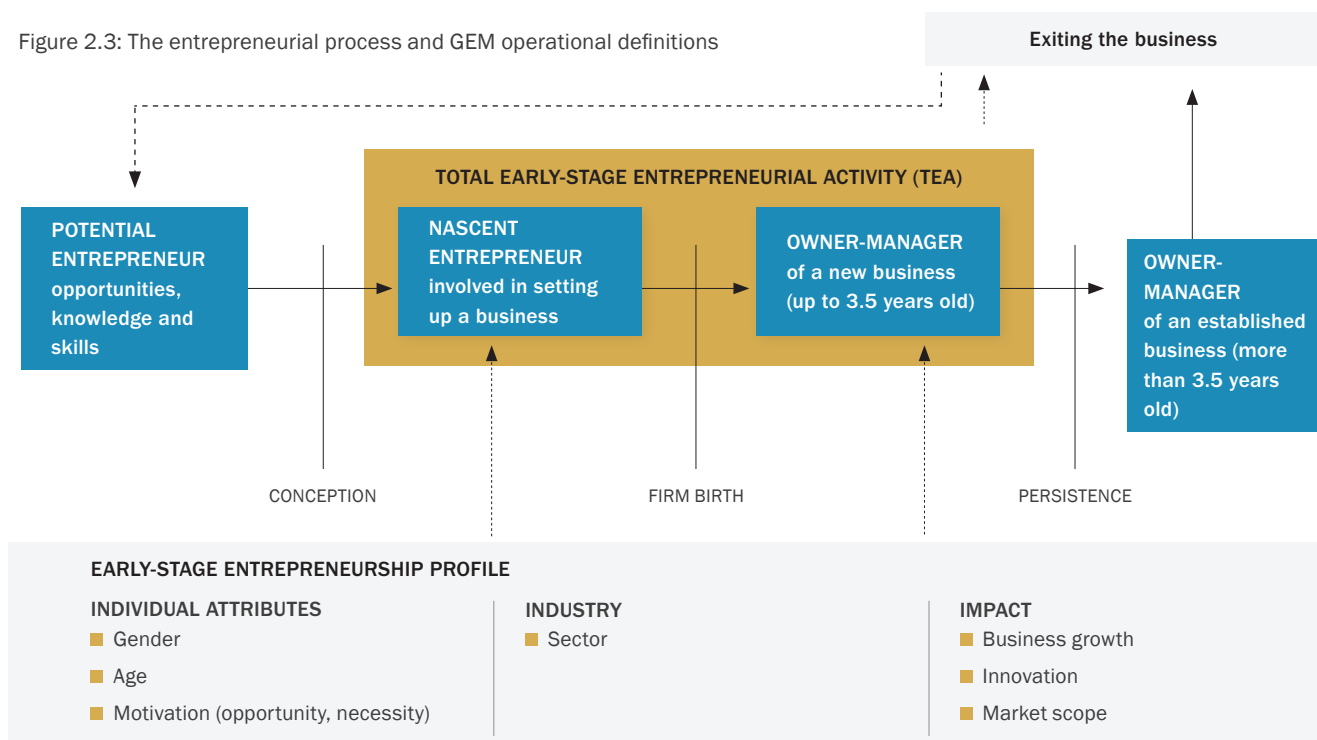
The quality of the dimensions of the entrepreneurial framework is based on the average value of experts' perceptions, using a Likert scale ranging from 1 (highly insufficient) to 9 (highly sufficient).

Figure 2.3 illustrates the GEM entrepreneurship indicators and outlines the different stages of a business, from its initial conception to an established business. As illustrated, the primary indicator of entrepreneurial activity is Total Early-stage Entrepreneurial Activity (TEA), which represents the proportion of adults actively involved in either launching a new business (nascent entrepreneurs) or managing a young business (new business owners). Another significant measure is the Established Business Ownership (EB) rate, which reflects the percentage of adults who own and manage a business that has been operational for at least 42 months, having paid salaries or wages. As a new business grows and succeeds, it transitions into an established business.

GEM's methodology includes a set of fundamental entrepreneurship indicators that determine the ranking of each participating country. Collectively, these indicators function as a comprehensive dashboard, offering a broad and complete set of measures that assess the overall impact of entrepreneurship on society and the extent to which each society fosters and supports entrepreneurial activity.

The following sections present an overview of the findings from the GEM study conducted in Cyprus for the 2023/2024 period. To enable meaningful comparisons, results from previous years are included, and Cyprus's entrepreneurial indicators are examined in relation to those of Greece and Luxembourg. The selection of these two countries as benchmarks is based on their cultural and geographical proximity (Greece) and similar population sizes (Luxembourg), following the methodology used in previous years. Additionally, the analysis incorporates average rates from other European countries, using them as benchmark values where relevant.

Figure 2.3: The entrepreneurial process and GEM operational definitions



## THE GEM METHODOLOGY IDENTIFIES FIVE CATEGORIES OF INDICATORS, AS FOLLOWS:

### Societal values and perceptions:

**Good career choice:** Percentage of the adult population (18-64 years' old) who are of the belief that entrepreneurship is a good career choice.

**High status to successful entrepreneurs:** Percentage of the adult population (18-64 years' old) who believe that high status is afforded to successful entrepreneurs.

**Media attention for entrepreneurship:** Percentage of the adult population (18-64 years' old) who believe that there is a lot of positive media attention on entrepreneurship in their country.

### Individual attributes of a potential entrepreneur:

**Perceived opportunities:** Percentage of the adult population (18-64 years' old) who believe there is good potential and visible opportunities to start a business in the area where they live.

**Perceived capabilities:** Percentage of the adult population (18-64 years' old) who believe they have the required skills and knowledge to start a business.

**Entrepreneurial intention:** Percentage of the adult population (18-64 years' old) (excluding individuals involved in any stage of the entrepreneurial activity) who are latent entrepreneurs and who intend to start a business within three years.

**Fear of failure rate:** Percentage of the adult population (18-64 years' old) who indicate that fear of failure would prevent them from setting up a business.

### Entrepreneurial activity indicators:

**Nascent entrepreneurs:** those who have taken steps to start a new business but have not yet paid salaries or wages for more than three months.

**New entrepreneurs:** those who are running new businesses that have been in operation for between 3-42 months.

### Indicators describing the life cycle of a venture:

**Total Early-stage Entrepreneurial Activity – TEA:** Percentage of the adult population between 18 and 64 who are in the process of starting a business (nascent entrepreneurs) or are owner-managers of a business which is younger than 42 months' old.

**Established business ownership rate:** Percentage of the adult population between 18 and 64 who are currently owner-managers of an established business, i.e. owning and managing a running business that has paid salaries, wages, or has made other payments to the owners for more than 42 months.

**Business discontinuation rate:** Percentage of the adult population between 18 and 64 (either nascent entrepreneurs or owner-managers of a new business) who have, in the past 12 months, discontinued a business, either by selling, shutting down, or otherwise discontinuing an owner/management relationship with the business.

### Entrepreneurial framework conditions:

The quality of the entrepreneurial framework conditions is based on the average value of experts' perceptions, using a Likert scale ranging from 1 (highly insufficient) to 9 (highly sufficient), on the following entrepreneurial framework components:

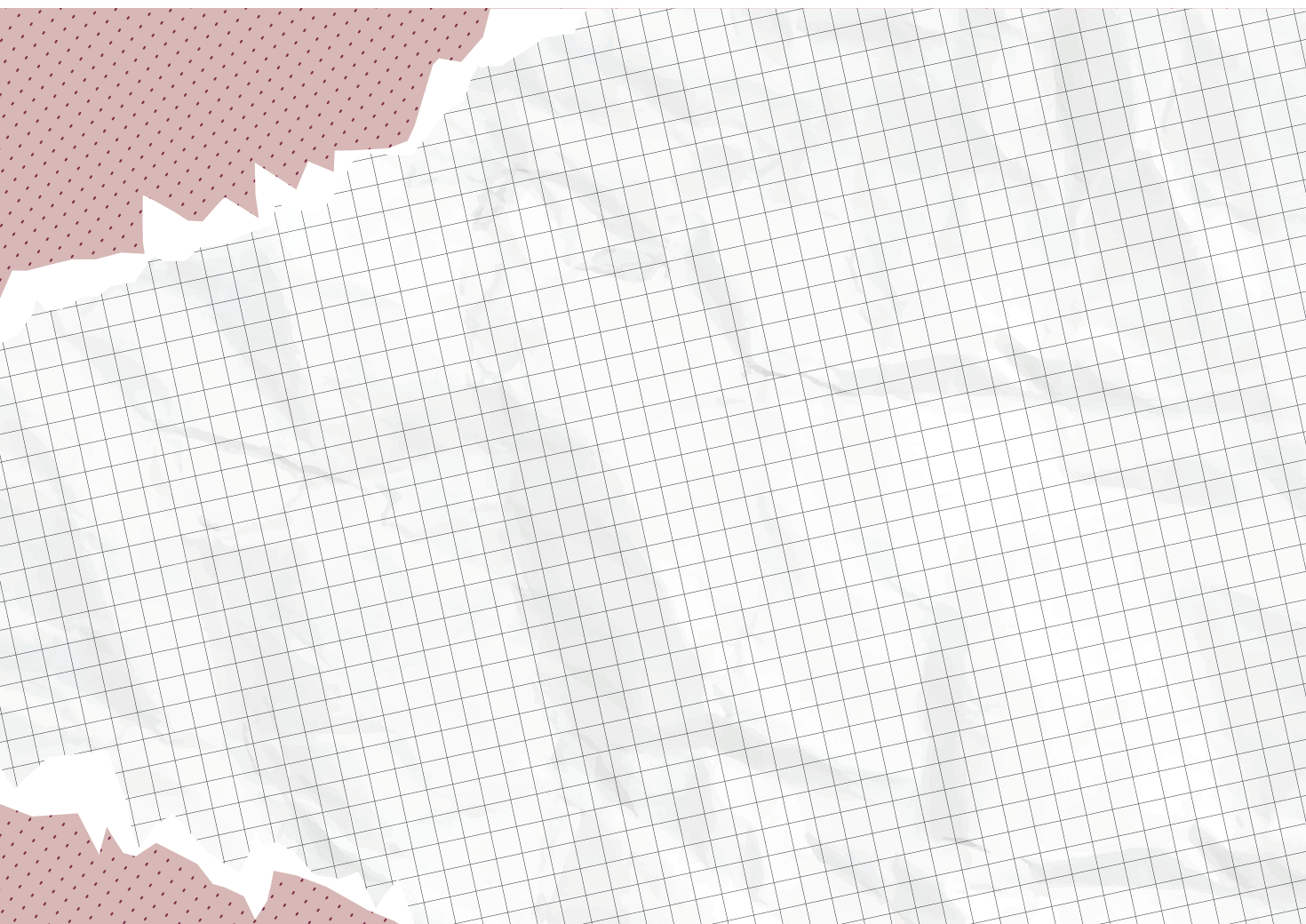
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- Research & Development (R&D) transfer
- Commercial and legal infrastructure
- Internal market dynamics
- Internal market burdens or entry regulations
- Physical infrastructure
- Cultural and social norms



# **ENTREPRENEURIAL ACTIVITY IN 2023/2024**



3



For the past eight years, Cyprus has been actively involved in GEM. This provided the opportunity to collect comparable data across the years and across different economies. This section describes the outcomes of the 2023/2024 APS. The results are analyzed over different years and compared with those of Greece, Luxembourg, and the broader European region. Due to the pandemic, the GEM methodology also includes indexes aimed at recording the pandemic's impact, such as its effects on household incomes. On this question, respondents have rated their experiences on a five-point scale, ranging from "Strong decrease" to "Strong increase." Figure 3.1 illustrates trends in Cyprus and selected economies over the past three years.

The results on household income in Cyprus indicate that this has increased. Compared to the previous year, the number of Cypriot households reporting a "Strong decrease" in income

has fallen significantly from 22.6% to 13.9%. Similarly, those experiencing a "Somewhat decrease" have dropped from 22.1% to 16.2%. Meanwhile, the percentage of households indicating "No substantial change" has risen slightly, from 49.2% to 50.4%. Along these lines, the proportion of those experiencing a "Somewhat increase" in income has grown from 4.5% to 16.5%, and "Strong increase" responses have also increased, from 1.5% to 3%.

In contrast, although Greece has also seen improvements, it remains more impacted than Cyprus. The percentage of Greek households reporting a "Strong decrease" declined from 28.7% in 2022/2023 to 22% in 2023/2024, while those experiencing a "Somewhat decrease" dropped slightly from 29.4% to 28%. Meanwhile, "No substantial change" responses increased from 40.4% to 42.5%, while there was an increase in the proportion of those reporting

an increase from 1.3% to 6.4%. Luxembourg, on the other hand, experienced a more moderate impact, with a “Strong decrease” falling from 10.2% to 9% and a “Somewhat decrease” from 20.7% to 18.6%. Notably, there was a significant rise in the proportion of households reporting a “Somewhat increase” in income, from 7% to 31.6%, indicating an improvement in financial conditions.

At the European level, the results demonstrate a relative stabilization. The percentage of households reporting a “Strong decrease” dropped from 10.2% to 8.8%, while those experiencing a “Somewhat decrease” decreased from 22.3% to 19%. Meanwhile, “No substantial change” remains dominant, though it decreased from 57.6% to 45.8%. Similarly, the results indicate increase in the household income among the countries of the European region. The number of households reporting “Somewhat increase” grew from 8.2% to 22.7%, while the proportion of households reporting a “Strong increase” also increased from 1.6% to 3.7%. These findings indicate signs of economic recovery on household income in Cyprus and in Europe, with a notable decrease in income losses and a notable increase in income growth.

### 3.1 SOCIETAL VALUES & PERCEPTIONS ON ENTREPRENEURSHIP

Compared to last year, perceptions of business opportunities have improved in Cyprus and across Europe. In Cyprus, the percentage of adults who believe there are good opportunities to start a business has risen from 26.8% in 2022/2023 to 39.8% in 2023/2024. These findings signal a notable recovery towards more positive perceptions, approaching those recorded in 2021/2022 (50.2%). Compared to Cyprus, a larger percentage of the population in Greece considers that there are good opportunities to initiate entrepreneurial activity, as 45.3% of adults responded positively in 2023/2024. Similarly, compared to Cyprus, Luxembourg has recorded a higher percentage on perceived opportunities (49.3%), thus indicating a more supportive environment for entrepreneurs. At the European level, the average outlook in the EU on business opportunities has improved, climbing from 47.9% in 2022/2023 to 50.2% in 2023/2024. This suggests an overall positive improvement, reflecting economic recovery and a more optimistic perspective on starting new ventures. Compared to the EU average index value, Cyprus’ perceived opportunities are notably lower. Despite the notable improvement in the last year, the index value remains lower to the value recorded in 2021/2022 (50.2%). Along these lines, the European average value remained relatively constant across the past three years. The results are summarised in Figure 3.2.

GEM also explores how easy individuals perceive it is to start a business in their respective countries. In Cyprus, this perception has improved slightly over the past year. In 2023/2024, 50% of the population perceived starting a business as easy, which is slightly higher compared to 48.4% in 2022/2023. As shown in Figure 3.3, Cyprus index value is slightly lower to the European average value of 52%. However, the index value is higher compared to Greece (34.7%) and lower compared to Luxembourg (60.4%).

Public perception of entrepreneurial capabilities in Cyprus has positively improved compared to the previous year. GEM records the perception of the population towards having the necessary capabilities in terms of knowledge, skills and experience to start a business. As illustrated in Figure 3.4, 60.5% of the Cypriot population in 2023/2024 perceive

that they have the competencies required to launch a new business. This index rate is higher compared to the previous year’s index rate of 52.7%. However, as illustrated in Figure 3.4, the index is lower compared to the value recorded in 2021/2022 (64.1%). Cyprus’ index on perceived capabilities is higher than the European average index value (51.8%). The index value is also higher compared to Greece (53.8%) and Luxembourg (50.2%). These findings suggests that most Cypriots are confident on their entrepreneurial capabilities.

Fear of failure is an important index in evaluating the entrepreneurial environment, as it provides insights regarding individuals’ willingness to proceed with entrepreneurial activity (Figure 3.5). In 2023/2024, 53.3% of Cypriots reported that fear of failure would prevent them from starting a business—an increase from 51.7% in the previous year and continuing the upward trend recorded compared to 2021/2022 (50.1%). Cyprus’ index value is similar to that of Greece (53.2%), but notably higher compared to Luxembourg (47.3%). Similarly, Cyprus’ index rate is higher by 8.1% compared to the corresponding European average rate (45.1%). This indicates that fear of failure for Cypriots is not only persistent across the years, but it also tends to increase in the last couple of years, highlighting that entrepreneurial risk may be an important barrier preventing the population from embarking in entrepreneurial activity. The European average value has also slightly increased from 41.2% in 2021/2022 to 44.3% in 2022/2023, currently standing at 45.1%, also highlighting a consistent increase in concerns about failure across the region.

In 2023/2024, 66.9% of adults in Cyprus reported personally knowing an entrepreneur. This index rate has been reduced compared to the previous year (82.4%). The index rate recorded is lower compared to 2021/2022 (72.9%). Despite the decrease, results show that Cypriots are able to maintain a stronger entrepreneurial network compared to other countries. In Greece, only 33.1% of the population reported knowing an entrepreneur, whereas in Luxembourg the corresponding value is 45.8%. The European average value for 2023/2024 is 52.1%, still notably lower than Cyprus’ index rate. Although there has been a decrease from last year’s high, the level of familiarity with entrepreneurs in Cyprus remains at a high level, indicating satisfactory social exposure to entrepreneurial activity. The results are summarized in Figure 3.6.

### 3.2 ENTREPRENEURIAL ACTIVITY

The GEM methodology goes beyond recording perceptions of the population towards entrepreneurial activity and captures actual entrepreneurial activities and their potential impact on both the economy and society. Through the APS, entrepreneurial activity is categorized into three main types:

- Total early-stage Entrepreneurial Activity (TEA): Entrepreneurs starting or running a new business measured as a percentage of the adult population (% adults)
- Established Business Ownership (EBO): Entrepreneurs running an established business (% adults)
- Entrepreneurial Employee Activity (EEA): Entrepreneurs starting or running a business in the frame of their employer (% adults)

#### 3.2.1 Total early-stage Entrepreneurial Activity (TEA)

The TEA index offers a comprehensive overview of emerging entrepreneurial efforts, capturing individuals who are either in the process of launching a business or have recently started



Figure 3.1: Perceived impact of the pandemic on household income (% adults)

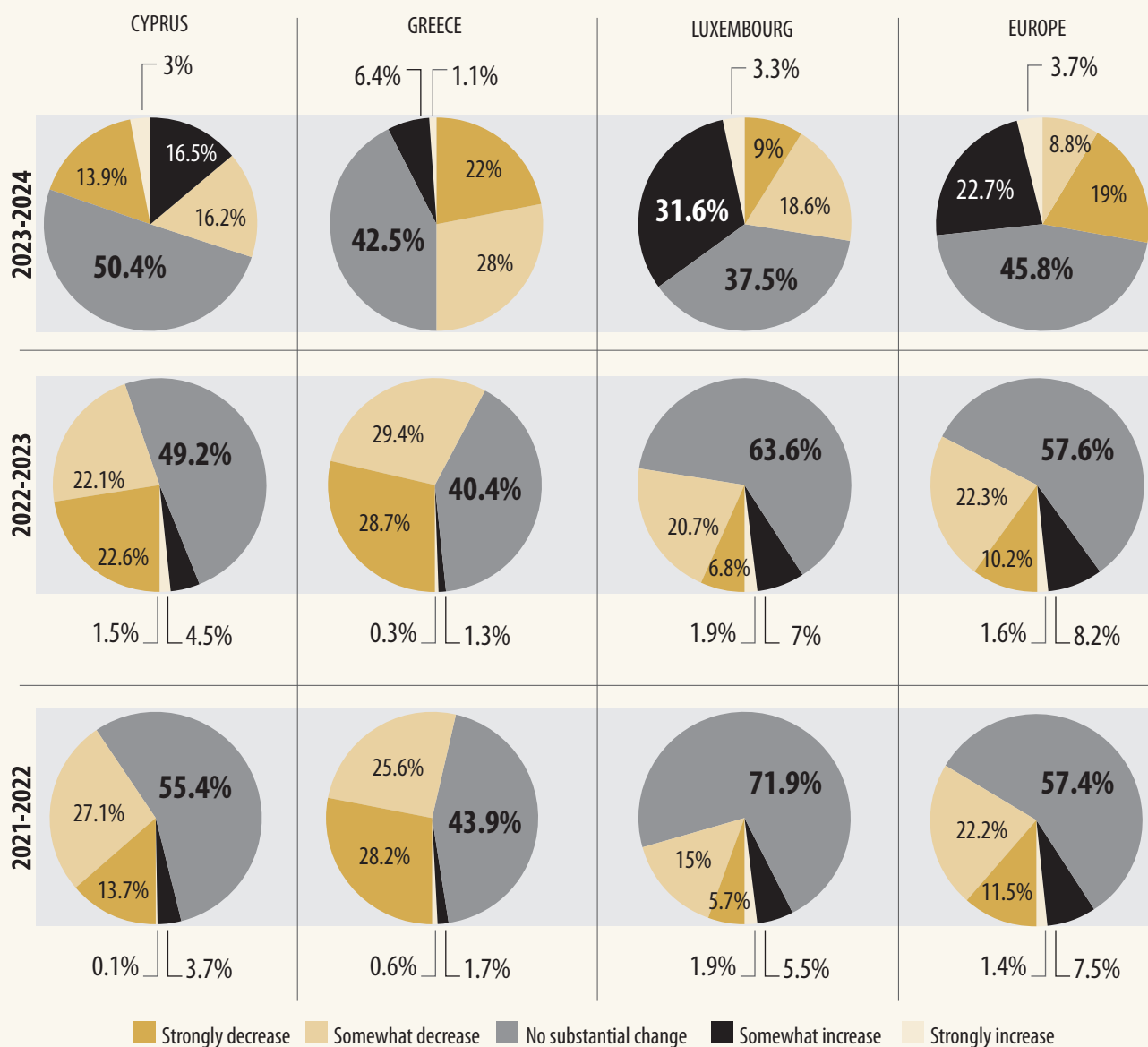
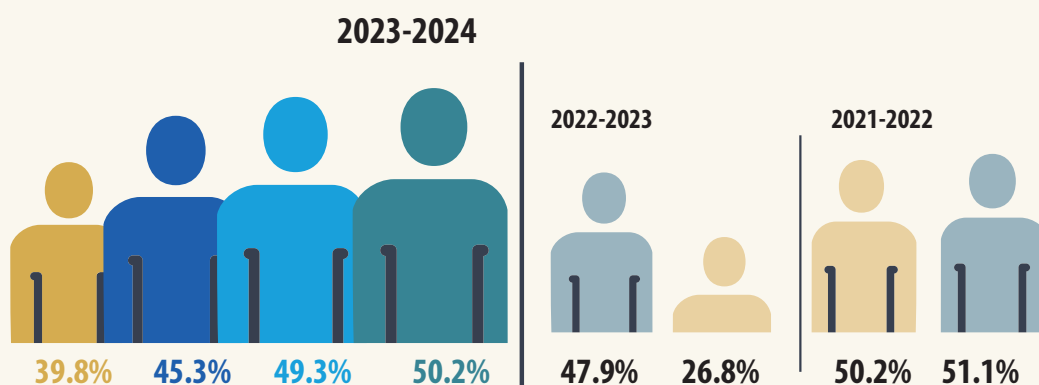


Figure 3.2: Perceived Opportunities: There are good opportunities to start a new business in my area (% adults)



one. This index is one of the most valuable GEM indexes, as it highlights entrepreneurial activity with the greatest potential for future growth and innovation. In 2023/2024, Cyprus recorded a notable increase in its TEA index, reaching 11%. These results signal a significant jump from 8.3% in the previous year and 8.4% in 2021/2022, indicating a recovery towards the pre-pandemic rates. The current figure also places Cyprus above the European average of 9.6%, and ahead of Greece (6.7%) and Luxembourg (9.7%). Across Europe, TEA levels have overall increased in recent years, demonstrating recovery from the pandemic period. The European average index value has increased from 8.6% in 2021/2022 to 9% in 2022/2023, reaching 9.2% in 2023/2024. While in the previous years, Cyprus trailed the European average rate, it has now surpassed it, thus suggesting revived early-stage entrepreneurial activity within the country. Further information on TEA index rates can be found in Figure 3.8, whereas a cross-country comparison across Europe and selected countries is included in Figure 3.9. Cyprus TEA rate is ranked 7th across Europe. Leading countries on TEA activity are Latvia (14.3%), the Netherlands (13.7%) and Croatia (13.2%).

Figure 3.3: Perceived Ease: It is easy to start a business in my country (% adults)

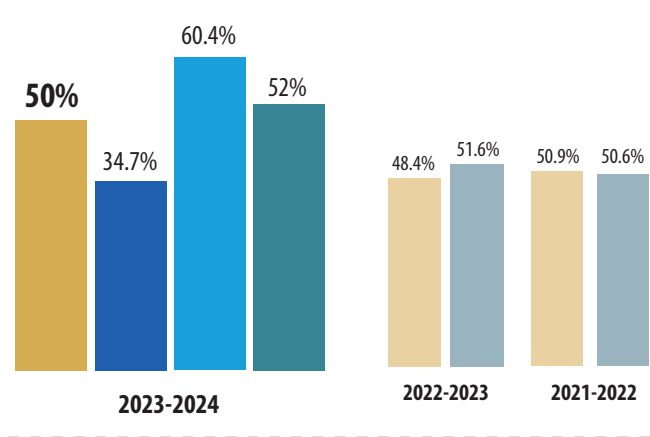
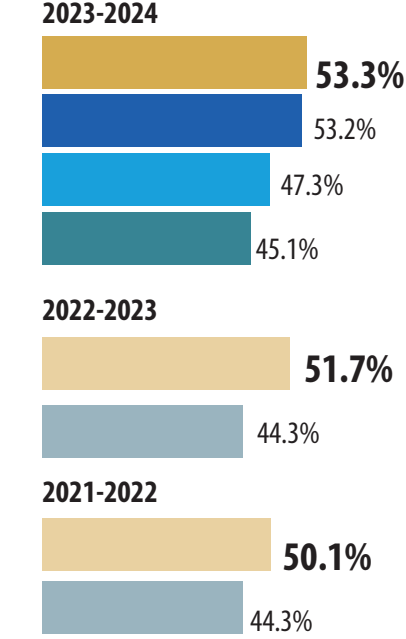


Figure 3.5: Fear of Failure: would not start a business for fear of failure (% adults)



### Nascent entrepreneurs

In 2023/2024, Cyprus recorded 6.8% in nascent entrepreneurial activity. This marks a notable increase from 4.5% in 2022/2023 and 5% in 2021/2022. The increase of the index rate demonstrates that early-stage entrepreneurial activity is recovering to pre-pandemic rates. Compared to other countries, Cyprus' nascent entrepreneurship rate is higher to Greece (3.9%) and lower to Luxembourg (7.7%). Nascent entrepreneurship in Cyprus is also slightly higher to the European average of 6.4%, indicating that Cyprus is now more aligned with regional entrepreneurial recovery trends than in previous years. While the data of the previous years suggested that Cyprus lagged behind the EU average in terms of nascent entrepreneurship recovery post-pandemic, the 2023/2024 demonstrate increase to this early phase of the entrepreneurial activity (Figure 3.10). The increase in nascent entrepreneurship has largely impacted the overall TEA index rate increase.

Figure 3.4: Perceived capabilities: You personally have the knowledge, skills and experience to start a new business (% adults)

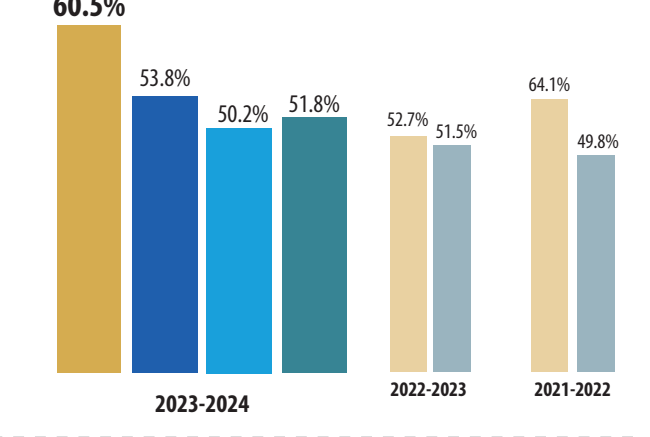


Figure 3.6: Personally know an entrepreneur (% adults)

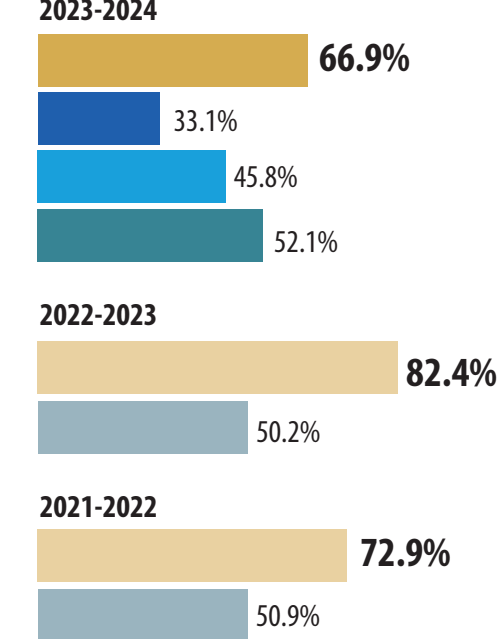


Figure 3.7: TEA index rates (% adults)

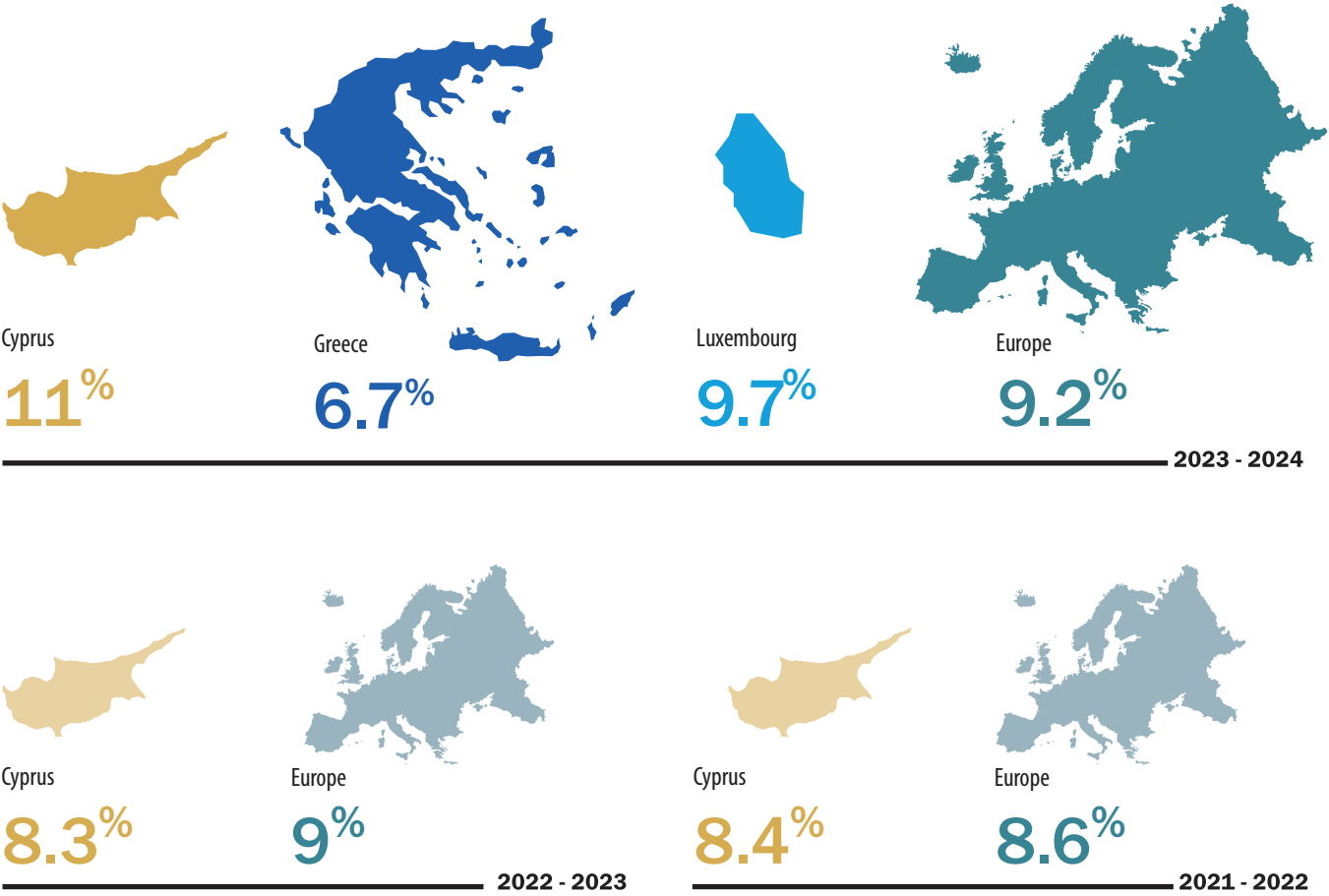


Figure 3.8: Cross-Country comparison Total Early-Stage Entrepreneurial Activity (TEA)

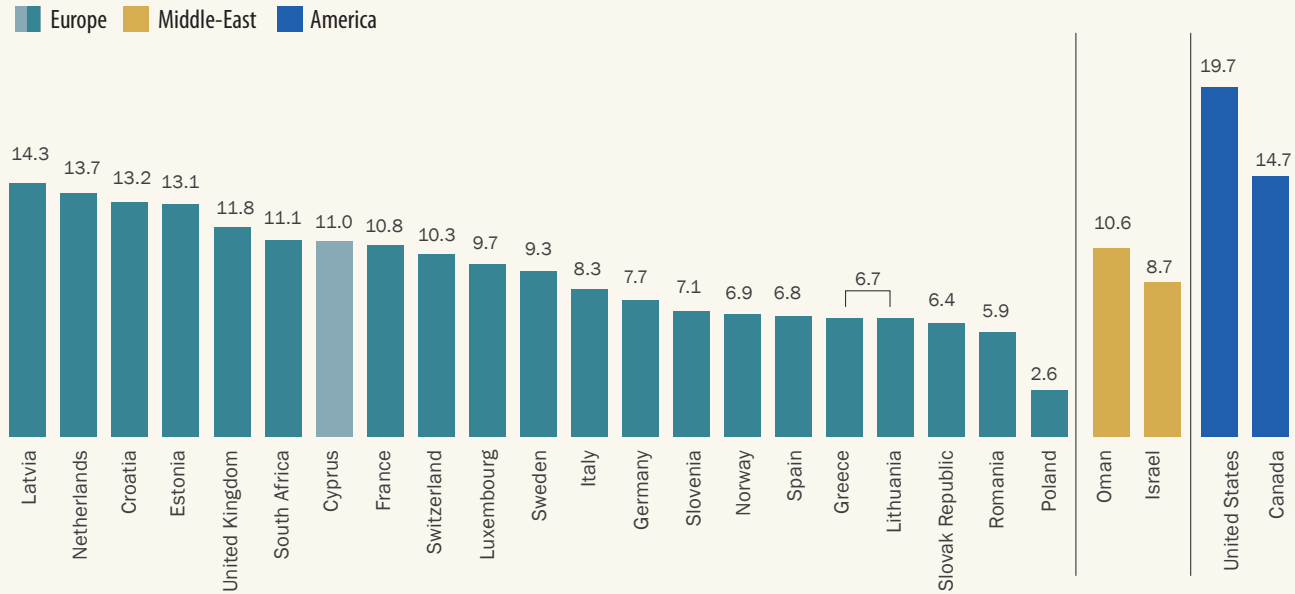


Figure 3.9: Nascent entrepreneurs in Cyprus and Europe

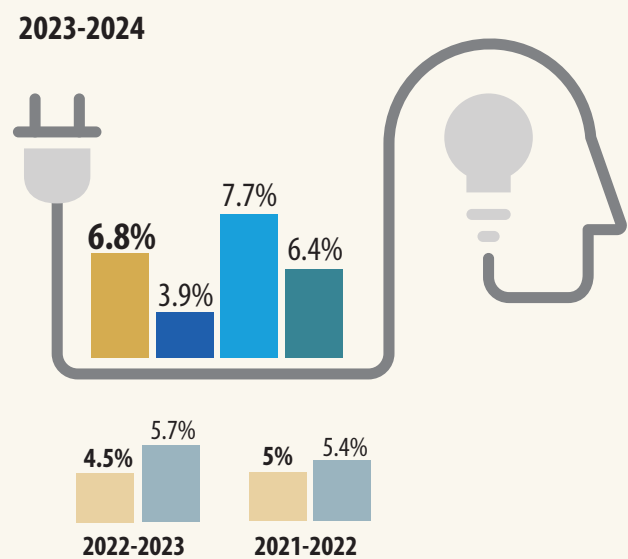
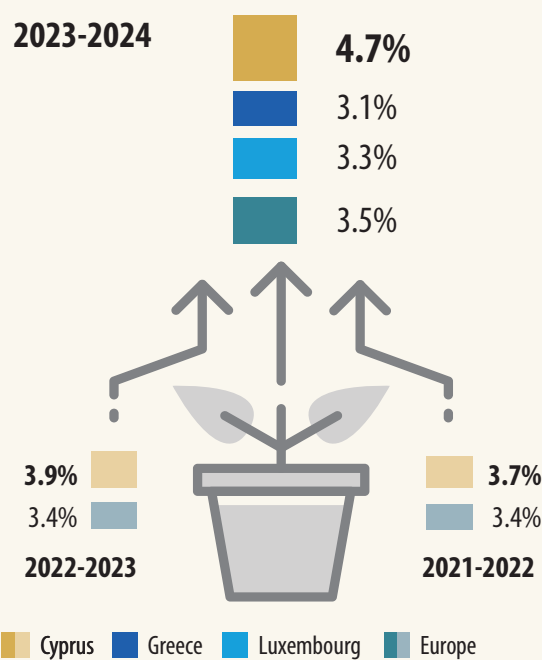


Figure 3.10: New business owners



New business owners

In contrast to previous years, new business ownership in Cyprus recorded an increase in 2023/2024, rising to 4.7% from 3.9% in 2022/2023. The results confirm a recovery trend if compared to the rate recorded in 2021/2022 (3.7%). The increase in new business ownership in 2023/2024 indicates recovery and growth in new entrepreneurial activity. Regarding new business ownership, Cyprus' rate is higher than Greece's 3.1% and Luxembourg's 3.3% and also higher compared to the European average value of 3.5%. The data reflects a broader improvement on new business ownership and signals an increase in confidence of growth across Cyprus' new businesses (Figure 3.11).

Figure 3.11: Established business ownership

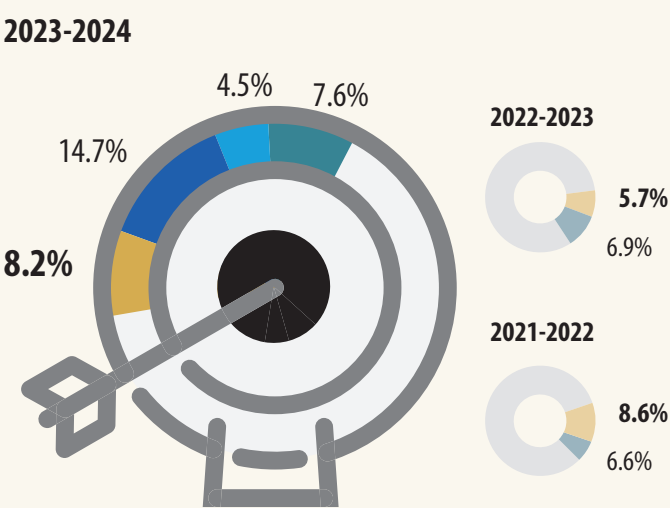
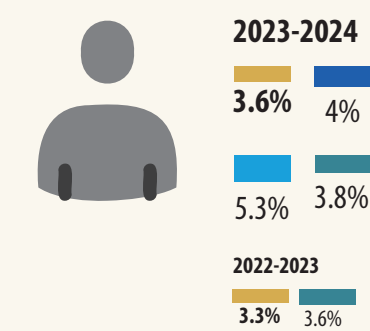


Figure 3.12: Informal investors in Cyprus and Europe



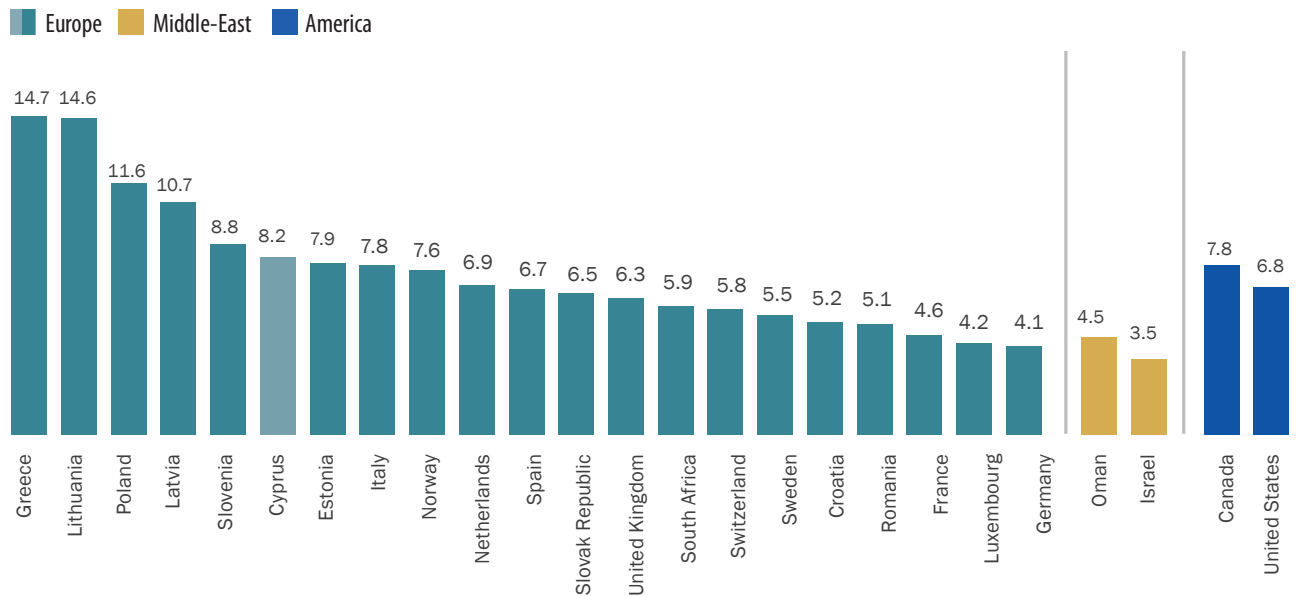
3.2.2 ESTABLISHED BUSINESS OWNERS

GEM also measures the established business ownership rate, which reflects the percentage of the adult population owning and managing businesses which is older than 42 months. In 2023/2024, established business index rate in Cyprus was 8.2%, indicating an increase compared to the previous year (5.7%) and a recovery close to the rate of 8.6% recorded in 2021/2022. As shown in Figure 3.12, Cyprus has maintained a higher established business ownership rate than the European average. However, the most recent data indicates that while Cyprus continues to exceed the European average rate (7.6%) and also stands higher than Luxembourg (4.5%) it is lower compared to Greece (14.7%). Figure 3.13 further illustrates the rate of established business ownership in European countries and selected third countries. Cyprus is ranked 6<sup>th</sup> in Europe in terms of its established business ownership, while Greece and Lithuania have recorded the highest index rates on established business ownership with 14.7% and 14.6% respectively.

3.2.3 INFORMAL INVESTORS

Since 2022/2023, GEM also measures the percentage of informal investors across the population financially supporting TEA or established businesses. In 2023/2024, informal investment in Cyprus stands at 3.6%, which is slightly higher compared to the previous year's rate (3.3%). As illustrated in Figure 3.14, Cyprus' rate is lower compared to Greece's (4%) and Luxembourg's (5.3%). Compared to the European average

Figure 3.13: Cross-Country comparison Established Business Ownership (EBO)



index rate on informal investments (3.6%), Cyprus' rate is slightly lower. These results illustrate the need for further promoting informal investments as a means for supporting early-stage entrepreneurial activity in Cyprus.

3.3 PROFILE OF ENTREPRENEURS IN CYPRUS

Alongside insights into entrepreneurial perceptions, intentions, and activities, the GEM methodology also provides detailed information on the demographic profile of entrepreneurs in each participating country. This information provides insights on the age, gender, and education level associated with entrepreneurial activity.

Age distribution

The 18–34 age group is the most active one in TEA in Cyprus, continuing a consistent trend recorded in previous years. Currently, 12.4% of TEA participants in Cyprus belong to the 18-24 age cohort, compared to 5.8% belonging to the 35–64 age cohort, highlighting stronger entrepreneurial engagement among younger adults of the population. As shown in Figure 3.15, in 2023/2024 Cyprus records a notable gap in age distribution across TEA compared to countries such as Greece, where participation between the two age groups is more balanced (7.5% in the 18-24 age cohort to 6.2% in the 35-64 age cohort). In contrast, Luxembourg experiences higher TEA rates in both age groups, with the older cohort (7.8%) surpassing the younger group (6.2%). The relatively lower involvement of older individuals in Cyprus may reflect local socio-economic factors, cultural or generational differences in career priorities.

Figure 3.14: Total early-stage Entrepreneurial Activity (TEA) by age group (% of TEA in each age group) 2023/2024

2023/2024				
	Cyprus	Greece	Luxembourg	Europe
18-34 years	12.4%	7.5%	13%	12.5%
35-64 years	5.8%	6.2%	7.8%	7.9%

Gender distribution

The GEM methodology also provides insights on TEA activity from a gender-based perspective. In Cyprus, the results show that 14.5% of adult males are involved in early-stage entrepreneurial activity, compared to 7.5% of adult females, thus, indicating a female-to-male TEA ratio of 0.5. These results record a slight improvement from last year's ratio of 0.4. However, this year's results show that the ratio is still below the 0.6 ratio Cyprus consistently recorded from 2016 to 2021. This shift reflects a growing gender gap in entrepreneurship in Cyprus, despite the overall rise in both male and female participation compared to 2022/2023. While Cyprus has shown some recovery in female participation, the gap remains wider than the European average, which currently stands at a ratio of 0.7. In Greece, an improved female-to-male TEA ratio is recorded from 0.5 in 2022/2023 to 0.8 in 2023/2024, suggesting more balanced participation of genders in TEA. Luxembourg also recorded a notable rise on female-to-male TEA ratio, from 0.6 in 2022/2023 to 0.8 in 2023/2024. For Cyprus, the persistent gender gap highlights the need for targeted initiatives and policies that promote female entrepreneurship and foster a more inclusive entrepreneurial environment.

Figure 3.16: Total Early-Stage Entrepreneurial Activity (TEA) rates and gender

2023/2024				
	Cyprus	Greece	Luxembourg	Europe
Male TEA (% of adult male population)	14.5%	0.4%	10.6%	11%
Female TEA (% of adult female population)	7.5%	5.9%	8.7%	7.7%
<b>Ratio of female/male TEA</b>	<b>0.6</b>	<b>0.8</b>	<b>0.8</b>	<b>0.7</b>
2022/2023				
	Cyprus	Greece	Luxembourg	Europe
Male TEA (% of adult male population)	11.7%	3.4%	8.5%	11%
Female TEA (% of adult female population)	4.9%	6.3%	5.4%	6.9%
<b>Ratio of female/male TEA</b>	<b>0.4</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>
2021/2022				
	Cyprus	Greece	Luxembourg	Europe
Male TEA (% of adult male population)	10.8%	6.5%	9.3%	10.2%
Female TEA (% of adult female population)	6.1%	4.6%	5.1%	7.2%
<b>Ratio of female/male TEA</b>	<b>0.6</b>	<b>0.7</b>	<b>0.5</b>	<b>0.7</b>

## Education

Comparing the relationship between educational level and entrepreneurial activity across GEM-participating countries provides insights on the demographics of early-stage entrepreneurs. The results consistently suggest that individuals with at least post-secondary education are more likely to engage in early-stage entrepreneurial activity. In Cyprus, 11.7% of TEA are graduates, compared to 10% who do not hold a post-secondary degree. Similar results are observed in other European countries. For instance, in Luxembourg, 12% of TEA participants are graduates versus 6.9% non-graduates, while in Greece, the rates stand at 7.8% and 5.6% respectively. Across the EU average, the results demonstrate a similar trend, as 10.9% graduates are involved in TEA compared to 7.6% of non-graduates. As illustrated in Figure 3.17, these figures reinforce the idea that educational attainment may positively influence entrepreneurial engagement, although the strength of this effect varies by country.

## 3.4 ENTREPRENEURSHIP & IMPACT

The GEM methodology also invites respondents to reflect on the expected impact of their entrepreneurial activity. Entrepreneurial impact included in GEM is reflected on job openings, impact on a specific sector of the economy or even on the target audience orientation of the enterprises. These results provide indications on the expected impact of TEA as well as EB and can act as indicators of its potential impact on the broader entrepreneurial ecosystem, economic development, and social advancement.

### Sectors

In Cyprus, TEA is highly active in Consumer Services, with 53.9% of TEA entrepreneurs launching business ideas in this sector. TEA is also involved in other sectors including Business-oriented Services which account for 25.1%, followed by the Transforming sector at 15.3%. A small number of TEA businesses is relevant to the Extractive sector (5.8%). This results are aligned with the GEM results in Greece, as Consumer Services are also dominant in TEA activity (52.4%), whereas the Transforming sector also accounts for 19.0% of TEA. Cyprus' TEA involvement in the Consumer Services is similar to Luxembourg's (53.9%), whereas Luxembourg's TEA involvement in Business-oriented Services (28.9%), is slightly higher to Cyprus, reflecting a more service-driven entrepreneurial environment. In Cyprus, established businesses are primarily concentrated in Consumer Services (46.2%), followed closely by Business-oriented Services (26.7%) and the Transforming sector (22.8%), with only a small percentage in the Extractive sector (4.3%). In Greece, a higher percentage of its established businesses are active in the Extractive sector (10.8%) and the Transforming sector (24.8%). In Luxembourg, established business activity is more relevant to Business Services, with 40.2% of its EB activity situated in this sector. Luxembourg's EB activity in the Business Services sector is higher both to the EU average (30.0%) and to Cyprus', demonstrating that Luxembourg's established businesses are more service-driven compared to Cyprus. These results indicate that sectoral focus within early-stage and established entrepreneurship is shaped not only by individual opportunity, but possibly also by the broader national economic conditions and strategy.

## Job creation

New entrepreneurial activity is a strong indicator of an economy's potential to generate employment opportunities. The GEM APS assesses expected job creation from TEA over the next five years, thus providing insights as to the employment expectations of new entrepreneurs. Figure 3.20 illustrates these expectations, reporting on the percentage of TEA which expects to create five or more jobs in the next five years. In Cyprus, the percentage stands at 38.9%, which is notably higher than in Greece (20.0%), Luxembourg (27.7%) and the EU average (23.8%). These findings report on an ambitious entrepreneurial impact on job growth in Cyprus.

## Innovation

Entrepreneurs have expectations on the innovativeness of their products or services and the extent to which these offerings are new to their intended markets, which may be local, national, or international. The GEM APS collects insights by enquiring early-stage entrepreneurs to evaluate the level of innovation behind their ventures. In Cyprus, innovativeness is reported as follows. 1.7% of the population consider their products as new to the local market, 4.6% believe their offerings are new at the national level, and 4.6% consider them innovative at the international level. In comparison, in Greece, 2.6% of entrepreneurs have reported local innovation, 1.1% at the national level, and 2.6% at the international level. Luxembourg, while reporting lower local innovation at 0.9% and 2.8%, stands out for its international outlook compared to both Cyprus and the EU, with 5.3% of entrepreneurs identifying their offerings as new globally (Figure 3.21).

Cyprus demonstrates a good level of international business orientation compared to the EU average, with 22.4% of TEA entrepreneurs expecting to generate a significant portion of their revenue from international customers. This index rate is notably higher than the EU average of 17.9%, highlighting Cyprus' potential in attracting international target audiences. Compared to Cyprus, Luxembourg has recorded a higher international orientation (39.7%). Greece falls slightly behind Cyprus, with an index rate of 20%. These figures suggest that a notable number of TEA entrepreneurs in Cyprus are actively looking beyond borders for their business initiatives at international level. Figure 3.21 illustrates the international orientation of TEA entrepreneurs.

Figure 3.17: % Total early-stage Entrepreneurial Activity (TEA) who are graduates and non-graduates

2023/2024				
	Cyprus	Greece	Luxembourg	Europe
% TEA non-graduates	10%	5.6%	6.9%	7.6%
% TEA graduates	11.7%	7.8%	12%	10.9%

Figure 3.18: TEA Activity & sector (% within TEA)

TEA Activity & Sector				
	Cyprus	Greece	Luxembourg	Europe
Business-oriented services	25.1%	22.5%	28.9%	28.4%
Consumer-oriented services	53.9%	52.4%	53.9%	47.4%
Extractive sector	5.8%	6.1%	4.1%	5.1%
Transforming sector	15.3%	19.0%	13.1%	19.1%

Figure 3.19: EB Activity & sector (% within EB)

EB Activity & Sector				
	Cyprus	Greece	Luxembourg	Europe
Business-oriented services	26.7%	15.8%	40.2%	30.0%
Consumer-oriented services	46.2%	48.7%	38.5%	38.0%
Extractive sector	4.3%	10.8%	2.9%	8.7%
Transforming sector	22.8%	24.8%	18.4%	23.3%

Figure 3.20: Job growth expectations: Total early-stage entrepreneurs (TEA) expecting to employ an additional five or more people in the next five years (all % of TEA)

Job growth expectations				
	Cyprus	Greece	Luxembourg	Europe
Expects more than 5 employees in next five years	38.9%	20.0%	27.7%	23.8%



## Innovativeness and Technology

The GEM APS captures the extent to which adults engaged in early-stage entrepreneurial activity (TEA) utilize technologies or processes that are considered new to their local area, their country, or the global market. According to the results illustrated in Figure 3.23, 1.2% of the population view their technology or processes as new to their local environment, 1.5% believe they are new to the national context, and another 1.2% consider them innovative on a global scale. Compared to Cyprus, the EU average stands at 1.3% for local innovation, 0.5% at the national level, and 0.1% internationally. In Greece, 1.3% of entrepreneurs report local-level innovation, while only 0.5% and 0.1% identify their technologies as new nationally and globally respectively. Luxembourg shows relatively higher figures at the local (1.8%) and national (1.7%) levels, though only 0.5% of entrepreneurs see their offerings as globally novel.

## Business exits

Business exits can be the result of a variety of reasons. On the negative side, entrepreneurs may close their businesses due to low sales, lack of profitability, burdensome regulation or taxation, limited access to essential resources, or personal issues. The COVID-19 pandemic has also played a role in recent years, even indirectly in the post-pandemic era, through disrupted markets and supply chains. While some exits may reflect failure, others may prompt beneficial structural shifts that redirect resources towards other entrepreneurial ideas.

At the same time, there are also positive reasons behind business exits, such as the chance to sell the business or to pursue new entrepreneurial opportunities. As shown in Figure 3.24, during the 2023/2024 period, 2.5% of Cyprus's adult population reported having exited a business. Among those, 0.5% did so for positive reasons, 1.6% due to non-COVID-related challenges, and only 0.1% as a direct result of the pandemic, which is similar to Greece's rate. Cyprus' total exit rate is slightly higher than Greece's (2.1%), which saw 0.8% of exits for positive reasons. In contrast, Luxembourg reported a higher overall exit rate (4.4%), with 1.3% tied to positive outcomes and 0.2% due to the pandemic. While Cyprus falls below both the Luxembourg and EU average exit rates (4.4% and 3.4% respectively), its share of exits for positive reasons is comparatively lower.

Figure 3.21: Adults starting a new business with products or services that are either new to their area, new to their country or new to the world (all % of adults aged 18–64)

Innovation				
	Cyprus	Greece	Luxembourg	Europe
Local only	1.7%	2.6%	0.9%	2.4%
National	4.6%	1.1%	2.8%	3.3%
International	4.6%	2.8%	5.3%	3.4%

Figure 3.22: The percentage of and anticipating 25% or more revenue from outside their country

Innovation				
	Cyprus	Greece	Luxembourg	Europe
Strong International Orientation	22.4%	20%	39.7%	17.9%

Figure 3.23: The proportion of adults starting or running a new business using technology or processes that are either new to their area, new to their country or new to the world (all % of adults aged 18–64)

Innovativeness and Technology				
	Cyprus	Greece	Luxembourg	Europe
New to their area	1.2%	1.3%	1.8%	1.3%
New to their country	1.5%	0.5%	1.7%	0.5%
New to the world	1.5%	0.1%	0.5%	0.1%

Figure 3.24: Reasons for business exit (% of adults 18–64)

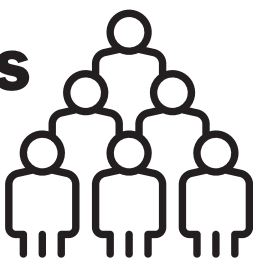
Business exit reasons				
	Cyprus	Greece	Luxembourg	Europe
COVID-19 pandemic	0.1%	0.1%	0.2%	0.2%
Negative, not including COVID-19 pandemic	1.6%	1.2%	2.4%	1.7%
Positive	0.5%	0.8%	1.3%	1.7%
Total	2.5%	2.1%	4.4%	3.4%





# CYPRUS

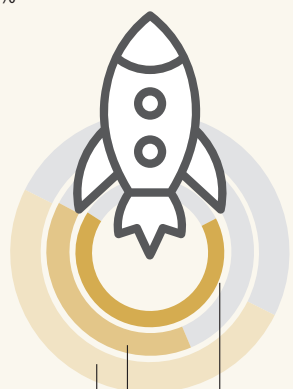
POPULATION (2022):  
1.3 MILLION (UN)



## ENTREPRENEURSHIP IN CYPRUS 2023/2024

### ATTITUDES AND PERCEPTIONS

Adults %



50% 39.8% 66.9%

- Know someone who has started a new business
- Good opportunities to start a business in my area
- Fear of failure



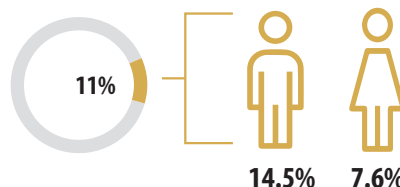
21.3% 60.5% 53.3%

- Personally have the skills and knowledge
- It is easy to start a business
- Entrepreneurial intentions

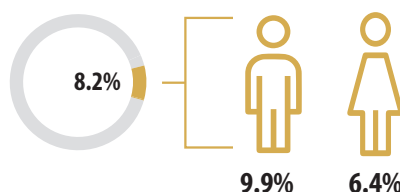
### ACTIVITY

Adults %

Total early-stage Entrepreneurial Activity



Established Business Ownership rate



### ENTREPRENEURSHIP IMPACT

Always consider  
social impact

13%



Always consider  
environmental  
impact

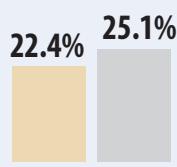
12%



3.2%

Adults %

Job expectations  
(expecting to employ 6+  
people in 5 years' time)

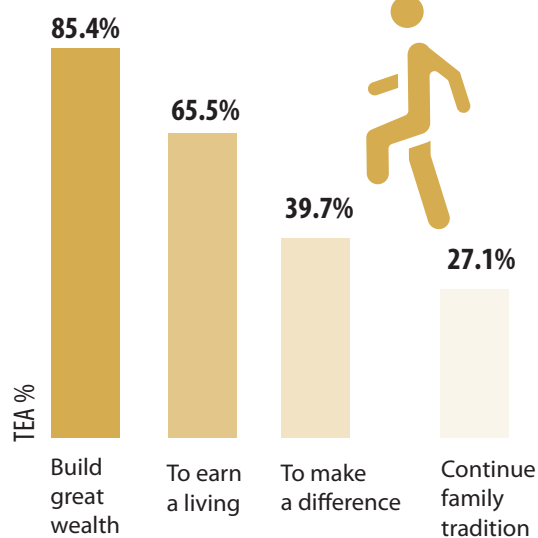


TEA %

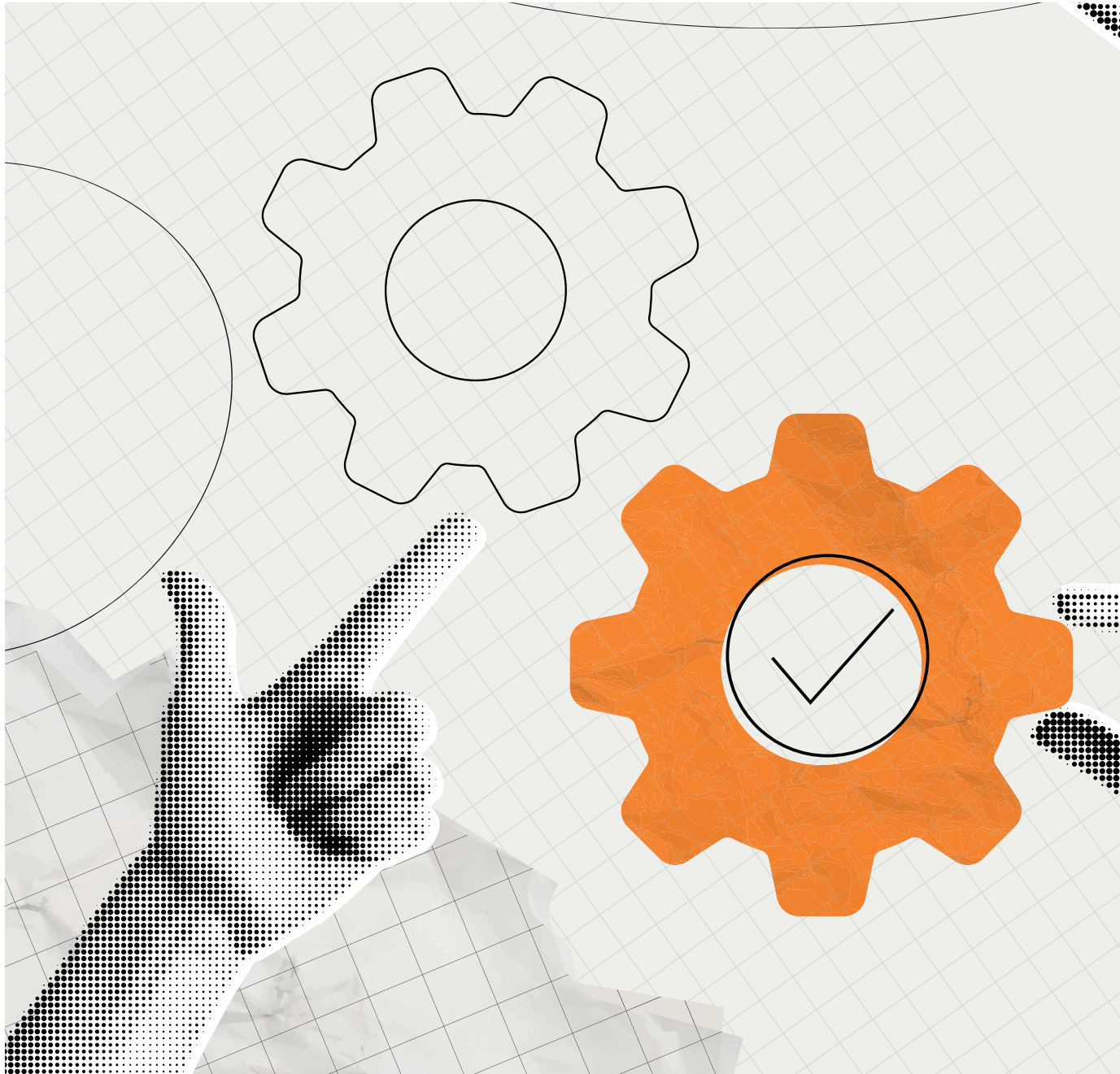
- International (25%+ revenue)
- Industry (% TEA in Business Services)

### MOTIVES

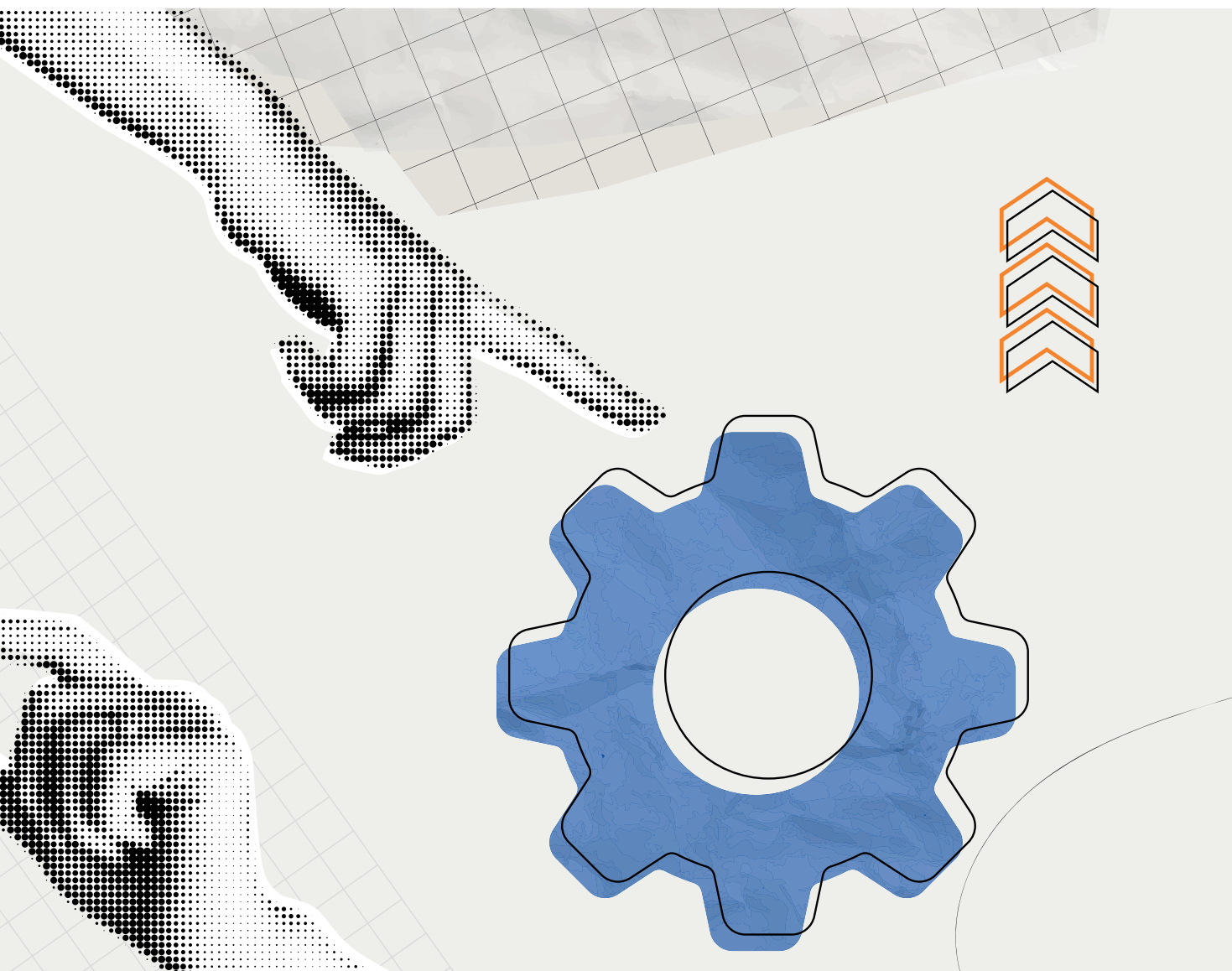
(somewhat or strongly agree)



# THE ENTREPRENEURSHIP ECOSYSTEM



4



The APS explores why individuals choose to pursue entrepreneurship, as well as public perceptions, influences, and outcomes related to entrepreneurship. Although the decision to become an entrepreneur is personal, it is strongly shaped by the surrounding environment. This environment impacts the development of entrepreneurial ventures from startup to establishment. Key factors such as education, availability of funding and resources, and market conditions can either support or hinder the decision to create a new venture and entrepreneurial progress. Indeed, market environments differ significantly; some are open and

welcoming, while others are dominated by major players, posing barriers for smaller entrants.

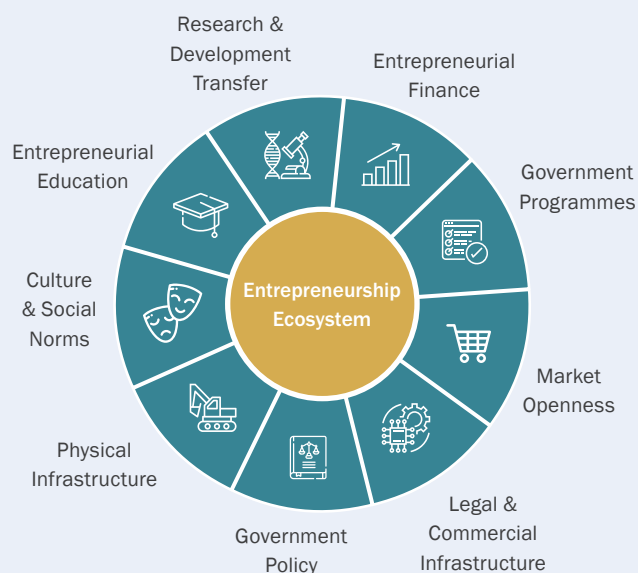
The NES provides insights into the strengths and weaknesses of a country's entrepreneurial ecosystem, which can either support or hinder entrepreneurial activity. GEM assesses a nation's entrepreneurial ecosystem using nine Economic Framework Conditions (EFCs), listed in Table 4.1. These EFCs, a cornerstone of GEM's analysis for over two decades, help evaluate factors that affect entrepreneurial activity and success. Depending on their status, EFCs can boost, restrict,

or even prevent the launch and growth of startups into established businesses that drive economic growth and job creation.

The NES assesses nine interconnected factors that together define a country's entrepreneurial ecosystem. In every economy involved in GEM, experts are invited to evaluate each of these entrepreneurial ecosystem conditions, which are designed to provide a comprehensive view of the elements influencing entrepreneurial activity. These factors, known as the EFCs, include areas such as access to funding, societal attitudes towards entrepreneurship, government initiatives and policies, commercial and legal systems, infrastructure, entrepreneurship education, market accessibility, and the transfer of research and innovation.

In the 2023/2024 NES for Cyprus, 36 national experts were selected based on their in-depth knowledge and experience within the country's entrepreneurial landscape, including some who had also contributed to the previous year's survey. This expert selection process follows the standard methodology applied across all countries participating in GEM, ensuring consistency and comparability. In the 2023/2024 cycle, 49 economies took part in GEM NES. Each expert completed the NES questionnaire by evaluating the national entrepreneurial environment in relation to each of the EFCs. These conditions were rated using an 11-point Likert scale, as shown in Table 6.1, where 0 represents total disagreement (i.e., the condition is not true at all) and 10 represents full agreement (i.e., the condition is entirely true). Figure 4.1 presents the EFC ratings for Cyprus from the 2023/2024 NES.

Figure 4.1: Main Entrepreneurial Framework Conditions (EFCs)



#### ACCESS TO ENTREPRENEURIAL FINANCE

Are there sufficient funds for new startups?  
Are those funds easy to access?



#### GOVERNMENT POLICY: SUPPORT AND RELEVANCE

Do they promote and support startups?

#### GOVERNMENT POLICY: TAXES AND BUREAUCRACY

Are new businesses burdened?



#### GOVERNMENT ENTREPRENEURSHIP PROGRAMMES

Are quality support programs available?



#### RESEARCH AND DEVELOPMENT TRANSFERS

Can research be translated into new businesses?



#### COMMERCIAL AND PROFESSIONAL INFRASTRUCTURE

Are these sufficient and affordable?



#### ENTREPRENEURSHIP EDUCATION AT SCHOOL

Do schools introduce entrepreneurship ideas?

#### ENTREPRENEURSHIP EDUCATION POST SCHOOL

Do colleges offer courses in starting a business?



#### EASE OF ENTRY: MARKET DYNAMICS

Are markets free, open and growing?

#### EASE OF ENTRY: MARKET BURDENS AND REGULATIONS

Do regulations encourage or restrict entry?



#### PHYSICAL INFRASTRUCTURE

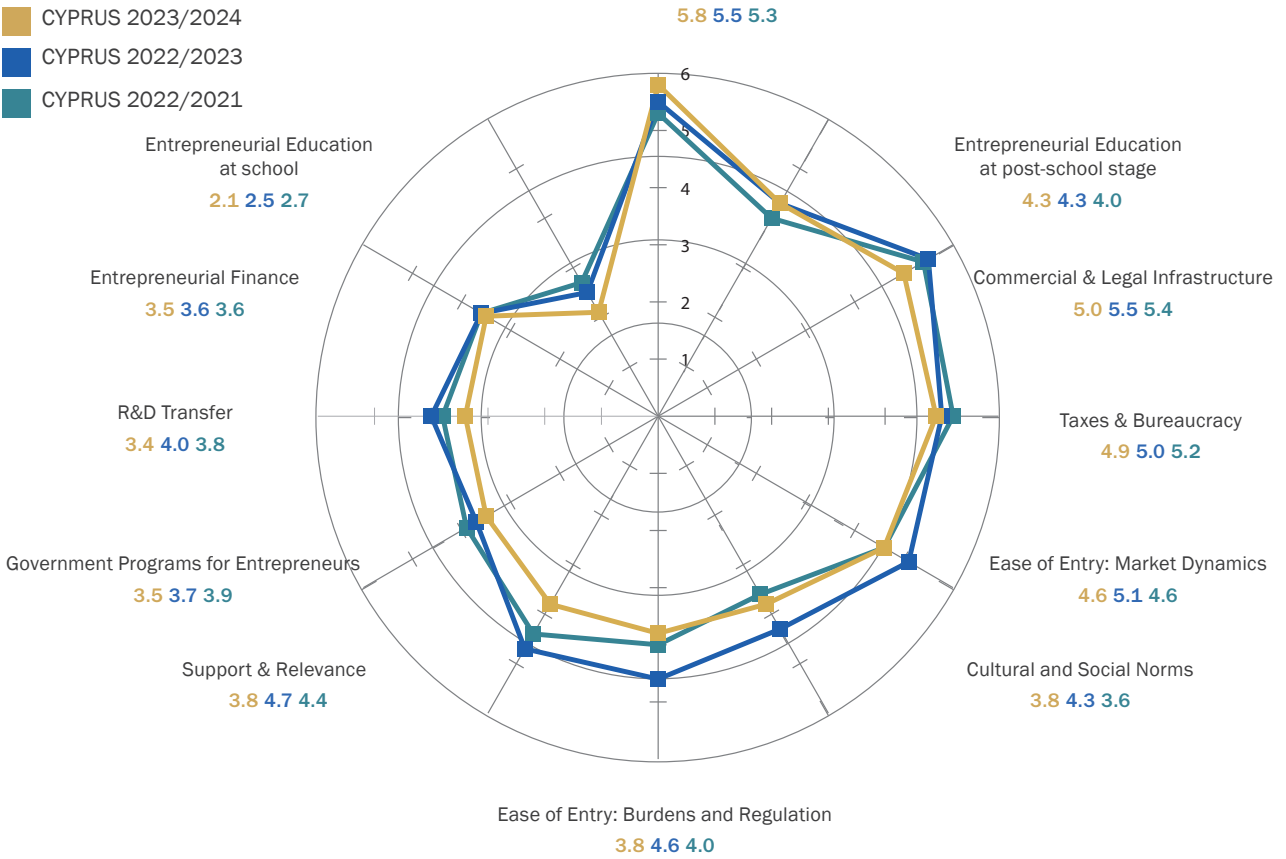
Is this sufficient and affordable?



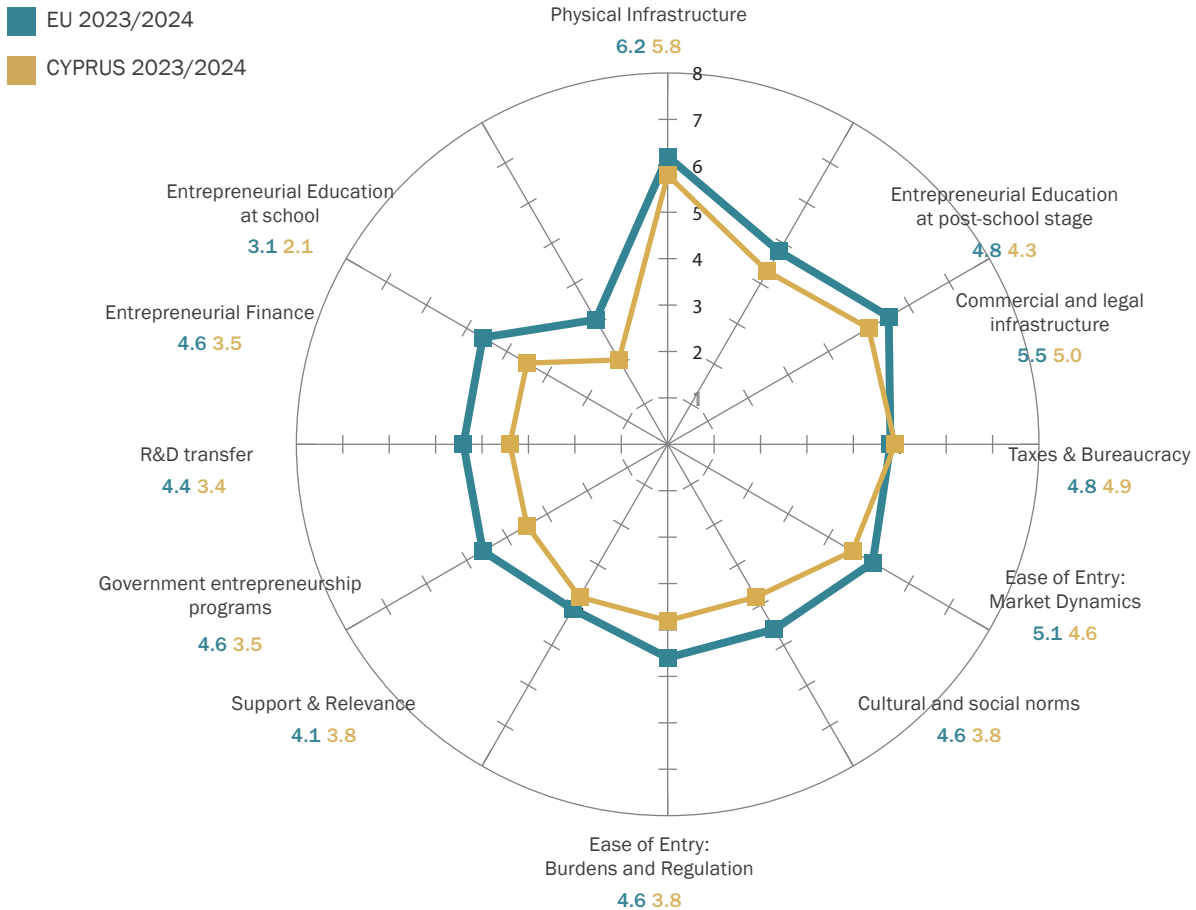
#### SOCIAL AND CULTURAL NORMS

Does culture encourage and celebrate entrepreneurship?

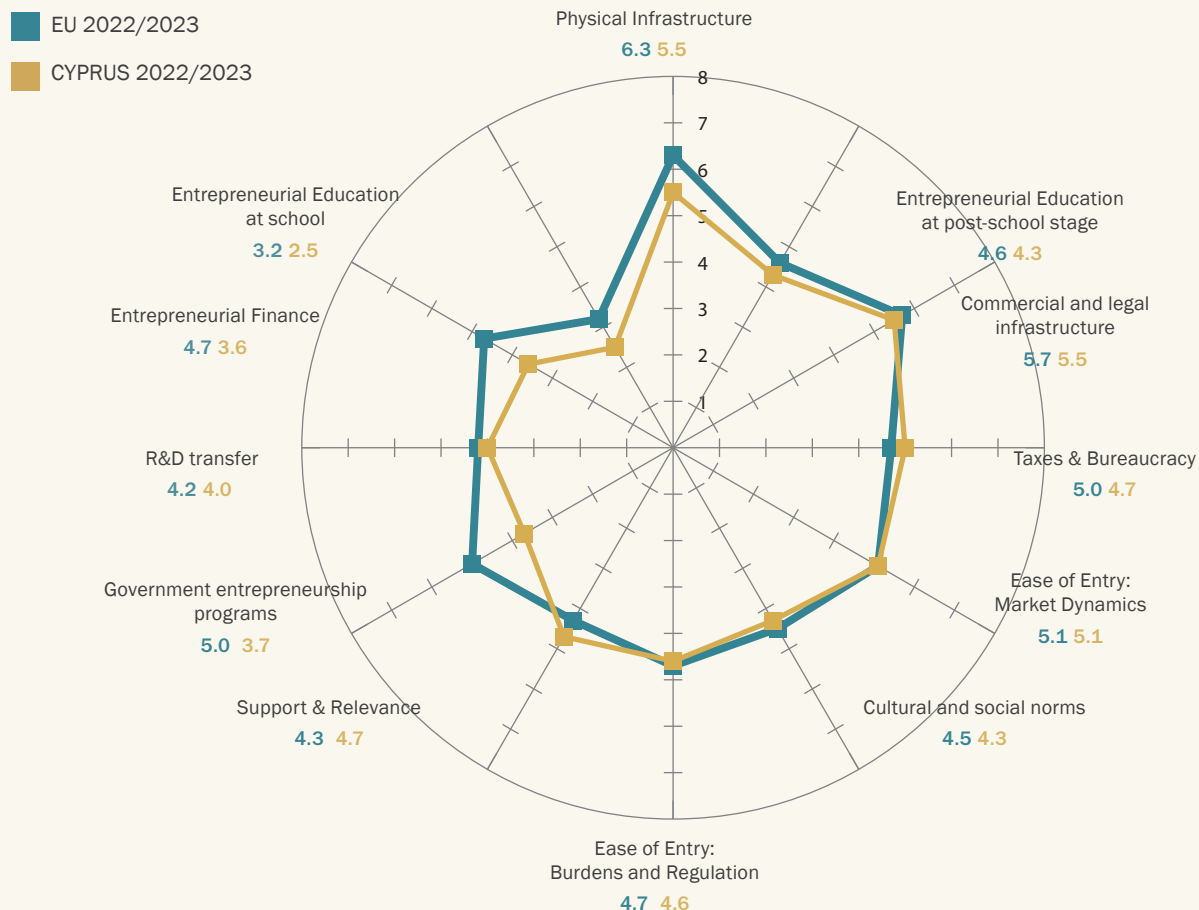
Figure 4.2: Cyprus' EFCs in the last three years



Figures 4.3A: Cyprus' and Europe's EFCs in the last three years



Figures 4.3B: Cyprus' and Europe's EFCs in the last three years



Figures 4.3C: Cyprus' and Europe's EFCs in the last three years

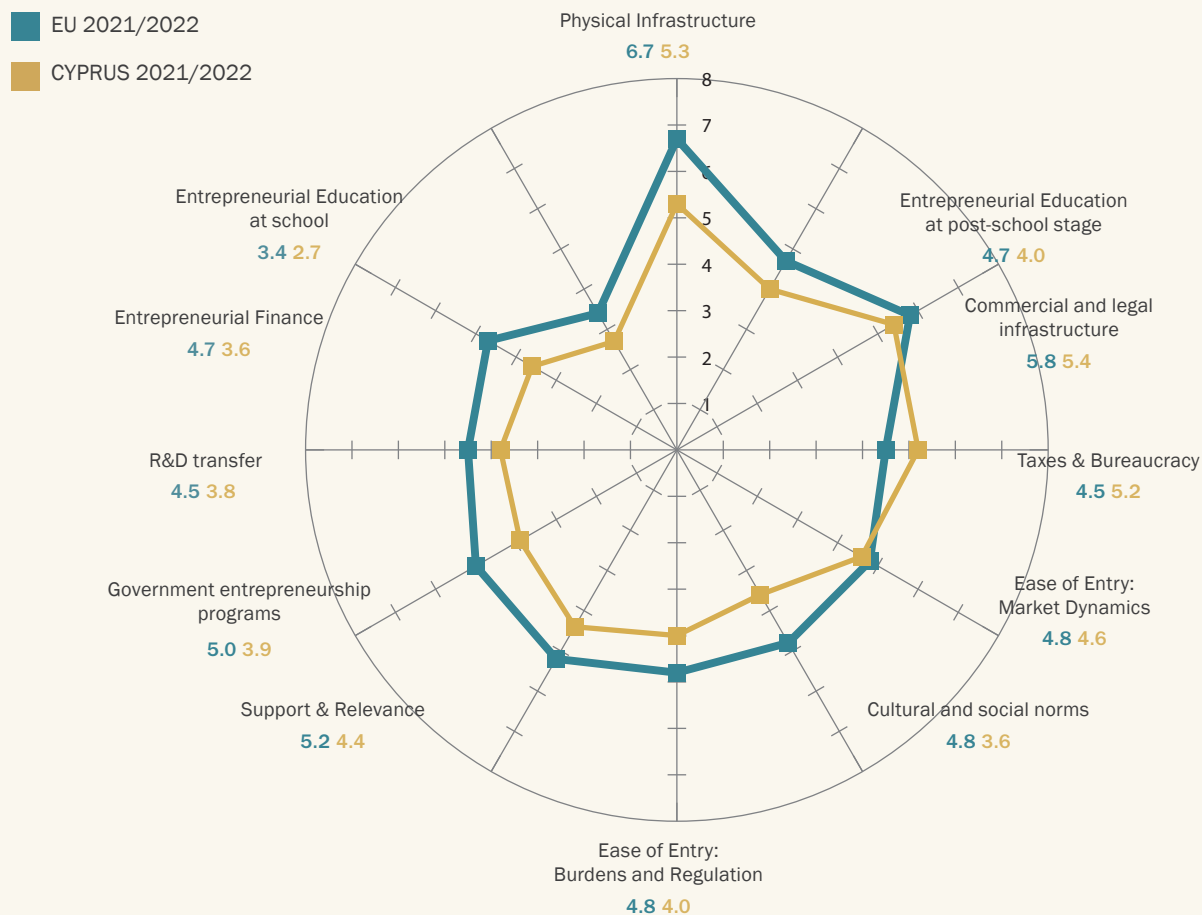




Figure 4.4: Entrepreneurial framework condition scores in Cyprus and Greece in 2023/2024

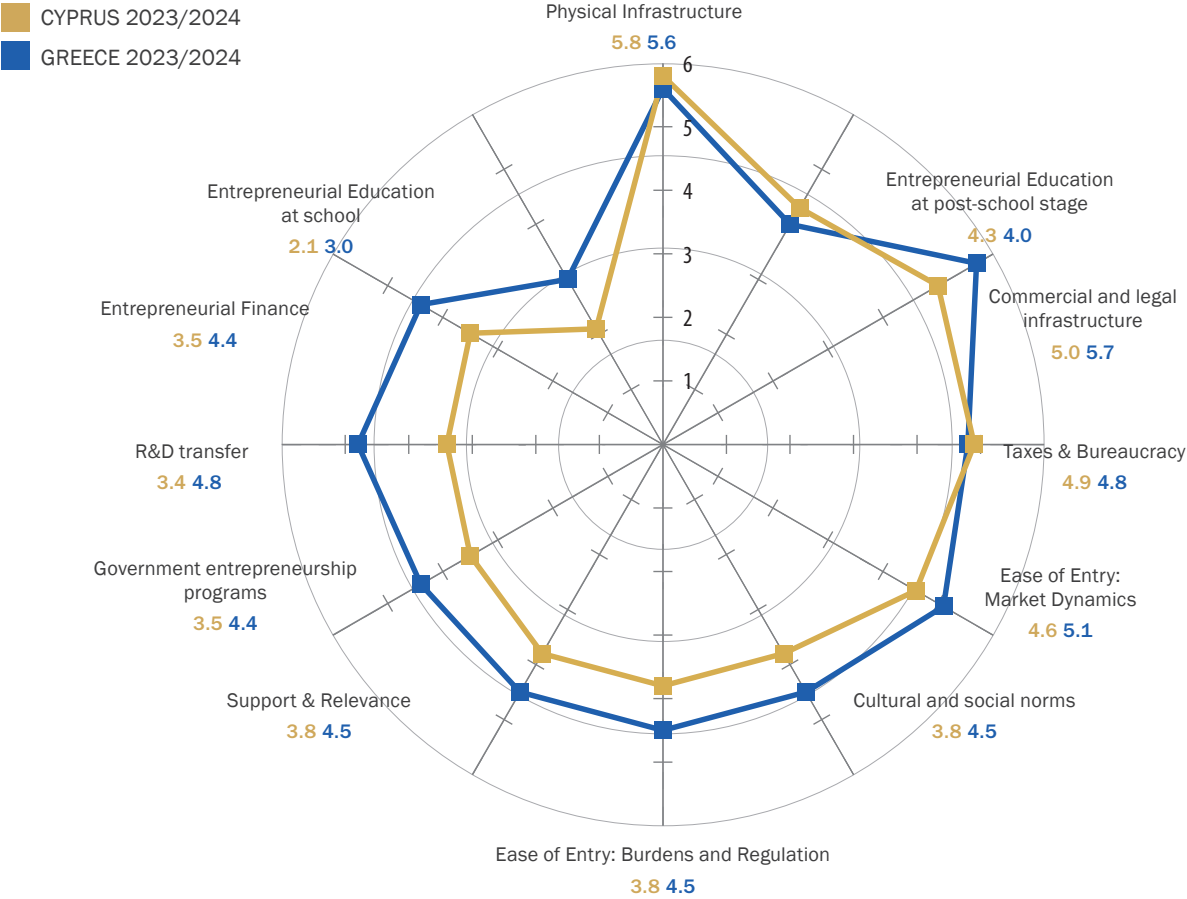


Figure 4.5: Entrepreneurial framework condition scores in Cyprus and Luxembourg in 2023/2024

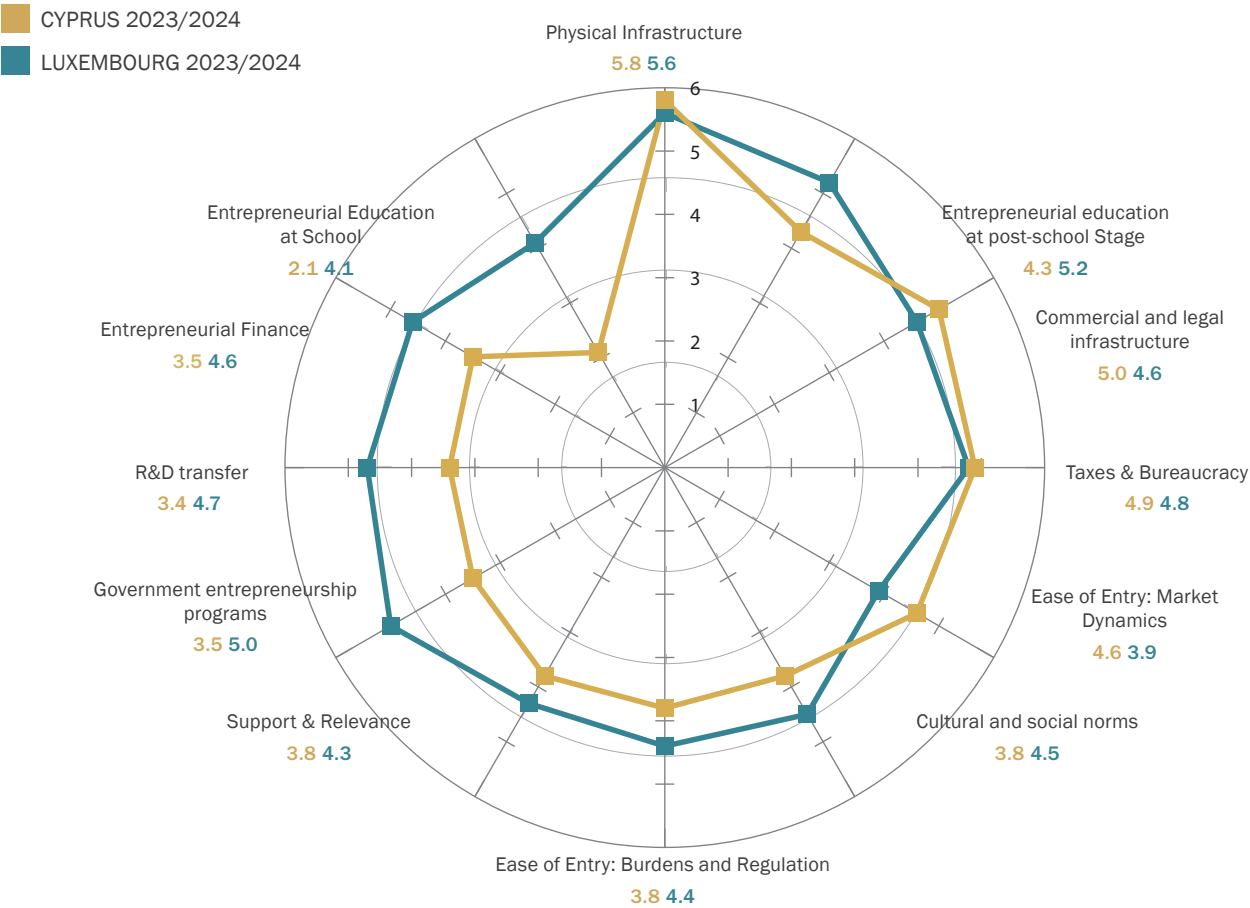


Figure 4.6: Entrepreneurial framework condition scores in Cyprus and other countries in 2023/2024

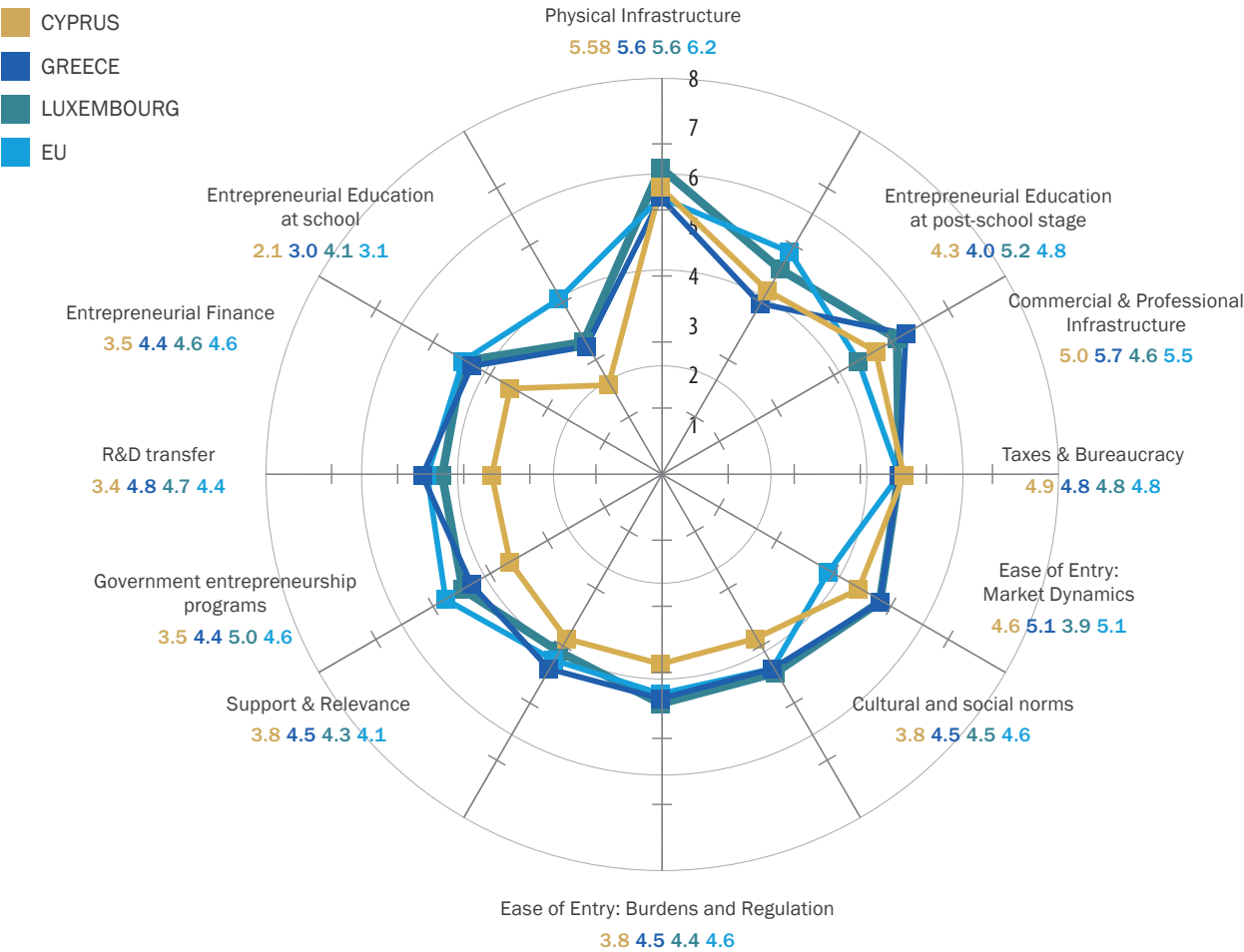
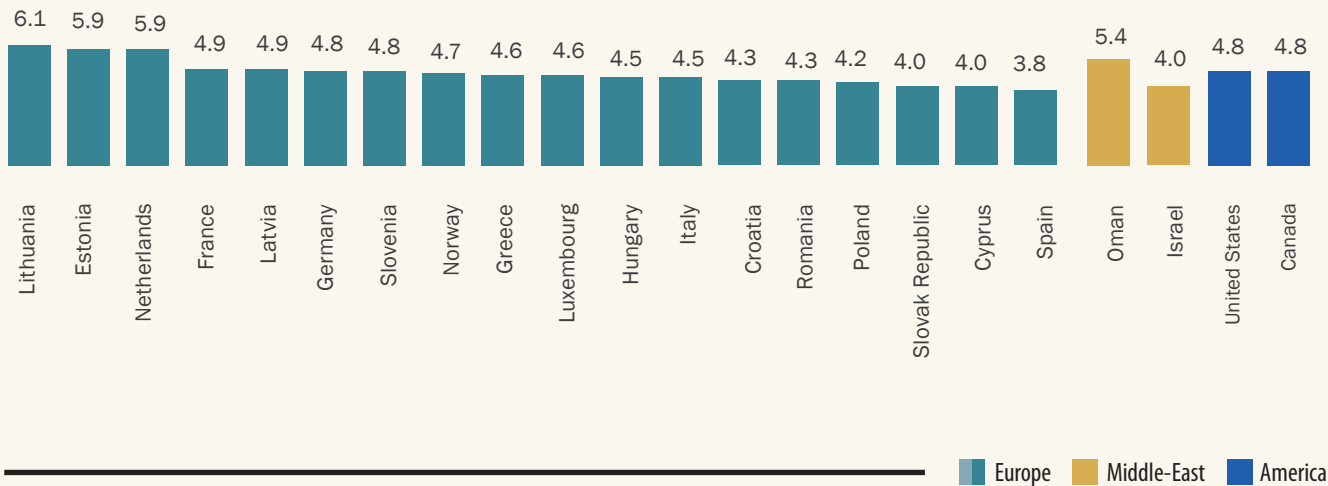


Figure 4.7: NECI values for countries of European regional area and other selected economies





In 2023/2024, Cyprus' entrepreneurial ecosystem exhibits strengths particularly in Physical Infrastructure, which stands out with a score of 5.8, indicating high-quality facilities and services that support business operations. Commercial and Professional Infrastructure is also a strength for the ecosystem with a score of 5.0. Some other relatively positive aspects include Government Policy: Taxes and Bureaucracy, which play a facilitating role in fostering entrepreneurship.

On the negative side, Entrepreneurial Education at School Level remains the most critical weakness with a low score of 2.1, highlighting a continued need for the population in Cyprus to gain early entrepreneurial education. Additionally, areas such as Entrepreneurial Finance (3.5), Government Entrepreneurial Programs (3.5), and R&D Transfer (3.4) continue to underperform. Social and Cultural Norms, Ease of Entry: Burdens and Regulation, and Government Policy: Support and Relevance all share a score of 3.8, signaling room for improvement in both societal attitudes and policy support mechanisms.

Over the past three years, 2021/2022, 2022/2023, and 2023/2024, Cyprus' EFCs have demonstrated improvements but also emerging challenges across several conditions (Figure 4.2). Physical Infrastructure continues to be a strength in the ecosystem, recording an improvement from 5.3 in 2021/2022 to 5.5 in 2022/2023 and reaching 5.8 in 2023/2024. Entrepreneurial Education at the post-school level has remained stable at 4.3 in the last two years, following a score of 4.0 in 2021/2022. In contrast, Commercial and Professional Infrastructure demonstrates a decline from 5.5 in 2022/2023 to 5.0 in 2023/2024, signaling a possible reduction in available support for business activities. Similarly, the dimension of Government Policy: Taxes & Bureaucracy continued to decline slightly from 5.2 in 2021/2022 to 5.0 and then to 4.9, suggesting growing concerns around administrative and support processes for entrepreneurs. Market Dynamics dropped from 5.1 in 2022/2023 to 4.6 in 2023/2024, returning to its 2021/2022 levels, while Burdens and Regulation recorded a notable decrease from 4.6 to 3.8 in the last year, indicating increased regulatory challenges. Government Policy: Support & Relevance followed a similar downward trend, falling from 4.7 to 3.8 in 2023/2024. Additional indicators also highlighted areas of concern. Social and Cultural Norms declined from 4.3 to 3.8, and Government Entrepreneurial Programs and R&D Transfer also weakened, suggesting a need for enhancing institutional and innovation-related support. Entrepreneurial Finance remains one of the most critical weaknesses of Cyprus' ecosystem, recording a slight reduction from last year, from 3.6 to 3.5, indicating persistent difficulties in accessing funding. Entrepreneurial Education at the school level continues to be the weakest condition, declining further to 2.1 in 2023/2024, from 2.5% in 2022/2023 and 2.7% in 2021/2022.

The GEM NES methodology allows for a comparison between Cyprus and the European average, as shown in Figure 4.3 A-C. In 2023/2024, Cyprus' entrepreneurial ecosystem continues to fall behind the European average in most of the rated conditions. For example, Cyprus scores lower in Physical Infrastructure (5.8 in Cyprus, 6.2 in Europe), Commercial & Professional Infrastructure (5.0 in Cyprus, 5.5 in Europe), and Entrepreneurial Education Post-School (4.3 in Cyprus, 4.8 in Europe). The gaps are even wider in areas like Entrepreneurial Finance (3.5 in Cyprus, 4.6 in Europe), Government Entrepreneurial Programs (3.5 in Cyprus, 4.6 in Europe), and

Entrepreneurial Education at School (2.1 in Cyprus, 3.1 in Europe). Despite these challenges, Cyprus performs slightly better than the average European rate in Government Policy: Taxes & Bureaucracy (4.9 in Cyprus, 4.8 in Europe). This is a shift from the previous year when Cyprus performed better in terms of Government Policy: Support & Relevance. The overall trend points to a decline in Cyprus' entrepreneurial ecosystem conditions, signaling the need for targeted improvement. Strengthening these areas could help Cyprus create a more supportive environment for entrepreneurship.

NES results also enable comparisons with specific countries. In this report, Greece was employed as a benchmark country for Cyprus. When compared to Greece (Figure 4.4), Cyprus demonstrates higher scores in certain entrepreneurial dimensions. Notably, Cyprus scores higher in Physical Infrastructure (5.8 in Cyprus, 5.6 in Greece), Entrepreneurial Education Post-School (4.3 in Cyprus, 4.0 in Greece), and Government Policy: Taxes & Bureaucracy (4.9 in Cyprus, 4.8 in Greece). However, Greece holds better entrepreneurial conditions than Cyprus in several areas, including Commercial & Professional Infrastructure (5.7 in Greece, 5.0 in Cyprus), Ease of Entry: Market Dynamics (5.1 in Greece, 4.6 in Cyprus), Social and Cultural Norms (4.5 in Greece, 3.8 in Cyprus), and R&D Transfer (4.8 in Greece, 3.4 in Cyprus). When compared to Luxembourg, Cyprus shows both similarities and disparities across various entrepreneurial conditions. For example, Cyprus scored slightly higher in terms of their performance on Government Policy: Taxes & Bureaucracy (4.9 in Cyprus, 4.8 in Luxembourg). However, Luxembourg performs notably better in Entrepreneurial Education Post-School (5.2 in Luxembourg, 4.3 in Cyprus), Government Entrepreneurial Programs (5.0 in Luxembourg, 3.5 in Cyprus), R&D Transfer (4.7 in Luxembourg, 3.4 in Cyprus), and Entrepreneurial Education at School (4.1 in Luxembourg, 2.1 in Cyprus). On the other hand, Cyprus holds better Physical Infrastructure (5.8 in Cyprus, 5.6 in Luxembourg) and can provide better Ease of Entry: Market Dynamics (4.6 in Cyprus, 3.9 in Luxembourg).

Figure 4.6 provides a summary of the ecosystem conditions across Cyprus, Greece, Luxembourg, and the European average. These comparisons highlight areas where Cyprus can focus its efforts to improve by adopting best practices from other entrepreneurial ecosystems.

### National Entrepreneurship Context Index (NECI)

GEM calculates the National Entrepreneurship Context Index (NECI) as the arithmetic mean of an economy's EFCs, offering an overall snapshot of how supportive each country's environment is for entrepreneurship. According to this year's results as illustrated in Figure 4.7, Lithuania (6.1), Estonia and the Netherlands (both 5.9) top the European region with the highest NECI scores, reflecting the most conducive environments for entrepreneurial activity.

On the other hand, countries such as Spain (3.8), Cyprus (4.0), and Slovakia (4.0) appear at the lower end of the NECI scale in Europe, suggesting comparatively less supportive ecosystems. Cyprus in particular, continues to face challenges in fostering entrepreneurship, and these results highlight the need for focused efforts to strengthen the entrepreneurial framework and address ecosystem weaknesses in order to enhance competitiveness and innovation capacity.

The rest of this Section discusses the results of each of the core framework conditions measured by GEM NES in detail.

## 4.1 STRENGTHS AND WEAKNESSES OF THE ENTREPRENEURIAL ECOSYSTEM IN CYPRUS

### Physical Infrastructure

The high quality of Cyprus' physical infrastructure (Table 4.1) continues to be a strength of the entrepreneurial ecosystem of the country, as reflected in the latest respective scores, according to experts' viewpoints. Experts continue to rate access to communications (telephone, internet, etc.) favorably, with a score of 6.5 in 2023/2024 (slightly lower compared to 6.6 in 2022/2023). Similarly, access to utilities such as gas, water, electricity, and sewer remains strong at 7.1 in 2023/2024 which illustrates an increase from 6.3 in the prior year. The overall infrastructure supporting new and growing firms (e.g., including roads, utilities, communications etc.) is also well-regarded, maintaining a high score of 6.5. However, the availability of affordable office space for startups scored 3.9, and access to production space scored 3.7 in 2023/2024. Both factors are not only lower than 2022/2023 but also notably lower compared to the EU average (5.6 for office space and 5.1 for production space). These results highlight that while Cyprus performs well in general infrastructure access and quality, affordability and availability of business offices remain key challenges that could hinder further entrepreneurial growth.

### Commercial and Services Infrastructure

Access to reliable commercial and services infrastructure remains a critical asset for supporting new and growing businesses in Cyprus (Table 4.2). In 2023/2024, this framework condition continues to be regarded as one of the strengths of the entrepreneurial ecosystem. Experts noted that there are sufficient subcontractors, suppliers, and consultants available to support business activity, with a score of 5.1. This is slightly lower than the previous year (5.4) and lower to the EU average of 5.6. While experts consider the availability of such services, affordability remains a concern. The cost of using subcontractors, suppliers, and consultants in Cyprus scored 3.4 in 2023/2024, lower than last year's 4.5 and below the EU average (3.9). This score is lower to that of Greece (3.7) and Luxembourg (3.9). However, as benchmark countries have also scored low on these factors, the results suggest that affordability of services has declined not only in Cyprus but also in other European countries. Additionally, access to professional services is rated highly. It remains easy to obtain quality legal and accounting services (5.9), as well as banking services such as checking accounts, foreign exchange transactions, and letters of credit (5.0). Although both scores are slightly lower than in 2022/2023, they are still competitive compared to other countries. Furthermore, cloud computing services in Cyprus are considered accessible and reasonably priced, with a score of 6.2 in 2023/2024. Cyprus performs better on this factor compared to Greece (5.4) and Luxembourg (6.0), though slightly behind the EU average (6.8). While Cyprus demonstrates a good quality of commercial and services infrastructure, there is room for improvement in ensuring broader affordability.

### Government Policies

Cyprus continues to emphasize on the development of legal and tax frameworks to support entrepreneurial activity. The 2023/2024 scores for the Government Policies framework condition demonstrate that experts in Cyprus view taxation as relatively favorable for entrepreneurship, with a score of 5.2 for the perception that taxes are not a burden. We note that this factor marks a decline from 6.2 in 2022/2023. Cyprus' score is higher compared to the corresponding EU average score (4.4) and Greece's (4.8). The predictability and consistency of tax and regulatory implementation are still perceived as a strength of the ecosystem, scoring 6.1. While this is a slight decrease of the score compared to the previous year (6.3), it remains above the EU average of 4.3 and Luxembourg's score of 4.0. Experts also report that registering new businesses is relatively affordable in Cyprus (5.6). However, this is lower than both Greece (6.6) and the EU average (8.4), suggesting the need for further action targeted towards improvement in administrative cost efficiency. Similarly, while the ease of obtaining permits within a week is rated at a lowly 2.9, even though an improvement compared to the previous year (2.4), it is lagging behind the EU (5.1) and Greece (4.8). Along these lines, expert perception that local government prioritizes support for new and growing businesses has increased to 3.2 in 2023/2024, compared to 2.4 from two years ago. Yet, this remains below Greece and Luxembourg (both at 4.1), indicating a need for stronger local-level commitment. These results demonstrate the need to address challenges on licensing speed, business registration costs, and local support. Findings on government policies are outlined in Table 4.3.

### Entrepreneurial Education and Training

Entrepreneurial education in Cyprus remains a persistent challenge for the country's entrepreneurial ecosystem. The GEM framework assesses education at both the school and post-school levels, and expert evaluations continue to highlight shortcomings, particularly with regards to education at school level. In 2023/2024, experts rated the encouragement of creativity, self-sufficiency, and personal initiative in primary and secondary education at 2.4, which is one of the lowest scores in this category and well below the European average (3.8), as well as below Greece (3.0) and Luxembourg (4.2). Similarly, instruction in market economic principles in schools is rated poorly (2.0). This score is lower compared to Europe (2.8) and other benchmark countries. The lowest rating among all items in this area was for the attention given to entrepreneurship and new firm creation, which scored 2.0. This demonstrates a gap in early-stage entrepreneurial exposure, especially when compared to the EU average (2.4), Greece (2.9), and Luxembourg (4.1).

On education at post-school level, although Cyprus performs better compared to education at school level, experts still consider this area to be a shortcoming of the ecosystem. Universities and colleges received a score of 4.3 for adequately preparing students to start and grow businesses, aligning with the results of the previous year. This score is lower compared to Luxembourg (5.0) and the EU average (4.5). Similarly, business and management education received a score of 4.2, which is also lower than both Luxembourg (5.3) and the EU (4.8). The vocational, professional, and continuing

Table 4.1: Physical Infrastructure\*

The physical infrastructure (roads, utilities, communications, water disposal) provides good support for new and growing firms	5.5	6.5	6.5	5.3	6.6	5.1
It is not too expensive for a new or growing firm to get good access to communications (phone, Internet, etc.)	5.0	6.6	6.9	5.1	6.4	6.8
A new or growing firm can get good access to communications (telephone, internet, etc.) in about a week	6.1	5.4	6.5	6	6.3	5.9
New and growing firms can afford the cost of basic utilities (gas, water, electricity, sewer)	5.8	5.4	5.5	5.7	6.7	3.9
New or growing firms can get good access to utilities (gas, water, electricity, sewer) in about a month	6.3	6.3	7.1	6.4	7.1	5.6
There are plenty of affordable office spaces to rent for new and growing firms	3.8	4.3	3.9	4.8	3.4	5.6
There are plenty of affordable production spaces to rent for new and growing firms	4.9	3.9	3.7	5	2.6	5.1
	2021/2022	2022/2023		2023/2024		

Table 4.2: Commercial and services infrastructure\*

There are enough subcontractors, suppliers, and consultants to support new and growing firms	5.4	5.4	5.1	6.1	5.8	5.6
New and growing firms can afford the cost of using subcontractors, suppliers, and consultants	3.8	4.5	3.4	4.4	3.7	3.9
It is easy for new and growing firms to get good subcontractors, suppliers, and consultants	5.1	4.6	4.1	5.2	4.2	4.2
It is easy for new and growing firms to get good, professional legal and accounting services	6.0	6.6	5.9	5.8	5.2	6.1
It is easy for new and growing firms to get good banking services (checking accounts, foreign exchange transactions, letters of credit)	6.2	5.5	5	5.9	3.3	5.1
New and growing firms can get access to cloud computing services at affordable prices	-	6.4	6.2	6.6	5.4	6.8
	2021/2022	2022/2023		2023/2024		

Table 4.3: Government policies\*

Government policies (e.g., public procurement) consistently favor new firms	4.1	4.3	3.9	4.1	3.8	3.3
The support for new and growing firms is a high priority for policy at the national government level	5.3	5.3	4.3	5.1	4.8	3.7
The support for new and growing firms is a high priority for policy at the local government level	3.6	4.4	3.2	4.1	4.1	4
Entrepreneurs can register new firms/businesses at reasonable cost	6.0	6.3	5.6	6.6	5.9	8.4
New firms can get most of the required permits and licenses in about a week	2.9	2.4	2.9	4.8	3.1	5.1
The amount of taxes is NOT a burden for new and growing firms	7.1	6.2	5.2	4.8	4.7	4.4
Taxes and other government regulations are applied to new and growing firms in a predictable and consistent way	6.1	6.3	6.1	4	6.1	4.3
Coping with government bureaucracy, regulations, and licensing requirements is not unduly difficult for new and growing firms	4.2	4.0	4.2	4.3	4.3	4.4
	2021/2022	2022/2023		2023/2024		

\*(scale: 1=completely false, 9=completely true)

Table 4.4: Entrepreneurial Education &amp; Training\*

Teaching in primary and secondary education encourages creativity, self-sufficiency, and personal initiative	2.9	2.8	2.4	3	4.2	3.8
Teaching in primary and secondary education provides adequate instruction in market economic principles	2.9	2.4	2	3.1	4.1	2.8
Teaching in primary and secondary education pays adequate attention to entrepreneurship and new firm creation	2.2	2.2	2	2.9	4.1	2.4
Colleges and universities provide adequate preparation for starting up and growing new firms	3.8	4.3	4.3	4.1	5	4.5
The level of business and management education provides adequate preparation for starting up and growing new firms	4.2	4.2	4.2	3.5	5.3	4.8
The vocational, professional, and continuing education systems provide adequate preparation for starting up and growing new firms	3.7	4.5	4.2	4.1	5.3	4.4
	2021/2022	2022/2023	2023/2024			

Table 4.5: Government entrepreneurship programs\*

A wide range of government assistance for new and growing firms can be obtained through contact with a single agency	3.5	3.5	3.5	4.1	4.7	3.1
Science parks and business incubators provide effective support for new and growing firms	2.1	1.8	1.7	4.3	5.2	4.9
There is an adequate number of government programs for new and growing businesses	4.7	4.3	3.7	5	5.7	5.5
The people working for government agencies are competent and effective in supporting new and growing firms	3.3	4.6	4.2	4.5	5.2	4.2
Almost anyone who needs help from a government program for a new or growing business can find what they need	3.9	3.7	3.8	3.7	4.7	3.2
Government programs aimed at supporting new and growing firms are effective	5.0	3.7	3.4	3.5	4.3	3.3
	2021/2022	2022/2023	2023/2024			

Table 4.6: Access to finance\*

There is sufficient equity funding available for new and growing firms	4.1	3.9	3.9	4.5	4.9	4.5
There is sufficient debt funding available for new and growing firms	4.6	3.9	3.1	3.9	4	4.5
There are sufficient government subsidies available for new and growing firms	5.5	5.0	4.4	5.1	5.2	3.9
There is sufficient funding available from informal investors (family, friends and colleagues) who are private individuals (other than founders) for new and growing firms	4.3	4.6	4.8	5.2	5.5	5
There is sufficient professional Business Angels funding available for new and growing firms	3.7	3.3	3.6	4.3	5.5	5
There is sufficient venture capitalist funding available for new and growing firms	2.7	2.6	3.1	5.1	4.4	5.5
There is sufficient funding available through initial public offerings (IPOs) for new and growing firms	1.9	2.3	1.9	3.1	3.4	4.3
There is sufficient private lenders' funding (crowdfunding) available for new and growing firms	2.2	2.5	2.9	3.3	4.1	5.5
In my country it is easy: to get debt funding (bank loans and similar for new and growing firms)	-	3.2	2.7	3.5	3.4	3.9
It is easy to hire financial support services at reasonable cost for new and growing firms	5.2	4.8	4.3	4.4	4.2	4.6
It is easy for nascent entrepreneurs to get enough seed capital to cover start-up and early-stage expenses of a new business	4.4	4.0	4	4.1	4.3	3.7
It is easy to attract investors / funds to make a new business grow once the start-up phase is completed	3.5	3.7	4.2	4	4.7	4.5
	2021/2022	2022/2023	2023/2024			

\*(scale: 1=completely false, 9=completely true)

Table 4.7: Cultural and social norms\*

	2021/2022	2022/2023	2023/2024	
The national culture is highly supportive of individual success achieved through own personal efforts	4.1	4.8	4.5	4.7
The national culture emphasizes self-sufficiency, autonomy, and personal initiative	3.8	4.5	3.8	4.8
The national culture encourages entrepreneurial risk-taking	2.7	3.7	3.1	3.7
The national culture encourages creativity and innovativeness	3.6	4.0	3.4	4.3
The national culture emphasizes the responsibility that the individual (rather than the collective) has in managing their own life	4.0	4.3	4.2	5

Table 4.8: Internal market dynamics and burdens \*

	2021/2022	2022/2023	2023/2024	
The markets for consumer goods and services change dramatically from year to year	4.5	5.1	4.8	5.2
The markets for business-to-business goods and services change dramatically from year to year	4.7	5.1	4.3	5
New and growing firms can easily enter new markets	4.0	5.0	3.4	4.3
New and growing firms can afford the cost of market entry	3.3	4.4	3.3	4.1
New and growing firms can enter markets without being unfairly blocked by established firms	4.3	4.5	3.6	4.8
The anti-trust legislation is effective and well enforced	4.8	4.8	4.5	4.8

Table 4.9: Research and development transfer\*

	2021/2022	2022/2023	2023/2024	
New technology, science, and other knowledge are efficiently transferred from universities and public research centers to new and growing firms	3.8	3.2	2.7	4.4
New and growing firms have just as much access to new research and technology as large, established firms	4.1	4.3	3.3	4.5
New and growing firms can afford the latest technology	2.9	4.2	3.4	5.5
There are adequate government subsidies for new and growing firms to acquire new technology	3.8	4.7	3.5	4.9
The science and technology base efficiently supports the creation of world-class new technology-based ventures in at least one area	4.3	4.2	3.9	4.7
There is good support available for engineers and scientists to have their ideas commercialized through new and growing firms	3.7	3.4	3.3	4.5

\*(scale: 1=completely false, 9=completely true)



education system was rated slightly higher at 4.2, indicating an improvement from 3.7 in 2022/2023. However, this also lags behind the EU (4.4) and Luxembourg (5.3).

The results on entrepreneurial education framework condition demonstrate that both school-level and post-school entrepreneurial education in Cyprus remain an important shortcoming, warranting the need for enhancement of curriculums at all levels. Table 4.4 provides a summary of expert perceptions across these areas.

### Government Entrepreneurship Programs

NES experts also provide insights suggesting that Government Entrepreneurship Programs in Cyprus are not sufficiently supportive of entrepreneurial activity (Table 4.5). This framework condition has shown a consistent decrease in scores over the past three years, indicating difficulties regarding the accessibility and effectiveness of such programs. Compared to benchmark countries and the EU average, Cyprus continues to hold a lower score in this area. In 2023/2024, experts rated the availability of government programs for new and growing firms at 3.7, which marks a decline from 4.3 in the previous year. This score is notably lower than Luxembourg (5.7), Europe (5.5), and Greece (5.0). Additionally, the ability to obtain government assistance through a single agency in Cyprus is rated low (3.5) and is below the EU average of 3.1 and benchmark scores in Greece (4.1) and Luxembourg (4.7). One of the most critical weaknesses is the lack of effective support from science parks and business incubators, with a score of just 1.7 in 2023/2024. This is notably lower compared to Europe (4.9), Greece (4.3), and Luxembourg (5.2). Moreover, experts' rate on the ability for individuals to find the help they need from a government program stands at 3.8. Regarding the competence and effectiveness of government staff supporting entrepreneurs, the score in 2023/2024 decreased to 4.2 from 4.6 in 2022/2023, and also remains lower compared to Luxembourg (5.2) and the EU (4.2). Finally, the perceived effectiveness of government programs aimed at supporting new and growing firms has decreased to 3.4 in 2023/2024. This further supports the conclusion that Cyprus needs to establish more targeted, coordinated, and well-resourced entrepreneurship programs. Investment in infrastructure such as science parks and incubators in particular, could be a pathway for enhancing support for early-stage businesses.

### Financial environment for entrepreneurship

Access to finance remains an important pillar for entrepreneurial growth in Cyprus. However, the 2023/2024 GEM NES results suggest that expert views on the financial support available to new and growing businesses have not improved in recent years. Experts report that equity funding opportunities are insufficient, with a score of 3.9. This score remains unchanged from last year and is lower than the averages for Europe, Greece, and Luxembourg. Similarly, the availability of debt funding has decreased to 3.1, also placing Cyprus behind other benchmark countries. Government subsidies received a moderate rating of 4.4, but this is still below both Greece (5.1) and Luxembourg (5.2). Funding from informal sources, such as friends and family, is perceived as more accessible by the experts (4.8); again, the score remains below the levels reported in Europe and benchmark countries. More advanced funding sources, such as business angels (3.6) and venture capital (3.1), are perceived as scarce.

Access to funding through initial public offerings (IPOs) and crowdfunding also remains limited, scoring just 1.9 and 2.9 respectively. These figures are notably below the European average. Experts also find it challenging for entrepreneurs to secure bank loans, with a rating of 2.7, indicating lower ease of access compared to Greece, Luxembourg, and the EU average. Identifying financial support services is seen as somewhat easier (4.3), but still not competitive with European standards. When it comes to funding throughout the entrepreneurial journey, Cyprus scores 4.0 for access to early-stage seed capital, and only 3.7 for attracting follow-up investment after the initial startup phase. In summary, Cyprus still faces significant gaps in financing entrepreneurial activity at all stages. These results (Table 4.6) point to a continued need for targeted financial support mechanisms and stronger investor engagement.

### Cultural and social norms

Cultural and social norms continue to present challenges for the entrepreneurial environment in Cyprus. Although there has been modest improvement in expert perceptions compared to the previous year, this framework condition is still viewed as a relative weakness within the Cyprus ecosystem. In particular, entrepreneurial risk-taking remains under-supported by the prevailing culture, scoring 3.1 in 2023/2024. While this reflects progress from 2.7 in 2022/2023, Cyprus' score is lower than the score of benchmark countries such as Luxembourg (4.8) and the EU average (4.8). Experts also note that the national culture does not sufficiently encourage creativity and innovation. Cyprus has received a score of 3.4, which is below the European average (5.4) and Luxembourg (5.7). Support for individual success through personal effort is rated at 4.5. However, it is still lower compared to Luxembourg (5.3) and the EU average value (6.0). Emphasis on self-sufficiency, autonomy, and personal initiative scored 3.8, while the cultural focus on individual responsibility received a 4.2. Both figures remain behind Luxembourg, which scored 4.5 and 4.9 respectively. These results show that there is progress recorded across some cultural dimensions, but Cyprus still experiences a cultural gap which may be hindering entrepreneurship. Enhancing public perception around risk-taking, creativity, and autonomy could help build a stronger, more supportive cultural environment for entrepreneurial growth. Table 4.7 provides detailed comparative data across countries.

### Ease of Entry

In the evolving landscape of consumer and business markets, the NES assesses the Ease of Entry for new and growing businesses by focusing on internal market dynamics and regulatory burdens. In Cyprus, experts perceive that the anti-trust legislation is effective and well-enforced, with a score of 4.5 in 2023/2024. This remains unchanged from the previous year but is below the European average (5.2). Regarding affordability, new and growing firms can afford the cost of market entry scored 3.3 in 2023/2024, matching the 2021/2022 level but remaining lower compared to Greece (4.1), Luxembourg (4.1), and Europe (4.2). Experts are slightly more optimistic about new and growing firms being able to easily enter new markets, with a score of 3.4 in 2023/2024. This is still lower compared to Europe (4.9), Luxembourg (4.8), and Greece (4.3). In terms of market dynamics, the statement shows that the markets for consumer goods and

services change dramatically from year to year was rated at 4.8, while the statement that the markets for business-to-business goods and services change dramatically from year to year was rated at 4.3. Both scores are below the EU average (5.9 and 5.2, respectively), yet still reflect moderate levels of perceived change. On the issue of fairness, the statement that new and growing firms can enter markets without being unfairly blocked by established firms received a score of 3.6, which is lower than Greece (4.8), Europe (4.6), and Luxembourg (4.2). Table 4.8 summarizes the findings related to internal market dynamics, entry burdens, and regulatory fairness for Cyprus and selected benchmark countries.

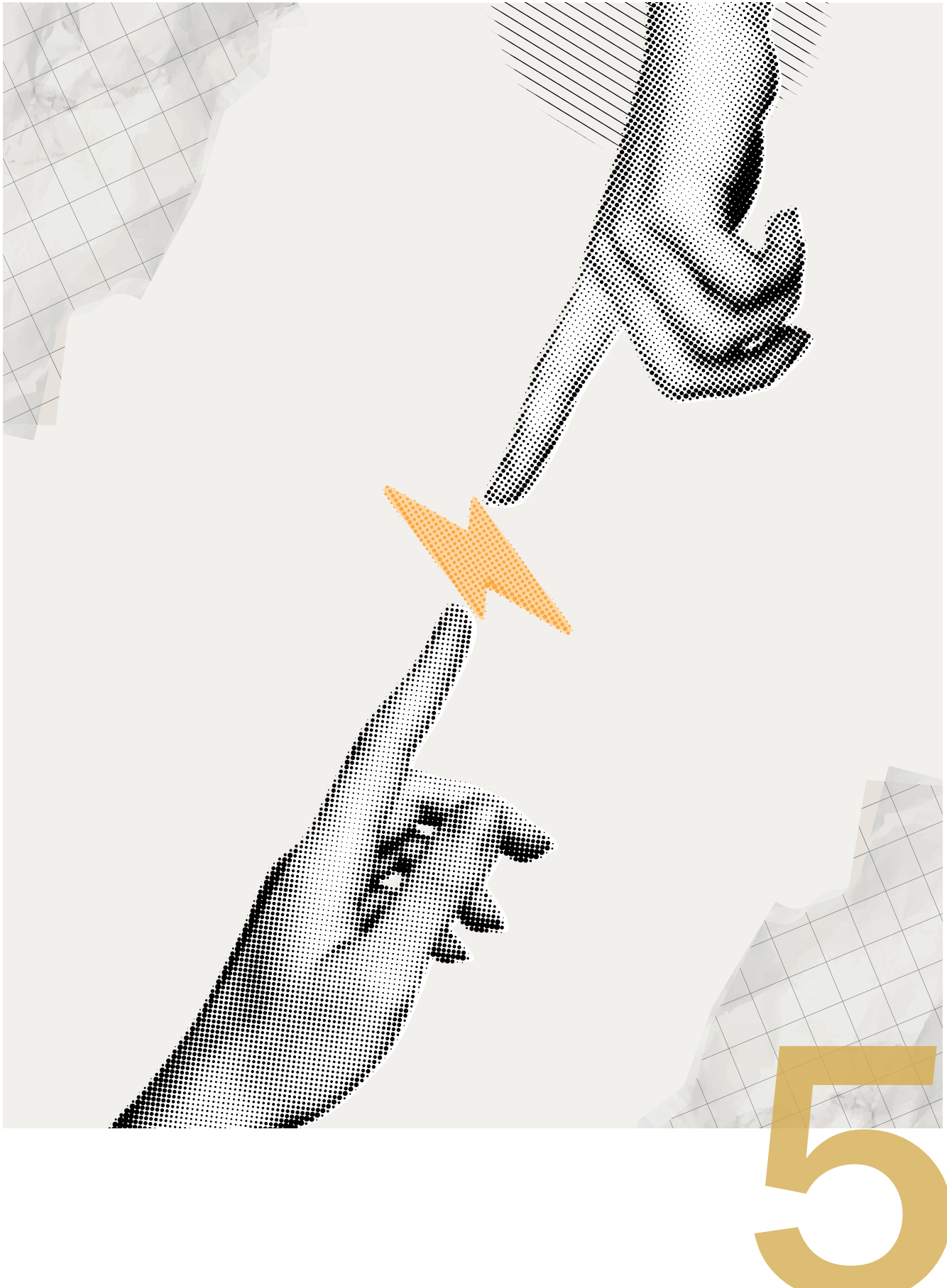
## Research and Development (R&D) Transfer

Research and development (R&D) holds a critical role in driving innovation, productivity, and long-term competitiveness (Table 4.9). In Cyprus, however, R&D transfer continues to be viewed as a weakness within the entrepreneurial ecosystem. In 2023/2024, experts rated the statement that new technology, science, and other knowledge are efficiently transferred from universities and public research centers to new and growing firms at 2.7, which is lower to the 2022/2023 score of 3.2. This remains notably below the scores for Greece (4.4), Luxembourg (4.7), and the EU average (4.7). Similarly, for the statement that new and growing firms have just as much access to new research and technology as large, established firms, Cyprus scored 3.3, falling behind Greece (4.5), Luxembourg (4.6), and Europe (3.9). When asked whether new and growing firms can afford the latest technology, experts in Cyprus rated this at 3.4, showing a small improvement from 2.9 in 2021/2022. Nonetheless, this score continues to be lower to Greece (5.5), Luxembourg (3.8), and the EU average (3.2). The statement that there are adequate government subsidies for new and growing firms to acquire new technology was rated at 3.5, marking a decline from the 4.7 recorded in the previous year. This places Cyprus below Greece and Luxembourg (both 4.7), though slightly above the EU average (3.2). On the efficiency of the science and technology base in supporting high-quality ventures, Cyprus received a score of 3.9, which is lower than Greece (4.7), Luxembourg (5.5), and the EU (4.9). Finally, support for commercializing ideas was also viewed as limited. Experts gave the statement that there is good support available for engineers and scientists to have their ideas commercialized through new and growing firms, a score of 3.3. This is lower compared to Greece (4.5), Luxembourg (4.8), and the EU (4.3). The results show that Cyprus continues to have important challenges on R&D transfer, with most indicators declining across the years and/or remaining below European average values.

Overall, the findings of the GEM NES study show that Cyprus' entrepreneurial ecosystem demonstrates strengths mainly in three key areas: Commercial and Services Infrastructure, Physical Infrastructure and Government Policy regarding Taxes and Bureaucracy. These areas continue to provide important support for new and growing businesses across the years. However, despite these advantages and ongoing efforts to improve the ecosystem, Cyprus' entrepreneurial ecosystem continues to experience important weaknesses. The NECI index for 2023/2024 reflects a relatively low performance in the EFCs when compared to other European countries. Persistent challenges of the ecosystem across the years are identified in areas such as Entrepreneurial Finance, R&D Transfer, Entrepreneurial Education and Government

Entrepreneurial Programs. Some of these framework conditions have also recorded a decline over recent years, signaling a need for more targeted and coordinated support policies. These findings highlight the need for both public and private sector initiatives to address the gaps and create a more facilitating environment for entrepreneurship. The following section presents policy recommendations that directly respond to the limitations identified throughout the APS and NES analyses.

# EXISTING POLICIES AND FUTURE POLICY RECOMMENDATIONS





The 2023/2024 GEM Cyprus Report continues to serve as an evidence-based tool for informing national policy development on entrepreneurship. This year's data provide not only a detailed overview of the entrepreneurial landscape in Cyprus, but also allow for meaningful cross-country and regional comparisons. The findings emphasize the value of tailoring entrepreneurship policy to the local context, highlighting the diverse factors that shape entrepreneurial activity and attitudes across geographies. In alignment with emerging European Union emphasis on “place-based” innovation and regional development strategies, the GEM results underscore the importance of locally responsive entrepreneurship policies. Differences in entrepreneurial activity among different population groups, suggest that one-size-fits-all strategies may fall short in addressing the unique challenges and opportunities across Cyprus’ regions.

Moreover, engaging local ecosystem actors in policy design ensures that interventions are relevant, timely, and relevant in the realities of the communities they intend to serve. Such discussions should be informed by indicators such as TEA and EEA, by perceptions of capability and by fear of failure. In this context, the 2023/2024 GEM Cyprus policy recommendations aim to support the creation of a strong entrepreneurial ecosystem. Drawing on the findings of this year's report, in conjunction with prior insights from GEM results across the previous years, the following recommendations are organized into four key pillars: Education & Culture, Government Processes & Policies, Financial Support and Business Support. Each category presents actionable measures to address shortcomings aiming to improve the entrepreneurial conditions of the country.

## EDUCATION AND CULTURE

This year's results highlight that entrepreneurial education remains limited both in schools and at post-secondary levels. Consistent with previous years, GEM NES data indicates that Cyprus lacks behind on school-based entrepreneurship education compared to other EU countries, particularly in areas like creativity, self-reliance, initiative, economic understanding, and business creation. Similarly, post-school education in Cyprus experiences challenges in helping individuals to build the necessary business, management, and continuing education skills to effectively start and grow enterprises. These educational shortcomings are also reflected in the GEM APS results, which demonstrate a generally risk-averse culture toward entrepreneurship.

### Recommendations:

#### Primary and Secondary Education:

- Enhance educational opportunities at school level with approaches that encourage creativity, self-sufficiency, and personal initiative
- Integrate financial literacy and market economic principles into curricula
- Encourage project-based and experiential learning
- Promote female involvement in STEM
- Train educators on entrepreneurial pedagogies across different subjects
- Involve students in competitions and entrepreneurship bootcamps

- Embed real-world entrepreneurial case studies in teaching activities
- Invite local entrepreneurs into classrooms to mentor students interested in entrepreneurship
- Develop entrepreneurship learning modules to encourage creative risk-taking

#### Tertiary Education & Life-long Learning:

- Encourage entrepreneurship and innovation modules across all university programs
- Promote interdisciplinary teamwork between students in business, tech, humanities, and sciences
- Facilitate internships in startups and SMEs
- Create university-based entrepreneurship centers and hubs
- Offer short courses for graduates interested in starting or transforming businesses
- Teach research commercialization within doctoral/postdoctoral programs
- Enhance collaboration between academia and industry through industrial doctorates
- Establish ‘Entrepreneur-in-Residence’ programs to mentor students and university startups
- Create flexible academic programs tailored for working entrepreneurs

#### Culture and social norms:

- Promote entrepreneurial role models, celebrating their achievements and sharing their stories through media and education
- Encourage female entrepreneurs to mentor female students interested in entrepreneurship
- Promote entrepreneurial success stories through awards and media campaigns
- Include stories of failure and resilience in entrepreneurial promotion campaigns to help reduce the stigma around failed ventures
- Create a podcast series where entrepreneurs can share their personal journeys, obstacles, and pivots
- Create national “Entrepreneurship Day” events in schools and communities to foster a supportive culture

## GOVERNMENT PROCESSES & POLICIES

The 2023/2024 outcomes indicate that government policies continue to prioritize support for new and growing businesses at the national level. The NES findings show that entrepreneurs in Cyprus benefit from affordable business registration processes and a favorable tax system. Moreover, taxes and regulations are generally applied in a consistent and predictable manner. However, delays in obtaining the necessary permits and licenses remain a notable barrier for new businesses. Experts note bureaucracy, regulatory complexity, and licensing procedures as major challenges. Additionally, APS data highlights that the gender gap in TEA persists across the years, noting the need for targeted policies to promote greater female participation in entrepreneurship. These findings suggest a critical need for improvements in government structures, processes, and policy frameworks to better support the entrepreneurial environment.

## Recommendations:

### Government processes:

- Expand and digitize the Business Facilitation Unit to handle all licensing and registration
- Monitor and reduce the time required to secure business permits
- Develop a centralized “One-Stop Shop” platform for entrepreneurs to register, apply for funding, and manage compliance
- Establish a “Fast Lane” permit system for green or social innovation startups

### Government policies:

- Strengthen local government support for entrepreneurship
- Provide incentives to reduce operating costs, including energy and connectivity
- Promote inclusion by targeting women, youth, and minority-led startups
- Incentivise municipalities to support entrepreneurship and innovation through buildings and other services

### Government structures & schemes:

- Provide enhanced childcare funding eligibility to female entrepreneurs
- Promote intrapreneurship and R&D activities in existing firms
- Create regional entrepreneurship advisory councils comprising of active local business founders

## FINANCIAL SUPPORT

The 2023/2024 GEM findings continue to identify entrepreneurial finance as a major weakness within Cyprus's entrepreneurial ecosystem. NES data highlights that access to funding remains limited across various sources, including debt and equity financing, business angel investment, venture capital, and crowdfunding. These challenges affect entrepreneurs at all stages, from those in the early stages seeking seed capital to new business owners aiming to scale their ventures. The shortcomings in financial access are also highlighted in the framework condition concerning government programs. Experts perceive these programs as inadequate, with limited support available for both startups and scale-ups. Furthermore, researchers and scientists still lack the necessary backing to commercialize their innovations. The 2023/2024 results highlight the persisting need to strengthen financial support mechanisms for entrepreneurship in Cyprus.

## Recommendations:

### Investors

- Promote tax incentives for private individuals investing in startups
- Establish more actions for co-investment and government-backed VC funds
- Launch seed funding grants for investors supporting early-stage ventures
- Encourage informal investor education and engagement
- Incentivize established local businesses to act as angel investors
- Create targeted tax incentives for global angel and VC participation in Cyprus and engage the diaspora through co-investment campaigns

## Government entrepreneurship programs:

- Strengthen commercialization support for scientists and engineers
- Align sectoral programs with Smart Specialization Strategy
- Build formal investor networks to support syndication and pooled funding
- Introduce milestone-based funding, where disbursement depends on business growth/impact metrics
- Develop a “Female Founders Fund” offering grants and coaching for women-led startups
- Create fast-track microgrant programs for youth-led, green, social innovation or high-potential startups
- Launch innovation challenge funds linked to public-sector needs (e.g., energy, health)

## BUSINESS SUPPORT

In line with previous years, the 2023/2024 GEM findings confirm that Cyprus continues to offer solid physical and commercial infrastructure for new and growing businesses. Market entry conditions have shown further improvement. However, challenges persist. NES results highlight a pressing need for affordable office spaces for startups and small firms. Additionally, the support offered by science parks and business incubators is not sufficient for the needs of entrepreneurs. The transfer of new technologies, scientific knowledge, and research outputs from universities and public research institutions to the business sector is also reported as not sufficient. Moreover, in line with APS results, only a small number of early-stage entrepreneurs in Cyprus are using novel technologies or offering truly innovative products or services.

## Recommendations:

### Technology enhancement:

- Provide grants or vouchers for technology upgrading and digital adoption
- Support mentoring and training access for digital transformation
- Set up services to offer digital strategy guidance and access to digital tools for established and new businesses
- Expand high-speed internet and cloud access infrastructure nationwide

### Supportive Environment:

- Provide affordable production space for startups and microbusinesses
- Create science parks and university-linked incubators
- Build a national mentorship network of experienced entrepreneurs in different areas of critical importance (e.g., energy, environment etc.)

### Extroversion & Market Access:

- Organize international matchmaking and pitch events
- Fund participation in global trade exhibitions and startup showcases
- Provide branding and international marketing support and grants
- Create international mentorship programs pairing Cypriot startups with global founders

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6



# CYPRUS CHAMBER OF COMMERCE AND INDUSTRY

Thriving Business – Strong Economy – Prosperous Society



**Cyprus  
Chamber of  
Commerce &  
Industry**

The Cyprus Chamber of Commerce and Industry is almost 100 years old. Having the general interest of its members and of Cyprus economy as its core, the CCCI is the driving force for the development and growth of the country.

As an advising institution to the state, the CCCI submits proposals and suggestions for modernizing economic institutions and fostering entrepreneurship in Cyprus.

Standing by its member companies, it provides information, training and guidance, aiming to strengthen their market position and competitiveness.

The CCCI is contributing decisively to problem solving among businesses and to forming a favorable environment for their growth in the fields of industry, trade and services.

Building on its strong network of European Chambers, Balkan Chambers and other European institutions, and through its participation in International Chambers and other international organisations, the CCCI enhances entrepreneurship and promotes the Cyprus economy.

The CCCI's contribution to promoting the extroversion of the Cyprus economy is particularly significant, especially in strengthening exports and attracting foreign investments.

In general, the CCCI is substantially active, both locally and abroad, acting as a leading light for Cyprus' business context.

Drawing on its legacy of a hundred years of impact and influence, the CCCI will continue to play a leading role in Cyprus' economic and business reality.

## VISION

The CCCI's vision has been the development and progress of the Cyprus economy. Through constant expansion, Cyprus can have a promising future, and businesses can keep growing and improving.

The CCCI leverages its strengths to set and achieve ambitious goals that benefit both its members and the national economy. These strengths include an efficient administrative structure and organisation, strong relations with foreign governments and social partners, extensive connections within the European and international business community and a team of skilled professionals.

Through the strategic use of modern technology and commitment to professionalism and consensus-building, the

CCCI continues to effectively serve as a hub for business growth, innovation and economic progress in Cyprus. Its mission is to support businesses across Cyprus, ensuring their success and contribution to the national economy.

As a private, non-profit organization, the Chamber represents traders, manufacturers, and various business sectors, advocating for their interests and providing essential services. Established in 1927, it has evolved to meet the economy's changing needs. The Republic of Cyprus officially recognized its operations through legislation in 1968. Its headquarters are in Nicosia, with regional chambers in all cities overseeing more than 165 professional business associations across diverse sectors.

Core functions focus on helping businesses thrive, offering expert advisory services, assisting in dispute resolution, and providing trade and industry insights to government officials. Other functions include organizing events, supporting strategic development, and facilitating international trade through certification services. To further empower its members, the Chamber offers a comprehensive suite of services tailored to meet their specific needs, such as:

- **Business Advocacy and Policy Development:** representing the voice of businesses in policy discussions, advocating for favourable legislation and changes that benefit the economy.
- **Networking Opportunities:** providing valuable networking platforms for businesses to connect, share experiences, and collaborate through events, forums, and conferences.
- **Workforce Development:** Vocational training programs and engagement with EU initiatives ensuring that businesses have access to skilled workers and continuous growth.
- **Mediation and Arbitration Services:** Offering alternative dispute resolution services, helping businesses handle conflicts efficiently and cost-effectively.
- **Certification Services:** Issuing essential documents like Certificates of Origin and ATA Carnet to facilitate international trade.

The Chamber actively participates in national and international committees, shaping economic policies and supporting initiatives like tax relief, streamlined business processes, and improved funding opportunities. The Chamber's global partnerships with organizations such as the International Chamber of Commerce (ICC), Eurochambres and the European Commission, help Cyprus businesses expand into international markets.

Key roles include assisting businesses in navigating legislation and regulations, identifying funding opportunities, accessing market information on trade agreements, tariffs,

and certification requirements, promoting innovation through technology transfer and international collaboration, and fostering growth and competitiveness.

To support business expansion, the Chamber organizes trade missions, matchmaking events, and business forums, connecting companies with potential partners and offering valuable insights into foreign markets. Networking events facilitate collaboration with investors, regulators, and industry peers, strengthening the business community.

Recognizing the importance of a skilled workforce, tailored vocational training programs that enhance employee productivity and long-term competitiveness are provided. Involvement in EU programs offers further networking and knowledge-sharing opportunities for industry developments.

As coordinator of the Enterprise Europe Network (EEN), established by the European Commission in 2008, the Chamber supports not only its members but also other small and medium-sized enterprises (SMEs) in Cyprus. Services provided help SMEs navigate regulatory requirements, secure funding, and expand internationally.

Through the EEN, innovation and technology transfer is promoted, helping businesses remain competitive in a rapidly evolving market. Digital transformation and the green transition are actively supported, assisting SMEs in adopting sustainable practices and leveraging digital technologies for efficiency and growth.

By joining a local Chamber, businesses gain access to expert consulting, specialized training, and a strong voice in shaping public policy. Membership also supports digital transformation and green initiatives, helping companies enhance their reputation, optimize operations, and achieve growth in both local and international markets.

## STRUCTURE & SERVICES

The CCCI offers high quality services to its members, aiming to strengthen their position in the market.

## DEPARTMENT OF SERVICES, TRADE & DIGITALISATION

The Department of Services, Trade & Digitalisation is a key part of the CCCI, representing the majority of Professional Associations operating under its umbrella.

With a long-standing role in identifying and addressing the concerns of the Cypriot business community, the Department actively promotes sectors such as Tourism, Education, Aviation, Security Services, Real Estate and Large Investment Projects.

The Department is heavily involved in Trade, Digitalisation, and Taxation matters, providing guidance and advocating for policies that boost the competitiveness of Cypriot businesses. It closely monitors and addresses issues related to domestic imports, international trade, taxation, VAT frameworks, and regulatory compliance, ensuring that the interests of the business community are well-represented.

Additionally, the Department supports innovation and digital transformation, ensuring that Cypriot businesses can effectively adapt to new technologies and enhance their competitiveness. Through training programs and networking events, it provides businesses with the tools and knowledge

they need to integrate digital solutions, adopt sustainable practices, and align their strategies with the constantly evolving business environment.

By working with key stakeholders and implementing strategic initiatives, the Department aims to improve the business environment and support economic growth in an increasingly digital and interconnected global economy.

## DEPARTMENT OF INDUSTRIAL DEVELOPMENT, INNOVATION AND ENVIRONMENT

The Department of Industrial Development, Innovation & Environment was established to support the crucial area of manufacturing. Over the years, its role and functions have expanded significantly, making it a key pillar in promoting entrepreneurship, productivity, technology, innovation, and environmental sustainability.

Today, the department actively represents, supports, and promotes the industrial sector, working closely with the authorities to develop measures that enhance competitiveness and foster growth while aligning with the business community's priorities. Furthermore, it plays a crucial role in assisting SMEs to navigate the demands of today's competitive environment. A strong emphasis is placed on research and innovation, encouraging businesses to adopt new technologies and sustainable practices.

Recognizing the growing importance of environmental responsibility, the department actively promotes circular economy principles, supports adaptation to EU environmental directives and legislation, and helps businesses integrate green policies into their operations.

Additionally, the department systematically informs its members about legislative and business developments, provides counselling and information services, and cooperates with European and international organizations to promote the interests of Cypriot companies.

As part of its mission, the department also provides secretariat services to several professional industry associations and represents the Chamber in numerous committees, organizations, ministries, and other authorities, ensuring that the voice of the industrial sector is heard at all levels.

## DEPARTMENT OF LABOUR RELATIONS, SOCIAL POLICY & HUMAN RESOURCE DEVELOPMENT

The Department of Labour Relations, Social Policy & Human Resource Development is manned by trained and experienced personnel and provides member companies guidance, support and information on all subjects in Labour relations issues in accordance with labour laws and industrial relations practices (Labour legislation, collective bargaining and labour dispute resolution, health and safety at the workplace, social Security etc..). It also helps the Council of the CCCI in formulating labour policy, and in lobbying and promoting it through social dialogue and dialogue with public authorities. It organises training programmes and seminars that are addressed to the business community. It also represents the Chamber in tripartite Advisory Boards and Committees dealing with labour and Social Issues.

## DEPARTMENT OF INTERNATIONAL RELATIONS & ECONOMIC DIPLOMACY

The Department of International Relations and Economic Diplomacy serves as the CCCI's hub for bilateral and regional business associations, representing over 45 countries. It plays a key role in fostering and strengthening business ties between Cyprus and those nations, maintaining close cooperation with foreign embassies, high commissions, trade missions, and diplomatic representations.

In addition to managing these business associations, the department is responsible for the Chamber's international relations, acting as the primary liaison with foreign diplomatic missions, trade offices, and international organizations. It actively works to enhance Cyprus' position as a regional and international business hub, attracting foreign investment and facilitating business partnerships.

Furthermore, the department oversees the organization and execution of business delegations and trade missions both abroad and in Cyprus, promoting the latter as a gateway for international business and investment. It also ensures the Chamber's active participation in major international and European business organizations, including Eurochambres and ICC, strengthening Cyprus' presence in the global business community.

## DEPARTMENT OF EUROPEAN AFFAIRS AND PROGRAMMES

The Department of European Affairs and Programmes is dedicated to bringing Europe closer to the business community of Cyprus. Through active participation in EU-funded projects and initiatives, as well as membership in the EEN, the department provides businesses across Cyprus with invaluable support. This includes free advisory services, direct access to EU policies and legislation, funding opportunities, business and research cooperation prospects, participation in EU public consultations, and other key insights relevant to European enterprises. Additionally, the department oversees the CCCI Mediation Service, which offers specialized training seminars and support in this field.

## EU SUPPORT TOOLS FOR SMES

Several EU support tools are accessible to assist SMEs in locating funding, obtaining information and guidance, accessing training and partnerships, or seeking help and advice. The effective functioning of these tools relies on the involvement of member organizations known for their excellence in providing business support.

Two of these tools are provided by the Chamber, as it actively participates in both European tool programs. Namely, it serves as a coordinator for EEN Cyprus and a partner in the European Digital Innovation Hubs (EDIH) Network.

## ENTERPRISE EUROPE NETWORK

EEN is a Network of one-stop shops where local companies can turn to for advice and benefit from a wide range of free supporting services.

It was set up by the European Commission in 2008 to help in the implementation of the Lisbon Strategy, targeting to transform

Europe into the most competitive and dynamic knowledge-based economy in the world, able to grow economically while creating improved jobs and stronger social cohesion.

## DIGITAL INNOVATION HUB CYPRUS

DiGiNN is a pioneering initiative in Cyprus supported by EC UNDER DIGITAL EU PROGRAM and DMRID, bringing together the country's leading research and innovation players under one unified service platform. It serves as a one-stop shop for SMEs and public sector organizations, guiding them through every step of their digital transformation journey. Covering all business sectors and key Digital Europe Programme technologies—including AI, HPC, Cybersecurity, and advanced digital technologies—DiGiNN provides nationwide access to strategic facilities, testbeds, and expert knowledge. The first-ever project in Cyprus aims to facilitate the digital and green transformation of Cypriot entities to strengthen their competitiveness and sustainability.

## PUBLIC RELATIONS AND COMMUNICATIONS DEPARTMENT

The responsibility for the communication of the Chamber with the Mass Media lies with the Public Relations and Communication Department, aiming for the immediate and timely promotion of the positions and activities of the Chamber.

Mass Media play a crucial role in highlighting the hard work undertaken by the Chamber as a Social partner in Cyprus. In this capacity, CCCI participates alongside Trade Unions and the Government in various tripartite cooperation committees in Cyprus, covering a wide range of economic and social issues communicated and highlighted in the Mass Media daily.

## SOCIAL MEDIA

CCCI is actively involved in the realm of social media. Specifically, through the corporate pages of the Chamber on Facebook, Twitter, LinkedIn, and YouTube, interested users can constantly stay informed about announcements, circulars, missions, seminars, and actions of the Chamber.

Through a dedicated YouTube account, members can watch public statements by Chamber executives on television channels and stay informed about CCCI's positions on various issues.

## CCCI WEBSITE - ELECTRONIC NEWSLETTER

Through the Chamber's website (<https://ccci.org.cy/>), the role of the Organization and the services it offers, the activities of its departments, European Programs and Networks, and the International Organizations in which it participates are showcased.

Member updates are provided through informative circulars covering legislation, announcements, seminars, missions in Cyprus and abroad, events organized, and other useful information relevant to CCCI members. Circulars are translated into English for better, seamless information of the Organization's members.

The website is updated in real-time with new announcements and circulars, thus keeping members informed at all times. Additionally, members receive the daily informative newsletter «CCCI Latest Updates» categorizing announcements of the day.

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## ATTRIBUTION

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## MORE INFORMATION

For more information on GEM Cyprus, please visit <https://www.c4e.org.cy/>

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