

# Opinium Global Entrepreneurship Index 2025

Strategic insight report



Insights  
with impact



Agency of the Year



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# James Endersby

Opinium CEO  
MRS Chair



Entrepreneurship is the lifeblood of innovation and progress, driving economic growth and societal change. In an ever-evolving global landscape marked by economic volatility, funding challenges, and shifting geopolitical dynamics, entrepreneurs remain resilient, adapting to create opportunities where others see obstacles.

The **Opinium Global Entrepreneurship Index** is a critical resource, benchmarking the entrepreneurial environment across 137 markets over 15 years. By examining key indicators—such as access to funding, governance, and infrastructure—the Index provides valuable insights into the factors that enable or hinder new businesses. These findings empower entrepreneurs, guide investors, and inform policymakers on fostering a thriving business ecosystem.

This year's report highlights a complex but hopeful picture. While North America and Europe retain their lead as the most conducive regions for entrepreneurship, East Asia and the Pacific continue to rise, with Singapore and Hong Kong setting a global standard. At the same time, the UK, US, and the European Union, all face increasing competition, underscoring the need for robust policies to sustain their edge.

As a business leader, I celebrate the determination of entrepreneurs everywhere and urge stakeholders to champion environments where ideas can flourish. Together, we can build a world where entrepreneurship transforms lives and communities for the better.







## Hannah Bernard OBE

Co-Chairs of the Invest in Women Taskforce



## Debbie Wosskow OBE

Co-Chairs of the Invest in Women Taskforce



“

Increased female entrepreneurship is a proven driver of economic growth at higher economic returns, yet women received just 1.8% of equity investment in H1 2024. To change this, the Invest in Women Taskforce has convened over £250m of funding commitments, one of the world's largest to be deployed by female investors to support female and mixed businesses. While the latest GEI shows progress in both female workforce participation and entrepreneurship, the gains are far too slow and won't automatically translate into equity-backed female founders without a systemic catalyst. Accelerating change at pace will require bold action from financial services institutions and policymakers alike.

”



## Chris Curtis MP

Co-chair of the Labour Growth Group



The latest **Opinium Global Entrepreneurship Index** is a stark warning for Britain. For six years, the UK has remained outside the top 20—an indication of the tough economic inheritance we face and a reminder that driving economic growth must be this government's top priority.

The new government's agenda offers a crucial opportunity to reverse this decline by addressing the deep-rooted structural barriers that have held businesses back for too long. The Labour Growth Group is committed to championing bold, pro-business reforms that make it easier for entrepreneurs to start, scale, and succeed in the UK.

This report underscores the urgent need to strengthen our digital infrastructure, invest in skills, and ensure Britain remains an attractive place to do business. High costs, weak infrastructure, and uneven demand are stifling our potential—we are determined to change that. Our goal is clear: to build a dynamic, high-growth economy that puts money in people's pockets and creates opportunities for all.



# Introducing the Index

## Mapping the best environments for entrepreneurs and new businesses across the globe

The **Opinium Global Entrepreneurship Index** is a tool for entrepreneurs, businesses and policymakers to benchmark and track the entrepreneurial environment in 137 different markets since the financial crisis over 15 years ago. The Index assesses various factors that influence the ability and success of those setting up new enterprises, with indicators that demonstrably correlate with successfully increasing the number of new startups and encourage a positive environment for business.

The Index provides valuable insights into how conducive a country is for starting and growing businesses. By highlighting strengths and areas for improvement, the Index helps policymakers, investors, and entrepreneurs identify opportunities and challenges within different markets. Understanding these dynamics enables governments to tailor their policies to foster a more supportive environment for entrepreneurship, drives economic growth, and enhances global competitiveness.

In a highly interconnected world, where entrepreneurship plays a crucial role in innovation and job creation, the **Opinium Global Entrepreneurship Index** serves as a critical tool for understanding and improving the entrepreneurial landscape globally.

## If you only have one minute

- 01 Western markets retain overall global advantage for now**  
North America and Europe maintain their overall position in the continental league tables as the best places to set up a new business, despite growing competition from East Asia and the Pacific.
- 02 The Asian Tigers remain the elite markets for new enterprises**  
Singapore and Hong Kong maintain their hold on the very top of the Global Entrepreneurship Index, with Macao also ranking highly, while the Nordics and Benelux headline the best Western markets for entrepreneurs.
- 03 UK held back by infrastructure and connectivity**  
The UK remains an attractive market for entrepreneurs, with solid performance in Governance and improving scores in Human Capital. However, it faces losing a historic competitive advantage in Connectedness and related infrastructure.
- 04 How the European Union is losing its edge**  
The gap between the EU and APAC has narrowed over the past decade. While the EU remains strong in governance, barriers to financial access and competition in its traditionally strong infrastructure sector present challenges.
- 05 USA remains a global economic powerhouse**  
The USA continues to excel in financial access and innovation, driven by a strong economy and support systems for entrepreneurs. However, trade barriers, labour market challenges, and unpredictability in government are potential barriers to overall entrepreneurial growth.



# Taunya Renson-Martin

Founder & CEO Mach Media  
Global Board Director, Entrepreneurs' Organization



“

As an African American woman living in Europe and the owner of a SME, I have firsthand experience in how entrepreneurship can create opportunities for stronger and more connected communities. It's a driver of real change, as entrepreneurs deliver much needed economic growth that reduces inequalities. Across the world, however, business owners are still facing a lack to funding and red tape that slows or impedes the potential of entrepreneurship to truly catalyse change. By opening up access, levelling the playing field and reducing administrative friction, we can empower more business owners to design a better world for us all.

”

# Dave Parker

Serial entrepreneur  
CEO, Entrepreneurs' Organization



“

With nearly 20,000 entrepreneurs across the world, members of the Entrepreneurs' Organization have created significant impacts on job growth, with ripple effects across numerous economies. The continued success of their entrepreneurial endeavours hinges on several key factors such as availability of skilled talent, networking opportunities, cultural attitudes towards risk, access to funding, and a supportive regulatory environment. The 2025 Global Entrepreneurial Index report plays a valuable role in helping us see both the challenges and opportunities ahead.

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# The global landscape

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The **Opinium Global Entrepreneurship Index** ranks 137 countries on their attractiveness for entrepreneurs looking to set up businesses in those markets, with countries scoring between 0 and 100 on 26 global indicators that have been grouped into five pillars.

## The global landscape

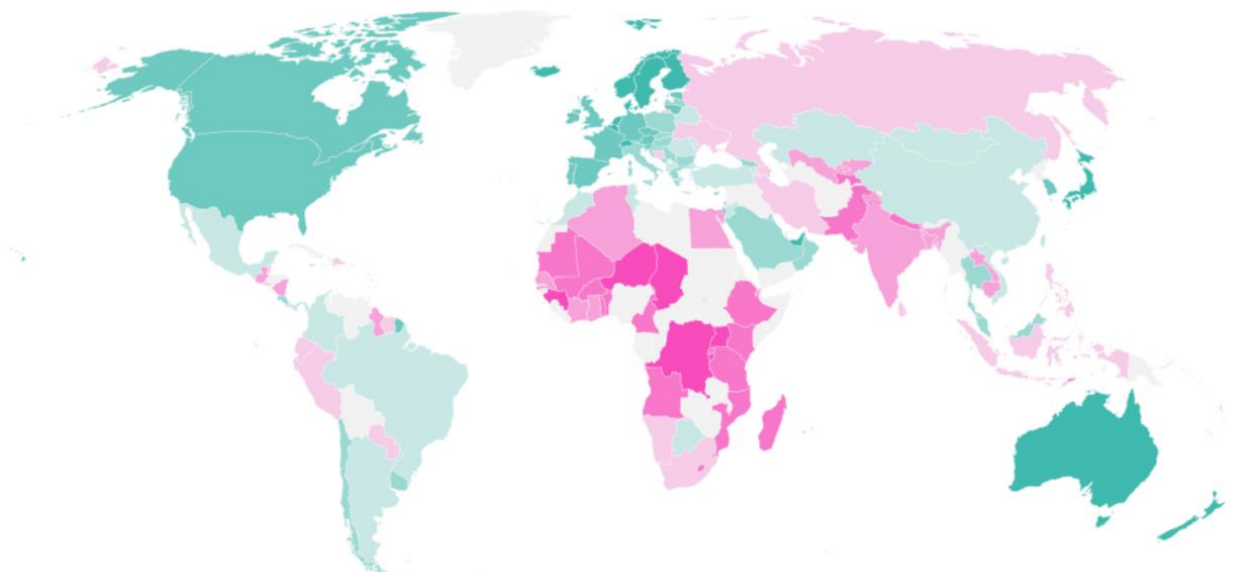
### West retains overall global advantage for now

Despite strong improvements from Asia over recent years, North America and Europe remain the best economies for starting up a new business. By comparison, South Asia and Sub-Saharan African remain some of the hardest markets in which to successfully start a new enterprise.

Region	INDEX SCORE	ECONOMIC & FINANCIAL ACCESS	HUMAN CAPITAL	CONNECT-EDNESS	GOVER-NANCE	MARKET POTENTIAL
North America	77	84	78	74	89	62
Europe & Central Asia	66	61	65	75	64	65
East Asia & Pacific	60	61	58	67	61	54
MENA	56	54	49	71	48	60
LATAM	49	48	48	62	39	49
South Asia	29	34	28	43	28	13
Sub-Saharan Africa	26	24	24	25	29	26

The data in **Opinium's Global Entrepreneurship Index** covers publication dates since 2011, which gives us a look at how the business environment has changed around the world since the fallout from the Financial Crisis, and what that shifting global landscape means for entrepreneurs.

Legend: **The worst environments for entrepreneurs** to the **best environments for entrepreneurs**



## The league tables

### Asian Tigers of Singapore and Hong Kong maintain position as the elite markets for entrepreneurs

While Western markets generally perform well, the Asian Tigers dominate the very top of the list of economies that are most attractive to new enterprises. Singapore and Hong Kong have secured the first two positions both this year and last, with Macao following closely in fourth place. However, their place in the rankings is never guaranteed, as evidenced by South Korea's four-spot drop in the 2025 rankings.

European markets also feature prominently, with many securing spots in the top 20 of the Index. Notably, all Nordic and Benelux countries make the cut, with Denmark and Luxembourg standing out as the top markets for entrepreneurs in their region.

The Anglosphere has also performed relatively well, with Australia, New Zealand, and Canada all appearing in the top 20. The ANZAC markets, in particular, have shown strong performance this year.

RANK	TOP SCORING MARKETS
1 (-)	Singapore
2 (-)	Hong Kong
3 (+1)	Denmark
4 (+1)	Macao
5 (-2)	Luxembourg
6 (+1)	Sweden
7 (-1)	Switzerland
8 (-)	Iceland
9 (-)	Norway
10 (-)	Netherlands

RANK	TOP SCORING MARKETS
11 (+1)	United Arab Emirates
12 (+2)	Australia
13 (+2)	Belgium
14 (+4)	New Zealand
15 (+4)	Japan
16 (-5)	Finland
17 (-4)	South Korea
18 (-2)	Germany
19 (-2)	Canada
20 (+2)	Malta

This leads to a discussion of some notable absences from the very top tier markets for entrepreneurs. Both the UK and the USA, two of the largest Anglosphere economies, are only in the top 30. Meanwhile, only Germany, among Europe's largest economies, makes it into the top 20 - and this year just barely.



## The rising stars

This year's Global Entrepreneurship Index reveals notable gains among emerging markets in a diverse array of regions like Kuwait, Mexico, and Albania, reflecting economic diversification and pro-entrepreneurial reforms. Conversely, sharp declines in nations such as Russia and Hungary underscore the negative impact of geopolitical tensions and policy uncertainty.

RANK	RISING MARKETS IN 2025
34 (+9)	Kuwait
73 (+8)	Mexico
66 (+6)	Albania
36 (+5)	Italy
41 (+5)	Saudi Arabia
14 (+4)	New Zealand
15 (+4)	Japan
43 (+4)	Oman
62 (+4)	Mongolia
83 (+4)	Ukraine

RANK	FALLING MARKETS IN 2025
79 (-18)	Russian Federation
48 (-11)	Hungary
45 (-7)	Poland
31 (-7)	Cyprus
116 (-6)	Mauritania
85 (-6)	Peru
39 (-6)	Brunei Darussalam
78 (-5)	South Africa
40 (-5)	Slovak Republic
16 (-5)	Finland

The most prominent riser this year is Kuwait, climbing nine places to rank 34. This improvement likely reflects the country's efforts to diversify its economy, reduce reliance on oil, and create a more dynamic business environment. Other significant risers include Mexico (+8) and Albania (+6), both benefiting from increasing support for small businesses and improved market access. Countries such as Italy and Saudi Arabia, both gaining five places, have shown progress in fostering innovation and entrepreneurship-friendly policies. Additionally, New Zealand and Japan, already in the top tier of the Index, rose by four spots each, further solidifying their reputations as global leaders in supporting entrepreneurial ventures.

The most significant drop in the Index this year is by the Russian Federation, falling 18 places to rank 79. This sharp decline reflects the impact of ongoing geopolitical tensions and economic challenges, which have likely stifled business growth and investor confidence. Hungary (-11) and Poland (-7) also experienced considerable drops, possibly due to policy uncertainties or reduced support for innovation ecosystems. Countries like South Africa and Finland, despite being historically robust in entrepreneurship, have seen setbacks, dropping five places each, indicating challenges such as economic stagnation or bureaucratic inefficiencies. The declines highlight the need for renewed focus on creating stable and supportive environments for businesses to thrive.

## Challenges persist for entrepreneurs in Africa and South Asia

It is unsurprising that many markets in Sub-Saharan Africa continue to dominate the list of the least attractive environments for entrepreneurs, given the persistent challenges across the continent. The 11 worst-performing markets in the index are all African nations, with Chad (137<sup>th</sup>) through Guinea (132<sup>nd</sup>) showing no changes in their rankings for 2025.

RANK	WORST SCORING MARKETS
118 (+2)	Benin
119 (-3)	Nepal
120 (-1)	Angola
121 (0)	Tajikistan
122 (0)	Lesotho
123 (0)	Tanzania
124 (0)	Togo
125 (+3)	Cameroon
126 (+1)	Pakistan
127 (+2)	Mali

RANK	WORST SCORING MARKETS
128 (-3)	Mozambique
129 (-3)	Burkina Faso
130 (+1)	Madagascar
131 (-1)	Ethiopia
132 (0)	Guinea
133 (0)	Uganda
134 (0)	Democratic Republic of Congo
135 (0)	Niger
136 (0)	Burundi
137 (0)	Chad

However, Sub-Saharan Africa is not the only region where aspiring entrepreneurs face significant hurdles. South Asia also features among the 20 worst-performing markets, notably including Pakistan and Nepal. Even India, the largest democracy on Earth, is unchanged on 101st in this year's index, putting it firmly in the 40 worst performing places to set up a new business.

Moving further north, Tajikistan highlights some of the difficulties entrepreneurs encounter in Central Asia. While there are some notable exceptions in the Caspian region and amongst the Stans which are relatively attractive for those setting up new businesses, many of the markets here continue to score poorly on the index. Some, such as Tajikistan itself, have even seen a relative decline in performance over the past 15 years.



## Joe Robertson MP

Officer of the 'Modernising Employment' APPG



“

Entrepreneurs, particularly SMEs, power our economy by turning bold ideas into practical solutions. The government's role should be to help them flourish by cutting needless and cumbersome red tape, offering targeted tax relief, and expanding access to capital. We should also forge new trade deals, deliver growth through deregulation, and reward innovative thinking by improving efficiency where needed. With these measures, we can ensure every business, from the high street to high-tech startups, has the chance to thrive and drive Britain's success on the global stage.

”

# The United Kingdom

## Still a destination for entrepreneurs?



The UK's score in Opinium's **Global Entrepreneurship Index** has dropped slightly to 79 out of 100, down 3 points from 82 in 2011. This places the UK as the 23rd most attractive market globally to set up a new business, sitting outside of the top 20 for the last six years of the index. Britain remains an incredibly attractive place for business, driven by strong institutions and a skilled workforce, but challenges persist in demand and infrastructure, hindering already uneven entrepreneurial growth.

# United Kingdom

## How the UK has fared since the financial crash

	INDEX SCORE	ECONOMIC & FINANCIAL ACCESS	HUMAN CAPITAL	CONNECT-EDNESS	GOVER-NANCE	MARKET POTENTIAL
2025 score:	79	75	83	83	88	64
2011 score:	82	81	80	92	91	65
Change	-3	-6	+3	-9	-3	-1

## Governance: A key strength for the UK

Governance remains a standout strength for the UK in the Global Entrepreneurship Index, scoring 88 out of 100 on this pillar—its highest-performing category. Despite challenges such as Brexit and periodic political crises, the UK is internationally recognised for its stable and effective government institutions. Transparency, accountability, and adherence to the rule of law underpin its robust legal framework, ensuring property rights are protected, contracts are enforced, and disputes are resolved efficiently. The UK's regulatory environment is also highly regarded, with clear, consistent, and business-friendly regulations that foster a stable and attractive landscape for investment. Additionally, the UK maintains a strong reputation for low corruption levels, further enhancing confidence among entrepreneurs and investors. This governance strength plays a pivotal role in supporting the UK's entrepreneurial ecosystem.

## Market Potential: A persistent challenge

Market potential remains a weak point for the UK in the Global Entrepreneurship Index, scoring 64 out of 100. The country's market challenges are shaped by regional inequality, with innovation activity heavily concentrated in hubs like Cambridge, Oxford, and London. This geographic imbalance limits the market reach for startups outside these clusters. Additionally, the UK's role as a hub for trade has diminished over the long term. Post-Brexit trade arrangements, particularly the Trade and Cooperation Agreement (TCA) with the EU, have further constrained trade intensity. This only adds to the long-term issue of stagnating productivity since the financial crisis, reducing disposable income and overall consumption. This combination of factors limits the scale of opportunities available to entrepreneurs, hindering market-driven growth.

## Losing a historic advantage on Connectedness

Once a leading strength, the UK's advantage in the Connectedness pillar has fallen back significantly over the past decade, dropping 9 points since 2011 to a score of 83 out of 100. Despite being a critical enabler of entrepreneurship, the country faces persistent challenges with its digital infrastructure.

Full fibre broadband coverage remains behind many EU nations, with an ageing copper network limiting speeds, particularly in rural areas where small businesses often experience less than 10 Mbps. Similarly, 5G mobile connectivity is less widespread and reliable compared to leading countries. High costs of upgrading and maintaining networks, coupled with falling revenues and global inflation, have slowed infrastructure improvements. These financial and logistical barriers leave rural areas especially underserved, restricting their ability to participate in the digital economy.

Improving broadband and mobile networks is essential to restoring the UK's connectedness, enabling innovation, and supporting businesses in an increasingly digital world.

## Positive signs for the UK's Human Capital

The UK's performance in the Human Capital pillar has improved, rising 3 points to a score of 83 out of 100, surpassing the country's overall index average. This reflects ongoing efforts to enhance the workforce's diversity, skills, and participation rates.

Policies promoting greater labour force participation among underrepresented groups, such as women and ethnic minorities, have helped create a more inclusive and skilled workforce. Additionally, higher immigration levels have expanded the talent pool available to businesses.

Investments in addressing critical skills shortages, particularly in digital, management, and STEM fields, have also contributed to this improvement. Initiatives for continuous training, partnerships with educational institutions, and a focus on positive workplace cultures are strengthening the UK's human capital. This progress supports a healthier, more productive workforce that is essential for entrepreneurial growth and innovation.



## Louis Taylor

CEO, British Business Bank



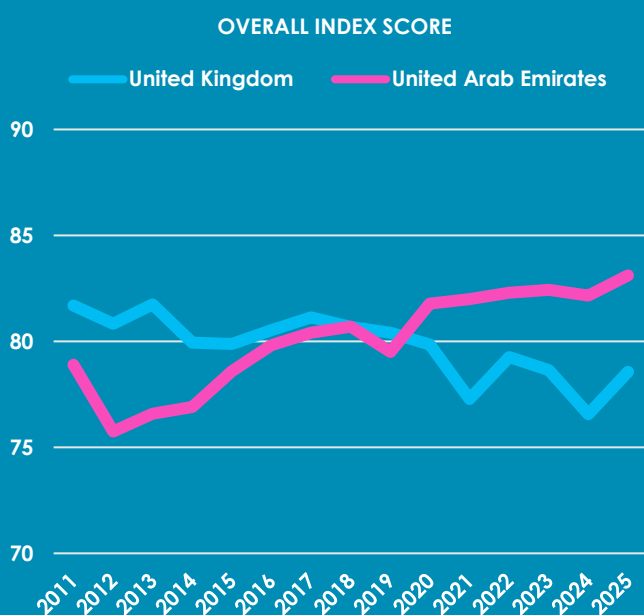
“

Helping entrepreneurs to succeed is vital to driving economic growth and innovation. It is great to see the UK rank strongly on many measures in the Index, but we've more to do to realise the immense potential we have. While the UK starts businesses well, we need to scale them up better. The British Business Bank is a powerful catalyst for increasing the diversity and availability of finance for smaller businesses across the UK, helping them to start, scale and thrive.

”

## Side-by-side: The UK and the UAE

The UAE has rapidly become an attractive destination for entrepreneurs, now ranking 11th globally for business setup, 12 places ahead of the UK. Until 2016, the UK consistently outperformed the UAE in such rankings. Today, the UAE scores 83 out of 100 on the Global Entrepreneurship Index, compared to the UK's 79, reflecting a notable shift in entrepreneurial dynamics.



RANKS 2025 (CHANGE FROM 2011)	Opinium	
	UK	UAE
<b>Economic &amp; Financial Access</b>	25th (-7)	22nd (+9)
<b>Human Capital</b>	16th (+5)	34th (-5)
<b>Connectedness</b>	19th (-9)	1st (+18)
<b>Governance</b>	19th (-4)	27th (+14)
<b>Market Potential</b>	58th (-18)	5th (+2)
<b>Overall Index Ranking</b>	23rd (-5)	9th (+12)

Several factors contribute to this shift. The UAE's governance has improved significantly, catching up to Western markets. While the UK still maintains strong regulatory standards, it is often burdened by bureaucracy and slow-moving processes, particularly for sectors like fintech and cryptocurrency. In contrast, the UAE's pro-business environment actively nurtures innovation, with recent changes allowing 100% foreign ownership in certain industries, making it highly appealing to international entrepreneurs.

Additionally, the UAE excels in the Connectedness pillar. Its world-class infrastructure, including ports and airlines, and commitment to innovation has made it a global leader in connectivity. This strong global reach and focus on innovation make the UAE a hub for tech startups and international business expansion.

In terms of the Economic and Financial Access pillar, the UAE offers significant tax advantages over the UK, including no corporate or personal income taxes in most emirates. While the UK remains strong in financial access globally, its economic outlook is less stable, with potential recession concerns, flatlining GDP, and weak long-term growth prospects.

The UAE's rise as a hub for entrepreneurship signals a shift in global business dynamics. With stronger governance, enhanced connectivity, and favourable economic conditions, it is becoming a more attractive destination for entrepreneurs compared to the UK and many European markets.





## Alex Challoner

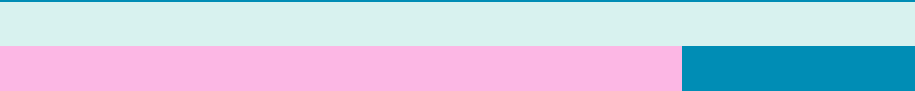
Founder of Cavendish Communications (now Cavendish Consulting) and a strategic adviser and business mentor



“

In the early days of Cavendish, I was extremely lucky to have access to someone to support me on raising finance, incorporating the business and accountancy woes! That was hugely important as it allowed me to totally focus on the client side of the business which generated cash flow and income. Too many would be entrepreneurs give up and/or fail because they do not have enough access to this type of support. More needs to be done by the Government and the business sector to promote this support. That way the UK would have more successful entrepreneurs and not just people with great ideas which never see the light of day!

”

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# The European Union

The challenges facing the bloc

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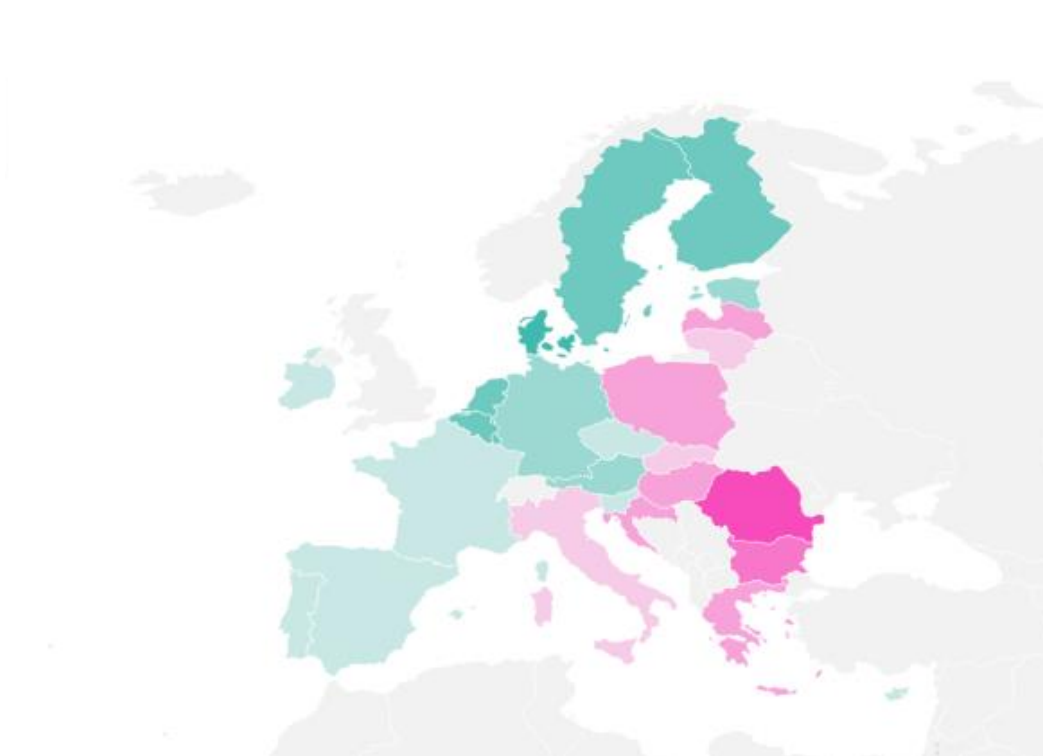
The average score across the European Union on **Opinium's Global Entrepreneurship Index** is 74.0 out of 100, down 3 points from 77 in 2011. This decline has made the EU more vulnerable to competition from the East Asia and Pacific region. The EU remains a global leader in the Governance and Connectedness pillars, but there are long-term challenges from economic stagnation, austerity measures, and a tightened banking sector that hinder access to finance for entrepreneurship.

## The European Union

### The challenges facing the bloc

AVERAGE SCORES (EU MARKETS)	INDEX SCORE	ECONOMIC & FINANCIAL ACCESS	HUMAN CAPITAL	CONNECT- EDNESS	GOVER- NANCE	MARKET POTENTIAL
<b>2025 average score:</b>	<b>74</b>	68	72	79	78.6	73
<b>2011 average score:</b>	<b>77</b>	76	74	86	79.4	71
<b>Change</b>	<b>-3</b>	<b>-8</b>	<b>-2</b>	<b>-7</b>	<b>-0.8</b>	<b>+2</b>

As we have seen from the global league table, the Nordics countries have the strongest environment for new businesses to establish themselves, followed by Benelux. On the other hand, the weakest markets can be found in eastern and southern Europe, with Romania the most difficult.



Legend: The **worst environments for entrepreneurs** to the **best environment for entrepreneurs**

(Colour scheme rescaled to range of scores within the European Union between 2011 and 2025)

## The EU's long-term strengths

The EU remains a global leader in Governance, achieving a robust score of 79 out of 100, with only a marginal drop of 0.8 points since 2011. Its governance framework is characterised by stability, predictability, and coherence, creating a favourable environment for businesses. Strong coordination among EU institutions ensures consistent policy implementation and alignment across regulatory divisions, reducing contradictions and fostering entrepreneurial activity. Although bureaucratic hurdles remain a challenge, the EU's commitment to better regulation—through impact assessments, public consultations, and proportional measures—strengthens confidence in its governance.

The EU's Connectedness pillar also scores highly, at 79 out of 100, though it has declined by 7 points since 2011. The EU has made impressive progress in fostering connectivity through widespread access to communication and secure internet, underpinned by increasingly well-developed infrastructure. Its emphasis on cross-border projects in energy and digital sectors reflects the EU's commitment to harmonised standards across member states. However, regional disparities, external pressures and global competition present ongoing challenges. Addressing infrastructure gaps in peripheral areas while maintaining competitiveness internationally will be vital to sustaining the EU's connectivity strength in future.

## Ongoing economic challenges impact Europe

The EU's performance in the Economic and Financial Access pillar has dropped by 8 points to an average of 68 out of 100, making it the worst-performing area for the region on the index. This decline reflects the lingering effects of the 2008 financial crisis and the subsequent European debt crisis, which led to austerity measures, including reduced government spending and higher taxes. These fiscal consolidations limited public funding available for entrepreneurship and dampened private investment. Additionally, the EU's banking sector has faced challenges, such as the need for recapitalisation and stricter regulations, which have led to credit tightening, making it harder for entrepreneurs to access financial services. These ongoing long-term challenges have combined to impact financial accessibility and reduce resources for entrepreneurial growth.



“As a business based in the Netherlands, we are well aware of the benefits that being part of the EU brings: access to a talent pool of nearly 450 million people, excellent digital and physical infrastructure, strong regulatory governance, good transport links and open trade. All of these things provide the market conditions needed for entrepreneurs to thrive, grow and compete on a global stage.”

**Emily Dickinson – Head of Opinium Amsterdam**





## Rishi Khosla

CEO & Co-founder, OakNorth



“

As a capitalist, I believe entrepreneurs drive innovation, social progress and economic growth, and that everyone can prosper by adopting an entrepreneurial mindset. We know from our customers that so many innovative businesses still face multiple barriers holding back their growth. As our report with the Social Market Foundation (SMF) showed, access to capital is just one challenge and not even the primary concern. It will take political will, clear strategy, and a concerted, well-resourced effort, but if the Government takes the challenge on, we will all benefit.

”

# The United States

## Still an economic powerhouse?

The USA's score in **Opinium's Global Entrepreneurship Index** has dropped slightly to 75 out of 100, down 3 points from 78 in 2011. This places the United States as the 30th most attractive market globally to set up a new business, sitting outside the top 20.

Much of this chapter reflects the position of the United States before the re-election of Donald Trump. While the country continues to benefit from a strong financial system and a large domestic market, it faces notable challenges in human capital, labour fluidity, and trade intensity. However, its consumer market and pro-innovation environment still provide opportunities for growth.

## The United States

### Potential for change under new leadership

	INDEX SCORE	ECONOMIC & FINANCIAL ACCESS	HUMAN CAPITAL	CONNECT-EDNESS	GOVERNANCE	MARKET POTENTIAL
<b>2025 score:</b>	75	86	71	75	85	57
<b>2011 score:</b>	78	83	79	82	89	56
<b>Change</b>	-3	+3	-8	-7	-4	+1

## Economic muscle balanced with unpredictability

The United States has seen a notable improvement in the Economic and Financial Access pillar, rising 3 points since 2011 to an impressive 86 out of 100. This increase is driven by the country's large, diverse economy and strong financial system, which provides extensive access to credit, venture capital, and other financial services. The USA benefits from a well-established network of banks, venture capital firms, and government-backed loan programs, such as those from the Small Business Administration, which help lower barriers to entrepreneurship. Additionally, tax reforms like the 2017 reduction in corporate tax rates and the 20% deduction for small businesses have potentially boosted growth opportunities. With a culture that encourages innovation and risk-taking, the USA remains a highly favourable environment for startups and business expansion.

However, the impact of the next administration's policies could significantly influence this pillar, both positively and negatively. One key concern is the uncertainty and unpredictability surrounding future policies, particularly regarding taxes and regulations, which could impact business confidence. The deregulation efforts under Trump aimed to reduce bureaucratic barriers but also raised concerns about long-term financial stability. These factors will take time to materialise in future index scores, but they remain crucial considerations for the trajectory of the United States's entrepreneurial environment.

## Trade and its role in the US economy

The United States scores 57 out of 100 in the Market Potential pillar, the lowest among its performance indicators, reflecting significant challenges in international trade and economic expansion. One major factor behind this low score is the country's relatively low trade intensity compared to other large economies. The United States has historically struggled with trade and export performance, and recent trade policies have further exacerbated these difficulties.

Under Trump's "America First" trade policies, tariffs and trade tensions, have disrupted supply chains and increased costs for businesses. The imposition of tariffs led to retaliatory measures from key trading partners, further reducing trade activity. The withdrawal from trade agreements, such as the Trans-Pacific Partnership (TPP), has also limited the country's ability to integrate into global trade networks. While these policy shifts are not yet fully reflected in the data, they are likely to impact future index rankings as the USA's trade intensity continues to decline.

Taking a step back from the immediate changes in trade policies, the USA also faces additional trade barriers due to its geographic position. Unlike countries such as Germany, which benefit from close proximity to multiple large economies, the USA is geographically distant from many key trading partners. Less than 5% of global GDP is generated within 5,000 kilometres of the country, making it more challenging to develop diversified trading relationships.

Despite these obstacles, the United States benefits from a large and diverse domestic market, which acts as a stabilizing force against external trade uncertainties. The country's strong consumer spending power, particularly in industries such as retail and travel, supports a broad range of businesses. This high level of domestic demand ensures that, even in the face of global trade disruptions, the American economy retains a significant degree of market resilience.

## Challenges with Human Capital

The United States has experienced a decline in its Human Capital pillar, now scoring 71 out of 100, down 8 points since 2011. A significant issue faced is the gap between the skills employers demand and the supply of workers with those skills. Additionally, labour market fluidity has decreased, with fewer job transitions, hires, and geographic mobility, limiting opportunities for skill development and productivity enhancement.

Workforce health is another growing concern, with rising obesity rates, mental health challenges, and substance abuse negatively impacting productivity. Furthermore, the labour force participation rate has been declining, exacerbated by early retirements during the COVID-19 pandemic, which has reduced the available talent pool for entrepreneurial activities.

Another potential challenge is the impact of immigration policies. Historically, a strong inflow of talent has been a key driver of entrepreneurship and innovation in the United States. However, the possibility of stricter immigration policies under a new Trump administration could limit the availability of skilled foreign workers, further straining the labour market. This shift could make it harder for startups and businesses to find the talent they need to grow and compete internationally.



### Balancing talent and profitability

While many American's equate strong financial market performance with economic success, I think this report highlights the importance of efficient labor markets as a mechanism for attracting entrepreneurialism, as well as how best to balance the levers of talent and profitability in such a competitive market

**Mark Petrone – Vice President of Research, Opinium USA**



# Methodology

## Benchmarking 26 global indicators that make it easier to set up new businesses

The index brings together 26 indicators, which have been tested to correlate with increasing the numbers of new business startups per capita, an improved environment for businesses to operate in, and positive for the time it takes to build up that business. These indicators have been combined into five pillars:

PILLAR	SUMMARY
<b>Economic and Financial Access pillar</b>	This assesses the overall economic conditions and availability of financial resources crucial for entrepreneurial success. It looks at the general wealth of a country, the level of external capital inflowing into the country, and access to financial services such as credit. This pillar is essential for understanding how well-supported and accessible the financial ecosystem is for entrepreneurs, influencing their ability to start and grow businesses effectively.
<b>Human Capital pillar</b>	This evaluates the availability and quality of the workforce, as well as the demographic factors impacting the potential options of future employers. It looks at the inflow of skilled talent, the overall health and productivity of the workforce, and labour force and skills participation rates. This pillar is crucial for understanding the depth and readiness of the human resources available for fostering and sustaining entrepreneurial activities.
<b>Connectedness pillar</b>	This assesses the accessibility and quality of essential services and technology that support entrepreneurial activities. Primarily this looks at connectivity, such as widespread access to communication, and secure internet access, which are critical for digital engagement and innovation. But it also looks at essential infrastructure for that connectivity, such as access to electricity. This pillar is vital for understanding how well the infrastructure supports connectivity and operational efficiency, key factors for entrepreneurial success.
<b>Governance pillar</b>	This evaluates the effectiveness of government institutions and the quality of regulatory frameworks. It includes measures of government effectiveness, control of corruption, regulatory quality, and adherence to the rule of law. This pillar is crucial for understanding how a supportive and transparent governance environment can foster entrepreneurship by ensuring fair practices, reducing bureaucratic hurdles, and enhancing overall business confidence.
<b>Market potential pillar</b>	This looks at the accessibility of the markets. This includes a range of indicators from levels of urbanisation, demand for goods, and overall consumption levels. It also looks at potential for trade and export performance, with the resulting promise of a wider global market. This pillar highlights opportunities for expansion and the potential scale of customer bases which is essential for a start-up hoping to grow.

# Where next with Opinium?



## Political & Social

We can help you respond to policy changes, regulatory developments, and political shifts that could impact your business operations and strategy. By leveraging our insights, you can proactively shape public policy and advocacy efforts to align with your business objectives.

**James Crouch – Policy & Public Affairs Lead**

## Brand & Communications

We can help refine your brand story and enhance your communications strategy, to better connect with current and future customers. Our insights also support product development by identifying gaps and consumer needs, ensuring your offerings meet demand and stand out in the global marketplace.

**Wez Eathorne – Director, Brand & Communications**



## Thought Leadership

Stay ahead of the curve by developing thought leadership assets that position your business as an authority in your industry. We provide actionable insights that can help shape innovative narratives and influence the direction of conversations in your sector.

**Josh Glendinning – Director, Thought Leadership**

## Stakeholder Understanding

Get a deeper understanding of your key stakeholders, ensuring you engage them effectively and build stronger relationships. Our insights can help you tailor your messaging and engagement strategies to meet the diverse needs of investors, customers, competitors and policymakers.

**Debbie Shuttlewood – Director, Stakeholder Understanding**





## About Opinium

Opinium is an award-winning strategic insight agency built on the belief that in a world of uncertainty and complexity, success depends on the ability to stay on pulse of what people think, feel and do. Creative and inquisitive, we are passionate about empowering our clients to make the decisions that matter.

We work with organisations to define and overcome strategic challenges – helping them to get to grips with the world in which their brands operate. We use the right approach and methodology to deliver robust insights, strategic counsel and targeted recommendations that generate change and positive outcomes.



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