



Press Release

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Entrepreneurship grows in Scotland, but Eastern region lags behind

A growing number of people in Scotland are participating in entrepreneurial activities with nearly one in nine adults starting or running a young company.

The Global Entrepreneurship Monitor (GEM) Scotland for 2025-2026 found that entrepreneurial activity in Scotland grew by nearly two percentage points to a new height of 11.7 per cent – the highest figure since the survey began in 2002.

The annual measure of entrepreneurial activity also found the number of people with established businesses increased to just over one in ten.

The report was compiled by the universities of Edinburgh and Glasgow.

The research draws on data from 2,085 adults surveyed by GEM in 2025 in Scotland, as part of a larger sample of 8,513 respondents in the UK.

The GEM survey highlights the emerging evidence on entrepreneurial attitudes, aspirations and activity in Scotland.

The analysis highlights the rise in entrepreneurship, particularly among younger age groups, but also draws attention to regional and gender disparities.

The report found one in five of 18-64 year-olds in Scotland class as entrepreneurs.

Participation in early-stage entrepreneurial activity among 18-24 year-olds has remained steady in Scotland at around 12 per cent since 2020, a contrast to UK-wide concerns around rising economic inactivity among young people.

The level of activity is roughly equal between young men and women, however, established business ownership rates are much lower among 18-24 year-old women compared to their male peers.

Young people presently not engaged in entrepreneurial activity have positive attitudes towards it and are more likely to spot startup opportunities than other groups, the researchers say.

A gender gap remained with 8.7 per cent of working-age women in Scotland found to be running or setting up a new business in 2025, compared with 12.2 per cent of men. Eastern Scotland was recorded as the lowest in the country for women entrepreneurs at 4.6 per cent.

The authors highlighted “concerning” regional disparities, with Eastern Scotland underperforming compared to other areas, revealing a “battery of weaknesses” in entrepreneurial activity across the Firth of Forth.

The proportion of people involved in entrepreneurial activity in Eastern Scotland – defined in the report as the region north of the Firth of Forth combining the Local Authorities of Angus, Dundee City,



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Clackmannanshire, Fife, Perth and Kinross, and Stirling – was the lowest rate at 9 per cent in 2025, below the national baseline of around 12 per cent.

The regional disparities have been highlighted by the division of the old Eastern Scotland region into two regions – East Central and a new Eastern Scotland north of the Firth of Forth – which reveals previously hidden disparities in regional entrepreneurial activity, the researchers say.

In contrast, East Central Scotland – defined as the City of Edinburgh, East Lothian, Midlothian, West Lothian, and Falkirk – has a level of 13 per cent. West Central which returned a rate of around 14 per cent, leads the way in Scotland.

Entrepreneurial activity among minority ethnic groups in Scotland continues to outpace that of White Scots at 21 per cent compared to 11 per cent.

The findings also point to people's perceptions of the support for enterprise in Scotland with 59 per cent of entrepreneurs in Scotland content with business support in their area. However, there are regional variations, with Southern Scotland, Highlands and Islands and Eastern Scotland below the national average.

Across all regions, the report found that around two thirds of working-age adults take the view that most people consider starting a business as a good career choice.

Despite progress being made in Scotland's entrepreneurial activity, the regional and gender disparities show the necessity for inclusive and tailored support continues to be a priority.

Dr Samuel Mwaura of the University Edinburgh's Business School, said: "This report identifies the big trends shaping Scotland's entrepreneurship. It is clear that entrepreneurship provides a clear pathway to reduce economic inactivity, particularly among young people. Our spotlight has revealed some disparities in the regions and by gender – particularly in Eastern Scotland which appears to be a straggler region across a range of dimensions. The regional disparities highlight the importance of greater examination and tailored support to be directed to "liminal" areas sandwiched between the central belt and the peripheral areas as these can be easily overlooked. Gender parity in opportunities for young women to start a business is encouraging, but the stark disparity in ability to fully establish and sustain businesses is a worrying concern that policy and enterprise support must address."

Prof Sreevas Sahasranamam of the Adam Smith Business School at the University of Glasgow, said: "The re-emergence of a four-percentage-point gender gap in early-stage entrepreneurship, particularly stark in Eastern and North Eastern Scotland, alongside regional differences in perceptions of enterprise support, highlights the need for more targeted, place-based interventions to ensure entrepreneurial opportunity is shared across all of Scotland. Scotland cannot afford a postcode or gender lottery in entrepreneurship if it is serious about unlocking inclusive growth, innovation, and economic renewal."

While the report found Scotland has experienced a steady growth in total entrepreneurial activity over recent years, startup activity rates remain lower than those seen in England with Scotland's performance more aligned with that of Wales and Northern Ireland.

Cabinet Secretary for Economy, Tourism and Transport Stephen Flynn said: "It is incredibly encouraging to see this year's GEM survey showing a record number of people in Scotland being involved in entrepreneurial activity since the survey began more than 20 years ago. It indicates that our young and aspiring entrepreneurs have growing confidence in the country's conditions and business environment.

"We know there is more to do to ensure that more people, regardless of their gender, background or region have the opportunity and support to start and grow a business. The Scottish Government's Programme for Government makes a clear commitment to creating a world-class entrepreneurial economy and are committed to backing our entrepreneurs at every stage of their business journey."

The report, led by The University of Edinburgh's Business School, is funded by the Scottish Government.

Darren Pirie, Head of Accelerator & Partnerships at NatWest Group said: "This year's report shows that entrepreneurial ambition in the UK is thriving. More people than ever are starting, running or considering a business, with entrepreneurial activity at record levels. The challenge now is helping more businesses survive, scale and succeed. At NatWest, we're committed to supporting founders with the finance, expertise and connections they need to turn ambition into sustainable growth."

The full GEM report is available for download here – [GEM Global Entrepreneurship Monitor](#)

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