



GLOBAL
ENTREPRENEURSHIP
MONITOR

GLOBAL ENTREPRENEURSHIP MONITOR (GEM)

CYPRUS REPORT 2024/25



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FOREFRONT FROM THE DIRECTOR OF THE CENTRE FOR ENTREPRENEURSHIP

With the valuable support and sponsorship of the Ministry of Energy, Commerce and Industry, the Centre for Entrepreneurship (C4E) of the University of Cyprus has successfully prepared the National Entrepreneurship Report of Cyprus for the 2024/2025 cycle.

This publication marks the ninth consecutive year in which the Centre for Entrepreneurship has undertaken the implementation of the Global Entrepreneurship Monitor (GEM) in Cyprus, serving as the National Coordinator and the country's official representative in this prestigious international research consortium. GEM is widely recognized as the world's most comprehensive and authoritative study of entrepreneurship, covering more than 100 economies and providing invaluable insights into the factors that shape entrepreneurial activity and economic development.

The report draws upon two major surveys: the Adult Population Survey (APS), which captures the perceptions, attitudes and entrepreneurial activities of the general population, and the National Expert Survey (NES), which gathers the views of leading experts on the entrepreneurial framework conditions that influence entrepreneurship in Cyprus. Together, these surveys offer a robust evidence base for assessing the strengths and weaknesses of the national entrepreneurial ecosystem and for benchmarking Cyprus against economies with similar structural characteristics, as well as against countries with more advanced entrepreneurial environments.

This year's findings present a mixed but encouraging picture. Cyprus continues to demonstrate strong entrepreneurial aspirations and a resilient entrepreneurial culture, with high levels of perceived opportunities and capabilities among the population. At the same time, the report highlights important structural challenges, including the persistent

gap between entrepreneurial intention and actual early-stage entrepreneurial activity, as well as the need to further strengthen entrepreneurship education, access to finance, innovation support mechanisms and the participation of women in entrepreneurial activity.

Particular emphasis is also given this year to the role of digitalization and artificial intelligence in entrepreneurship, as well as to the increasing importance of social and environmental sustainability. These themes reflect the evolving nature of entrepreneurship and the need for policy frameworks that support not only economic growth, but also broader societal and environmental objectives.

The findings of this report constitute an important tool for policymakers, educators, entrepreneurs and all stakeholders involved in the development of entrepreneurship in Cyprus. By providing reliable and internationally comparable data, the report supports evidence-based policymaking and contributes to the design of targeted interventions aimed at fostering innovation, competitiveness and sustainable economic development.

We express our sincere appreciation to the Ministry of Energy, Commerce and Industry for its continuous support throughout these nine years, as well as to all National Experts, survey participants and collaborating organizations whose valuable contributions made this report possible.

It is our hope that the insights presented in this report will serve as a catalyst for informed dialogue and coordinated action, further strengthening Cyprus's entrepreneurial ecosystem and enhancing the country's capacity to transform entrepreneurial potential into tangible and sustainable outcomes.

Christos Nicolaides
*Director, Centre for Entrepreneurship
University of Cyprus*

FOREWORD BY THE MINISTER OF ENERGY, COMMERCE AND INDUSTRY

It is an honour to introduce the 9th edition of the Global Entrepreneurship Monitor (GEM) Report for Cyprus, a publication that continues to shed light on the dynamics, strengths and emerging trends of our national entrepreneurial landscape. This edition reaffirms that Cyprus has a solid and steadily improving foundation for entrepreneurship, supported by strong perceptions, rising intentions and strengthening ecosystem conditions.

At the Ministry of Energy, Commerce and Industry, we are advancing a forward-looking policy agenda that supports entrepreneurship, strengthens industrial transformation and promotes sustainable economic development.

In this context, we undertake targeted actions aimed at providing incentives to encourage the creation of new businesses, cultivating an entrepreneurial spirit from childhood and promoting the extroversion of businesses in order to create a healthy and competitive business environment.

In parallel, the Ministry continues to implement business support programmes, evaluating the key parameters that make up the current competitive environment and utilising the opportunities provided by European funding programmes.

The findings of the 9th GEM Report highlight Cyprus' steady progress in strengthening the conditions that support entrepreneurship. Improvements in infrastructure, professional services and post-school entrepreneurial education, together with a strong digital orientation among early-stage entrepreneurs, indicate a more supportive and competitive environment for new and growing businesses. Despite ongoing challenges in areas such as financing and innovation support, Cyprus is steadily strengthening the resilience and long-term sustainability of its entrepreneurial ecosystem.

Michael Damianos
Minister of Energy, Commerce and Industry

EXECUTIVE SUMMARY



Entrepreneurship continues to play a central role in driving economic growth, innovation, and societal development. In a rapidly evolving global environment characterised by technological transformation, shifting market dynamics, and increasing competition, fostering a strong entrepreneurial ecosystem is essential for long-term prosperity. In this context, the Republic of Cyprus recognises the importance of supporting entrepreneurial activity as a means of enhancing competitiveness, generating employment, and promoting sustainable economic development. The formulation of effective policies requires a robust, data-driven

understanding of both entrepreneurial behaviour and the conditions shaping the broader ecosystem.

The Global Entrepreneurship Monitor (GEM) remains the leading international study providing comprehensive and comparable data on entrepreneurship. The 2024/2025 GEM study includes 56 participating economies, offering a broad evidence base that enables both cross-country comparisons as well as longitudinal analysis. Drawing on a global dataset of over three million respondents since 1999, GEM's conceptual framework captures multiple



dimensions of entrepreneurship, including societal attitudes, individual capabilities, entrepreneurial activity, and the framework conditions that influence business creation and growth. The consistency of the GEM methodology allows for a detailed assessment of trends over time, as well as the positioning of Cyprus within the broader European and global context. Through its continued participation in GEM, Cyprus strengthens its presence within the global entrepreneurship landscape. The 2024/2025 report is based on findings from the Adult Population Survey (APS) and the National Expert Survey (NES), providing a comprehensive overview of both entrepreneurial activity and ecosystem conditions. The analysis compares current results with those of previous years and benchmarks Cyprus against the European average, as well as against selected comparator countries such as Greece and Luxembourg.

The findings indicate that entrepreneurial perceptions in Cyprus remain relatively strong. In 2024/2025, 40.2% of adults perceive that there are good opportunities to start a business, maintaining the improvements observed in recent years. At the same time, 47.8% consider it easy to start a business, a rate aligned with the European average. The perceived entrepreneurial capabilities remain high, with 59.9% of individuals reporting that they possess the knowledge, skills, and experience required to start a business. In addition, 68.3% of adults personally know an entrepreneur, highlighting the strong presence of entrepreneurial networks within the country. These findings suggest that Cyprus' population is both confident in its entrepreneurial abilities and increasingly exposed to entrepreneurial activity. Entrepreneurial intentions have strengthened further, with 24.1% of adults expecting to start a business within the next three years. This rate is higher than the European average, indicating a growing interest in entrepreneurship as a career choice. However, despite these positive perceptions, fear of failure remains relatively high, affecting 50.8% of individuals. While this represents a slight improvement compared to previous years, it continues to act as a barrier to entrepreneurial engagement.

In terms of entrepreneurial activity, in 2024/2025 the Total Early-stage Entrepreneurial Activity (TEA) rate in Cyprus stands at 9.7%. Although slightly below the European average, this level remains relatively strong compared to earlier years and exceeds the rate observed in Greece. Established business ownership has continued to improve, reaching 8.4%. Overall, these findings suggest that while entrepreneurial activity in Cyprus is resilient, the transition from intention to actual business creation remains an area requiring further support. Moreover, the demographic profile of entrepreneurs in Cyprus remains consistent across the years. Entrepreneurial activity is higher among younger individuals and those with higher levels of education. At the same time, a notable gender gap persists, with male participation in early-stage entrepreneurship significantly higher than that of females. This highlights the need for more targeted initiatives to support inclusive entrepreneurship and broaden participation across different segments of the population.

Regarding impact, early-stage entrepreneurs in Cyprus demonstrate relatively strong growth expectations. A significant proportion expect to generate employment, with 38.3% expecting the creation of six or more jobs

within the next five years. Entrepreneurs also express a strong orientation towards digitalisation, with more than half planning to increase their use of digital technologies. Expectations regarding the importance of artificial intelligence are also rising, particularly among early-stage ventures, which anticipate increasing use of the technology. These findings indicate that new businesses in Cyprus are increasingly adopting growth-oriented and technology-driven approaches. However, sustainability in entrepreneurship remains an area for further development. While a number of entrepreneurs report taking steps to address environmental and social impact, the integration of sustainability into core business strategies remains limited. This suggests an opportunity to further strengthen awareness and adoption of sustainable business practices.

The findings of the National Expert Survey provide additional insights into the strengths and weaknesses of the entrepreneurial ecosystem. Cyprus performs relatively well in areas such as Physical Infrastructure, Commercial and Professional Infrastructure, and Government Policy and Cultural Support for Entrepreneurship. However, structural challenges persist in Entrepreneurial Finance, Research and Development, Government Entrepreneurship Programmes, and Entrepreneurial Education. These conditions continue to constrain the development and scaling of new businesses.

Reflecting on these results, the report highlights the importance of targeted and coordinated policy actions. Key priorities include improving access to finance, strengthening entrepreneurial education across all stages, enhancing collaboration between academia and industry, and reducing administrative barriers. Addressing these challenges is essential to improving the effectiveness and inclusiveness of the entrepreneurial ecosystem.

A dedicated section of this report focuses on incubators and accelerators in Cyprus, highlighting their growing role in supporting entrepreneurship. Organisations such as ARIS, Gravity Ventures, IDEA Innovation Center, and KPMG Startup Innovation Lab contribute to strengthening the ecosystem by providing mentorship, training, investor access, and network opportunities. These initiatives play a critical role in supporting startups to grow, scale, and be internationally oriented.

In sum, the 2024/2025 GEM Cyprus findings indicate that the country has a solid foundation for entrepreneurship, supported by strong perceptions, increasing intentions, and improving entrepreneurial ecosystem conditions. However, unlocking the full potential of entrepreneurship in Cyprus requires continued efforts to address structural barriers, enhance inclusivity, and strengthen the link between innovation and commercialisation. In an increasingly competitive global environment, fostering a supportive entrepreneurial ecosystem remains a key priority for sustainable economic growth.

GEM INTRODUCTION AND BACKGROUND



2 ABOUT GEM

Global Entrepreneurship Monitor (GEM) is the biggest and longest-standing study of entrepreneurs and entrepreneurial approaches in the world. Over more than two decades ago, the Babson College (USA) and London Business School (UK) initiated this research project, aiming to measure and monitor levels of entrepreneurial activity across different countries. GEM has now become a research organization bearing a name and brand, universally recognized by several stakeholders including entrepreneurship academics, experts, and policymakers. The GEM methodology facilitates the comparisons on entrepreneurial activity across different economies in a precise and specific way.

2.1 THE IMPORTANCE OF CYPRUS' PARTICIPATION IN GEM

Starting and running new businesses is very important to any economy, including Cyprus', as new entrepreneurial endeavors are expected to contribute to the economy and society in terms of new job openings, increased income, added value, new ideas, technologies, products and procedures. Although not all new businesses grow and prosper, failure is also an important element of the entrepreneurial process, facilitating learning and growth for entrepreneurs. Thus, measuring the level of entrepreneurial activity is important, serving as an indicator for the status of the economy and its future projections.

Cyprus' participation in GEM enables benchmarks for every participating economy, allowing in this way the comparison between different economies. Along the same lines, GEM's consistency in the definition and measurement of the level of entrepreneurial activity also allows us to monitor the evolution of entrepreneurship across the years. This is particularly important given the turbulence of the last few years, arising by the most pervasive pandemic in living memory, which has impacted on the entrepreneurship indexes across the globe, including entrepreneurial intentions to create businesses, market opportunities and motives. Cyprus' participation in GEM provides evidence on entrepreneurial intentions and activity, more detailed impacts on the use of technology in selling goods and services, as well as national expert views on the changing economy, among others.

Although globally there is currently a shift towards recovery while the business environment diverts towards more positive outcomes, there will still be even newer opportunities for people to live and work differently. The GEM methodology allows Cyprus to account for the intention of individuals to start a new business, reflecting on the individual's drive, competence and motivation, while it sheds light on the social values and frameworks that may promote or hinder an entrepreneurial mindset such as risk-taking. GEM accounts for the interaction of personal characteristics and the entrepreneurial environment. The GEM Conceptual Framework, illustrated in Figure 2.1, accounts for such relationships, thus also providing insights on the potential socio-economic development associated with entrepreneurial activity.

GEM 2024/2025 included 56 economies. Following the approach of previous years, GEM clusters participating economies by income and by region. The income criteria employed are those indicated by the World Bank in terms of Gross Domestic Product

(GDP) per capita, modified by GEM's own income boundaries, to achieve a more even spread of participating economies, and hence more meaningful comparisons. Figure 2.2 illustrates all economies participating in this year's GEM as clustered by GEM, into three income levels:

- **Level A:** economies with a GDP per capita of more than \$50,000
- **Level B:** economies with a GDP per capita of between \$25,000 and \$50,000
- **Level C:** economies with a GDP per capita of less than \$25,000.

2.2 COLLECTION OF GEM DATA

GEM aims not only to provide a clear and consistent definition of entrepreneurship but also to develop the methodology by which entrepreneurship can be measured and assessed. National Teams oversee the collection of GEM data and report results based on that national data set. Each GEM National Team is usually led by a top academic institution in the country, or another organization with vested interests and appropriate expertise in entrepreneurship. Cyprus' national participation in GEM is overseen by the University of Cyprus. The national team manages the collection of GEM data annually, coordinating with GEM Global and preparing and publishing our country-specific National GEM Report.

The GEM report includes two surveys: the Adult Population Survey (APS) and the National Expert Survey (NES). APS examines the attitude and activity of around 2,000 adults between the ages of 18–64 in each participating economy and is implemented via face-to-face or telephone interviews. Following the GEM methodology, every economy employs an identical questionnaire (translated in the respective native languages). This enables both GEM and the participating economies to derive corresponding conclusions on entrepreneurship, including activity relevant to initiating or running a new or established business, and on entrepreneurs' attitudes and perceptions on entrepreneurship, while also looking at specific characteristics such as age, gender and education.

The APS is a survey that illustrates the attitudes, approaches, and expectations of adult individuals, and as such it differs from business surveys and official government statistics such as business registrations. Instead, APS data provide insights into individuals' decisions to initiate or continue a new or established business, and into the entrepreneurial journey from its initial stages through subsequent development. The consistency of these questions, and the way in which results are used to estimate key variables, enables comparisons between economies and over time. In 2024, the survey included additional questions relating to the potential use of artificial intelligence (AI) and digital marketing tools within new and established businesses, reflecting the growing importance of digital transformation and technological adoption in entrepreneurial activity. These questions explored entrepreneurs' expectations regarding the use of AI-driven solutions, online promotion strategies, and digital platforms to support business growth and competitiveness. The APS can also reveal broader socioeconomic influences on entrepreneurial behaviour. For example, household income measures collected across the years provide an opportunity to examine how changes in economic conditions

Figure 2.1: GEM Methodology

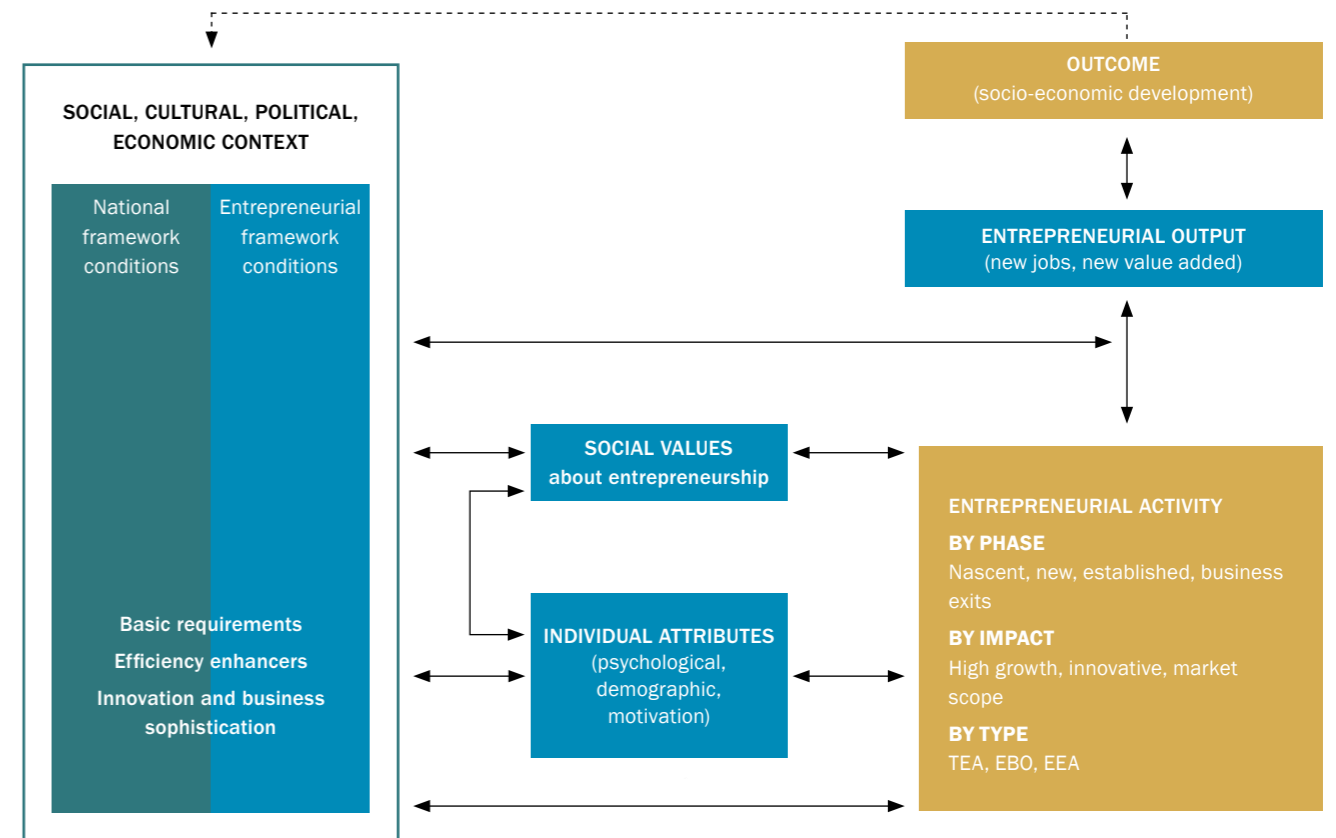
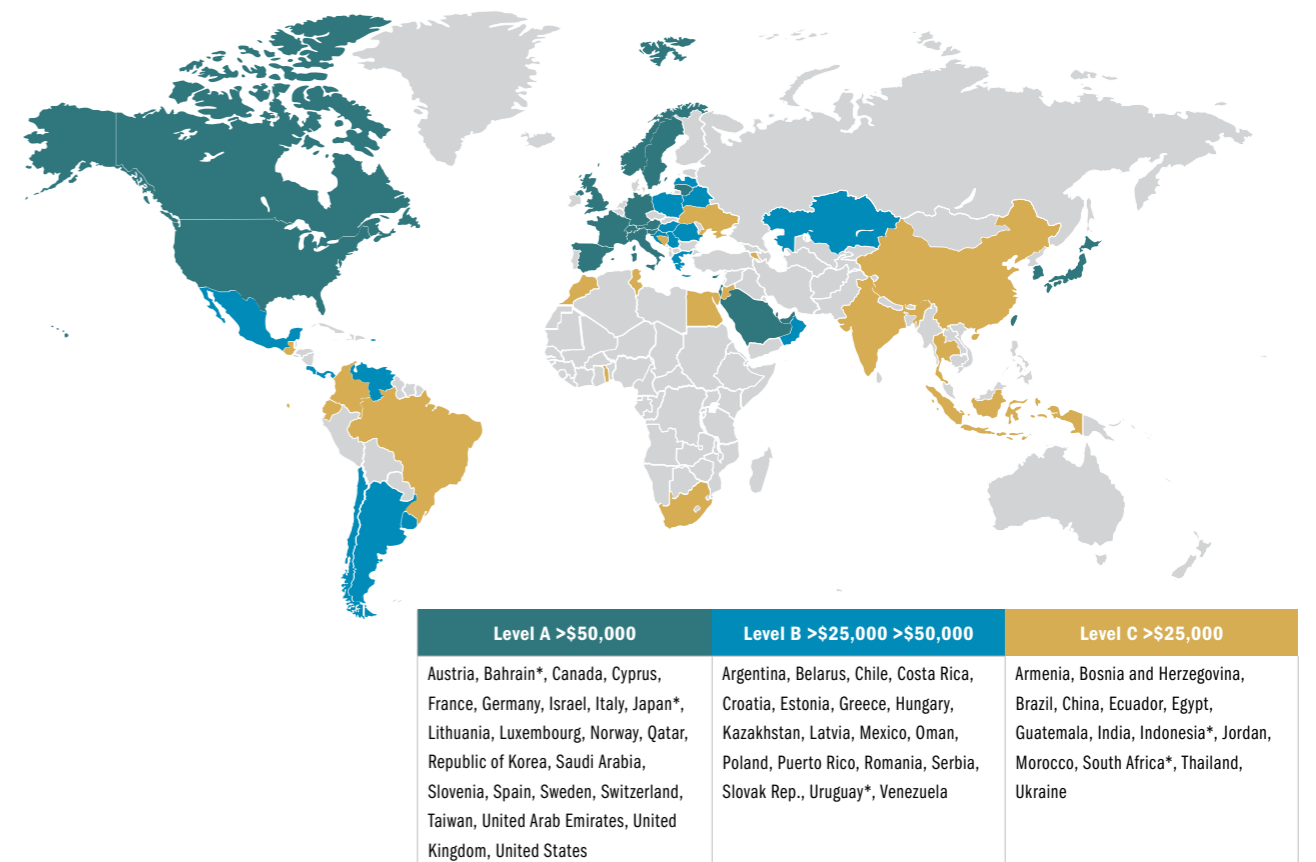


Figure 2.2: Economies participating in GEM 2024/2025



Of these 56 economies, 51 participated in the 2024 GEM Adult Population Survey (APS), while five economies, denoted by *, participated in the National Expert Survey (NES) but not the APS.

and purchasing power may influence individuals' intentions to start a business, perceptions of opportunities, and the sustainability of entrepreneurial activity. Figure 2.3 illustrates the GEM methodology on APS. The APS can also reveal broader socioeconomic influences on entrepreneurial behaviour. For example, household income measures collected across the years provide an opportunity to examine how changes in economic conditions and purchasing power may influence individuals' intentions to start a business, perceptions of opportunities, and the sustainability of entrepreneurial activity. Figure 2.3 illustrates the GEM methodology on APS.

The second survey is the National Expert Survey (NES), which primarily focuses on the entrepreneurial environment that influences the decision to start a new business, as well as subsequent decisions such as how to sustain and grow that business. This can facilitate and nurture the new business with regards to finance, populations' skills and education and through social support of entrepreneurship; or it may prevent the new business from developing through bureaucracy and taxes, poor foundation and social isolation. For example, there are businesses initiating and developing their operations in weakly supported environments. However, there is no doubt that entrepreneurship has more potential to flourish in entrepreneurial environments that are more supportive.

The GEM approach is reflecting on each country's national environment for entrepreneurship. It mainly focuses and depends on expert evaluation of nine Entrepreneurial Framework Conditions. These range differently, from the competence of entrepreneurial education, to the opportunity and cost of vital business services and from the ease to access, to finance, to social support for entrepreneurship. Each of the said conditions is assessed by the NES, which focuses on identified national experts, and is conducted in a much more targeted manner than the APS. GEM methodology requires that at least 36 national experts participate in NES. The experts are asked to reflect on the nine entrepreneurial conditions of the ecosystem.

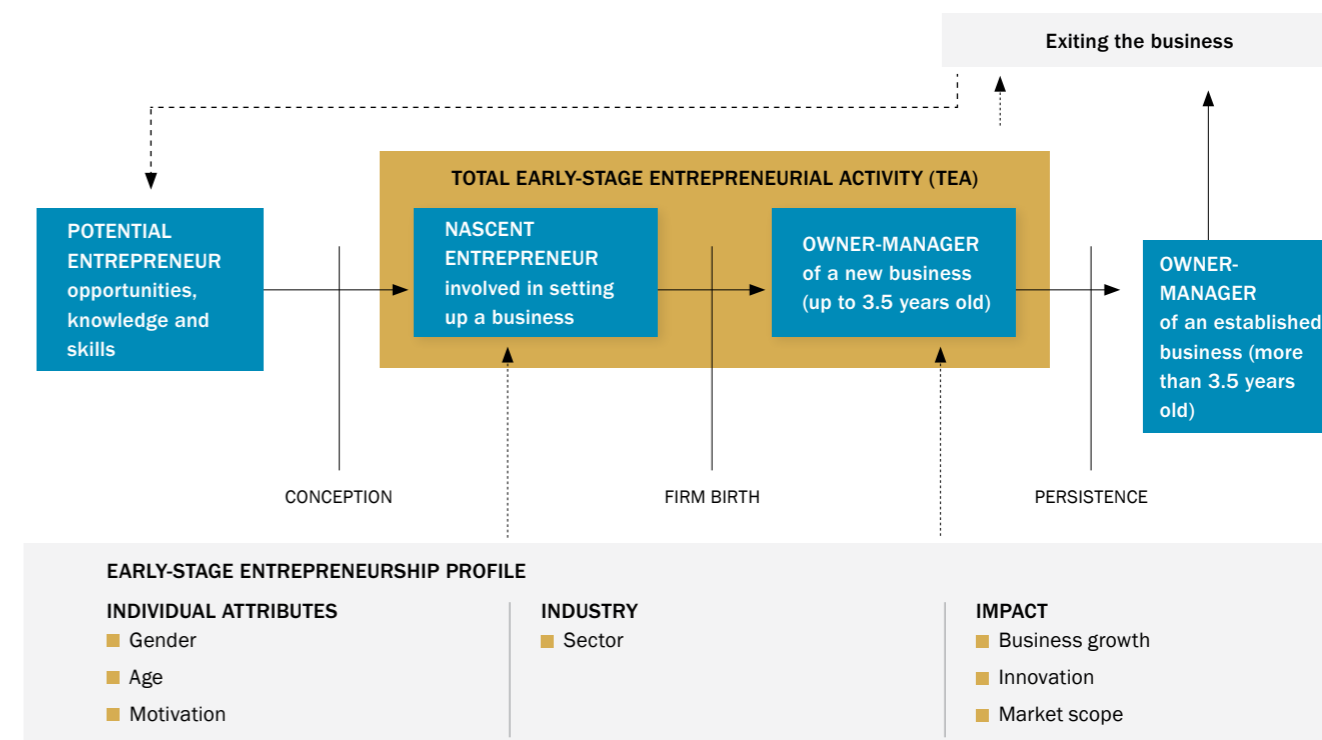
Taken together, the APS and the NES surveys provide an accurate, comprehensive, current picture of entrepreneurship in each participating economy. GEM's Conceptual Framework is illustrated in Figure 2.2, showing the connection between entrepreneurship and its national and regional environment. Entrepreneurship is influenced both directly and indirectly by economic, social and cultural reasons, which impact individual values. For that reason, while the NES requests a small team of experts to examine the entrepreneurial ecosystem or environment, the APS requires a large representative sample of the adult population in order to assess the individual's attitudes and beliefs, such as whether it is easy to start a business, whether there are good business opportunities, and whether fear of failure constitutes an obstacle. Other APS questions focus on whether that person initiates a new business or is running an already established business, as well as whether the individual is doing so on behalf of their employer, and what their motivations and ambitions are. In this regard, the APS covers all levels of the entrepreneurial process, as it examines a wide range of individuals, from those who have the intentions to start a business, to those actively starting but not yet trading (nascent entrepreneurs), to those running a new business (new business owners), as well as to those owning and running an already established business.

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 sets out the GEM entrepreneurship indicators, according to the stages involved as the enterprise progresses, from conception to an established business. A key GEM indicator of entrepreneurial activity is the level of Total early-stage Entrepreneurial Activity (TEA), or the percentage of adults who are either actively engaged in starting a new business (nascent entrepreneurs) or owning and managing a new business (new business owners). Another important indicator is the level of Established Business ownership (EB), or the percentage of adults owning and managing an established business, defined above as having paid wages or salaries for 42 months or more. If the new business is successful, then it will evolve over time to become an Established Business (EB). Either the new business owner or the established business owner may exit the business at some stage, and that business may or may not continue without them. Moreover, former business owners are an important resource, as they can share their experiences by mentoring other entrepreneurs and/or can start another business.

GEM's methodology contains a set of basic entrepreneurship indicators which define the ranking for each participating country. Overall, this group of indicators may be regarded as a dashboard representing a broad and completed set of measures that collectively provide towards the impact entrepreneurship has on a society and the amount at which each society supports this activity.

Figure 2.3: The entrepreneurial process and GEM operational definitions



THE GEM METHODOLOGY IDENTIFIES VARIOUS CATEGORIES OF INDEXES, INCLUDING THE FOLLOWING:

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.

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 firm 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 at 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

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.

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 business owners: those who are running new businesses that have been in operation for between 3-42 months.

Established Business Ownership: 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 any other payments to the owners for more than 42 months.

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

National / 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), for the following entrepreneurial framework 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 following sections provide an overview of the GEM Cyprus 2024/2025 period. To facilitate meaningful comparisons, data from previous years are also included. Cyprus's entrepreneurial indicators are analyzed alongside those of Greece and Luxembourg, which are used as benchmark countries. Greece is selected due to its cultural and geographical proximity, while Luxembourg is chosen for its comparable population size, consistent with the approach adopted in earlier reports. Furthermore, the analysis draws on average indicators from other European countries, using them as additional reference points where appropriate.

ENTREPRENEURIAL ACTIVITY IN CYPRUS IN 2024/2025



For the past nine years, Cyprus has been actively involved in GEM, allowing for the collection of comparable data both over time and across different economies. This section presents the findings of the 2024/2025 APS. The results are examined across years and compared with those of Greece, Luxembourg, and the wider European region. Respondents were asked to evaluate changes in their household income using a five-point scale, ranging from “Strong decrease” to “Strong increase.” Figure 3.1 presents the trends observed in Cyprus and selected economies over the past three years.

The findings for Cyprus suggest a continued, though moderate, improvement in household income. Compared to the previous year, the share of households reporting a “Strong decrease” declined slightly from 13.9% to 12.6%, while those indicating a “Somewhat decrease” also fell from 16.2% to 15.2%. At the same time, the proportion reporting “No

substantial change” remained high, though it eased slightly from 50.4% to 49%. More households reported increases in income, with “Somewhat increase” rising from 16.5% to 19.4% and “Strong increase” from 3% to 3.8%. Overall, the picture for Cyprus indicates slight incremental improvement.

In Greece, the situation also shows some signs of improvement. The proportion of households reporting a “Strong decrease” was reduced from 22% to 21.6%, while “Somewhat decrease” was also reduced from 28% to 25.6%. Meanwhile, responses indicating “No substantial change” increased slightly to 43.6%, suggesting that many households continue to experience stable, rather than improving, conditions. Reports of income increases slightly increased modestly, with “Somewhat increase” moving from 6.4% to 8.3%, while “Strong increase” remained low at around 1%.

Luxembourg continues to display relatively stable income conditions. The percentage of households reporting a “Strong decrease” declined marginally from 9% to 8.5%, and “Somewhat decrease” was also slightly reduced from 18.6% to 17.9%. At the same time, the percentage of the population reporting “No substantial change” increased to 43.6%. Although the proportion of households reporting a “Somewhat increase” decreased from 31.6% to 27.8%, it remains comparatively high. “Strong increase” responses also declined somewhat, from 3.3% to 2.2%, suggesting a slight moderation following the previous year’s gains.

At the European level, the percentage of households reporting a “Strong decrease” increased slightly to 9.7%, while those indicating a “Somewhat decrease” declined slightly from 19% to 18.9%. “No substantial change” remains the most common response at 44%, showing only a marginal decrease compared to the previous year. At the same time, there are continued signs of improvement, as the proportion of households reporting a “Somewhat increase” rose from 22.7% to 24.4%, although “Strong increase” responses declined slightly from 3.7% to 3%. Overall, the 2024/2025 findings point to continued recovery and gradual improvement in household income conditions in Cyprus and across Europe.

3.1 SOCIETAL VALUES & PERCEPTIONS ON ENTREPRENEURSHIP

Perceptions of business opportunities have shown an overall improvement compared to earlier years, both in Cyprus and across Europe. In Cyprus, the share of adults who consider that there are good opportunities to start a business (Figure 3.2) increased notably from 26.8% in 2022/2023 to 39.8% in 2023/2024, and remains at a similar level in 2024/2025 (40.2%). In 2024/2025, Greece records a slightly lower level of perceived opportunities (38.7%) compared to Cyprus, indicating a smaller gap on this index between the two countries. By contrast, Luxembourg reports a considerably higher level (47.7%), pointing to more positive perceptions of the entrepreneurial environment. At the European level, the average perception of business opportunities has remained broadly unchanged in recent years. After rising from 47.9% in 2022/2023 to 50.2% in 2023/2024, the European average stands at 47.9% in 2024/2025. This suggests that positive outlook towards entrepreneurial activity has been largely maintained, although at a slightly lower level compared to the previous year. Since 2022/2023, Cyprus continues to record lower levels of perceived opportunities compared to the European average. Although the gap has decreased, it remains notable. Overall, the findings indicate a gradual strengthening of entrepreneurial perceptions, but with persistent cross-country differences.

GEM also examines individuals’ perceptions regarding the ease of starting a business in their respective countries. In Cyprus, this perception shows some fluctuation over recent years. The share of adults who consider it easy to start a business increased from 48.4% in 2022/2023 to 50.0% in 2023/2024, before declining to 47.8% in 2024/2025. As shown in Figure 3.3, Cyprus’ index value in 2024/2025 is slightly below the European average, which stands at 48.3%, indicating a slightly weaker perception. The index rate is higher in comparison to Greece, where only 30.4% of adults perceive starting a business as easy. However, it remains well

below Luxembourg, which reports a higher level of perceived ease at 61.0%. Overall, the results show that the cross-country differences on the ease to start a business persist, with Cyprus positioned close to the EU average but lagging behind higher-performing economies such as Luxembourg. The results are presented in Figure 3.3.

GEM also assesses individuals’ perceptions of their entrepreneurial capabilities, namely whether they believe they possess the knowledge, skills and experience required to start a business. In Cyprus, this perception remains relatively strong. The share of adults who consider themselves capable of starting a business increased from 52.7% in 2022/2023 to 60.5% in 2023/2024, whereas it is slightly lower (59.9%) in 2024/2025. As illustrated in Figure 3.4, Cyprus’ index continues to demonstrate a higher rate compared to the European average, which stands at 53.1% in 2024/2025. In comparison with other countries, Cyprus also records higher levels of perceived capabilities than Greece (53.4%) and Luxembourg (48.8%). Overall, the findings indicate that a majority of the Cypriot population express confidence in their entrepreneurial capabilities. The results are presented in Figure 3.4.

Fear of failure is a key indicator in assessing the entrepreneurial environment, as it reflects individuals’ willingness to engage in entrepreneurial activity. In Cyprus, this perception shows a slight improvement in 2024/2025. The percentage of adults seeing good opportunities but reporting that fear of failure would prevent them from starting a business was 51.7% in 2022/2023, 53.3% in 2023/2024, before declining slightly to 50.8% in 2024/2025. As illustrated in Figure 3.5, Cyprus’ index value remains relatively high compared to other countries. In 2024/2025, it is slightly below Greece (54.1%), but higher than the index rate recorded in Luxembourg (41.4%). Cyprus also remains above the European average, which stands at 47.1%, although the gap has narrowed compared to previous years. Overall, while fear of failure had shown a gradual increase in earlier periods, the most recent data suggest a stabilisation in concerns among the Cypriot population. Nevertheless, the index rate is relatively high, showing that perceived risk is a potential barrier to entrepreneurial activity. At the European level, fear of failure has followed a slight increase in recent years, indicating that concerns about business risk remain relevant across the region.

Knowing someone who has started a business in the past two years is an important indicator of individuals’ exposure to entrepreneurial activity. In Cyprus, this measure shows some variation over recent years. The percentage of adults reporting that they personally know an entrepreneur declined from 82.4% in 2022/2023 to 66.9% in 2023/2024, before increasing slightly to 68.3% in 2024/2025. As illustrated in Figure 3.6, Cyprus continues to exhibit relatively strong entrepreneurial networks in a comparative context. In 2024/2025, the percentage of adults who know an entrepreneur is higher than in Greece (31.5%) and in Luxembourg (47.6%). It also higher than the European average (54.1%). Overall, although a notable decline was observed after 2022/2023, the findings suggest that social exposure to entrepreneurship in Cyprus remains comparatively high compared to other countries in Europe.

Figure 3.1: Perceived change on household income

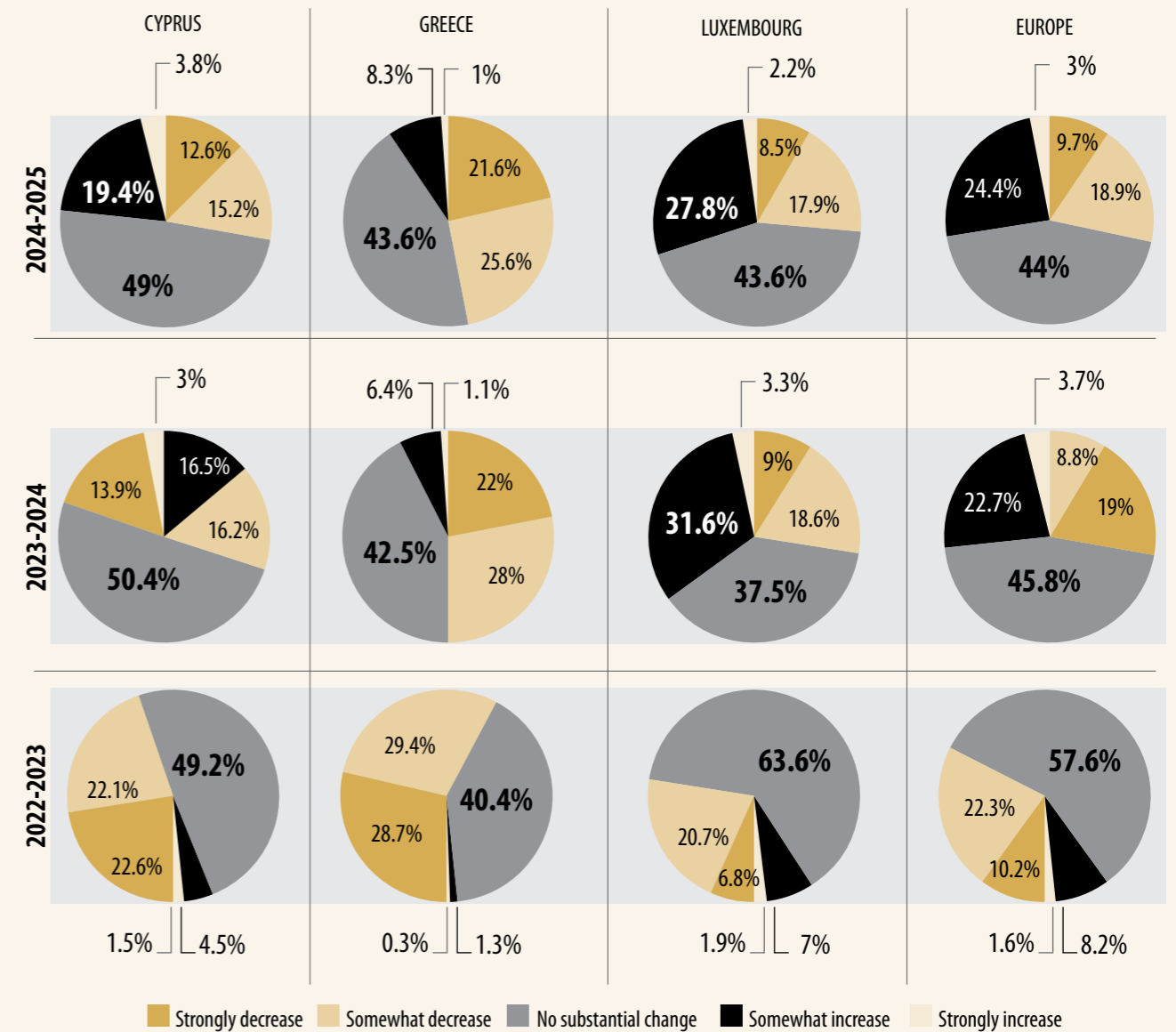
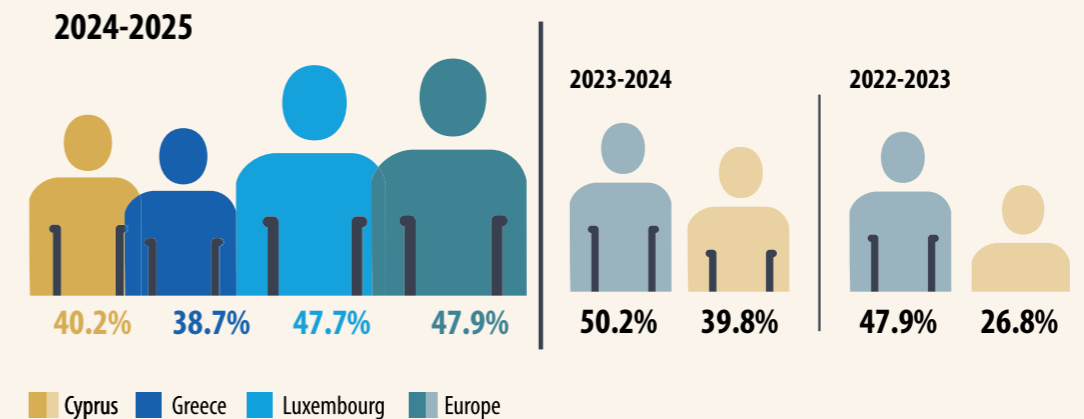


Figure 3.2: Perceived Opportunities: In the next six months, there are good opportunities to start a new business in my area (% adults)



Expectations to start a business within the next three years provide an indication of future entrepreneurial intentions among the population. In Cyprus, this index has shown a notable increase in recent years. The proportion of adults expecting to start a business increased from 18.3% in 2022/2023 to 21.3% in 2023/2024, and increased further to 24.1% in 2024/2025. This signals a strengthening in entrepreneurial intentions, reaching the highest level recorded across the past three years. As illustrated in Figure 3.7, Cyprus performs strongly in a comparative context. In 2024/2025, the share of adults expecting to start a business is substantially higher than in Greece (7.7%)

and Luxembourg (15.8%). It also exceeds the European average, which stands at 15.3%. At the European level, entrepreneurial intentions have also increased, rising from 11.4% in 2022/2023 to 11.9% in 2023/2024, and reaching 16.0% in 2024/2025. This suggests a broader improvement in entrepreneurial outlook across the region signalling an improved perception towards entrepreneurship as a career choice. Overall, the findings indicate a strong and continuing rise in entrepreneurial intentions in Cyprus. The results are presented in Figure 3.7.

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

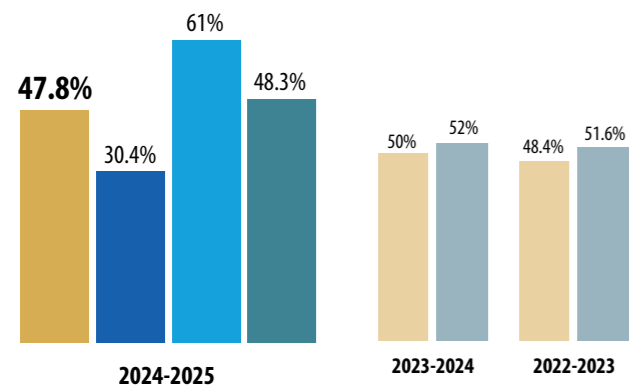


Figure 3.4: Perceived capabilities: You personally have the knowledge, skills and experience to start a new business (% adults)

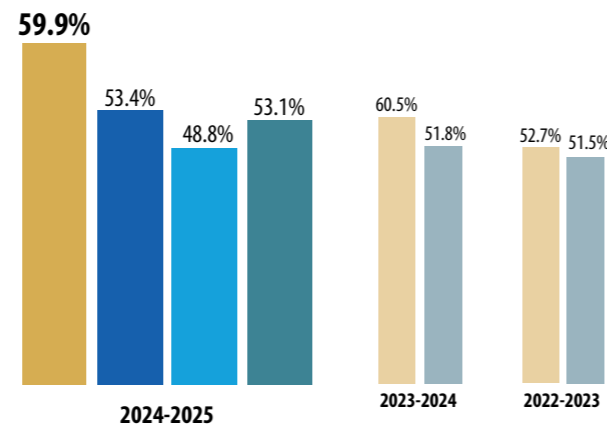


Figure 3.5: Fear of Failure: There are good opportunities, but I would not start a business for fear it might fail (% of those seeing good opportunities)

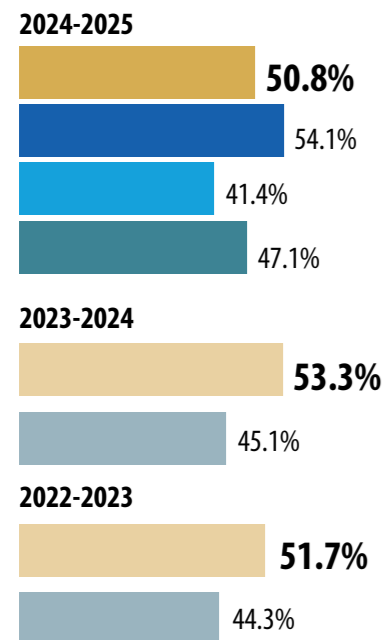
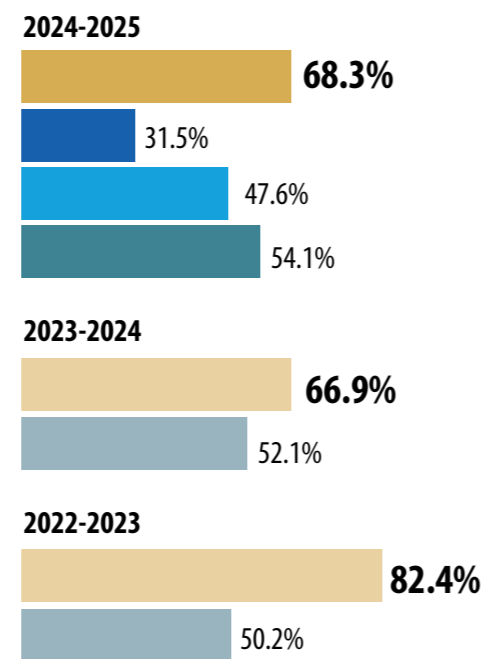
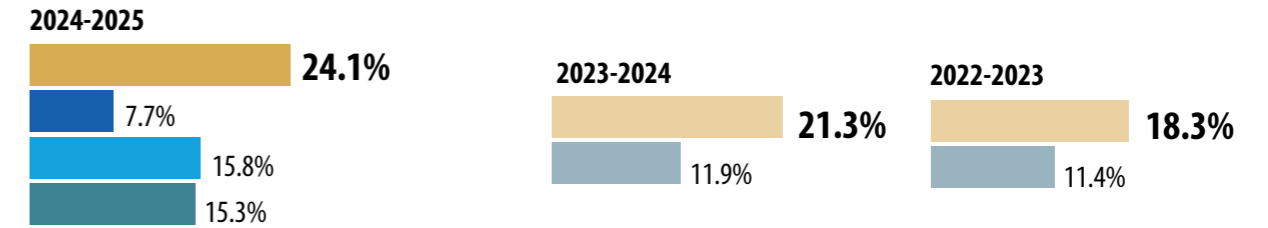


Figure 3.6: Personally know an entrepreneur (% adults)



Cyprus Greece Luxembourg Europe

Figure 3.7: Expecting to start a business in the next three years (% adults)



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)

3.2.1 Total early-stage Entrepreneurial Activity (TEA)

The Total Early-stage Entrepreneurial Activity (TEA) index provides a comprehensive measure of emerging entrepreneurial efforts, capturing individuals who are either in the process of starting a business or have recently established one. As such, it is a key GEM indicator reflecting entrepreneurial dynamism and potential for future growth. In Cyprus, the TEA rate shows some variation in recent years. The index increased from 8.3% in 2022/2023 to 11.0% in 2023/2024, before declining to 9.7% in 2024/2025. As presented in Figure 3.8, Cyprus' TEA rate in 2024/2025 is slightly below the European average (10.2%). In comparison with other countries, Cyprus continues to record a higher index rate compared to Greece (5.5%) and a slightly lower rate to Luxembourg (9.9%). At the European level, TEA rates have shown a gradual upward trend in recent years, increasing

Figure 3.8: TEA index rates (% adults)

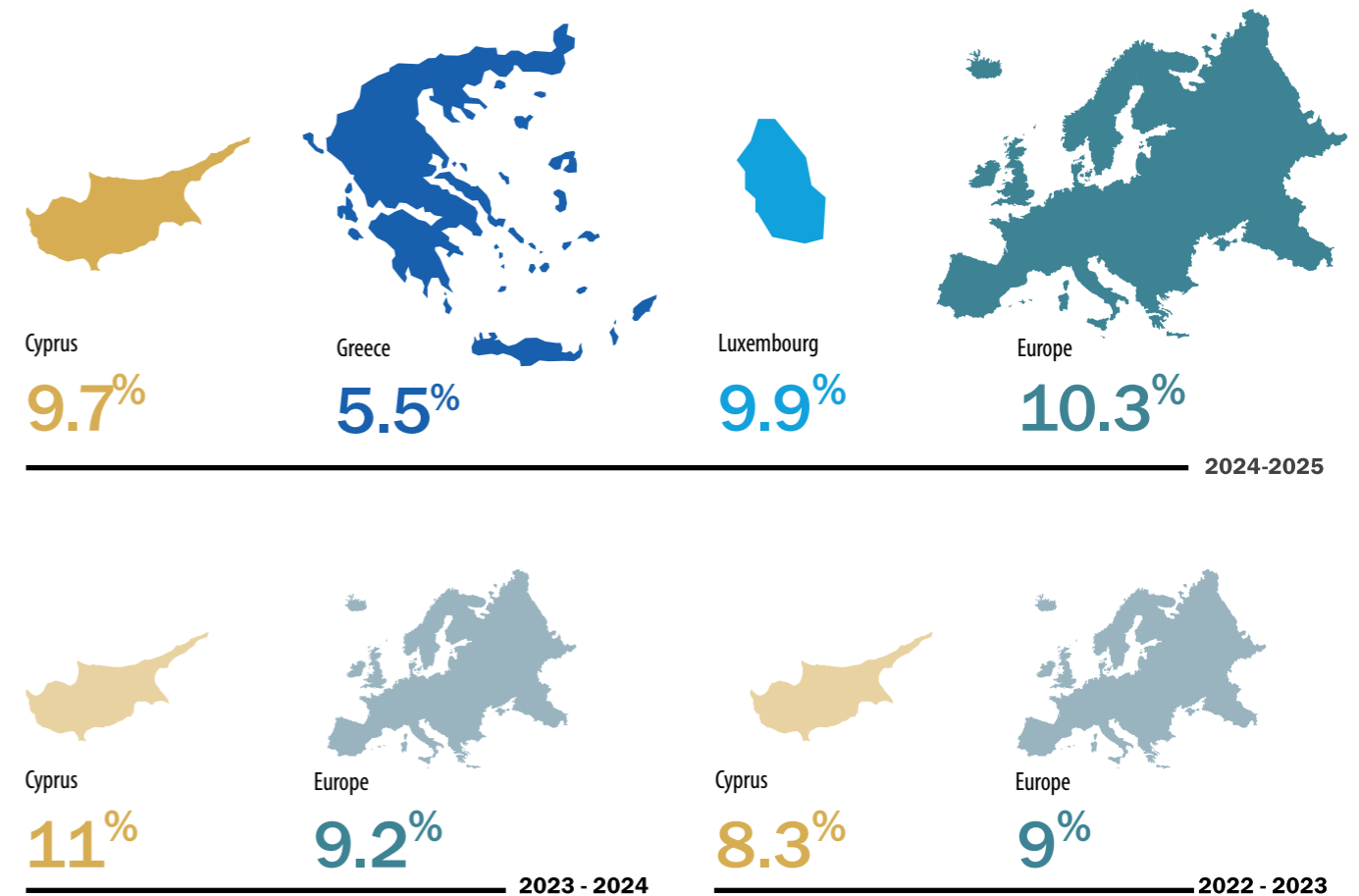


Figure 3.9: Cross-Country Comparison Total early-stage Entrepreneurial Activity (TEA) in 2024/2025

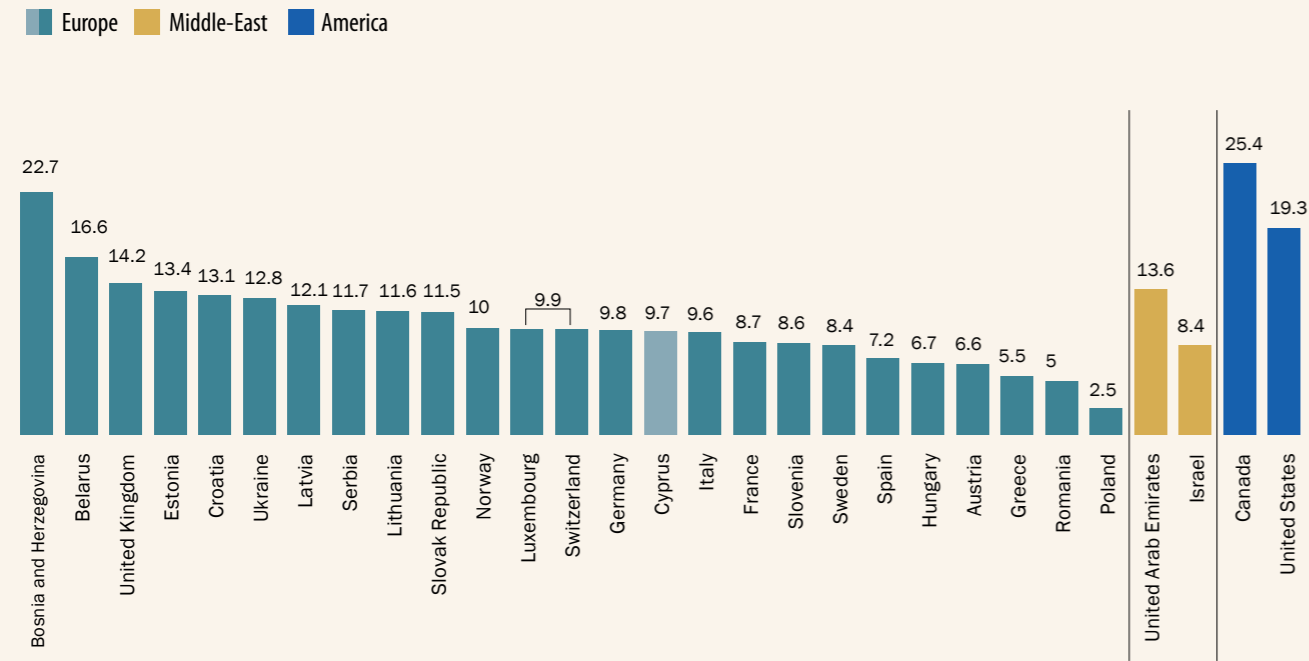


Figure 3.12: Cross-Country Comparison Total early-stage Entrepreneurial Activity (TEA) and Established Business Ownership (EBO) (both % of adults aged 18-64)

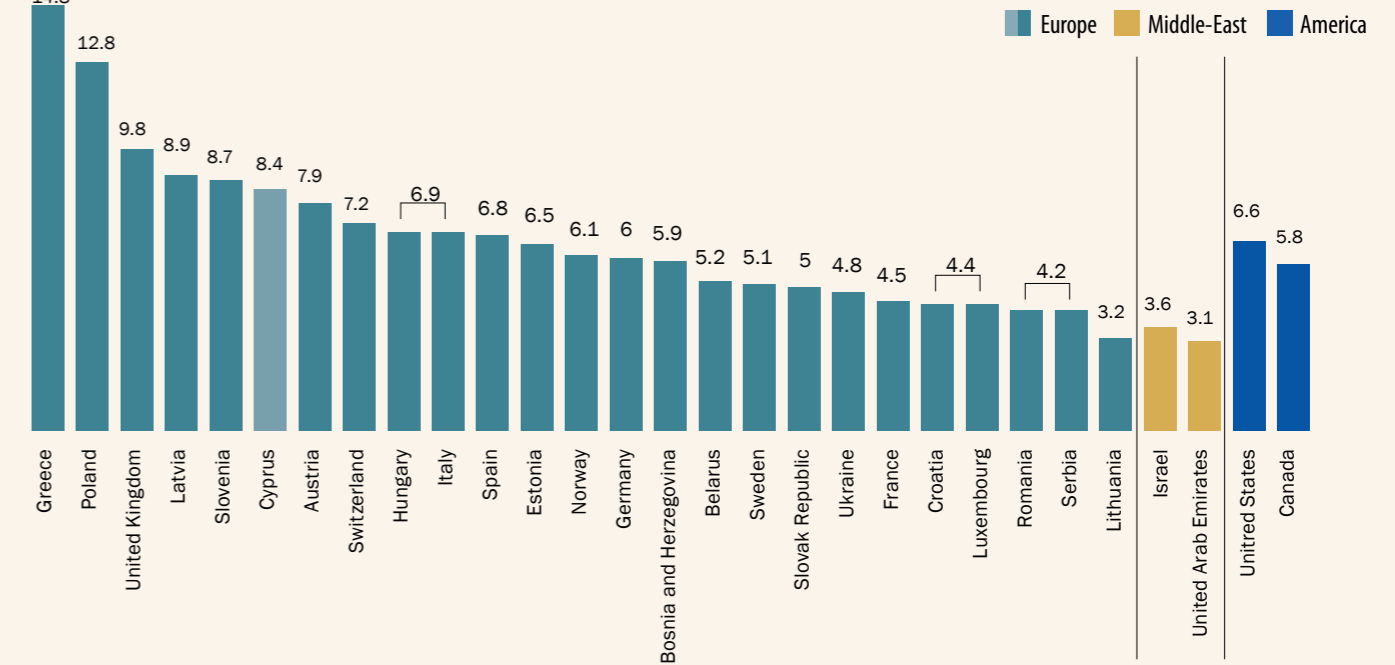
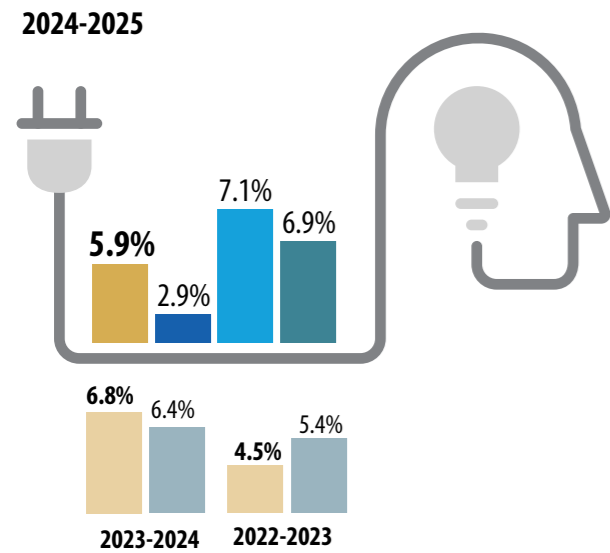


Figure 3.10: Nascent entrepreneurs



from 9.0% in 2022/2023 to 9.2% in 2023/2024, reaching 10.3% in 2024/2025. This suggests a continued strengthening of early-stage entrepreneurial activity across the region. Overall, the TEA index rate remains relatively high in comparison to earlier years and selected countries, pointing to a sustained level of early-stage entrepreneurial engagement. Further details are provided in Figure 3.8, while cross-country comparisons are presented in Figure 3.9.

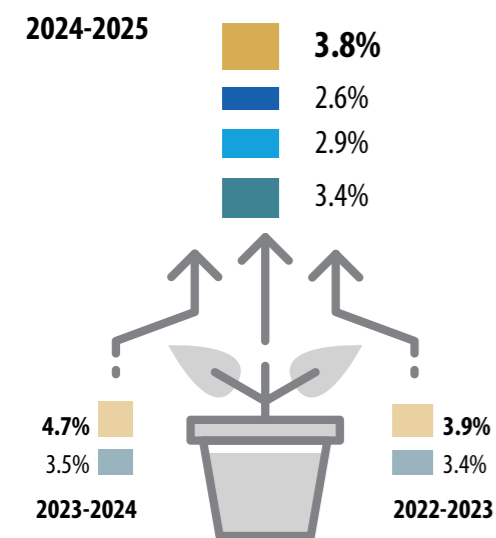
Nascent entrepreneurs

In 2024/2025, Cyprus recorded 5.9% in nascent entrepreneurial activity. While this reflects a slight decrease from 6.8% in 2023/2024, it remains above the levels observed in 2022/2023 (4.5%), indicating that early-stage entrepreneurial activity continues to sustain its post-pandemic recovery trajectory. Compared to other countries, Cyprus' nascent entrepreneurship rate is substantially higher than Greece (2.9%) but lower than Luxembourg (7.1%). Notably, Cyprus remains below the European average (6.9%), (Figure 3.10). Nevertheless, nascent entrepreneurship continues to play an important role towards the overall Total Early-stage Entrepreneurial Activity (TEA) index.

New business owners

In 2024/2025, new business ownership in Cyprus recorded 3.8%, reflecting a decrease from 4.7% in 2023/2024. This suggests that, despite a recent slowdown, new business activity continues to demonstrate relative resilience. In comparison, Cyprus' rate remains higher than Greece (2.6%) and Luxembourg (2.9%), and is also above the European average (3.4%). While the 2024/2025 figures indicate a moderation following the previous year's growth, Cyprus continues to record a higher index rate compared to other countries and the European average in new business ownership (Figure 3.11).

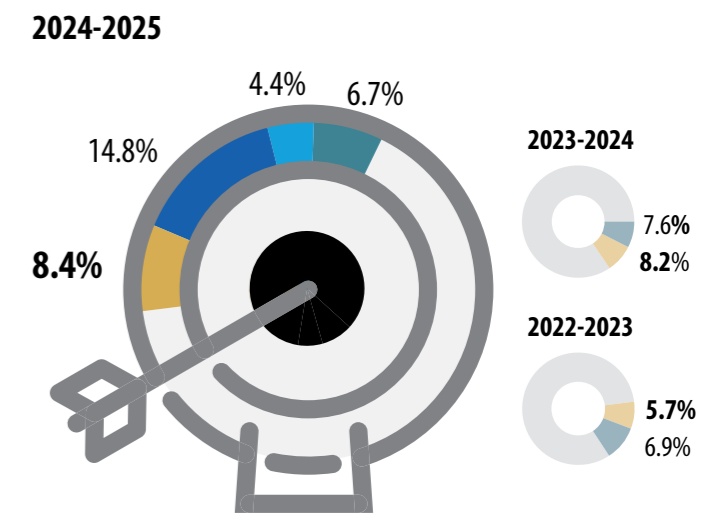
Figure 3.11: New business owners



3.2.2 ESTABLISHED BUSINESS OWNERS

GEM also captures the established business ownership rate, which represents the rate of the adult population that owns and manages businesses operating for more than 42 months. In Cyprus, this indicator has shown a recovery in recent years and after the pandemic. The rate increased from 5.7% in 2022/2023 to 8.2% in 2023/2024, and increased slightly further to 8.4% in 2024/2025 (Figure 3.13). This suggests a stabilisation of established entrepreneurial activity. As illustrated in Figure 3.12, Cyprus continues to record a higher established business ownership rate than the European average, which stands at 6.7% in 2024/2025. In comparison with other countries, Cyprus' rate is higher than Luxembourg's (4.4%), while remaining below Greece's index rate, which is 14.8%. Overall, the findings indicate that established business activity in Cyprus has strengthened in recent years, maintaining a position above the European average. Further comparisons across European and selected third countries are presented in Figure 3.12.

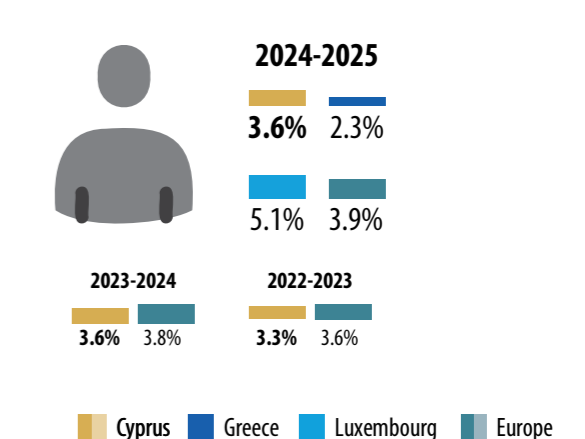
Figure 3.13: Established business ownership



3.2.3 INFORMAL INVESTORS

GEM also monitors the rate of informal investors, defined as individuals who informally provide financial support to early-stage or established businesses. In Cyprus, the level of informal investment has remained relatively stable in recent years. The proportion of adults acting as informal investors increased slightly from 3.3% in 2022/2023 to 3.6% in 2023/2024, and remained unchanged at 3.6% in 2024/2025. As shown in Figure 3.14, Cyprus' rate of informal investment in 2024/2025 is below the European average, which stands at 3.9%. In comparison with other countries, Cyprus records a higher rate than Greece (2.3%), but remains below Luxembourg (5.1%), where informal investment activity is more pronounced. The results are presented in Figure 3.14.

Figure 3.14: Informal investors in Cyprus and Europe



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 younger age group continues to demonstrate higher levels of early-stage entrepreneurial activity (TEA) in Cyprus, in line with patterns observed in previous years. In 2024/2025, 11.7% of individuals aged 18–34 are engaged in TEA, compared to 8.5% among those aged 35–64, indicating stronger entrepreneurial participation among younger adults. As illustrated in Figure 3.15, Cyprus exhibits a notable difference in participation between the two age groups. In contrast, countries such as Greece show more balanced levels of entrepreneurial activity, with 5.9% of individuals aged 18–34 and 5.3% of those aged 35–64 involved in TEA. Luxembourg records higher participation rates in both age groups (10.3% and 9.6%, respectively), with a relatively smaller gap between younger and older individuals. At the European level, TEA participation is also higher among younger individuals, with rates of 12.9% for the 18–34 age group and 9.1% for those aged 35–64. Overall, the findings suggest that while entrepreneurial activity in Cyprus is higher among younger cohorts, participation among older individuals remains comparatively lower, potentially reflecting differences in career stage, risk preferences, or broader socio-economic factors. The results are presented in Figure 3.15.

Figure 3.15: Total early-stage Entrepreneurial Activity (TEA) by age group (% of TEA in each age group)

2024/2025				
	Cyprus	Greece	Luxembourg	Europe
18-34 years	11.7%	5.9%	10.3%	12.9%
35-64 years	8.5%	5.3%	9.6%	9.1%

Gender distribution

In Cyprus, a notable difference between male and female participation persists. In 2024/2025, 13.4% of adult males are involved in early-stage entrepreneurial activity, compared to 6% of adult females, resulting in a female-to-male TEA ratio of 0.5. This indicates that male participation remains more than double that of females, pointing to a continued gender imbalance in entrepreneurial activity. Compared to previous years, both male and female participation in Cyprus have declined slightly from 2023/2024 levels (14.5% for males and 7.5% for females), although the overall gender ratio remains unchanged at 0.5. This suggests that the structural gap between men and women in entrepreneurship

remains persistent. In comparison with 2022/2023, female participation has increased (from 4.9% to 6%), indicating some gradual improvement over the longer term, although not sufficient to significantly alter the gender balance. In a comparative context, Cyprus continues to record a lower level of gender balance than the European average. In 2024/2025, the European female-to-male TEA ratio stands at 0.7, reflecting a more balanced distribution of entrepreneurial activity, with 12.1% of men and 8.5% of women engaged in TEA. Greece reports a notably higher ratio of 0.9, indicating near parity between male (5.9%) and female (5.2%) participation. Luxembourg, on the other hand, records a similar ratio to Cyprus (0.5), despite relatively high participation rates for both males (13.2%) and females (6.4%). In sum, the findings highlight a persistent gender gap in entrepreneurial activity in Cyprus. While there are signs of gradual improvement in female participation over time, the gap remains substantial compared to more gender-balanced economies. The results are presented in Figure 3.16.

Figure 3.16: Total Early-Stage Entrepreneurial Activity (TEA) rates and gender (2024/2025, 2023/2024, 2022/2023)

2024/2025				
	Cyprus	Greece	Luxembourg	Europe
Male TEA (% of adult male population)	13.4%	5.9%	13.2%	12.1%
Female TEA (% of adult female population)	6%	5.2%	6.4%	8.5%
Ratio of female/male TEA	0.5	0.9	0.5	0.7

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%
Ratio of female/male TEA	0.5	0.8	0.8	0.7

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%
Ratio of female/male TEA	0.4	0.5	0.6	0.6

Education

Examining the relationship between educational level and early-stage entrepreneurial activity (TEA) provides further insights into the demographic profile of TEA entrepreneurs. In Cyprus, 11.2% of individuals with post-secondary education are engaged in TEA in 2024/2025, compared to 7.6% of those without such qualifications. This indicates higher participation among graduates, although the gap has narrowed compared to the previous year (11.7% versus 10.0%). As illustrated in Figure 3.17, a similar pattern is observed in Luxembourg, where 11.9% of graduates are involved in TEA compared to 7.9% of non-graduates. At the European level, graduates (12.4%) also demonstrate higher participation than non-graduates (8.4%). In contrast, Greece presents a more balanced distribution, with slightly higher participation among non-graduates (5.8%) than graduates (5.3%). The results suggest that higher educational attainment is generally associated with increased engagement in early-stage entrepreneurship.

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

2024/2025				
	Cyprus	Greece	Luxembourg	Europe
% TEA graduates	11.2%	5.3%	11.9%	12.4%
% TEA non-graduates	7.6%	5.8%	7.9%	8.4%

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

Motives

Early-stage entrepreneurial activity (TEA) hold different motives underlying their decision to start a business. Key motives include wealth creation, making a difference, continuing a family tradition, and starting a business due to limited job opportunities. In Cyprus, TEA is primarily driven by opportunity-related motives, with a high proportion of entrepreneurs (87.8%) aiming to build wealth or achieve higher income. This share is substantially higher than in Greece (53.1%), Luxembourg (51.8%), and the European average (51.6%), highlighting a strong income-oriented entrepreneurial culture. Additionally, 47.5% of entrepreneurs report being motivated by the desire to make a difference, which is above the European average (41.6%) and Greece (32.8%), although lower than Luxembourg (57.9%). At the same time, necessity-driven entrepreneurship remains significant in Cyprus, with 57.1% indicating they started a business due to scarce employment opportunities. This level is broadly in line with the European average (59%), but lower than Greece (75.3%), where necessity-driven motives are particularly pronounced, and higher than Luxembourg (37.9%). In contrast, relatively fewer individuals in Cyprus (21.1%) are motivated by family tradition, a proportion that is below both the European average (24.4%) and Greece (31.8%), and broadly similar to Luxembourg (21.6%). Overall, the findings suggest that entrepreneurial activity in Cyprus is largely opportunity-driven, particularly in terms of income generation, while necessity-related factors also remain relevant. Compared to other countries, Cyprus stands out for its strong emphasis on wealth creation as a primary motive, combined with moderate levels of social and necessity-driven motivations. The results are presented in Figure 3.18.

Figure 3.18: Total early-stage Entrepreneurial Activity (TEA) & motives

TEA & motives				
	Cyprus	Greece	Luxembourg	Europe
To make a difference in the world	47.5	32.8	57.9	41.6
Build great wealth or income	87.8	53.1	51.8	24.4
Continue family tradition	21.1	31.8	21.6	24.4
To earn a living	57.1	75.3	37.9	59

3.4 ENTREPRENEURSHIP & IMPACT

The GEM methodology also captures respondents' expectations regarding the impact of their entrepreneurial activity. This includes outcomes such as job creation, the target market orientation of new ventures, the use of technology and reasons for business exit. These indicators provide insights into the potential impact of both early-stage entrepreneurial activity (TEA) and established businesses

(EB), often offering an indication of their broader contribution to the entrepreneurial ecosystem, economic growth, and social development.

Job creation

New entrepreneurial activity serves as an important indicator of an economy's potential to generate employment. The GEM APS captures expected job creation among early-stage entrepreneurs (TEA) over the next five years, providing insights into their growth expectations. As illustrated in Figure 3.19, 38.3% of TEA entrepreneurs in Cyprus expect to create six or more jobs in the next five years, indicating relatively strong employment growth expectations. This rate is notably higher than in Greece (18.9%), Luxembourg (25.5%), and the European average (20.4%). At the same time, a smaller proportion of entrepreneurs in Cyprus (14.2%) expect to create no additional jobs, compared to significantly higher rates in Greece (48.5%) and across Europe (45.6%). Luxembourg also records a higher share (29.0%) of entrepreneurs expecting no job creation compared to Cyprus. Overall, these findings suggest that TEA entrepreneurs in Cyprus hold comparatively strong growth expectations. The relatively high share of entrepreneurs anticipating significant job creation, combined with a lower proportion expecting no growth, points to a positive outlook regarding the potential contribution of new ventures to employment generation.

Figure 3.19: Job growth expectations (% of TEA) / 2024-25

Job growth expectations				
	Cyprus	Greece	Luxembourg	Europe
0 jobs	14.2	48.5	29.0	45.6
6+ jobs	38.3	18.9	25.5	20.4

Innovativeness

Entrepreneurs' expectations regarding the innovativeness of their products or services provide an indication of the novelty of new ventures within local, national, and international markets. The GEM APS captures these perceptions by asking early-stage entrepreneurs (TEA) to assess whether their offerings are new to different markets. As illustrated in Figure 3.20, in Cyprus, 10.1% of TEA entrepreneurs report that their products or services are new at the local level, 15.2% at the national level, and 10.4% at the international level. In comparison, Greece records higher levels of local innovation (19.0%), but significantly lower rates at the international level (2.0%). Luxembourg demonstrates stronger innovation at the national level (20.7%), with comparable levels to Cyprus in terms of international orientation (9.2%). At the European level, innovation is more concentrated at the local level (16.7%), with lower shares reported at the national (9.5%) and international levels (5.1%). The findings suggests that early-stage entrepreneurs in Cyprus are not only active in local markets but are also exploring broader market opportunities. The results are presented in Figure 3.20.

Figure 3.20: Products or services new to their area, new to their country or new to the world (% of TEA) / 2024-25

Innovativeness and Technology				
	Cyprus	Greece	Luxembourg	Europe
New to their area	10.1	19.0	9.5	16.7
New to their country	15.2	10.6	20.7	9.5
New to the world	10.4	2	9.2	5.1

Figure 3.21: Increase use of digital technologies in the next six months (% of TEA)

2024-25				
	Cyprus	Greece	Luxembourg	Europe
	56.9	44.3	72.4	48.9

Use of Technology & Digital Marketing

The GEM methodology also captures expectations regarding the use of digital technologies among early-stage entrepreneurs (TEA), providing insights into the digital orientation of new ventures. In Cyprus, 56.9% of TEA entrepreneurs expect to increase their use of digital technologies to sell their products or services in the next six months. This index rate is higher than both Greece (44.3%) and the European average (48.9%), indicating a relatively strong digital orientation among Cypriot entrepreneurs. However, it remains below Luxembourg, which records a notably higher rate at 72.4%. These insights demonstrate that a substantial proportion of early-stage entrepreneurs in Cyprus are actively planning to expand their use of digital tools, positioning the country above the European average, while still lagging behind higher-performing economies.

Along these lines, GEM also captured the expectations regarding the future importance of artificial intelligence (AI) in business operations, offering insights into how both early-stage entrepreneurs (TEA) and established business owners (EB) perceive technological change. In Cyprus, 36.5% of TEA entrepreneurs consider AI to be very important for their business in the next three years, compared to 29.4% of established business owners. This indicates a stronger forward-looking orientation among early-stage ventures. A similar pattern is observed across other countries, with TEA consistently reporting higher expectations than EB. Compared to other countries, Cyprus records slightly higher expectations among TEA than Greece (33.2%), but slightly lower than Luxembourg (37.5%). At the European level, the share of TEA expecting AI to become very important is significantly lower

Figure 3.22: Artificial Intelligence becoming very important to their business in the next three years/ 2024-25

AI importance				
	Cyprus	Greece	Luxembourg	Europe
TEA	36.5	33.2	37.5	22.6
EB	29.4	24.9	17	18.9

(22.6%). Among established businesses, Cyprus (29.4%) also exceeds both Greece (24.9%) and the EU average (18.9%), while remaining well above Luxembourg (17%). Overall, these findings highlight an increasing awareness of the role of emerging technologies, and especially AI, in shaping future business activities. They also suggest that early-stage entrepreneurs are more likely to anticipate and adopt technological change compared to established businesses, reinforcing the role of new ventures as drivers of innovation. The results are presented in Figure 3.22.

Beyond the use of AI, entrepreneurs use different digital marketing tools among both early-stage entrepreneurs (TEA) and established business owners (EB). This year's GEM provides insights into how businesses approach digital marketing. Among TEA entrepreneurs in Cyprus, social media (68.6%), website presence (66.2%), and email communications (66.0%) are considered the most important tools, indicating a strong reliance on digital channels for customer engagement. Email marketing, while still relevant, is rated lower (41.9%). Compared to other countries, Cyprus records higher levels of perceived importance across most marketing tools than the European average, particularly in social media (52.6%) and website use (51.1%). Greece places greater emphasis on websites (73.9%), while Luxembourg reports the highest importance for email communications (70.2%). A similar pattern is observed among established business owners, although at generally lower levels. In Cyprus, email communications (64.1%) remain the most valued tool, followed by social media (47.4%) and websites (47.1%), while email marketing is considered less important (32.7%). Compared to the European average, Cyprus again records higher perceived importance across most digital marketing tools, particularly in social media (34.6%) and website use (38.4%), while email communications in Cyprus also exceed the European average (56.3%). Greece demonstrates stronger reliance on websites (54.8%), whereas Luxembourg reports comparatively lower levels across most categories. In sum, these results show that digital marketing tools are widely perceived as important across both early-stage and established businesses in Cyprus. They also suggest that early-stage entrepreneurs place greater importance on digital tools compared to established businesses, reflecting a stronger digital orientation and a greater emphasis on digital engagement strategies. The results are presented in Figures 3.23 and 3.24.

By leveraging digital technologies, entrepreneurs in Cyprus can play a key role in fostering innovation, inclusivity, and

Figure 3.23: Percentage of TEA who perceive each digital marketing tool as very important (% of TEA)

Digital Marketing Tools (TEA)				
	Cyprus	Greece	Luxembourg	Europe
Social media	68.6	57.8	60.2	52.6
Email communications	66	60.7	70.2	55.4
Email marketing	41.9	57	44.2	32.1
Website	66.2	73.9	62.1	51.1

Figure 3.24: Percentage of EB who perceive each digital marketing tool as very important (% of EB)

Digital Marketing Tools (EB)				
	Cyprus	Greece	Luxembourg	Europe
Social media	47.4	43.3	31.2	34.6
Email communications	64.1	47.8	54.1	56.3
Email marketing	32.7	37	22.9	26.3
Website	47.1	54.8	31.2	38.4

economic development, while contributing to several UN Sustainable Development Goals. In particular, the above results align with SDG 17 (Partnerships for the Goals), as digital tools facilitate stronger collaboration and connectivity.

Sustainability and Social Impact

GEM also examines the extent to which early-stage entrepreneurs consider the social and environmental impact of their business activity. In Cyprus, 47.4% of TEA entrepreneurs report that they have taken steps to minimise the environmental impact of their business, while 37.7% have taken steps to maximise its social impact. These rates are below the European averages of 53.1% and 42.6%, respectively. In terms of decision-making, 44.1% of early-stage entrepreneurs in Cyprus report that they always consider social implications when making decisions about the future of their business, while 41.1% always consider environmental implications. These levels are considerably lower than the European averages of 72.3% and 71.9%, respectively. Greece and Luxembourg also record higher levels across these indicators, particularly in relation to

Figure 3.25: Consider environmental and social implications of their business activity(% of TEA)

Business Activity - Environmental & Social Implications				
	Cyprus	Greece	Luxembourg	Europe
Minimise the environmental impact	47.4	50.6	60.6	53.1
Maximise the social impact of their business	37.7	42.3	56.3	42.6
Always consider social implications when deciding about the future of their business	44.1	86	79.7	72.3
Always consider environmental implications when deciding about the future of their business	41.1	87.7	82.4	71.9

considering social and environmental implications in future business decisions. These findings (Figure 2.25) demonstrate that while a notable share of early-stage entrepreneurs in Cyprus take action to address environmental and social impact, the integration of these considerations into strategic decision-making remains comparatively lower. This points to the need for further strengthening sustainability awareness and impact-oriented practices among early-stage entrepreneurs in Cyprus.

In Cyprus, 36.6% of both women and men engaged in TEA report that they prioritise social and/or environmental considerations, indicating no observable gender gap on this measure. In other countries, gender differences can be identified. In Greece, a higher proportion of women (57%) than men (49.6%) report prioritising impact, while in Luxembourg the shares are relatively balanced (53.1% for women and 54.3% for men). At the European level, women (57.6%) are more likely than men (51.5%) to prioritise social and/or environmental impact in their entrepreneurial activity. The results are presented in Figure 3.26.

The data also provide insights on a more advanced form of sustainability-oriented entrepreneurship, focusing on individuals who combine a “making a difference” motive with concrete actions, strategic integration of sustainability, and a willingness to prioritise impact over profits. In Cyprus, this group accounts for 10.5% of early-stage entrepreneurs. This share is broadly in line with Greece (11.1%), but remains notably lower than the European average (19.0%) and Luxembourg (25.5%), where more entrepreneurs adopt a fully integrated sustainability approach. These results indicate that

Figure 3.26: TEA entrepreneurs who prioritise social and/or environmental impact & gender

Environmental and/or Social impact & Gender				
	Cyprus	Greece	Luxembourg	Europe
% TEA women	36.6	57	53.1	57.6
% TEA men	36.6	49.6	54.3	51.5

Figure 3.27: Early-stage entrepreneurs integrating sustainability into motivation, strategy, and business priorities (% of TEA)

Sustainability-oriented entrepreneurship				
	Cyprus	Greece	Luxembourg	Europe
	10.5	11.1	25.5	19.0

Figure 3.28: Reasons for business exit (% of adults 18-64)

2024-25				
	Cyprus	Greece	Luxembourg	Europe
Positive	1	0.6	1.7	1.5
Negative	2.5	1	2.9	2.8
Total	3.5	1.6	4.6	4.3
2023-24				
	Cyprus	Greece	Luxembourg	Europe
Positive	0.5	0.8	1.3	1.2
Negative	1.7	1.3	2.6	1.9
Total	2.5	2.1	4.4	3.4

although sustainability is present within the entrepreneurial landscape in Cyprus, relatively few entrepreneurs incorporate it consistently across motivation, strategy, and decision-making. This suggests scope for further strengthening the depth of sustainability integration among early-stage ventures.

Business exits

Business exits is another dimension captured by the GEM framework, distinguishing between positive and negative reasons for discontinuation. In 2024/2025, Cyprus records a total business exit rate of 3.5%, marking an increase from 2.5% in the previous year. This increase is largely associated with exits due to negative reasons, which increased from 1.7% to 2.5%, while exits for positive reasons also increased (from 0.5% to 1.0%). Along these lines, Cyprus' exit rate remains below both Luxembourg (4.6%) and the European average (4.3%), but exceeds the level observed in Greece (1.6%). Across all countries, negative reasons continue to account for the majority of business exits, with Cyprus following a similar pattern (2.5% negative vs. 1.0% positive). A similar distribution is observed at the European level (2.8% negative vs. 1.5% positive), as well as in Luxembourg (2.9% vs. 1.7%) and Greece (1.0% vs. 0.6%). While business exit rates in Cyprus remain moderate in comparison to other countries, the increase observed in 2024/2025 is primarily driven by negative factors. This suggests that, despite improvements in entrepreneurial activity, challenges leading to business discontinuation persist within the entrepreneurial ecosystem. These results are illustrated in Figure 3.26.

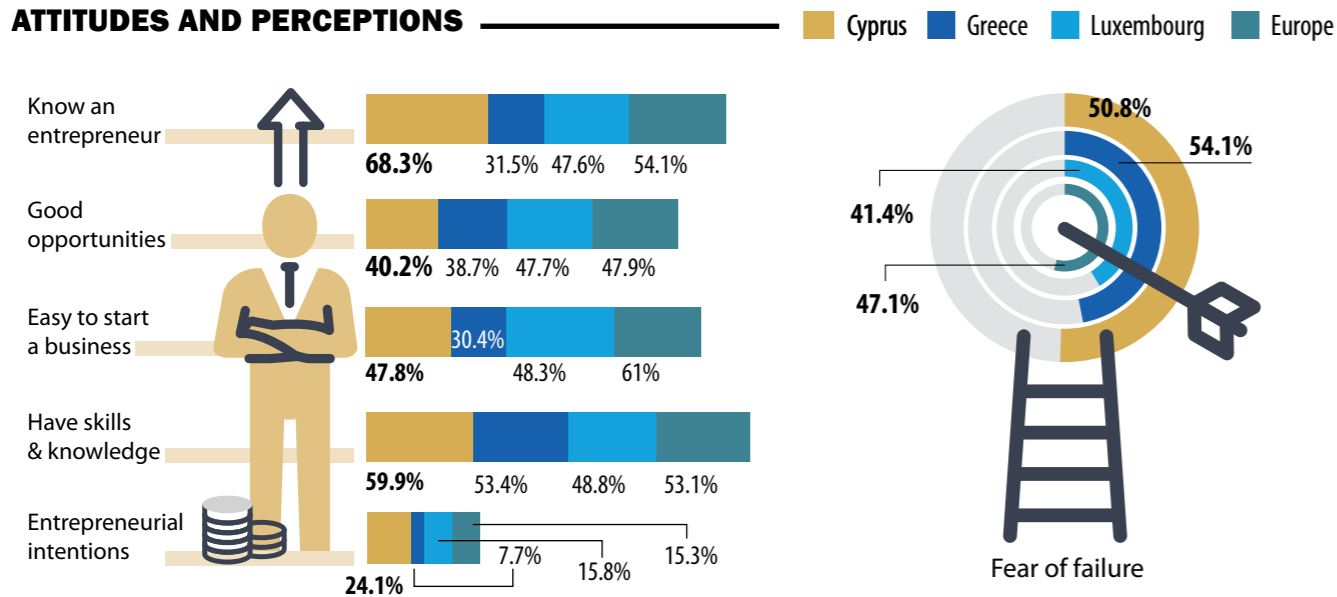
CYPRUS

POPULATION (2023): 1.3 MILLION (UN)

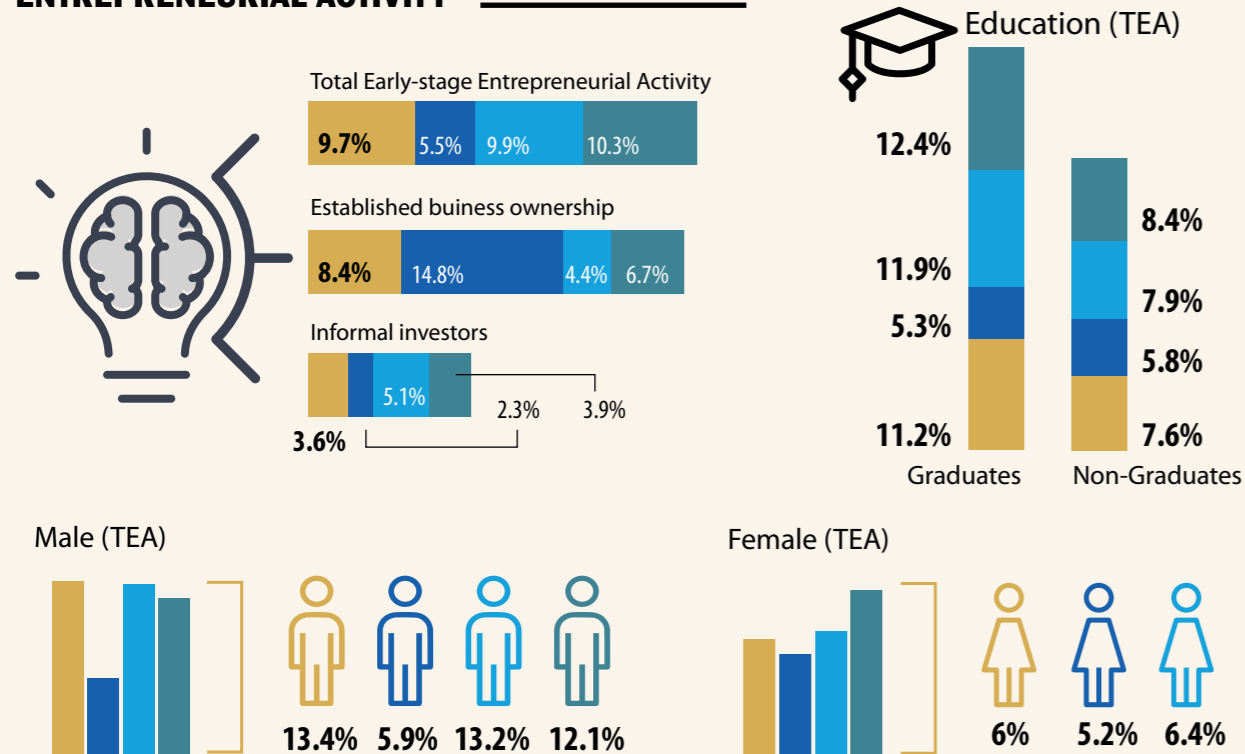
GDP PER CAPITA (2023; PPP, INTERNATIONAL \$): 57.1 THOUSAND (WORLD BANK)

ENTREPRENEURSHIP IN CYPRUS 2024/2025

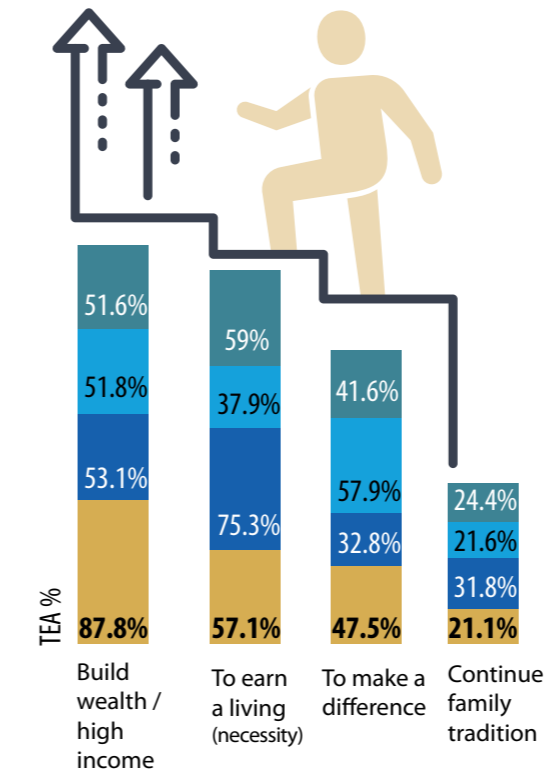
ATTITUDES AND PERCEPTIONS



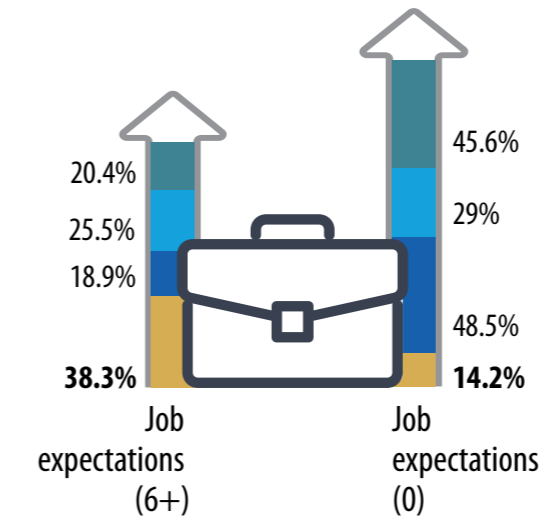
ENTREPRENEURIAL ACTIVITY



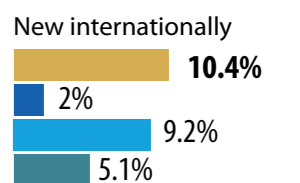
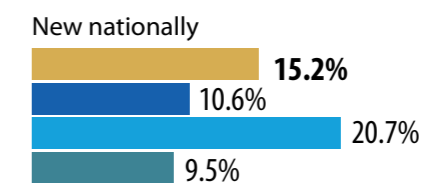
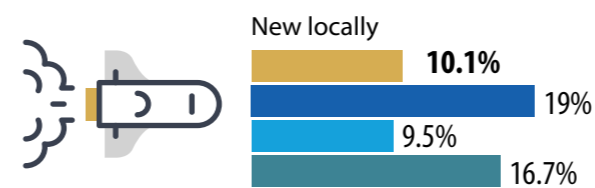
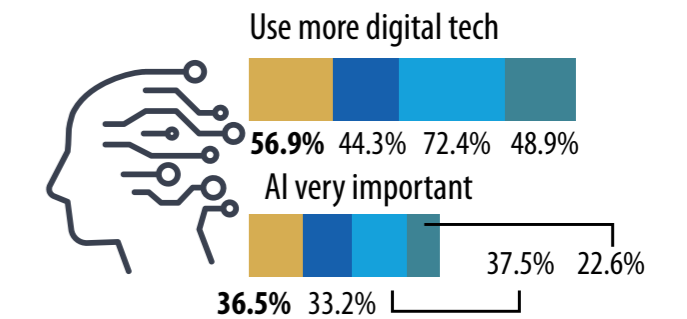
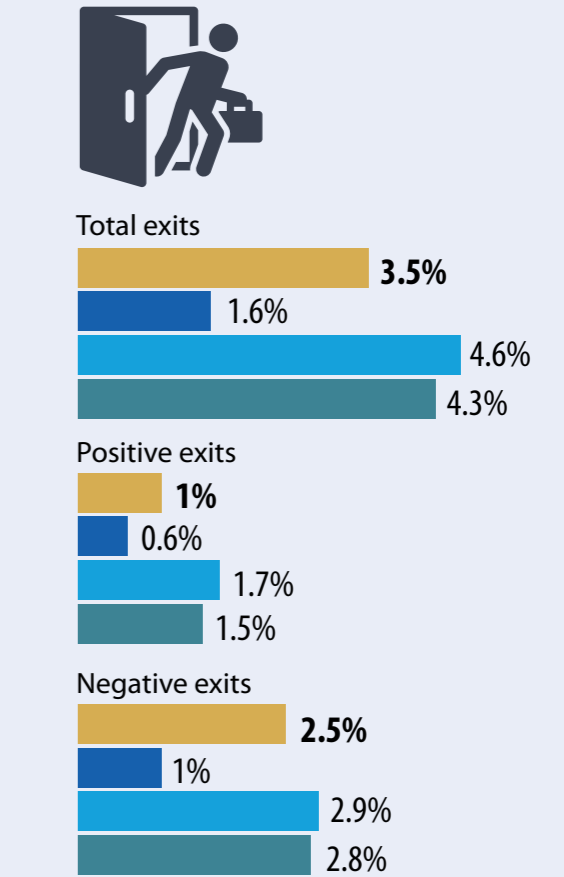
MOTIVES



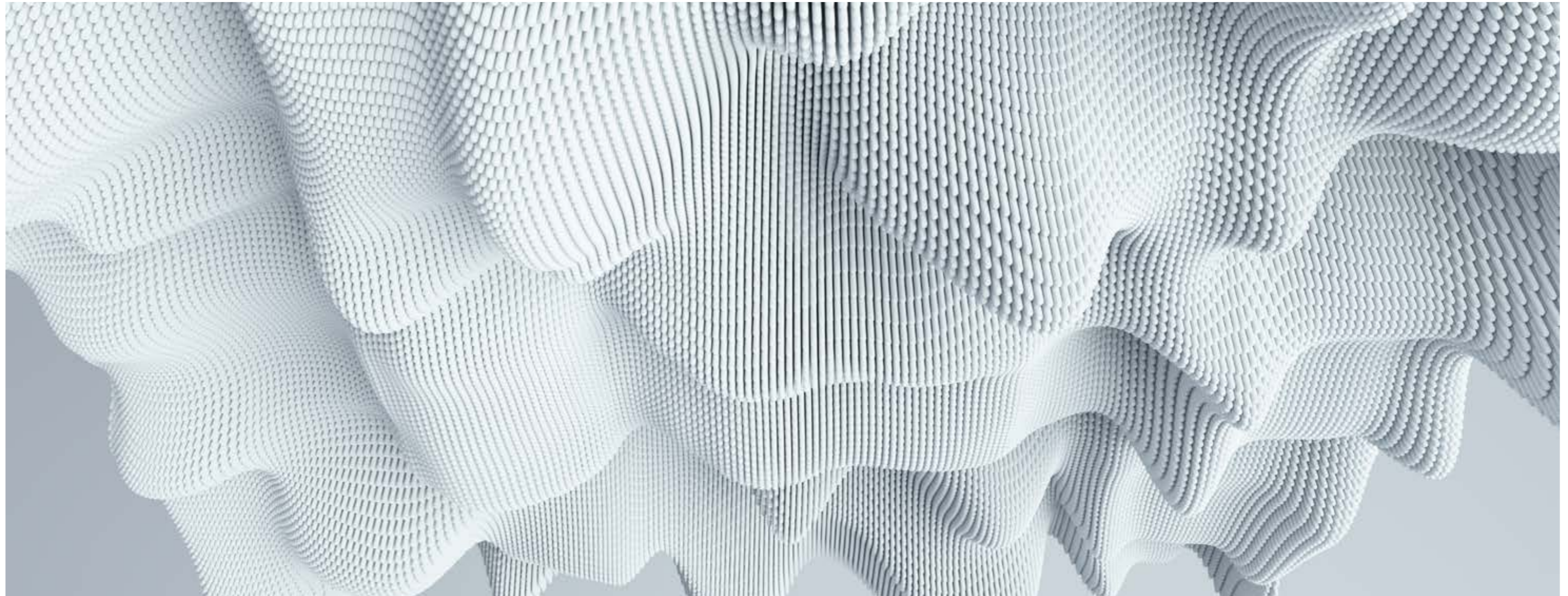
ENTREPRENEURSHIP IMPACT



BUSINESS EXITS



THE ENTREPRENEURSHIP ECOSYSTEM



This section examines the role of the national context in shaping entrepreneurial activity in Cyprus, drawing on evidence from the GEM National Expert Survey (NES). While the decision to start a business is ultimately taken at the individual level, it is strongly influenced by the characteristics of the environment in which entrepreneurs operate. As highlighted in the GEM framework, entrepreneurship does not occur in isolation; it is embedded within a broader economic, institutional, and social setting that can either facilitate or constrain business creation and growth. Factors such as access to finance, the cost and availability of resources, regulatory conditions, infrastructure, and prevailing cultural attitudes towards risk and innovation all play an important role in shaping entrepreneurial outcomes.

The concept of “environment” is therefore central to understanding entrepreneurial dynamics. Different economies offer varying combinations of opportunities and constraints, and there is no single environment that can be considered universally optimal for entrepreneurship. Even within similar income groups, substantial differences can be observed in how supportive the ecosystem is for new and growing businesses. Some environments are characterised by open markets, strong institutional support, and accessible resources, while others may present barriers such as bureaucratic complexity, limited access to funding, or weaker demand conditions. These contextual differences influence not only the likelihood that individuals will engage in entrepreneurial activity, but also

the ability of businesses to survive, scale, and contribute to economic development over time.

To systematically assess these dimensions, the GEM framework identifies a set of Entrepreneurial Framework Conditions (EFCs), which capture the key components of a country's entrepreneurial ecosystem (Figure 4.1). These conditions include a wide range of factors, including entrepreneurial finance, government policies and programmes, education and training at both school and post-school levels, research and development transfer, commercial and professional infrastructure, ease of market entry, physical infrastructure, and social and cultural norms. Collectively, these elements shape the environment within which entrepreneurial activity takes place. Their interaction is particularly important, as weaknesses in one area may limit the effectiveness of strengths in another, while improvements across multiple conditions can reinforce overall ecosystem performance.

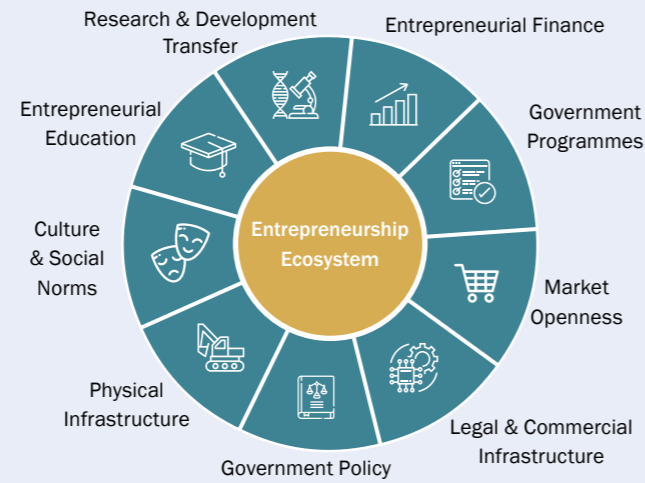
The NES provides a structured mechanism for evaluating these framework conditions through the insights of national experts. In each participating economy, a panel of experts with diverse backgrounds such as entrepreneurs, policymakers, academics, investors, and business professionals, is selected to assess the entrepreneurial environment. In Cyprus, the NES for 2024/2025 is based on the contributions of 36 experts, all of whom possess extensive knowledge of the country's entrepreneurial landscape. Using a standardised questionnaire, experts are asked to evaluate a series of statements related to each EFC on an 11-point scale, ranging from 0 (completely false) to 10 (completely true), with the midpoint of 5 representing a level that is considered just sufficient.

The use of a harmonised methodology across countries allows for meaningful comparisons over time and between economies. By aggregating individual expert assessments, GEM derives composite scores for each framework condition, providing an overall picture of the strengths and weaknesses of the entrepreneurial ecosystem. These results not only highlight areas where Cyprus performs relatively well, but also identify structural challenges that may hinder entrepreneurial activity and business development. In this way, the NES complements the findings of the Adult Population Survey (APS), offering a more comprehensive understanding of both entrepreneurial behaviour and the environment in which it occurs.

In sum, this section presents the findings of the NES of Cyprus, assessing the country's entrepreneurial framework conditions and placing them in a comparative context with other economies. The analysis identifies key strengths that support entrepreneurial activity, as well as areas where further policy attention may be required. In doing so, it contributes to a deeper understanding of the Cypriot entrepreneurial ecosystem and provides an evidence base for shaping policies aimed at fostering a more dynamic, inclusive, and sustainable environment for entrepreneurship.

The results of the NES study highlight both the strengths and weaknesses of each country's entrepreneurial ecosystem. In Cyprus during 2024/2025, key strengths identified within the ecosystem include the effectiveness of physical infrastructure, commercial and legal infrastructure, government policies, social and cultural norms and market entry dynamics.

Figure 4.1: Main Entrepreneurial Framework Conditions (EFCs)



ENTREPRENEURIAL FINANCE

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



GOVERNMENT ENTREPRENEURSHIP PROGRAMMES

Are quality support programs available?



GOVERNMENT POLICY: SUPPORT AND RELEVANCE / Do they promote and support startups?
GOVERNMENT POLICY: TAXES AND BUREAUCRACY / Are new businesses burdened?



RESEARCH AND DEVELOPMENT TRANSFERS

Can research be translated into new businesses?



COMMERCIAL AND PROFESSIONAL INFRASTRUCTURE

Are these sufficient and affordable?



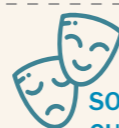
ENTREPRENEURSHIP EDUCATION AT SCHOOL / Do schools introduce entrepreneurship ideas?
ENTREPRENEURSHIP EDUCATION POST SCHOOL / Do colleges offer courses in starting a business?



EASE OF ENTRY: MARKET DYNAMICS / Are markets free, open and growing?



PHYSICAL INFRASTRUCTURE
Is this sufficient and affordable?

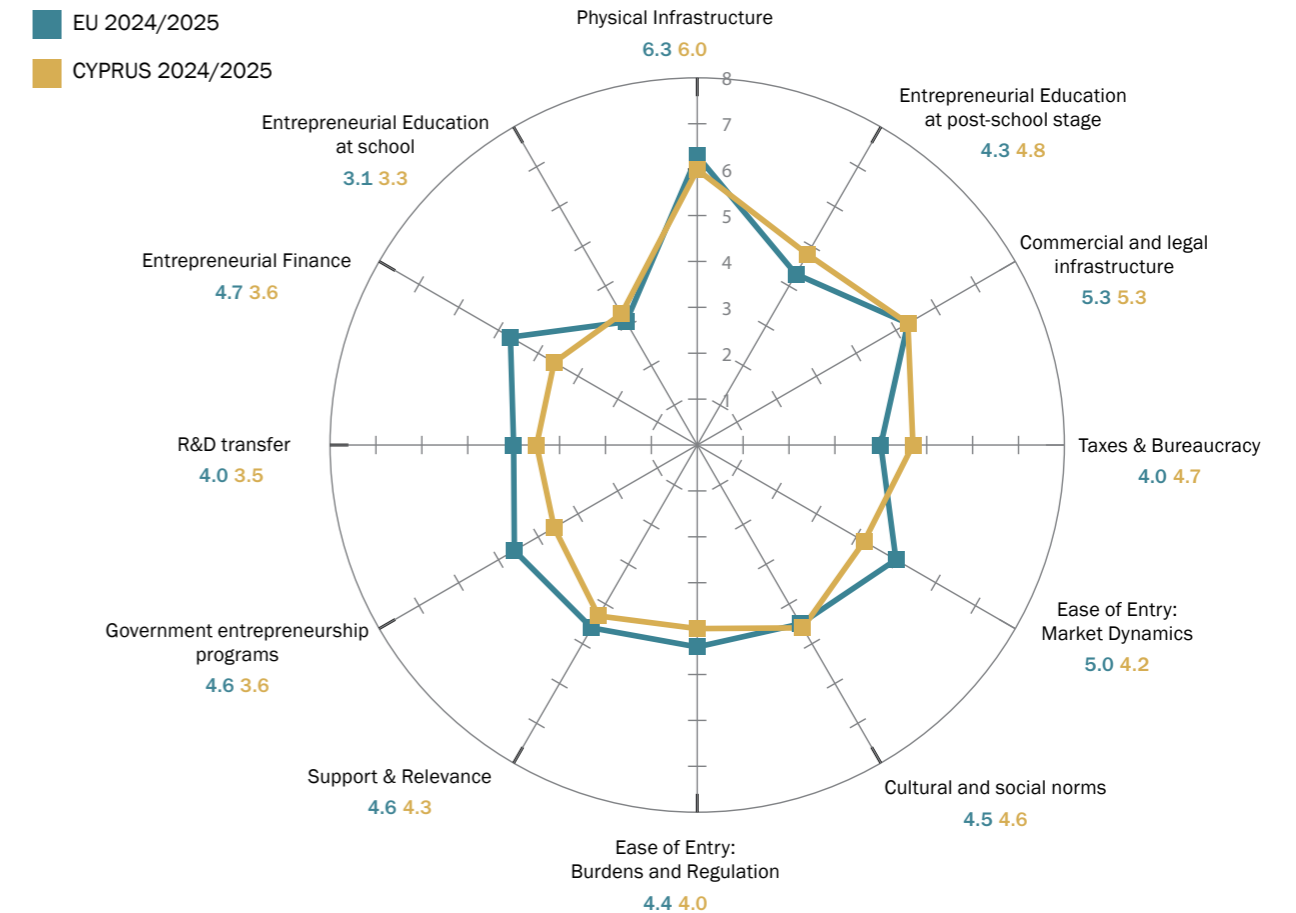


SOCIAL AND CULTURAL NORMS
Does culture encourage and celebrate entrepreneurship?

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

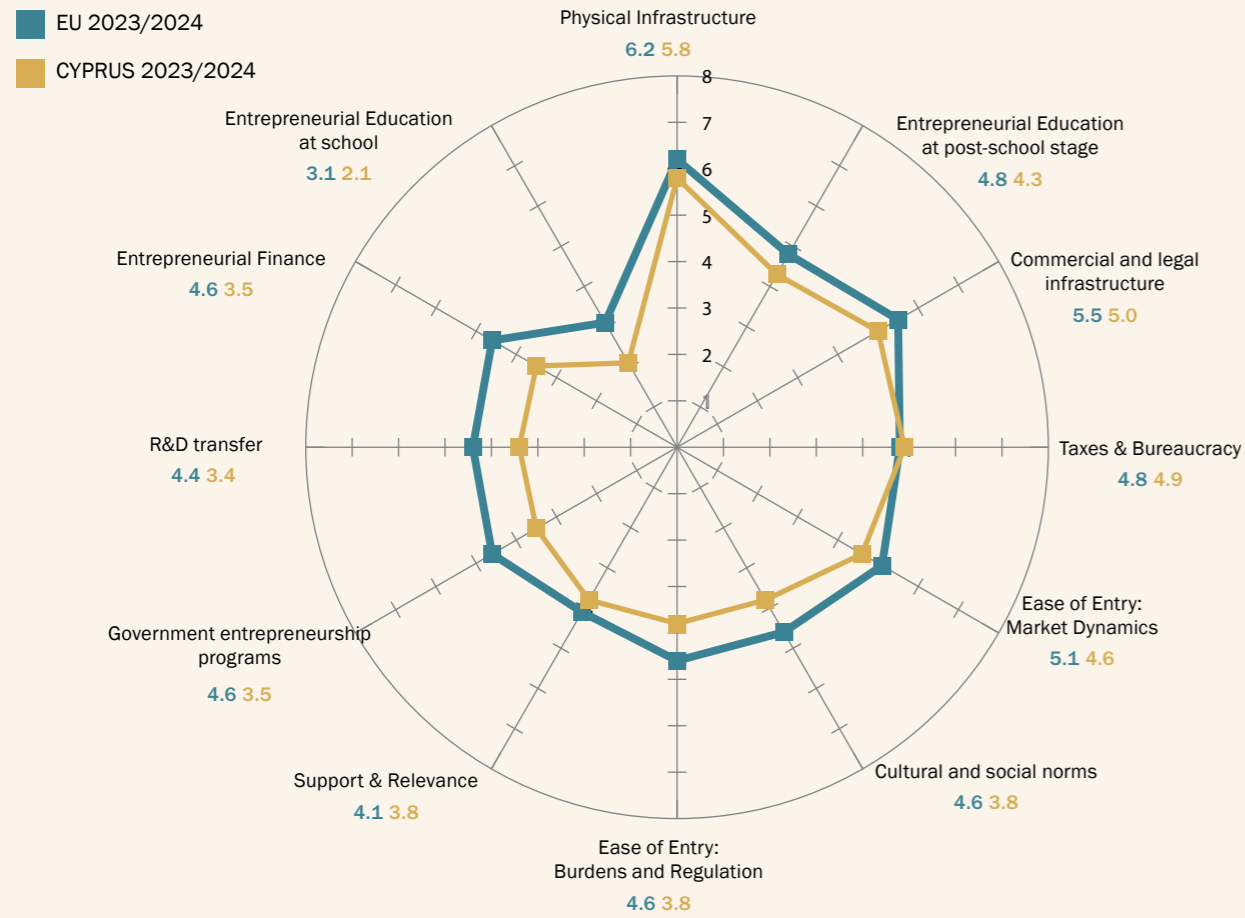


Figure 4.4: Entrepreneurial framework condition scores in Cyprus and Greece in 2024/2025



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

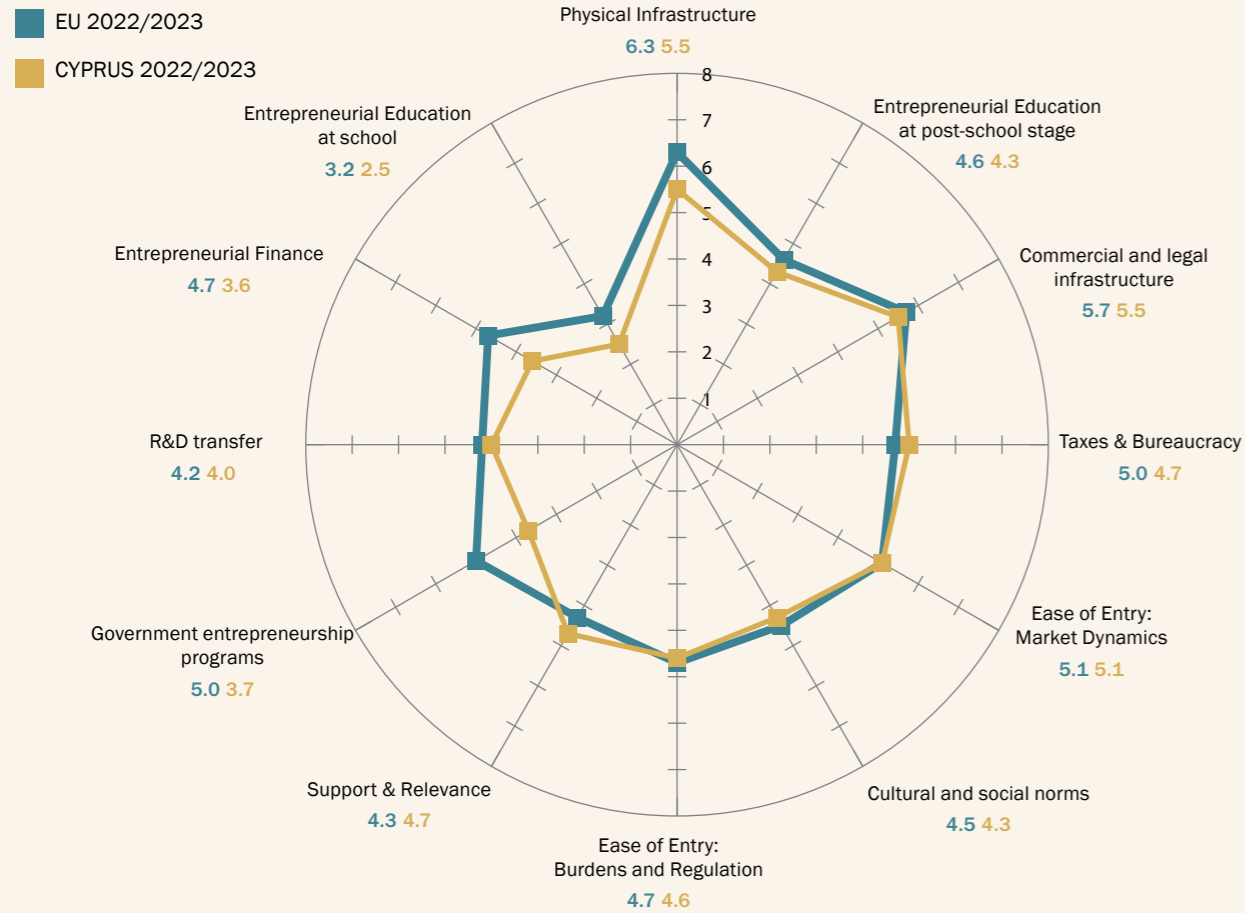


Figure 4.5: Entrepreneurial framework condition scores in Cyprus and Luxembourg in 2024/2025

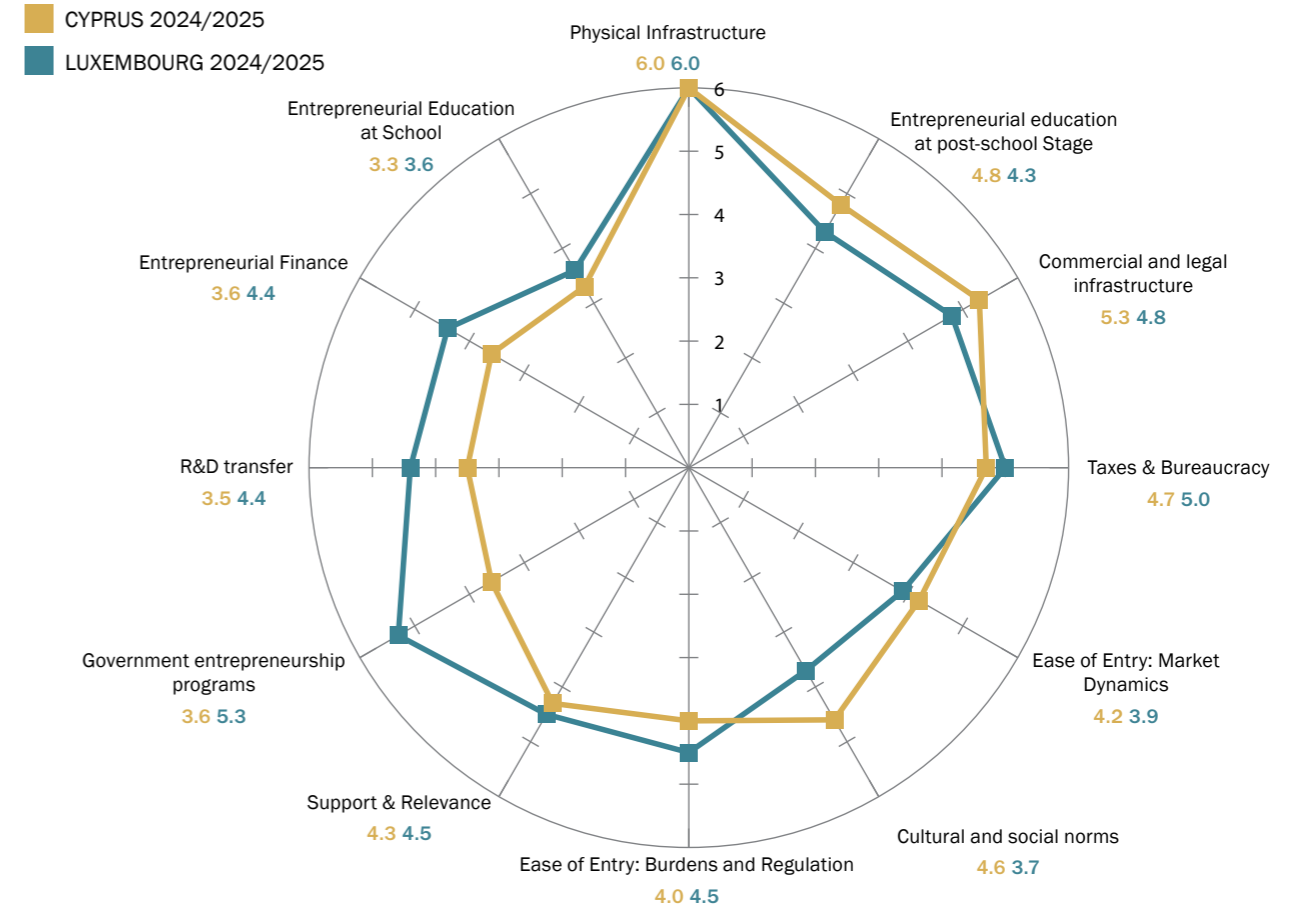
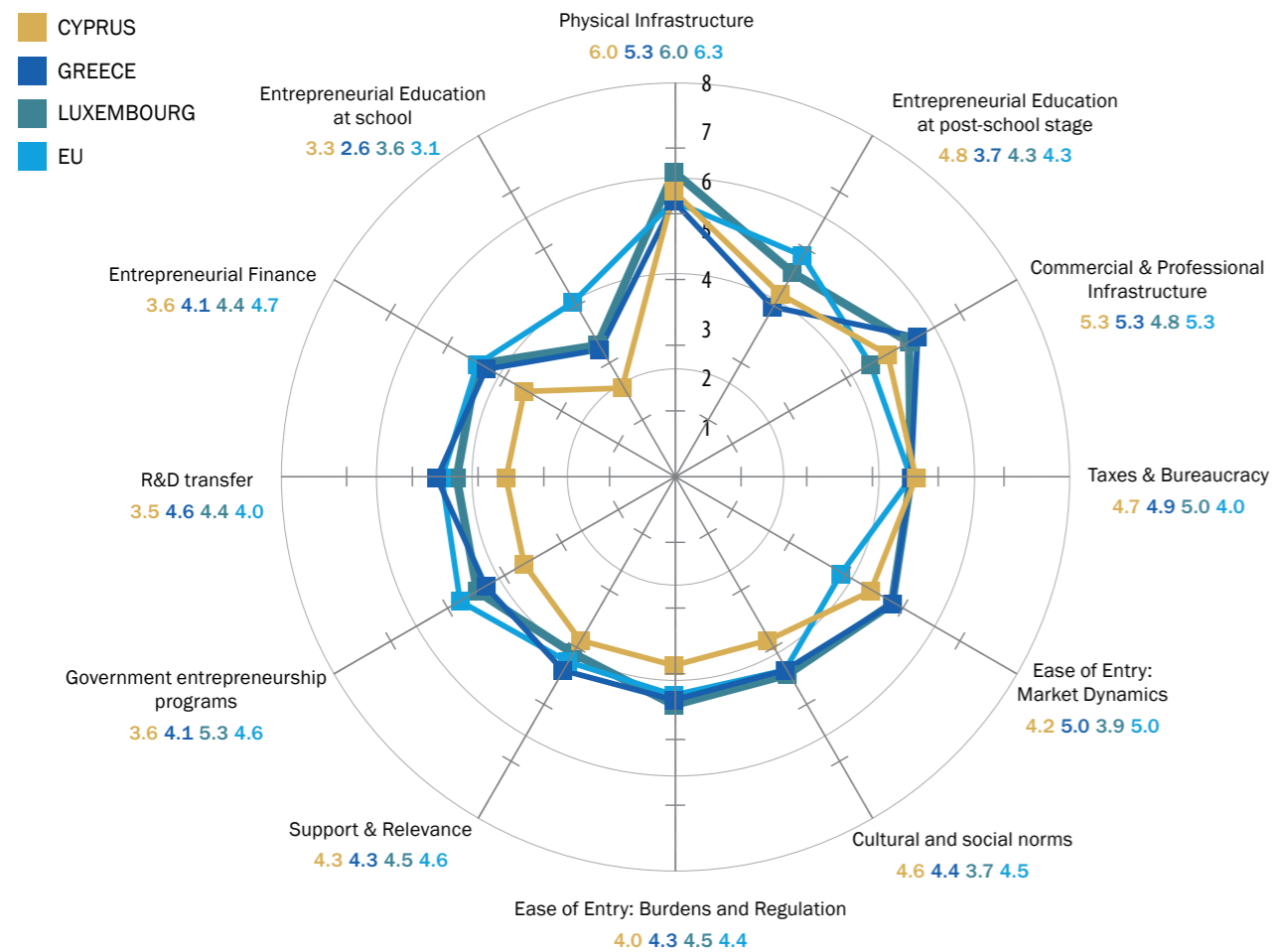


Figure 4.6: Entrepreneurial framework condition scores in Cyprus and other countries in 2024/2025



The results of the 2024/2025 NES highlight a mixed picture of Cyprus' entrepreneurial ecosystem, with some areas showing gradual improvement while others continue to lag. Physical Infrastructure remains the strongest component, increasing further to a score of 6.0 from 5.8 in 2023/2024 and 5.5 in 2022/2023, thus confirming the continued availability of high-quality facilities and services that support business operations. Commercial and Professional Infrastructure also shows a moderate improvement (5.3), reversing the slight decline observed in the previous year. Entrepreneurial Education at the post-school level has also strengthened, rising to 4.8 from 4.3, indicating gradual progress in higher-level entrepreneurial training.

At the same time, several framework conditions remain below the sufficiency threshold, highlighting persistent structural challenges. Entrepreneurial Education at School Level, although improving to 3.3, continues to represent the weakest area of the ecosystem, suggesting that early exposure to entrepreneurship remains limited. Similarly, Entrepreneurial Finance (3.6), Government Entrepreneurial Programs (3.6), and R&D Transfer (3.5) continue to score relatively low, pointing to ongoing constraints in access to funding, innovation support, and knowledge commercialisation. While some improvements are observed in Social and Cultural Norms (4.6) and Government Policy: Support & Relevance (4.3), these areas still fall short of providing a fully supportive environment for entrepreneurship.

Examining trends over the last three years (Figure 4.3), the Cypriot entrepreneurial ecosystem demonstrates both progress and volatility. Improvements are recorded in Physical Infrastructure, Post-school Education, and Social and Cultural norms. However, other conditions have declined: Ease of Entry: Market Dynamics has receded from 5.1 in 2022/2023 to 4.2 in 2024/2025, indicating increased challenges in accessing and competing in markets. Similarly, Government Policy: Taxes & Bureaucracy shows a slight downward trend overall, despite a small recovery in the most recent year. Burdens and Regulation also remain relatively weak, reflecting continued administrative and regulatory obstacles for new businesses.

A comparison with the European average (Figure 4.3) indicates that Cyprus continues to underperform in most Entrepreneurial Framework Conditions. In 2024/2025, Cyprus lags behind Europe in key areas such as Entrepreneurial Finance (3.6 vs. 4.7), Government Entrepreneurial Programs (3.6 vs. 4.6), R&D Transfer (3.5 vs. 4.0), and Ease of Entry: Market Dynamics (4.2 vs. 5.0). Notable gaps also persist in Burdens and Regulation (4.0 vs. 4.4) and Government Policy: Support & Relevance (4.3 vs. 4.6). However, Cyprus performs similarly to the European average in Commercial and Professional Infrastructure (both at 5.3) and exceeds it in both Government Policy: Taxes & Bureaucracy (4.7 vs. 4.0) and Entrepreneurial Education Post-School (4.8 vs. 4.3). These results suggest that while some institutional aspects are comparatively stronger, significant weaknesses remain in financing, innovation, and programme effectiveness.

Compared to Greece, Cyprus performs better in Physical Infrastructure (6.0 vs. 5.3), (Figure 4.4), Entrepreneurial Education Post-School (4.8 vs. 3.7), and in Social and Cultural Norms (4.6 vs. 4.4). However, Greece outperforms Cyprus in areas such as Market Dynamics (5.0 vs. 4.2), R&D Transfer (4.6 vs. 3.5), and Entrepreneurial Finance (4.1 vs. 3.6), indicating relatively stronger conditions for innovation

and market functioning. Both countries demonstrate similar performance in Government Policy: Support & Relevance, while Cyprus remains slightly weaker in regulatory burdens.

Compared to Luxembourg (Figure 4.5), while both countries share equally strong Physical Infrastructure (6.0), Cyprus performs better in Commercial and Professional Infrastructure (5.3 vs. 4.8) and Market Dynamics (4.2 vs. 3.9). However, Luxembourg notably outperforms Cyprus in Government Entrepreneurial Programs (5.3 vs. 3.6), R&D Transfer (4.4 vs. 3.5), and Entrepreneurial Finance (4.4 vs. 3.6), reflecting a more developed support system for innovation and business growth. Luxembourg also records higher scores in regulatory conditions and education at school level, indicating a more balanced and supportive ecosystem overall.

The 2024/2025 findings suggest that Cyprus' entrepreneurial ecosystem is gradually improving in certain structural areas, but continues to face important challenges related to financing, innovation, and policy effectiveness. While progress is evident in infrastructure and cultural perceptions, strengthening access to funding, enhancing government support programmes, and improving the commercialisation of research remain key priorities. Addressing these gaps will be essential for fostering a more dynamic, resilient, and competitive entrepreneurial environment in Cyprus.

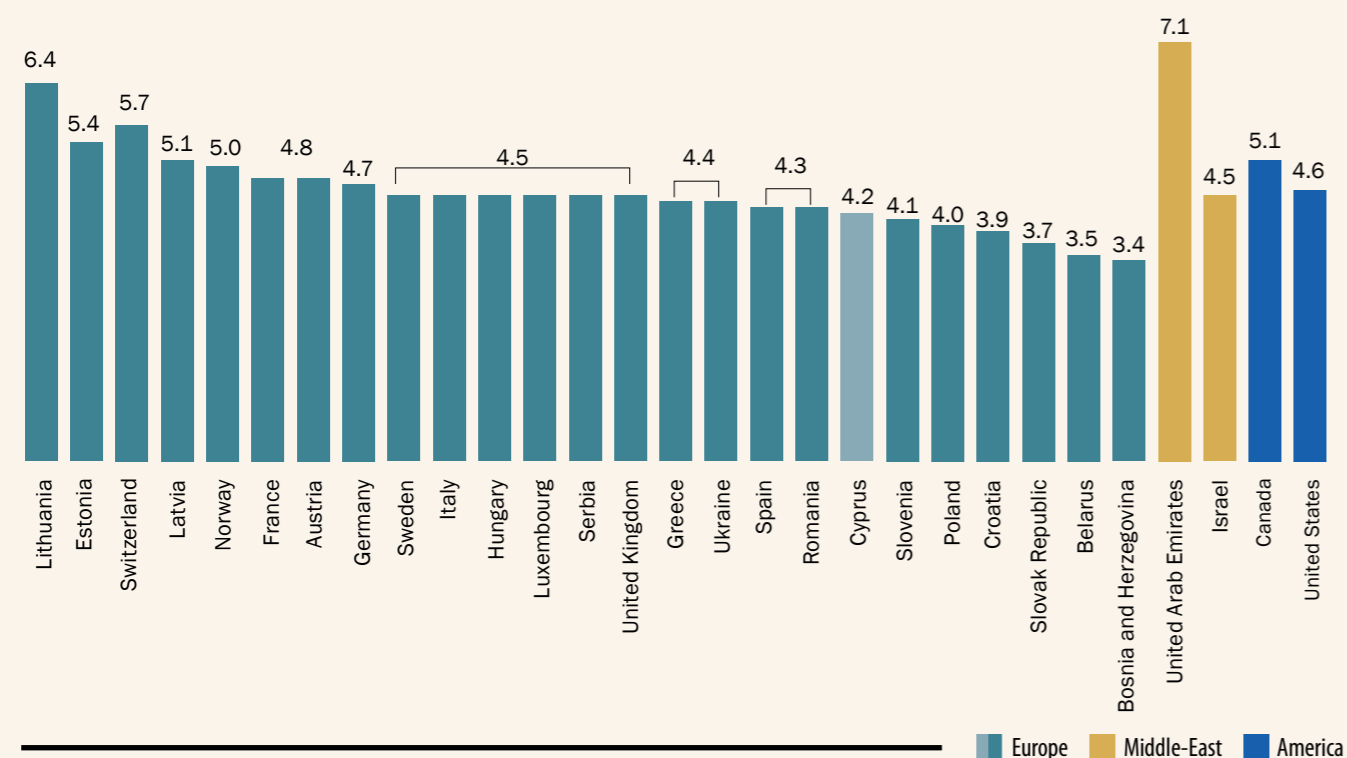
National Entrepreneurship Context Index (NECI)

GEM summarises the overall quality of a country's entrepreneurial environment through the National Entrepreneurship Context Index (NECI), calculated as the average score across all Entrepreneurial Framework Conditions (EFCs). This index provides an overview of how supportive each national ecosystem is for starting and growing businesses. As presented in Figure 4.7, the 2024/2025 results show notable variation across economies, reflecting differences in institutional quality, market conditions, and support structures for entrepreneurship.

Within Europe, Lithuania records the highest NECI score (6.4), followed by Switzerland (5.7) and Estonia (5.4), indicating particularly supportive environments for entrepreneurial activity. These countries are characterised by relatively strong performance across multiple framework conditions, including infrastructure, institutional support, and access to resources. A second group of countries which includes Latvia (5.1) and Norway (5.0) also demonstrate comparatively supportive ecosystems, although with slightly more variation across individual conditions. Most Western and Northern European economies, such as France and Austria (both 4.8), Germany (4.7), and Sweden (4.5), cluster around the mid-range, suggesting generally adequate but not fully optimised conditions for entrepreneurship.

Cyprus' NECI score (4.2) positions it in the lower-middle range among European economies. While its performance is comparable to countries such as Romania (4.3) and Spain (4.3), it remains below the levels observed in more advanced entrepreneurial ecosystems. This ranking reflects its performance observed across the individual EFCs, where strengths in Physical Infrastructure, Commercial & Support Infrastructure, Culture and Social Norms and Government Policies are offset by weaknesses in areas such as Entrepreneurial Finance, R&D transfer, and Government

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



Support Programmes. Countries such as Slovenia (4.1) and Poland (4.0) exhibit similar profiles, indicating that these challenges are not unique to Cyprus. At the bottom end of the European distribution, countries such as Croatia (3.9), the Slovak Republic (3.7), Belarus (3.5), and Bosnia and Herzegovina (3.4) record the lowest NECI scores, highlighting more constrained entrepreneurial environments. These scores typically reflect important challenges related to infrastructure capacity, market functioning, and access to resources. Beyond Europe, the United Arab Emirates stands out with a significantly higher NECI score of 7.1, indicating a highly supportive entrepreneurial ecosystem, while Canada (5.1) also demonstrates relatively strong conditions.

The NECI results for 2024/2025 reinforce the view that Cyprus' entrepreneurial environment, while showing some positive elements, continues to experience structural challenges that constrain its overall performance. Strengthening key areas will be essential to improving the country's position and fostering a more dynamic and competitive entrepreneurial ecosystem. 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 quality of Cyprus' physical infrastructure continues to be one of the strongest elements of its entrepreneurial ecosystem, as reflected in Table 4.1. In 2024/2025, the overall infrastructure for supporting new and growing firms (including roads, utilities, and communications) is rated highly at 6.7, showing a continued improvement from previous years (6.5 in both 2022/2023 and 2023/2024). Access to communications remains particularly strong, with affordability reaching 7.3 in 2024/2025, up from 6.9 in 2023/2024 and 6.6 in 2022/2023, indicating further progress in digital connectivity conditions. Similarly, access to communication services within a short timeframe remains important at 6.3, maintaining relatively high levels compared to earlier years. Access to utilities also shows notable improvement. The affordability of basic utilities increased to 6.1 in 2024/2025 (from 5.5 in 2023/2024 and 5.4 in 2022/2023), while timely access to utilities remains strong at 6.7, slightly below the peak observed in 2023/2024 (7.1) but still above earlier levels. These results confirm that essential infrastructure services in Cyprus continue to provide a solid foundation for entrepreneurial activity. However, despite these strengths, challenges persist in terms of the affordability and availability of business offices. While there is some improvement in 2024/2025, the availability of affordable office space remains relatively limited, with a score of 4.8, although there has been an increase from 3.9 in 2023/2024. Similarly, access to affordable production space has improved to 4.2 from 3.7 in the previous year, yet it continues to lag behind the European average (5.6 for office space and 4.9 for production space). Overall, the findings indicate that Cyprus performs strongly in terms of the quality and accessibility of its physical infrastructure, particularly in communications and utilities. Nevertheless, the relatively limited availability of affordable business space remains a constraint, suggesting that further improvements in this area could enhance the overall support provided to new and growing firms.

Commercial and Services Infrastructure

Access to commercial and professional services infrastructure continues to play an important role in supporting entrepreneurial activity in Cyprus (Table 4.2). In 2024/2025, this framework condition remains relatively strong, with several indicators showing signs of recovery compared to the previous year. Experts report that the availability of subcontractors, suppliers, and consultants has improved slightly, reaching a score of 5.3, up from 5.1 in 2023/2024, and approaching the European average of 5.7. Similarly, the ease of accessing such services has increased to 4.4 from 4.1, although it remains marginally below the EU benchmark (4.6). Affordability of these services, which had been a key concern in the previous year, shows a notable improvement. In 2024/2025, the cost of using subcontractors, suppliers, and consultants rises to 4.4, compared to 3.4 in 2023/2024, and now exceeds the European average (4.0), as well as the levels observed in Greece (4.3) and Luxembourg (4.1). This suggests a partial easing of cost pressures affecting business operations. Access to professional services remains important. The ease of obtaining quality legal and accounting services improves to 6.1, recovering from 5.9 in the previous year and remaining above the European average (5.6), although still slightly below Luxembourg (5.4). Banking services continue to be accessible, maintaining a stable score of 5.0, which is broadly in line with previous years, though slightly below the EU average (5.7) and Greece (5.6). Cloud computing services continue to be a strong aspect of the ecosystem. In 2024/2025, access to such services at affordable prices increases to 6.5, compared to 6.2 in 2023/2024, and remains above both Greece (5.8) and Luxembourg (5.6), as well as the European average (6.1). This highlights Cyprus' relatively strong position in digital service accessibility, which is increasingly important for new and growing firms. These findings suggest that Cyprus maintains a relatively well-developed commercial and services infrastructure, with improvements observed particularly in affordability and access. While certain gaps remain when compared to the European average, especially in access to some services, the overall trend points to a gradual strengthening of this component of the entrepreneurial ecosystem.

Government Policies

Government policies remain an important component of Cyprus' entrepreneurial ecosystem, with mixed results observed in 2024/2025. Overall, the findings suggest some stability across key policy-related indicators, alongside some improvements in certain areas. The perception that taxes do not represent a significant burden for new and growing firms improves slightly to 5.6 in 2024/2025, up from 5.2 in the previous year, and remains notably higher than both the European average (3.8) and Greece (4.6). This indicates that the tax environment in Cyprus continues to be viewed relatively favourably in a comparative context. In addition, the predictability and consistency in the application of taxes and regulations remains a key strength of the system, with a score of 6.2, maintaining the high level recorded in previous years. This score is considerably above the European average (4.2) and Greece (3.9), highlighting a relatively stable regulatory environment for businesses. However, perceptions regarding the extent to which government policies actively favour new firms remain unchanged at 3.9, indicating that more targeted policy support may still be required. At the national level, support for new and growing firms shows a slight improvement, rising to 4.4 from 4.3 in 2023/2024, although it remains below Luxembourg

Cyprus Greece Luxembourg Europe

Table 4.1: Physical Infrastructure*

	2022/2023	2023/2024	2024/2025	2024/2025	2024/2025	2024/2025
The physical infrastructure (roads, utilities, communications, water disposal) provides good support for new and growing firms	6.5	6.5	6.7	5.0	7.0	5.9
It is not too expensive for a new or growing firm to get good access to communications (phone, Internet, etc.)	6.6	6.9	7.3	5.1	6.8	7.2
A new or growing firm can get good access to communications (telephone, internet, etc.) in about a week	5.4	6.5	6.3	6.1	6.3	7.3
New and growing firms can afford the cost of basic utilities (gas, water, electricity, sewer)	5.4	5.5	6.1	5.7	6.7	6.4
New or growing firms can get good access to utilities (gas, water, electricity, sewer) in about a month	6.3	7.1	6.7	6.1	7.2	6.5
There are plenty of affordable office spaces to rent for new and growing firms	4.3	3.9	4.8	4.4	4.2	5.6
There are plenty of affordable production spaces to rent for new and growing firms	3.9	3.7	4.2	4.5	3.6	4.9

Table 4.2: Commercial and services infrastructure*

	2022/2023	2023/2024	2024/2025	2024/2025	2024/2025	2024/2025
There are enough subcontractors, suppliers, and consultants to support new and growing firms	5.4	5.1	5.3	5.8	5.4	5.7
New and growing firms can afford the cost of using subcontractors, suppliers, and consultants	4.5	3.4	4.4	4.3	4.1	4.0
It is easy for new and growing firms to get good subcontractors, suppliers, and consultants	4.6	4.1	4.4	4.9	4.3	4.6
It is easy for new and growing firms to get good, professional legal and accounting services	6.6	5.9	6.1	5.3	5.4	5.6
It is easy for new and growing firms to get good banking services (checking accounts, foreign exchange transactions, letters of credit)	5.5	5.0	5.0	5.6	4.3	5.7
New and growing firms can get access to cloud computing services at affordable prices	6.4	6.2	6.5	5.8	5.6	6.1

Table 4.3: Government policies*

	2022/2023	2023/2024	2024/2025	2024/2025	2024/2025	2024/2025
Government policies (e.g., public procurement) consistently favor new firms	4.3	3.9	3.9	4.3	4.2	3.5
The support for new and growing firms is a high priority for policy at the national government level	5.3	4.3	4.4	5.1	5.3	4.0
The support for new and growing firms is a high priority for policy at the local government level	4.4	3.2	3.5	3.5	4.7	4.0
Entrepreneurs can register new firms/businesses at reasonable cost	6.3	5.6	5.4	6.6	5.7	6.8
New firms can get most of the required permits and licenses in about a week	2.4	2.9	3.3	4.8	3.8	4.2
The amount of taxes is NOT a burden for new and growing firms	6.2	5.2	5.6	4.6	4.4	3.8
Taxes and other government regulations are applied to new and growing firms in a predictable and consistent way	6.3	6.1	6.2	3.9	5.5	4.2
Coping with government bureaucracy, regulations, and licensing requirements is not unduly difficult for new and growing firms	4.0	4.2	3.7	3.8	3.9	3.6

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

Table 4.4: Entrepreneurial Education & Training*

	2022/2023	2023/2024	2024/2025			
Teaching in primary and secondary education encourages creativity, self-sufficiency, and personal initiative	2.8	2.4	3.3	2.6	3.5	3.4
Teaching in primary and secondary education provides adequate instruction in market economic principles	2.4	2	2.9	2.7	3.8	3.1
Teaching in primary and secondary education pays adequate attention to entrepreneurship and new firm creation	2.2	2	2.6	2.5	3.5	2.9
Colleges and universities provide adequate preparation for starting up and growing new firms	4.3	4.3	4.8	4.0	4.4	4.3
The level of business and management education provides adequate preparation for starting up and growing new firms	4.2	4.2	4.4	3.5	4.2	4.7
The vocational, professional, and continuing education systems provide adequate preparation for starting up and growing new firms	4.5	4.2	4.1	3.7	4.3	4.5

Table 4.5: Government entrepreneurship programs*

	2022/2023	2023/2024	2024/2025			
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	3.7	5.3	4.1
Science parks and business incubators provide effective support for new and growing firms	1.8	1.7	2.3	4.2	4.8	4.9
There is an adequate number of government programs for new and growing businesses	4.3	3.7	4.2	4.8	5.6	4.9
The people working for government agencies are competent and effective in supporting new and growing firms	4.6	4.2	3.8	3.8	5.4	4.5
Almost anyone who needs help from a government program for a new or growing business can find what they need	3.7	3.8	3.2	3.4	4.9	4.2
Government programs aimed at supporting new and growing firms are effective	3.7	3.4	3.9	3.9	5.2	4.5

Table 4.6: Access to finance*

	2022/2023	2023/2024	2024/2025			
There is sufficient equity funding available for new and growing firms	3.9	3.9	3.5	4.1	4.7	4.7
There is sufficient debt funding available for new and growing firms	3.9	3.1	3.3	3.9	3.9	4.8
There are sufficient government subsidies available for new and growing firms	5.0	4.4	5.1	5.2	6.0	5.1
There is sufficient funding available from informal investors (family, friends and colleagues) who are private individuals (other than founders) for new and growing firms	4.6	4.8	4.7	5.2	4.5	4.8
There is sufficient professional Business Angels funding available for new and growing firms	3.3	3.6	3.6	4.4	4.7	4.5
There is sufficient venture capitalist funding available for new and growing firms	2.6	3.1	3.5	5.0	4.8	4.5
There is sufficient funding available through initial public offerings (IPOs) for new and growing firms	2.3	1.9	1.7	2.7	3.2	3.4
There is sufficient private lenders' funding (crowdfunding) available for new and growing firms	2.5	2.9	3.4	2.9	4.1	4.1
In my country it is easy: to get debt funding (bank loans and similar for new and growing firms)	3.2	2.7	2.7	3.4	3.7	4.0
It is easy to hire financial support services at reasonable cost for new and growing firms	4.8	4.3	4.3	4.4	3.7	4.5
It is easy for nascent entrepreneurs to get enough seed capital to cover start-up and early-stage expenses of a new business	4.0	4.0	3.7	3.8	4.1	4.1
It is easy to attract investors / funds to make a new business grow once the start-up phase is completed	3.7	4.2	4.0	3.9	5.0	4.4

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

Table 4.7: Cultural and social norms*

	2022/2023	2023/2024	2024/2025			
The national culture is highly supportive of individual success achieved through own personal efforts	4.8	4.5	5.8	4.9	4.3	4.7
The national culture emphasizes self-sufficiency, autonomy, and personal initiative	4.5	3.8	5.0	4.6	3.4	4.5
The national culture encourages entrepreneurial risk-taking	3.7	3.1	3.7	3.6	3.3	3.9
The national culture encourages creativity and innovativeness	4.0	3.4	4.0	4.1	3.4	4.6
The national culture emphasizes the responsibility that the individual (rather than the collective) has in managing their own life	4.3	4.2	4.5	4.8	4.3	4.7

Table 4.8: Internal market dynamics and burdens *

	2022/2023	2023/2024	2024/2025			
The markets for consumer goods and services change dramatically from year to year	5.1	4.8	4.3	5.7	3.4	5.3
The markets for business-to-business goods and services change dramatically from year to year	5.1	4.3	4.2	5.0	3.8	5.1
New and growing firms can easily enter new markets	5.0	3.4	4.1	4.4	4.5	4.5
New and growing firms can afford the cost of market entry	4.4	3.3	3.8	4.1	4.1	4.0
New and growing firms can enter markets without being unfairly blocked by established firms	4.5	3.6	4.3	4.4	4.4	4.5
The anti-trust legislation is effective and well enforced	4.8	4.5	4.1	4.5	5.1	4.7

Table 4.9: Research and development transfer*

	2022/2023	2023/2024	2024/2025			
New technology, science, and other knowledge are efficiently transferred from universities and public research centers to new and growing firms	3.2	2.7	3.0	4.1	4.3	4.0
New and growing firms have just as much access to new research and technology as large, established firms	4.3	3.3	3.7	4.5	4.3	3.7
New and growing firms can afford the latest technology	4.2	3.4	3.3	5.1	3.8	3.5
There are adequate government subsidies for new and growing firms to acquire new technology	4.7	3.5	3.6	4.8	4.5	3.9
The science and technology base efficiently supports the creation of world-class new technology-based ventures in at least one area	4.2	3.9	4.1	4.5	4.6	4.5
There is good support available for engineers and scientists to have their ideas commercialized through new and growing firms	3.4	3.3	3.4	4.4	4.2	4.2

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

(5.3) and broadly in line with the European average (4.0). At the local level, the perception of support also improves modestly to 3.5, up from 3.2, yet continues to lag behind the EU average (4.0) and Luxembourg (4.7), suggesting that stronger local engagement in supporting entrepreneurship is still needed. Administrative processes present a more mixed picture. The cost of registering a new business remains relatively moderate at 5.4, although slightly lower than previous years and below the European average (6.8) and Greece (6.6), indicating room for improvement in reducing administrative costs. The ease of obtaining permits and licenses within a short timeframe shows some progress, increasing to 3.3 from 2.9 in 2023/2024, although it still falls short of the European average (4.2) and Greece (4.8). Finally, perceptions regarding the overall burden of bureaucracy, regulations, and licensing requirements decline slightly to 3.7, suggesting that administrative complexity continues to pose challenges for entrepreneurs. The 2024/2025 results indicate that while Cyprus maintains relatively strong performance in areas such as tax burden and regulatory predictability, challenges persist in terms of administrative efficiency, cost of business registration, and the level of government support. Addressing these issues could further strengthen the policy environment and enhance the conditions for entrepreneurial activity in Cyprus. Findings on government policies are outlined in Table 4.3.

Entrepreneurial Education and Training

Entrepreneurial education continues to represent a key challenge within Cyprus' entrepreneurial ecosystem (Table 4.4). The GEM framework assesses education at both school and post-school levels, and expert evaluations for 2024/2025 indicate some improvement, although important gaps remain, particularly at the early stages of education. At the primary and secondary level, there are signs of progress compared to the previous year. The extent to which education encourages creativity, self-sufficiency, and personal initiative increases to 3.3 in 2024/2025, up from 2.4 in 2023/2024. Despite this improvement, the score remains slightly below the European average (3.4) and Luxembourg (3.5), while exceeding Greece (2.6). Similarly, instruction in market economic principles improves to 2.9, compared to 2.0 in the previous year, although it still lags behind Luxembourg (3.8) and remains slightly below the European average (3.1). Attention to entrepreneurship and new firm creation within school education also records a modest increase, rising to 2.6 from 2.0 in 2023/2024. While this indicates gradual improvement in early entrepreneurial exposure, the score remains below both Luxembourg (3.5) and the European average (2.9), highlighting that entrepreneurship is still not sufficiently embedded within the school curriculum. At the post-school level, Cyprus demonstrates relatively stronger performance, with further improvements observed in 2024/2025. Universities and colleges are rated at 4.8 for adequately preparing individuals to start and grow businesses, marking an increase from 4.3 in the previous year and placing Cyprus above the European average (4.3), although still slightly below Luxembourg (4.4). Business and management education also improves to 4.4, up from 4.2, aligning closely with Luxembourg (4.2) but remaining below the EU benchmark (4.7). In contrast, the vocational, professional, and continuing education system records a slight decline to 4.1, compared to 4.2 in 2023/2024, and remains below both the European average (4.5) and Luxembourg (4.3). This suggests that while formal higher education is strengthening, alternative pathways for entrepreneurial skill development may require further attention. The findings indicate that although Cyprus is making gradual

progress in strengthening entrepreneurial education, particularly at the post-school level while education at the school level continues to represent a significant weakness of the ecosystem. Enhancing early exposure to entrepreneurship and further improving vocational and practical training pathways remain key priorities for supporting the development of future entrepreneurs.

Government Entrepreneurship Programs

NES experts continue to highlight weaknesses in the effectiveness and accessibility of Government Entrepreneurship Programs in Cyprus (Table 4.5). While some indicators show some improvement in 2024/2025, the overall picture suggests that this framework condition remains underdeveloped compared to other European economies. In 2024/2025, the availability of government programs for new and growing firms increases to 4.2, recovering from 3.7 in the previous year. Despite this improvement, Cyprus still lags behind benchmark countries such as Greece (4.8) and Luxembourg (5.6), as well as the European average (4.9). Similarly, the ability to access a wide range of government support through a single agency remains unchanged at 3.5, continuing to fall short of Greece (3.7), Luxembourg (5.3), and the EU average (4.1). This suggests that coordination and accessibility of support services remain key challenges. Support from science parks and business incubators, although improving from 1.7 to 2.3, continues to represent one of the weakest areas of the ecosystem. The score remains significantly below Greece (4.2), Luxembourg (4.8), and the European average (4.9), indicating limited institutional support for early-stage and innovative ventures. Further concerns are reflected in perceptions of government capacity and effectiveness. The competence and effectiveness of government staff supporting entrepreneurs declines to 3.8 in 2024/2025, down from 4.2 in the previous year, and remains below both Luxembourg (5.4) and the EU average (4.5). In addition, the ability of entrepreneurs to find the support they need through government programs decreases to 3.2, suggesting increasing difficulty in navigating available services. On a more positive note, the perceived effectiveness of government programs shows a slight improvement, rising to 3.9 from 3.4 in 2023/2024. However, this remains below the levels observed in Greece (3.9), Luxembourg (5.2), and Europe overall (4.5), indicating that the impact of such programs is still limited. Overall, while some progress is recorded, the findings point to persistent structural challenges in the design, coordination, and delivery of government entrepreneurship programs in Cyprus. Strengthening institutional support mechanisms, improving access through more integrated service delivery, and investing in innovation infrastructure such as incubators and science parks could significantly enhance the effectiveness of public support for entrepreneurship.

Financial environment for entrepreneurship

Access to finance remains a key determinant of entrepreneurial activity in Cyprus, yet the 2024/2025 GEM NES results indicate that several gaps persist across different types of funding. While certain areas show modest improvement, the overall financial environment continues to lag behind compared to other countries and the European average. In terms of equity financing, the availability of funds for new and growing firms declines to 3.5 in 2024/2025, down from 3.9 in the previous year. This places Cyprus below Greece (4.1), Luxembourg (4.7), and the EU average (4.7), suggesting limited access to this important source

of capital. Debt funding shows a slight recovery, increasing to 3.3 from 3.1, yet remains well below the European benchmark (4.8), indicating continued constraints in traditional lending channels. Government subsidies represent a relatively stronger area, with the score rising to 5.1 in 2024/2025. This reflects an improvement compared to 2023/2024 (4.4), although Cyprus still trails Luxembourg (6.0) and aligns more closely with the European average (5.1). Informal investment from family, friends, and colleagues remains relatively accessible at 4.7, broadly in line with European levels, though slightly below Greece (5.2). More advanced funding sources continue to be less developed. The availability of business angel funding remains unchanged at 3.6, below Greece (4.4), Luxembourg (4.7), and the EU average (4.5). Venture capital funding improves modestly to 3.5, but still falls short of comparator countries, particularly Luxembourg (4.8) and the European average (4.5). Access to funding through initial public offerings (IPOs) remains very limited, declining further to 1.7, while crowdfunding shows some progress, increasing to 3.4, although still below the EU average (4.1). Access to debt financing through banks continues to be perceived as difficult, with the ease of obtaining loans remaining low at 2.7, unchanged from the previous year and below all benchmark economies. In contrast, access to financial support services is considered relatively more favourable, holding steady at 4.3, although still slightly below the European average (4.5). Looking across the entrepreneurial lifecycle, early-stage financing conditions show signs of weakening. The ability of nascent entrepreneurs to secure sufficient seed capital declines to 3.7, down from 4.0 in the previous year, and below Greece (3.8), Luxembourg (4.1), and the EU average (4.1). Similarly, the capacity to attract follow-up investment after the start-up phase stands at 4.0, slightly below 2023/2024 (4.2) and notably lower than Luxembourg (5.0) and the European average (4.4). Overall, the findings highlight that, despite some improvements in specific funding sources such as government subsidies and crowdfunding, access to finance in Cyprus remains constrained across most categories. In particular, limitations in equity, venture capital, and debt financing continue to pose challenges for entrepreneurs. These results underline the importance of strengthening financial ecosystems, expanding funding instruments, and fostering stronger connections between entrepreneurs and investors to support business creation and growth (Table 4.6).

Cultural and social norms

Cultural and social norms continue to play an important role in shaping the entrepreneurial environment in Cyprus. The 2024/2025 results indicate a notable improvement across several cultural dimensions; however, some aspects still remain less supportive compared to other European economies. In 2024/2025, support for individual success achieved through personal effort increases significantly to 5.8, up from 4.5 in the previous year. This places Cyprus' rate higher compared to Greece (4.9), Luxembourg (4.3), and the European average (4.7), suggesting a stronger cultural recognition of individual achievement. Similarly, the emphasis on self-sufficiency, autonomy, and personal initiative rises to 5.0, marking an improvement compared to 3.8 in 2023/2024, and exceeding both Greece (4.6) and the EU average (4.5), although remaining above Luxembourg (3.4). Perceptions regarding entrepreneurial risk-taking also improve, with the score increasing to 3.7 from 3.1 in the previous year. While this indicates progress, Cyprus remains slightly below the European average (3.9), though broadly aligned with Greece (3.6) and above Luxembourg

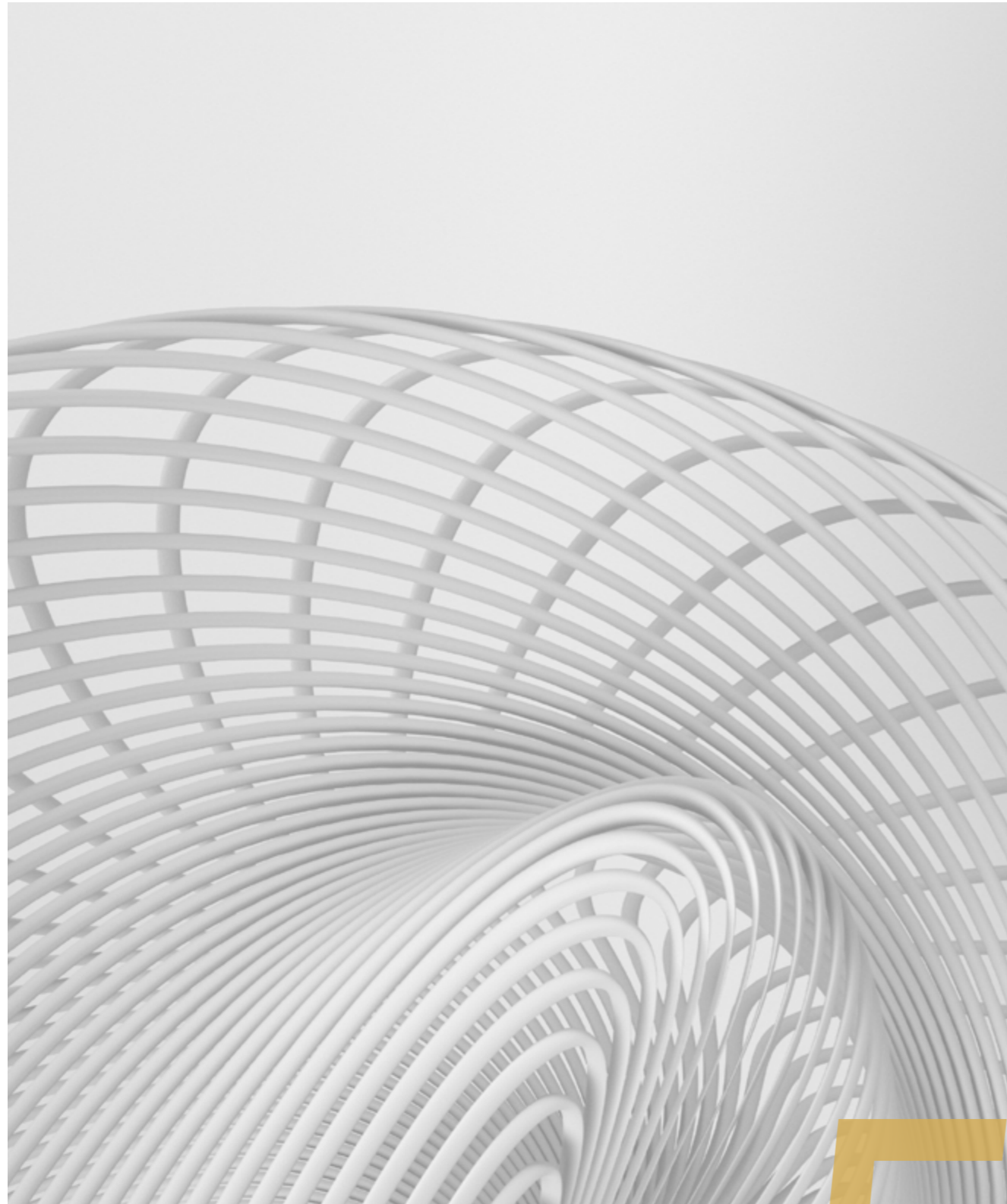
(3.3). This suggests that, despite some positive change, cultural attitudes toward risk-taking still present a constraint. Encouragement of creativity and innovation shows a moderate recovery, rising to 4.0 from 3.4. This brings Cyprus closer to Greece (4.1), but still below the European average (4.6), indicating that further efforts may be needed to foster a more innovation-oriented culture. Finally, the extent to which culture emphasizes individual responsibility in managing one's own life increases slightly to 4.5, compared to 4.2 in 2023/2024. This score remains close to Luxembourg (4.3) and the EU average (4.7), while slightly below Greece (4.8), suggesting a relatively balanced perception in this area. Overall, the findings point to a positive shift in cultural and social norms in Cyprus, particularly in relation to personal initiative and recognition of individual success. However, areas such as risk-taking and support for creativity continue to lag behind European benchmarks. Strengthening these cultural dimensions could further enhance the entrepreneurial mindset and contribute to a more supportive environment for business creation and growth. Table 4.7 provides detailed comparative data across countries.

Ease of Entry

In the evolving landscape of consumer and business markets, the GEM NES evaluates the Ease of Entry for new and growing firms by examining both internal market dynamics and regulatory conditions. The 2024/2025 findings indicate that, while some aspects show modest improvement, barriers to entry remain a challenge within the Cypriot entrepreneurial ecosystem. With regard to market dynamics, the perception that consumer markets change notably from year to year declines to 4.3 in 2024/2025, compared to 4.8 in the previous year. This places Cyprus below Greece (5.7) and the European average (5.3), although slightly above Luxembourg (3.4). Similarly, the perception of change in business-to-business markets stands at 4.2, indicating relative stability but remaining below Greece (5.0) and the EU average (5.1).

The ability of new and growing firms to enter markets shows some improvement, rising to 4.1 from 3.4 in 2023/2024. This suggests a more favourable perception of market accessibility, although Cyprus still trails Luxembourg (4.5) and remains slightly below the European average (4.5). In terms of affordability, the cost of market entry increases to 3.8, up from 3.3, indicating some easing of financial barriers. Nevertheless, this remains slightly below Greece (4.1), Luxembourg (4.1), and the EU average (4.0). Perceptions regarding fair competition also improve. The extent to which new firms can enter markets without being unfairly blocked by established players rises to 4.3, compared to 3.6 in the previous year. While this represents progress, Cyprus still remains marginally below Greece (4.4), Luxembourg (4.4), and the European average (4.5). Finally, the effectiveness of anti-trust legislation is rated at 4.1 in 2024/2025, declining from 4.5 in the previous year. This places Cyprus below the EU average (4.7) and Luxembourg (5.1), suggesting that regulatory enforcement may be perceived as weakening. These results suggest a mixed picture for ease of entry in Cyprus. While improvements are observed in areas such as market accessibility and competitive fairness, challenges persist in terms of regulatory effectiveness and the broader dynamism of markets. Strengthening competition frameworks and further reducing entry barriers could help create a more enabling environment for new and growing businesses.

EXISTING POLICIES AND FUTURE POLICY RECOMMENDATIONS



The 2024/2025 GEM Cyprus Report continues to provide an evidence-based foundation for shaping national entrepreneurship policy. Findings offer a comprehensive view of entrepreneurial activity, perceptions, and ecosystem performance, while also enabling meaningful comparisons with European and benchmark economies. This year's results highlight a recurring pattern: strong entrepreneurial intentions and capabilities are not yet fully matched by equally strong ecosystem conditions, particularly in areas such as finance, education and institutional support. These insights highlight the need to designing policies tailored to Cyprus' specific economic, social, and regional characteristics. In line with the European Union's increasing emphasis on innovation and regional development, results underline the need for targeted, context-specific policy interventions which take into account the diversity across population groups and geographic areas. Differences in entrepreneurial intentions, capabilities, and barriers suggest that horizontal policy approaches may not effectively address the needs of all regions and communities. Instead, targeted, locally responsive interventions are required to foster inclusive and sustainable entrepreneurial growth.

Moreover, findings underline the importance of engaging key ecosystem stakeholders - including entrepreneurs, educators, investors, and local authorities - in the design and implementation of policy measures. Indicators such as Total Early-stage Entrepreneurial Activity (TEA), Entrepreneurial Employee Activity (EEA), perceived capabilities, and fear of failure provide valuable guidance for developing policies that are both relevant and impactful. Drawing on the results of the 2024/2025 APS and NES, as well as trends observed in previous years, the following recommendations are structured around four key pillars: Education & Culture, Government Processes & Policies, Financial Support, and Business Support. These aim to address the structural weaknesses identified while reinforcing existing strengths of the Cypriot entrepreneurial ecosystem.

EDUCATION AND CULTURE

This year's findings suggest that entrepreneurial education remains an important weakness within Cyprus' entrepreneurial ecosystem, both at school and post-secondary levels. Consistent with previous years, the GEM NES results indicate that Cyprus continues to lag behind the European average in school-based entrepreneurship education, particularly in fostering creativity, initiative, self-reliance, and understanding of market principles and business creation. These gaps are especially important given that early exposure to entrepreneurial thinking plays a critical role in shaping future entrepreneurial behaviour. At the same time, APS findings highlight that while a relatively large number of individuals report having the skills and knowledge to start a business, levels of fear of failure remain elevated, pointing to a disconnect between perceived capability and confidence to proceed with actual entrepreneurial activity. This suggests that from the education and culture perspective, the education system has yet to effectively equip individuals with the mindset and resilience required to translate intention into action. Furthermore, relatively low levels of sustainability orientation among early-stage entrepreneurs indicate the need to strengthen competencies not only in business creation, but also in value creation, digitalisation, and long-term competitiveness. At the post-secondary level, although performance is comparatively stronger,

challenges persist in equipping individuals with the business, management, and innovation capabilities required to start and grow enterprises. NES results suggest that university education, vocational training, and lifelong learning opportunities are not yet fully aligned with the needs of the entrepreneurial ecosystem, particularly in areas such as commercialization, interdisciplinary collaboration, and emerging technologies. Addressing these gaps requires a coordinated approach that strengthens both the education system and the broader cultural environment in which entrepreneurship develops. Enhancing entrepreneurial education, while also reshaping societal attitudes toward risk-taking and failure, will be critical for fostering a more enabling and resilient entrepreneurial ecosystem in Cyprus.

Recommendations

Primary and Secondary Education

- Embed entrepreneurship across curricula, with emphasis on creativity, initiative, and problem-solving skills
- Integrate financial literacy and market understanding from early stages
- Expand experiential learning (e.g., student enterprises, competitions, innovation challenges)
- Introduce early exposure to entrepreneurship (e.g., mini-enterprises, innovation labs)
- Train educators in entrepreneurial teaching methodologies
- Promote inclusive participation, particularly in STEM fields
- Invite local entrepreneurs into classrooms to mentor students interested in entrepreneurship

Tertiary Education & Life-long Learning

- Introduce entrepreneurship modules across all disciplines and encourage interdisciplinary collaboration
- Expand startup internships and industry placements
- Establish or strengthen university-based incubators and innovation hubs
- Promote research commercialization skills and industry-academia collaboration
- Strengthen education on digital entrepreneurship, AI, and emerging technologies
- Develop flexible learning pathways for aspiring and existing entrepreneurs
- Offer short courses for graduates interested in starting or transforming businesses
- 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, including diverse and female founders
- Normalize failure through awareness campaigns highlighting resilience and learning
- Develop national initiatives aimed at reducing fear of failure (e.g., "fail-forward" campaigns, second-chance entrepreneurship policies)

- Strengthen peer networks and mentoring communities
- Introduce national initiatives (e.g., Entrepreneurship Day) to foster a supportive culture
- Encourage media and digital platforms to showcase entrepreneurial journeys and impact
- 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 2024/2025 findings indicate that government policies in Cyprus continue to provide a relatively supportive foundation for entrepreneurship, particularly at the national level. NES results show that entrepreneurs benefit from comparatively favorable taxation and administrative frameworks, with business registration processes remaining accessible and regulatory implementation perceived as broadly consistent and predictable. These elements continue to represent important strengths of the ecosystem. However, key structural bottlenecks persist. In particular, delays in obtaining permits and licenses remain a significant obstacle for new and growing businesses. Expert assessments point to ongoing challenges related to administrative complexity, bureaucratic procedures, and the time required to navigate regulatory requirements. These constraints may limit the ability of entrepreneurs to act on opportunities, despite relatively strong levels of entrepreneurial intention observed in APS findings. At the same time, APS data continues to highlight a persistent gender gap in Total Early-stage Entrepreneurial Activity (TEA), indicating that existing policy frameworks are not yet fully inclusive. This suggests that, beyond improving efficiency, there is also a need to strengthen the inclusiveness and responsiveness of policy measures. Furthermore, relatively weaker scores in areas such as local government support and government entrepreneurship programs indicate that policy effectiveness varies across levels of governance and types of intervention. Overall, these findings point to the need for more coordinated policies which would reduce administrative burdens, strengthen local-level engagement, and ensure that support mechanisms are accessible, targeted, and aligned with the evolving needs of entrepreneurs.

Recommendations

Government processes

- Develop a fully integrated digital “One-Stop Shop” for registration, licensing, and funding access
- Streamline procedures by reducing time and complexity in permit approvals
- Introduce fast-track mechanisms for low-risk or innovative ventures
- Expand digitalization of public services supporting entrepreneurs

Government policies

- Strengthen local government involvement in entrepreneurship support
- Introduce regulatory sandboxes for emerging sectors (e.g., fintech, green innovation)

- Expand public procurement opportunities for startups and SMEs
- Provide incentives to reduce operating costs for new businesses, including energy and connectivity
- Incentivise municipalities to support entrepreneurship and innovation through buildings and other services
- Develop targeted policy instruments to reduce the gender gap in entrepreneurship (e.g., tailored funding schemes, mentoring, procurement incentives)

Government structures & schemes

- Enhance support measures such as childcare schemes for entrepreneurs, particularly women
- Promote innovation within existing firms (intrapreneurship)
- Establish regional entrepreneurship councils involving local stakeholders
- Improve coordination and visibility of existing programs to reduce fragmentation
- Introduce performance monitoring and evaluation mechanisms for entrepreneurship policies using GEM indicators (e.g., TEA, EFCs)

FINANCIAL SUPPORT

The 2024/2025 GEM findings continue to position entrepreneurial finance as one of the most significant constraints within Cyprus’s entrepreneurial ecosystem. NES results indicate that access to funding remains limited across a wide range of sources, including debt and equity finance, business angel investment, venture capital, and crowdfunding. These limitations persist across the entrepreneurial lifecycle, affecting both early-stage entrepreneurs seeking seed capital as well as more established ventures aiming to scale their activities. While there are some signs of stability or modest improvement in selected funding channels, overall access to finance remains below European benchmarks. In particular, sources of funding such as venture capital, angel investment, and public market funding continue to be perceived as underdeveloped. At the same time, challenges in accessing bank lending and follow-on investment suggest that financial constraints extend beyond startup formation into business growth and expansion phases. These gaps are further reinforced by NES findings on government entrepreneurship programs, which continue to be viewed as insufficient in both scope and effectiveness. Limited availability of targeted funding instruments, combined with fragmented support mechanisms, constrains the ability of entrepreneurs to mobilize resources efficiently. In addition, the relatively weak performance in R&D transfer highlights ongoing difficulties in financing the commercialization of research and innovation, particularly for science- and technology-based ventures. Taken together, findings point to the need for a more robust, diversified, and coordinated financial ecosystem, one that supports entrepreneurs at all stages, facilitates innovation, and strengthens links between finance, research, and market opportunities.

Recommendations

Investors and Financial Ecosystem

- Introduce tax incentives for angel investors and venture capital participation

- Expand co-investment schemes and public-private venture funds
- Promote diaspora engagement and international investment attraction
- Encourage corporate venture capital and reinvestment by established firms
- Support the development of alternative financing channels (e.g., crowdfunding, hybrid finance)
- Encourage informal investor education and engagement
- Create targeted tax incentives for global angel and VC participation in Cyprus and engage the diaspora through co-investment campaigns

Government Entrepreneurship Programs

- Increase availability of early-stage funding and micro-grants
- Introduce performance-based (milestone-linked) funding schemes for high-risk early entrepreneurial activity
- Strengthen support for commercialization of research and innovation
- Improve accessibility and awareness of funding programs
- Align sectoral programs with Smart Specialization Strategy
- Launch innovation challenge funds linked to public-sector needs (e.g., energy, health)
- Establish dedicated funding windows for high-growth and export-oriented startups to support scaling beyond the domestic market

BUSINESS SUPPORT

The 2024/2025 GEM findings show that Cyprus continues to benefit from relatively strong physical and commercial infrastructure, which remains one of the more supportive dimensions of the local entrepreneurial ecosystem. NES results indicate that core infrastructure, such as communications, utilities, and digital access, provides a solid foundation for business activity. In parallel, certain aspects of market entry conditions show moderate improvement, suggesting a gradually more enabling environment for new firms. Despite these strengths, several structural gaps persist. A key constraint identified by experts is the limited availability of affordable office and production spaces, which continues to pose a barrier for startups and small businesses seeking to establish or expand their operations. In addition, the effectiveness of science parks, incubators, and broader business support structures remains insufficient against the needs of entrepreneurs, limiting opportunities for early-stage support and scaling.

Furthermore, the transfer of research, innovation, and technology from universities and public institutions to the private sector continues to be weak, as also reflected in the R&D transfer indicators. This gap restricts the development of high-value, innovation-driven ventures. APS findings further reinforce this challenge, showing that only a small number of early-stage entrepreneurs in Cyprus are engaged in using new technologies or in offering innovative products and services. Together, these results point to the need for a more integrated approach to business support, one that connects infrastructure, innovation, and market access more effectively.

Recommendations

Technology & Innovation

- Provide grants and vouchers for digital transformation and technology adoption
- Promote AI and advanced technology integration in business operations
- Strengthen collaboration between universities, research institutions, and industry on digital transformation consulting
- Introduce innovation vouchers to support knowledge transfer
- Set up services to offer digital strategy guidance and access to digital tools for established and new businesses
- Expand high-speed internet, AI and cloud infrastructure nationwide

Supportive Environment

- Expand availability of affordable office and production spaces
- Develop science parks, incubators, and accelerators linked to universities
- Establish a national mentorship network across key sectors
- Support the transition from startup to scale-up through targeted growth programs
- Create science parks and university-linked incubators
- Build a national mentorship network of experienced entrepreneurs in different areas
- Expand technology transfer offices in Universities and research centers to provide commercialization pathways and incentives for researchers

Extroversion & Market Access

- Facilitate internationalization through trade missions and global networking events
- Provide branding, export readiness, and market expansion support
- Establish internationalization programs targeted to helping Cypriot startups enter international markets
- Encourage strategic partnerships with international firms and ecosystems
- Support participation in global innovation and startup platforms

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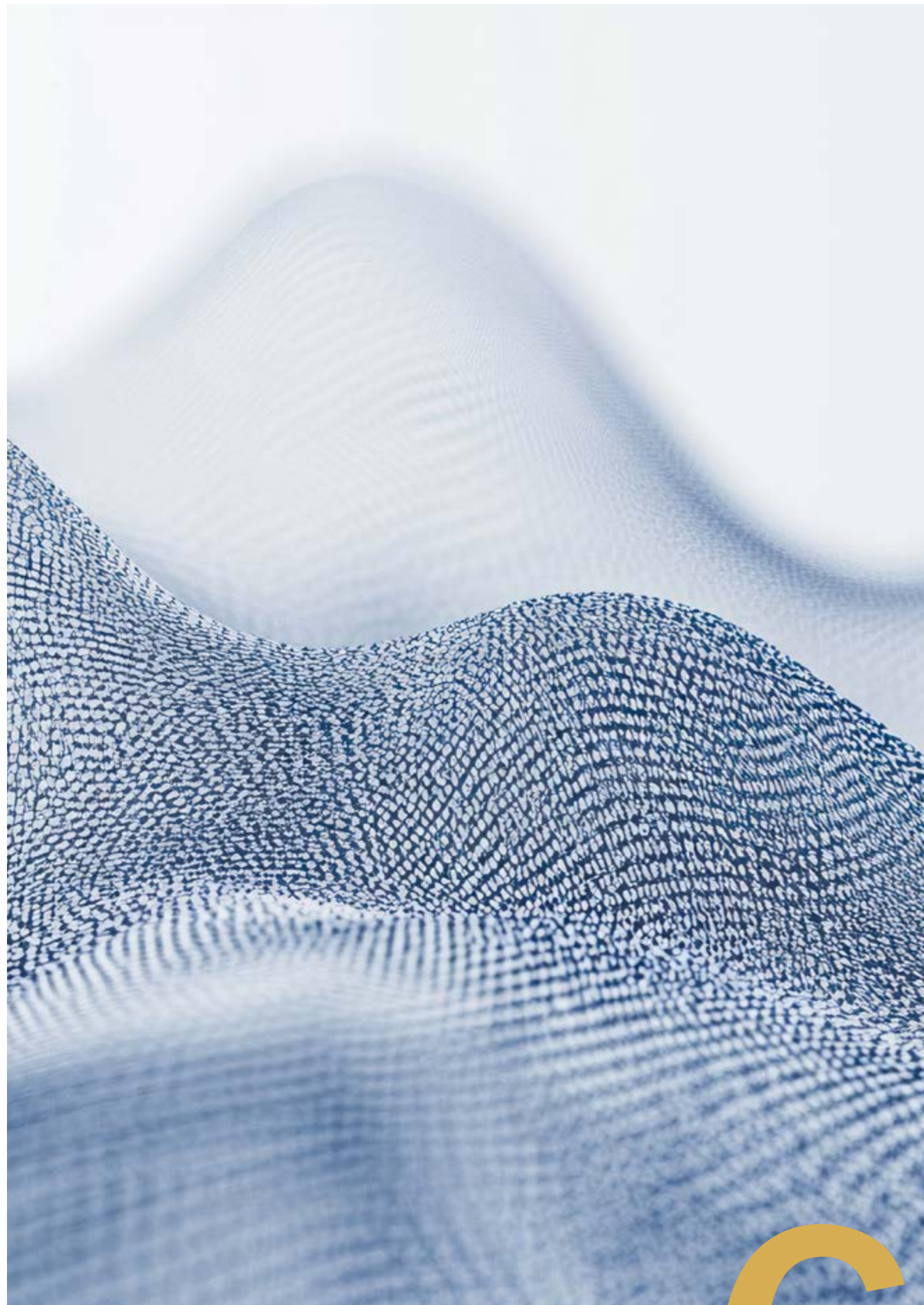
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6

PROFILES OF INCUBATORS AND ACCELERATORS IN CYPRUS

6.1 ARIS | A Really Inspiring Story

ARIS | A Really Inspiring Story was set up in Limassol in 2018 with the idea that good ideas in Cyprus do not lack ambition. What they do often lack is the structure, mentality, business acumen, and tailored support to turn into real businesses. ARIS was created to close that gap.

Curated by Deloitte's Innovation and Entrepreneurship Centre, the programme works with start-ups and scale-ups that already have something tangible such as a product, a service, a prototype, or even a direction and helps them move faster from "building" to "selling". It does this through hands-on support, mentorship, and direct exposure to the market, rather than theory-driven incubation.

ARIS focuses mainly on technology-driven ventures with the potential to scale beyond Cyprus. Over the years, it has supported teams across sectors such as fintech, IT, energy and others, helping them refine their business models, test their assumptions, and engage with investors and industry partners.

What makes ARIS different is its mindset. It does not position itself as a "safe space" for ideas, but rather as a working environment where ideas are challenged, shaped, and pushed towards real outcomes. In a market like Cyprus, where the innovation ecosystem is still evolving, this approach has helped founders think more globally and act more decisively.

Today, ARIS plays a steady role in the local ecosystem not as the biggest programme, but as one that consistently focuses on execution and impact. Its contribution is less about volume, and more about helping build companies that are able to stand and compete beyond the local market.

MISSION

To help promising start-ups and scale-ups turn into real, sustainable businesses by giving them the structure, guidance, and market exposure they need to grow. ARIS focuses on execution, helping founders move from building a product or service to building a company.

VISION

To contribute to a more mature and outward-looking innovation ecosystem in Cyprus, one where startups are built with global ambition from the beginning and are able to compete beyond the local market. ARIS aims to play a steady role in shaping this shift, by supporting ventures that create real economic and societal value.

KEY STRATEGIC PRIORITIES

- Support ventures that already have a foundation (e.g. MVP) and help them move faster towards commercialisation and revenue generation.

- Prioritise technology-driven solutions with strong potential to grow internationally and address real-world challenges.
- Act as a connector between start-ups, corporates, investors, and institutions, contributing to a more collaborative and effective innovation landscape in Cyprus.
- Equip founders not just with technical expertise but also with practical business skills, so they can sustain and scale their ventures over time.

At its core, ARIS is built around a structured acceleration programme designed to help startups move from working on the product or service offering to building a business around it. Traditionally, the programme has run in fixed-term cohorts, combining intensity with practical support.

The structure is not linear or rigid. Startups enter at different points depending on their maturity and move through key stages such as refining their business model, testing assumptions, forming their unique value proposition, strengthening their product or service, and preparing for commercialisation. The focus throughout is on real progress.

A key element of ARIS is hands-on mentorship. Founders work closely both with professionals from Deloitte and external experts, receiving direct guidance on areas such as business strategy, financial planning, go-to-market approach, and pitching. This is complemented by targeted workshops and training sessions that respond to the actual, specific needs of each team, rather than a fixed one-size-fits-all curriculum.

Access to networks is equally important. ARIS connects startups with investors, corporates, and ecosystem stakeholders, creating opportunities for partnerships, funding, and market entry. This includes structured exposure through pitching opportunities as well as more informal introductions that often lead to tangible outcomes.

From an infrastructure perspective, startups benefit from access to Deloitte's working environments in Cyprus, placing them closer to industry, which is often where key insights and opportunities emerge.

Importantly, ARIS is evolving beyond a fixed-term accelerator. While the cohort model remains a strong foundation, there is a clear shift towards providing longer-term support, recognising that building a company takes more than a short acceleration cycle. The aim is to stay engaged with ventures beyond the initial programme, supporting them through later growth stages where many startups typically struggle.

In parallel, ARIS also runs targeted initiatives such as shorter bootcamps, designed to introduce younger or earlier-stage participants to entrepreneurship and strengthen the pipeline of future founders.

ARIS works with start-ups and scale-ups that have already moved beyond the idea stage and are ready to be challenged. The programme is not designed for very early exploration, but for teams that have built something tangible and are now trying to turn it into a viable business.

In practice, this means ARIS primarily supports technology-driven ventures with an MVP, clear use case, and early signs of market direction. The focus is on startups with the potential to scale beyond Cyprus and operate in international markets.

Eligibility Criteria

Startups applying to ARIS are expected to demonstrate:

- A technology-based product or service with a clear innovation element
- An existing MVP or prototype ready to be tested in the market
- Strong growth potential and scalability beyond the local market
- A committed and capable founding team able to sustain the business long-term

Application & Selection Process

The selection process starts with an open call for applications and is designed to filter for both quality and readiness. Applicants complete a structured questionnaire that goes beyond a simple pitch and looks at the business holistically including product, market, traction, financials, and team.

This allows ARIS to understand not only what the startup is building, but whether it has the foundations to execute. Particular attention is given to:

- The clarity of the problem and solution
- Evidence of market demand and early traction
- The realism of the business model and go-to-market (GTM) approach
- The strength and complementarity of the team

Shortlisted startups typically go through a second evaluation phase, including interviews or pitching, before final selection into the programme.

Types of Startups Supported

ARIS supports a diverse mix of startups, with strong emphasis on technology and innovation. While there is recurring activity in sectors such as fintech, IT, energy, and other B2B solutions, the programme remains open to any venture that addresses real-world problems in a scalable way.

Number of Startups Supported

Each cohort is intentionally kept small, typically around 5 teams, to ensure meaningful engagement and hands-on support. Since its establishment, ARIS has supported more than 30 startups, reflecting a conscious focus on quality over volume.

Overall, ARIS is selective by design. The goal is not to admit as many startups as possible, but to work closely with a smaller number of teams that show real potential.

Since its establishment in 2018, ARIS has supported 30+ startups and scale-ups, primarily in technology-driven sectors.

The programme operates with small, selective cohorts (typically around 5 teams per cycle) to allow for a more hands-on approach and deeper engagement with each venture.

Progression and outcomes

While consolidated figures on total funding raised or jobs created are not publicly disclosed, available evidence points to consistent progression from early-stage to market-ready ventures:

- Startups are supported to reach investment readiness, including financial structuring and pitching to investors
- Demo Days and investor exposure opportunities provide direct access to funding networks and industry stakeholders
- Ventures are supported in accelerating GTM timelines and improving business models, with a clear emphasis on commercialisation

Ecosystem-level impact

Beyond individual startups, ARIS contributes to the broader innovation landscape in Cyprus:

- It has helped establish a structured pathway from MVP to market, which was previously limited in the local ecosystem
- It actively connects startups with corporates, investors, and international networks, thus strengthening collaboration and knowledge transfer
- It contributes to positioning Cyprus as a growing hub for technology-driven entrepreneurship, particularly in sectors such as fintech, IT, and energy

Additional initiatives

ARIS has also expanded its reach through complementary programmes such as short-term bootcamps, supporting earlier-stage talent and strengthening the future pipeline of entrepreneurs.

ARIS operates as a connector within the Cypriot innovation ecosystem, bringing together startups, corporates, investors, and institutions into a more coordinated and outcome-driven environment.

Private sector partnerships

A key pillar of ARIS is its collaboration with the private sector. The programme was originally co-founded with the Bank of Cyprus, establishing an early link between entrepreneurship and the financial sector.

More recently, ARIS has strengthened its corporate engagement through partnerships such as its collaboration with XM, which supported the programme as a key sponsor and contributed to skills development and innovation initiatives.

Collaboration across the ecosystem (Quadruple Helix)

ARIS actively works across the broader “quadruple helix” of innovation:

- **Academia:** Engagement with universities and research institutions to strengthen the pipeline of talent and innovation
- **Public sector:** Alignment with national efforts to promote entrepreneurship, innovation, and economic diversification

- **Private sector:** Ongoing collaboration with corporates, investors, and industry experts who contribute mentorship and market access
- **Society/startup community:** Creation of an active community of founders, mentors, and alumni that continues beyond each cohort

International links and outlook

Through Deloitte’s global network and its own partnerships, ARIS maintains an outward-looking approach. Startups benefit from exposure beyond Cyprus, including access to international mentors, investors, and collaboration opportunities.

In parallel, ARIS is increasingly exploring and participating in EU-funded and cross-border initiatives, using these as a mechanism to connect local startups with international ecosystems, funding instruments, and innovation programmes.

SELECTED STARTUPS AT ARIS

MENTISVR

MentisVR develops cognitive training solutions using virtual and augmented reality, aimed at improving reaction time, decision-making speed, and performance under pressure. The solution combines neuroscience and immersive technology and has been used in high-performance environments, including elite sports organisations such as Real Madrid. The company reflects ARIS’ focus on deep-tech and performance-driven innovation with international applicability.

KUORUM

Kuorum is a SaaS platform that digitises governance processes such as assemblies, board meetings, and elections for organisations including sports clubs, associations, and companies. Its solution covers the full digital voting lifecycle, including attendance management, remote voting, quorum calculation, and real-time result processing. This type of infrastructure-focused innovation aligns with ARIS’ emphasis on scalable B2B technologies.

COSMOHERB

Cosmoherb is a Cyprus-based company developing natural cosmetic products combining herbal ingredients with applied research. The company focuses on skin, hair, and nail care solutions, with an emphasis on sustainability through eco-conscious packaging and clinically informed formulation. It represents the programme’s support for science-driven consumer innovation with commercial potential.

IREROBOT LTD

IREROBOT is a research and development company focused on interactive technologies in the fields of rehabilitation robotics, medical devices, and sensory interfaces. Its work aims to improve human-machine interaction and contribute to more accessible and physically integrated cyber-physical systems. This reflects ARIS’ engagement with advanced R&D ventures at the intersection of health and technology.

(Note on confidentiality: We would like to clarify that the inclusion of the above startup names and descriptions is based on publicly available information and/or ARIS

programme participation context. Importantly, ARIS has not obtained explicit consent from the previously mentioned ventures to reference their names or provide detailed descriptions within the scope of this specific questionnaire.)

Challenges & Lessons Learned

One of the most persistent challenges in building and operating an acceleration programme like ARIS has been bridging the gap between startup development and access to funding.

In practice, many early-stage ventures in Cyprus struggle not because they lack ideas, but because they are not yet investment ready. This created a structural challenge for ARIS as even when startups improved significantly during the programme, securing follow-on funding required much more than technical or product readiness.

Over time, this has led to an important shift in how ARIS is structured and positioned.

First, it became clear that fundraising readiness must be embedded early in the acceleration journey and not treated as a final-stage activity. As a result, more emphasis was placed on:

- refining clear and realistic financial projections
- strengthening business models with credible unit economics
- helping founders understand and articulate their exit strategy or long-term value creation path

Second, ARIS recognised that funding success is strongly linked to ecosystem positioning, not just startup quality. This led to a deliberate effort to:

- build deeper partnerships with investors, corporates, and strategic enablers
- expand exposure beyond Cyprus through networks and international linkages
- create more structured opportunities for investor engagement (e.g. pitching and demo formats)

Third, it became evident that from day one, startups need to think beyond Cyprus as a market. Given the size limitations of the local ecosystem, founders are now consistently encouraged to treat Cyprus as a testing, validation ground and as a launchpad rather than the end market. This shift in mindset has been critical in improving the quality of ventures entering later-stage discussions.

Finally, this experience reinforced a broader lesson: acceleration alone is not enough. Short programmes can improve readiness, but sustained support, stronger networks, and continuous post-programme engagement are often what determine whether startups actually secure funding and scale.

As a result, ARIS is gradually evolving towards a more continuous support model, extending engagement beyond the traditional cohort cycle to better address the funding gap and improve long-term outcomes for startups.

Future Outlook

Looking ahead, ARIS is focused on evolving from a structured acceleration programme into a more continuous and internationally connected support platform for startups.

A key priority is expanding engagement into EU-funded initiatives and cross-border innovation programmes, positioning ARIS not only as a national accelerator, but also as an active participant in European innovation and entrepreneurship ecosystems. This will allow stronger integration of Cypriot startups into broader funding schemes, collaborative projects, and international value chains.

In parallel, ARIS is moving towards extending its support horizon beyond the traditional acceleration cycle, with plans to gradually evolve from a fixed cohort model into a longer-term engagement framework. The intention is to better support startups beyond initial acceleration, particularly during the critical growth and scaling phase where many ventures face funding and execution gaps.

Another key direction is the strengthening of strategic partnerships with leading international corporates and innovation actors. These partnerships are expected to deepen market access opportunities for startups, enhance commercial pathways, and increase exposure to global ecosystems.

A prime example of strengthening these strategic partnerships is the objective to connect ARIS startups with the Deloitte Middle East & Cyprus Technology Fast 50 programme. The goal is to provide a clear pathway for high-potential ventures from the ARIS portfolio to compete on this platform. By participating, startups gain additional visibility, benchmark their growth against the region's most dynamic technology companies, and can earn significant recognition that enhances their credibility with investors and customers alike. This initiative not only offers a tangible competitive arena for the startups but also reinforces ARIS's commitment to fostering companies that can shine on an international stage.

At the same time, ARIS remains committed to improving and refining its core offering making it more structured, more practical, and more closely aligned with the real needs of founders. This includes continuously upgrading mentorship quality, strengthening investor connectivity, and improving the overall efficiency of the programme delivery.

6.2 Chrysalis Leap

Chrysalis LEAP is one of Cyprus' longest-running and most established start-up accelerators. Founded in 2012 and operational from 2013, the organisation has spent more than a decade helping entrepreneurs bridge the gap between idea and business, with a particular focus on cleantech, climate innovation, the blue economy and digital transformation. Headquartered at 121 Prodromou Avenue in Strovolos, Nicosia, Chrysalis LEAP operates as a private, founder-led entity that has grown into one of the principal nodes of Cyprus' innovation ecosystem. Since 2016 it has been a Regional Partner of EIT Climate-KIC, one of the three EIT Climate-KIC Cyprus Hub partners, and the official organiser of EIT ClimateLaunchpad for Cyprus – the world's largest cleantech business ideas competition. Over the years, Chrysalis LEAP has supported entrepreneurs across every stage of the journey, from earliest ideation through to investor readiness and market launch. Its alumni include multiple ClimateLaunchpad Regional and Global Finalists, scale-ups that have gone on to raise external funding, and ventures that have helped shape new markets in Cyprus and across the Mediterranean. A defining milestone in the organisation's journey was its hosting of the ClimateLaunchpad 2017 Global Grand Final in Limassol – the largest gathering of green start-up ideas in the world that year – which placed Cyprus firmly on the international cleantech entrepreneurship map.

At a glance

- **Year of establishment:** 2012 (first accelerator programme delivered in 2013)
- **Type:** Private, founder-owned start-up accelerator
- **Location:** 121 Prodromou Avenue, 2064 Strovolos, Nicosia, Cyprus
- **Main areas of focus:** Cleantech and climate innovation, sustainable blue economy, digital transformation, maritime innovation, deep tech with environmental and societal impact
- **Operating reach:** Cyprus-based, with active programmes spanning Cyprus, Greece, the wider Mediterranean and the MENA region through EU-funded consortia

MISSION

To help entrepreneurs bring their ideas to market – by getting teams unstuck, challenging their assumptions and confronting them with the reality of their business idea and its place in the world of customers.

VISION

A Cyprus that is established as a credible international entrepreneurship destination, where high-quality climate, blue-economy and deep-tech ventures can be founded, validated and scaled with the support of a vibrant local ecosystem and strong European partnerships.

STRATEGIC PRIORITIES

- **Quality of founder development:** Continuously raising the bar on training, coaching and mentoring so that Cypriot founders are competitive on regional and global stages.
- **Climate and sustainability leadership:** Maintaining and deepening Chrysalis LEAP's role as the Cyprus anchor for



Figure 5.1 – Chrysalis LEAP offices

EIT Climate-KIC initiatives, including ClimateLaunchpad and themed accelerator programmes.

- Cross-border programme design: Building and running multi-country programmes (e.g., across the Mediterranean and MENA) so that Cypriot founders gain exposure beyond the local market from day one.
- Ecosystem orchestration: Acting as a connective tissue between universities, public institutions, corporates and the wider EU innovation network.
- Continuous adaptation: Keeping curriculum, delivery formats and thematic focus areas current with the most pressing challenges – from the energy transition to digitalisation and the blue economy.

Chrysalis LEAP runs a portfolio of accelerator programmes, competitions and ecosystem initiatives. Across all of these, the methodology is built around evidence-based business model design, intensive coaching, structured mentoring, and exposure to international markets and investors.

Current flagship programmes

- **The Chrysalis LEAP Accelerator** – The organisation's own accelerator programme, designed to take founders from raw idea to a tested, investor-ready business proposition.
- **EIT ClimateLaunchpad (Cyprus)** – The world's largest cleantech business ideas competition, run nationally by Chrysalis LEAP every year since 2014. The programme combines bootcamp-style training, dedicated coaching, a National Final, and a pathway through Regional and Global Finals.
- **DiGiNN (European Digital Innovation Hub Cyprus)** – A one-stop-shop supporting companies and publicsector organisations through their full digitisation journey, with workshops in areas such as financial planning, investor readiness, and sectoral digital transformation (energy, maritime).
- **Blue Ecosystem** – A transformative co-creation initiative for the blue sustainable economy, including TRAIN Lab co-creation workshops bringing together innovators and stakeholders to address challenges such as water scarcity.

Selected past programmes

- **MariTech Talent (concluded 2025)** – A challenge-based intrapreneurship programme nurturing talent within the maritime sector by working on real challenges identified by maritime companies themselves.
- **MED ClimAccelerator (2021–2022)** – A four-month programme delivered with EIT Climate-KIC partners from Portugal and Malta. Chrysalis LEAP led the training of all selected start-ups across the three countries through all three stages of the accelerator.
- **Maritime ClimAccelerator and MENA Maritime Accelerator** – Multi-country programmes accelerating the green transformation of the maritime industry, supporting start-ups offering solutions for climate neutrality and resilience.
- **EIT Climate-KIC RIS Accelerator (Stage 2 & Stage 3)** – Multi-year acceleration programmes delivered between 2016 and 2020, equipping start-ups with the skills, tools and funding to perform customer validation and prepare for market launch and investors.
- **YENESIS, MISTRAL, SCIENT, Inno EU+** – EU-funded projects addressing youth unemployment in islands (NEETs), maritime innovation, and university–industry collaboration.

Core services across programmes

- Founder training in business model design, customer development, value proposition design and pitching
- One-to-one coaching and structured mentoring from experienced entrepreneurs and domain experts
- Access to funding pathways through EIT Climate-KIC, EU programmes and connections to investors
- Access to international networks via EIT Climate-KIC, ClimateLaunchpad's 50+ country footprint and EU project consortia
- Workshop facilities and a Nicosia-based hub for cohort activities, plus virtual delivery capability proven across multiple programme cycles

Who Chrysalis LEAP supports

Chrysalis LEAP's primary target group is early-stage founders and teams — from individuals with a validated idea through to start-ups in early traction — working on solutions with environmental, climate, blue-economy or broader societal impact. Programmes are also open to teams in adjacent deep-tech and digital areas where the underlying business has a credible sustainability angle.

Eligibility criteria

- Founders or teams (typically 1–3 founders per team) with a clearly articulated problem, solution and target customer
- Idea or product with a credible link to climate impact, sustainability, blue economy or digital transformation, depending on the programme
- Willingness to commit to the full duration of the programme, including bootcamps, coaching sessions, and the National Final pitch
- For ClimateLaunchpad and Climate-KIC programmes, eligibility further follows the official rules of the EIT Climate-KIC framework (cleantech focus, geographic eligibility, stage of company, and IP status)

Application & selection process

- Open call published through Chrysalis LEAP's website, partner channels and the wider innovation ecosystem
- Written application capturing the team, problem, proposed solution, current traction and motivation
- Shortlisting by the Chrysalis LEAP team based on team strength, problem relevance, novelty, climate or societal impact, and feasibility
- Interviews and / or pitch sessions for shortlisted teams
- Final selection of cohort and onboarding into the programme

Cohort size

Cohort sizes vary by programme. ClimateLaunchpad National cohorts in Cyprus have typically ranged from 8 to 11 teams per year across recent editions. Multi-country accelerator programmes have supported larger cohorts — for example, the 2021 MED ClimAccelerator delivered training to 25 selected start-ups across Cyprus, Portugal and Malta. In aggregate, Chrysalis LEAP has supported more than 500 start-ups across all programmes since the first pilot accelerator in 2013.

Chrysalis LEAP's impact is measured across three dimensions: the breadth of founders and teams reached, the depth of acceleration delivered to selected cohorts, and the international visibility achieved by alumni through ClimateLaunchpad and other competitions.

Breadth and continuity

- 13+ years of continuous operation since the first pilot accelerator in 2013
- 12 consecutive editions of EIT ClimateLaunchpad delivered for Cyprus (2014–2025)
- Multiple parallel programmes delivered each year since 2021, covering local, Mediterranean and MENA cohorts
- More than 500 start-ups supported across the Chrysalis LEAP Accelerator, ClimateLaunchpad cohorts, EIT

Climate-KIC Stage 2/3 accelerators, MED ClimAccelerator, Maritime ClimAccelerator, MENA Maritime Accelerator, MariTech Talent, DiGiNN and Blue Ecosystem since 2013.

International reach and recognition

- Multiple Cypriot start-ups taken to ClimateLaunchpad Regional Finals across more than a decade
- Alumni reaching the ClimateLaunchpad Global Final include EVAppKit (2021), WIND-E (2020), Pulse and Terralithia (2019), Fiji, HomeShield, Mighty Meat (2018), Be Right Bag and Grow Green (2017), among others
- Hosted the ClimateLaunchpad 2017 Global Grand Final in Limassol — the largest gathering of green startup ideas worldwide that year, with finalists representing more than 30 countries. This event positioned Cyprus as an international cleantech entrepreneurship destination.

Depth of acceleration

- Multiple alumni have progressed through Stage 2 and Stage 3 of the EIT Climate-KIC RIS Accelerator, receiving dedicated funding to perform customer validation and prepare for market launch
- Notable scale-ups include EMBIO Diagnostics (handheld biosensor platform for food safety) and Mighty Meat (plant-based food)

Quantified outcomes

- Total funding raised by alumni post-programme: more than €1.5 million
- Jobs created by alumni: more than 50
- Chrysalis LEAP plays a connective role in the Cypriot innovation ecosystem, linking founders to European frameworks, corporate partners, academic institutions and public-sector stakeholders

European and international affiliations

- EIT Climate-KIC Regional Partner since 2016
- One of three EIT Climate-KIC Cyprus Hub partners
- Official organiser of EIT ClimateLaunchpad for Cyprus
- European Digital Innovation Hub Cyprus (DiGiNN) consortium partner
- Partner in cross-border EIT Climate-KIC accelerators (MED ClimAccelerator, Maritime ClimAccelerator, MENA Maritime Accelerator)
- Partner in EU-funded projects including YENESIS, MISTRAL, MariTech Talent, Blue Ecosystem, SCIENT, and Inno EU+

Strategic and corporate partnerships

- PwC Cyprus — Strategic Partner
- Strategyzer — Methodology supporter (business model and value proposition design)

Academic and research links

Chrysalis LEAP maintains close working ties with Cypriot universities, both through its founding team — which includes academics at the Cyprus University of Technology — and through joint participation in EU consortia. This creates natural pipelines between academic research, deep-tech spinouts and the accelerator's programmes.

Public sector and ecosystem partners

Through DiGiNN and the various EU-funded initiatives, Chrysalis LEAP also works closely with public-sector organisations on their digitisation journeys, and collaborates with other Cypriot innovation actors (incubators, university technology transfer offices, ministries and agencies) to ensure complementary rather than duplicative support for founders.

The case studies below illustrate the range of impact Chrysalis LEAP supports — from early-stage National Winners that go on to represent Cyprus internationally, to alumni that have scaled into established companies in their own right.

EMBIO Diagnostics

Cohort: ClimateLaunchpad 2018 / Stage 2 Graduate.
Sector: Sustainable Land Use & Agrifood (food safety, deep tech).

EMBIO Diagnostics is the creator of B.EL.D. (Bio Electric Diagnostics), the first multi-use handheld chemical analyzer designed to test for pesticides in food. The team progressed through Chrysalis LEAP's accelerator pathway and Stage 2 of the EIT Climate-KIC RIS Accelerator, using the programme to sharpen its commercial proposition, build international visibility and move from a research-led innovation toward a scalable product business addressing a globally relevant safety challenge.

Mighty Meat

Cohort: ClimateLaunchpad 2018 (Global Finalist) / Stage 2 & Stage 3 Graduate.
Sector: Sustainable Land Use & Agrifood (alternative proteins).

Mighty Meat develops healthy, sustainable and scalable plant-based food products. The team reached the ClimateLaunchpad 2018 Global Final, then continued through both Stage 2 and Stage 3 of the EIT Climate-KIC RIS Accelerator with Chrysalis LEAP — a multi-year acceleration journey that combined funded customer validation with structured preparation for market launch and investor engagement. Mighty Meat is one of the clearest examples of how the Chrysalis LEAP pathway can take an early-stage idea through to a credible scale-up in a globally relevant category.

Freya Labs

Cohort: ClimateLaunchpad 2025 — National Winner (Cyprus).
Sector: Climate innovation.

Freya Labs was selected as Cyprus' National Winner in the 2025 edition of EIT ClimateLaunchpad, run by Chrysalis LEAP. As National Winner, the team advanced from the National Final through to the Regional Final and then on to the Global Final in Vienna, where they presented their solution at the Innovation Fair. Freya Labs exemplifies the most recent generation of Cypriot climate founders that the programme is helping to put on the international map.

Marquee milestone — ClimateLaunchpad 2017 Global Grand Final, Limassol

Beyond individual start-up cases, one of Chrysalis LEAP's most distinctive achievements has been organising and hosting the ClimateLaunchpad 2017 Global Grand Final in Limassol. As the world's largest cleantech business ideas

competition, the Global Final brought together top finalists from more than 30 countries on Cypriot soil. For Chrysalis LEAP, this represented a major leap in transforming Cyprus into an entrepreneurship destination and demonstrated that a Cypriot organisation could hold its own as a host of a global flagship innovation event.

Building a sustainable accelerator in a small market

As one of the earliest dedicated accelerators in Cyprus, Chrysalis LEAP has had to develop demand for structured founder support in parallel with delivering it. Early cohorts required significant investment in awareness-building — explaining what an accelerator is, why structured business model work matters, and how a founder benefits from coaching they did not previously know to ask for. The lesson learned has been that ecosystem-building work is inseparable from programme delivery in a market the size of Cyprus.

Diversifying revenue and programme portfolio

From a single pilot programme in 2013, Chrysalis LEAP has progressively expanded into a portfolio of EU-funded and partner-led programmes — ClimateLaunchpad, Stage 2/3 RIS Accelerator, MED ClimAccelerator, Maritime initiatives, MariTech Talent, DiGiNN and Blue Ecosystem. The lesson has been that long-term sustainability for an independent accelerator depends on building a multi-stream pipeline of programmes anchored in strong

European partnerships, rather than relying on any single source of funding or initiative.

Adapting delivery to disruption

The 2020 and 2021 cycles required a rapid shift to fully virtual bootcamps, coaching sessions and National Finals — culminating in virtual Grand Finals at the international level. Chrysalis LEAP delivered its programmes uninterrupted across this period, including taking teams such as WIND-E (2020) and EVAppKit (2021) to Global Finals. The lesson has been that hybrid and virtual delivery, when done well, can preserve cohort intimacy while expanding reach — and these capabilities have remained part of the operational toolkit.

Cross-border collaboration as a multiplier

Running multi-country programmes (with partners in Portugal, Malta, the wider Mediterranean and the MENA region) has meaningfully raised the level of ambition Cypriot founders are exposed to from the start. The lesson has been that international cohorts produce stronger founders than purely national ones, but they also demand significantly more design effort, coordination and methodological discipline.

Founder readiness vs. market readiness

A recurring observation across more than a decade of programmes is that the bottleneck for early-stage Cypriot founders is often less about the technical strength of their idea and more about market readiness — understanding the customer, the unit economics, and the route to scale outside Cyprus. Chrysalis LEAP's curriculum has therefore continually shifted weight toward customer development, business model rigour and investor readiness, rather than ideation alone.

Continuing flagship programmes

- Continued annual delivery of EIT ClimateLaunchpad in Cyprus, building on more than a decade of unbroken editions
- Ongoing development of The Chrysalis LEAP Accelerator as the organisation's own end-to-end pathway from idea to investor readiness

Deepening the blue and digital agendas

- Expansion of the Blue Ecosystem initiative through additional TRAIN Lab co-creation workshops, with a focus on water scarcity, sustainable maritime activity and the wider blue sustainable economy
- Continued co-leadership of DiGiNN as the European Digital Innovation Hub for Cyprus, scaling support for SMEs and public-sector organisations on their digital transformation journeys, including in priority verticals such as energy and maritime

Strengthening regional collaboration

- Further development of cross-border accelerators with Mediterranean and MENA partners to give Cypriot founders access to larger talent pools, customer markets and investor networks
- Continued engagement with the EIT Climate-KIC Cyprus Hub and the wider EIT community Strategic priorities for the medium term
- Closer integration with universities and research centres to channel deep-tech and climate research into investable ventures
- Continued investment in mentor and coach networks, both local and international, to maintain quality at scale
- Stronger engagement with private capital in Cyprus and the region, to shorten the path from accelerator graduation to seed and Series A investment
- Maintaining Cyprus' visibility on the international cleantech map through repeat representation at ClimateLaunchpad Regional and Global Finals and through hosting / co-hosting of high-visibility innovation events

6.3 Cyprus Seeds

Cyprus Seeds is a non-profit organisation established in 2018, operating as a deep-tech ecosystem catalyst supporting the commercialization of scientific innovation at the earliest stages, where research is transformed into real-world impact. Cyprus Seeds is building the national pipeline of science-based startups in Cyprus.

It is the only organisation in Cyprus solely dedicated to supporting scientific innovation and science-based startups across all deep-tech sectors, bridging the gap between idea and entrepreneurship.

Rather than taking equity, Cyprus Seeds provides non-dilutive, long-term support to research teams and early-stage ventures in model building, unique profile building, non-equity grants, mentorship and investor readiness, public grants, and direct access to investors and industry.

This support is designed as a sustained partnership, guiding teams through complex decisions on commercialisation, strategy, and growth.

Deeply embedded within the national research ecosystem, Cyprus Seeds collaborates with universities, research centres, and Centres of Excellence across Cyprus, while leveraging a global network of mentors, investors, and experts from the USA, UK, Greece, France, and the Cypriot diaspora.

A key milestone in 2026 marks the organisation's strategic evolution: expanding its support to early-stage, research-based startups from Cyprus and the diaspora. In parallel, Cyprus Seeds is strengthening its presence in the innovation centre of the EU-funded PHAETHON Centre of Excellence, contributing to the development of innovation and Technology Transfer capabilities of the Centre.

Cyprus Seeds' unique value lies in its science-first approach, non-equity model, structured mentoring methodology, and strong international positioning, making it a key driver in transforming Cyprus' research into globally competitive deep-tech ventures.

MISSION

We work to reverse the "brain drain" by empowering researchers to commercialise their innovations—through spin-offs or licensing—and by supporting early-stage, research-based startups to become investable, create jobs, and deliver solutions to global challenges.

VISION

A Cyprus where scientific talent thrives and research is consistently transformed into globally competitive deep-tech ventures.

KEY STRATEGIC PRIORITIES

- Support researchers and early-stage, research-based startups at the earliest stages of innovation
- Enable researchers to transition from research to startup creation or licensing pathways

- Support early-stage, research-based startups in becoming investment-ready
- Provide long-term, non-equity mentoring and support
- Connect Cyprus to international mentors, investors, and networks
- Foster an entrepreneurial culture within academia
- Deliver measurable impact through ventures, job creation, and innovation

Cyprus Seeds Programme

The Cyprus Seeds Program supports research teams from universities and research centres in Cyprus in moving scientific innovations closer to commercialization. Over a structured 12–18 month cycle, selected teams receive equity-free funding of up to €70,000 together with hands-on support in areas such as market validation, customer discovery, intellectual property strategy, business modelling, investor readiness, and commercialization planning. The programme combines training, mentoring with international professionals, networking opportunities, and continuous strategic guidance tailored to the maturity and needs of each team.

The programme is designed to address one of the main gaps in the Cyprus innovation ecosystem: the lack of structured support for researchers during the early commercialization stage, before technologies are mature enough for investors or traditional startup accelerators. Cyprus Seeds helps teams test whether there is a real market need for their innovation, strengthen their commercialization strategy, connect with industry and international experts, and prepare for licensing agreements, partnerships, spin-out creation, or future investment opportunities. The programme operates through long-term engagement with each team rather than short-term acceleration activities, allowing researchers to gradually build the capabilities needed to transition from research to real-world application.

Value Proposition

- Team-based mentoring with diverse, experienced mentors
- Long-term, structured engagement
- Strategic guidance focused on key decisions
- Combination of global expertise and local insight
- Confidential, trust-based environment with no conflicts of interest

Eligibility Criteria

- Research-based project originating from a university, research institution, or Centre of Excellence
- Clear intention to commercialise the research (through spin-off or licensing)
- Designation of a dedicated "Champion" responsible for driving the commercialisation process
- Commitment of the core team to actively participate in the Programme

Assessment Criteria

- Strength of intellectual property (IP) and clarity of the commercialisation strategy
- Commitment of the team, particularly the role of the Champion

- Potential to commercialise within a defined timeframe
- Expected economic, social, and environmental impact

Evaluation Process

The selection process follows a structured evaluation, including proposal review and interviews conducted by an international panel of experts with experience in research commercialisation, industry, and investment.

Key Figures (2025)

- 141 applications received
- 24 research teams supported
- €2,200,000 in grants awarded and €200,000 in-kind services provided
- 6 spinouts created
- 2 licensing agreements concluded
- 9 patents filed (with Cyprus Seeds funding) and 2 patents granted
- 58 jobs created through supported projects

Additional Impact Generated

- €972,000 in licensing income generated
- €897,000 in additional innovation funding attracted
- €95,000 in awards secured through accelerators and competitions

Ecosystem & Capacity Building

- 43 workshops and 31 networking events delivered
- 17 teams supported by Cyprus Seeds to join international programmes (e.g. MITEF Greece)
- Engagement of 40 international mentors and 93 evaluators

Recognition

- Ranked among Europe's Leading Start-up Hubs (Top 300) by the Financial Times
- Recipient of the Startup Ecosystem Star Award 2025 in Top Talent & Research

Cyprus Seeds acts as a bridge between academia, industry and international networks, strengthening the pathway from research to market impact.

Key Partnerships

Cyprus Seeds collaborates closely with universities, research institutions, and Centres of Excellence across Cyprus, as well as with key national stakeholders including the Deputy Ministry of Research, Innovation and Digital Policy and the Research and Innovation Foundation (RIF). The organisation is further supported through partnerships with private sector organisations and donors such as the A.G. Leventis Foundation, The Hellenic Initiative, Eurobank Cyprus, Mohari Hospitality, PwC Cyprus and Eurobank. Cyprus Seeds also contributes as an innovation partner in major ecosystem initiatives including the PHAETHON Centre of Excellence, DIGINN, and DIGINNO.2

International Links

Internationally, Cyprus Seeds has established strong links through the licensed implementation of the MIT Venture Mentoring Service methodology, collaboration with the

MIT Deshpande Centre and DTU Skylab in Denmark, and engagement with a global network of mentors, investors, industry experts, and diaspora professionals. The organisation also connects supported teams with international entrepreneurship, commercialization, and venture-building opportunities, strengthening the global exposure and development pathways of Cyprus-based research-driven ventures and academic teams.

SELECTED CASE

Gene Therapy Project (Cyprus Institute of Neurology & Genetics)

A flagship example is a gene therapy project supported by Cyprus Seeds, which successfully progressed from academic research toward international commercialisation.

- Secured two option-to-license agreements with U.S. companies
- Advanced to preclinical development stage (TRL5)
- Generated ~\$1M in funding to support further research and development

This case demonstrates the ability of Cyprus Seeds to support high-potential scientific research in reaching global markets.

Challenges and Lessons Learnt

Key Challenges

- Research commercialisation projects often begin at a very early stage, where scientific development, market validation, team formation, and commercial strategy evolve in parallel, requiring long-term and highly tailored support
- Research teams require support beyond technical development, including business strategy, communication, leadership, customer engagement, and investor readiness capabilities
- Deep-tech commercialization typically requires longer development timelines and sustained support before technologies become attractive to investors or market-ready
- Ensuring continuity of support between research-stage commercialization programmes and later-stage startup growth mechanisms remains important for maintaining momentum within the innovation pipeline
- Maintaining access to international expertise, mentors, investors, and networks is particularly important for small ecosystems such as Cyprus, where local market size and commercialization experience remain relatively limited in certain deep-tech sectors

Lessons Learned

- Long-term, structured mentoring and exposure to international expertise can significantly strengthen the commercialization capacity and strategic direction of early-stage research teams
- The active commitment and engagement of the core academic or startup team is a key factor for sustained progress and successful commercialization development
- Early identification and clarification of the most suitable commercialization pathway, including spin-off creation or licensing, can help accelerate development and support more effective decision-making processes

- Early engagement with industry, potential users, and market stakeholders helps research teams better align their innovations with real-world needs and market opportunities
- Collaboration across the ecosystem — including universities, research institutions, policymakers, investors, industry, and innovation support organisations — is essential for strengthening the national innovation and technology transfer landscape.
- Continuous coordination among ecosystem stakeholders and innovation support organisations is important to ensure that programmes and services complement each other effectively and respond to the evolving needs of researchers and startups

Adaptation & Evolution

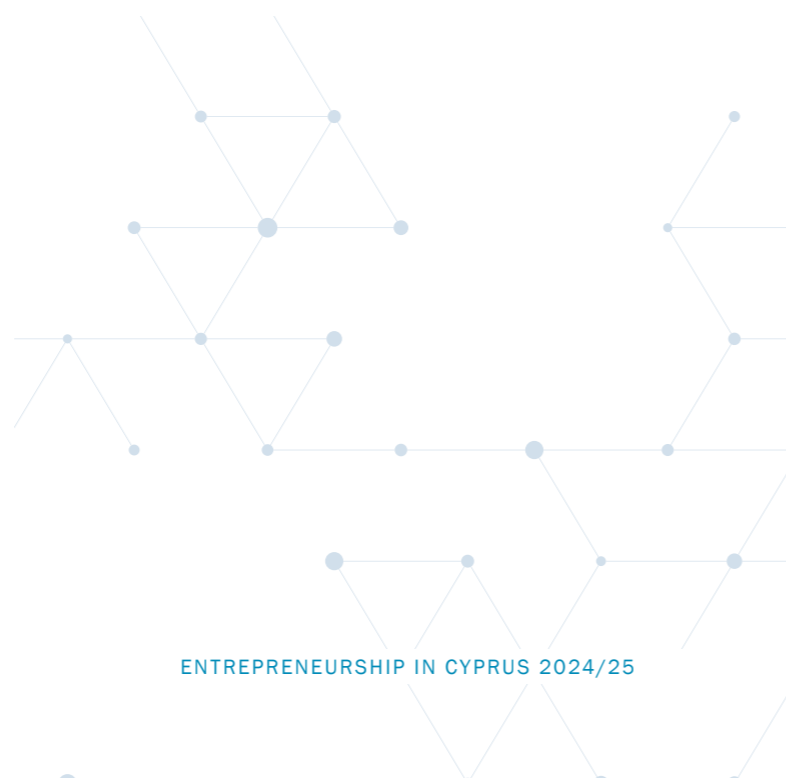
Cyprus Seeds is entering a new phase of growth, focusing on strengthening its role as a national catalyst for deep-tech innovation and research commercialisation.

Upcoming Initiatives

- Expansion of support to early-stage, research-based startups, helping them become investment-ready
- Launch of the 5th Cycle of the Cyprus Seeds Programme at the end of 2026, continuing the organisation's support for research-driven innovation and commercialisation in Cyprus
- Launch of the Cyprus Seeds Venture Mentoring Service (CS VMS) pilot in 2026, introducing a structured team-based mentoring model based on MIT VMSContribution to the development of innovation and Technology Transfer capabilities through the PHAETHON Centre of Excellence
- Further integration with international programmes and partners, enhancing global exposure for Cyprus-based innovation

Vision for the Future

Cyprus Seeds aims to establish a sustainable system where scientific research is consistently translated into market impact. By bridging academia, industry, and international networks, the organisation seeks to position Cyprus as a recognised hub for deep-tech innovation, capable of producing globally competitive ventures, attracting talent, investment, and collaboration.



6.4 Founder Institute

Founder Institute is one of the world's largest pre-seed startup accelerators, with a global network spanning over 200 cities and thousands of mentors, founders, and investors. Founded in Silicon Valley, the programme is designed to support early-stage entrepreneurs in building fundable technology companies through a structured, milestone-driven approach.

In 2026, the Founder Institute was launched in Cyprus, introducing its globally standardised accelerator model to the local ecosystem. The Cyprus chapter focuses on supporting founders at the idea and early validation stage, providing access to international expertise, structured training, and a strong support network. The chapter is ran by Andrey Kostyuk, Alexandros Loizides, Melinda Bojte and Maxim Leukhin.

The first Spring cohort of the Cyprus chapter consists of 21 founders, currently progressing through the programme's validation and development phases. The chapter is supported by over 65 mentors specifically engaged for the Cyprus programme, alongside access to the broader global network of over 30,000 mentors.

What differentiates the Founder Institute is its rigorous methodology, emphasis on founder accountability, and integration into a global ecosystem, enabling Cypriot founders to build companies with international potential from the outset.

MISSION

To help entrepreneurs build meaningful, enduring startups by providing the structure, mentorship, and global network required to succeed at the earliest stages.

VISION

To contribute to the development of a stronger, more globally competitive startup ecosystem in Cyprus by raising the standard of early-stage company formation.

STRATEGIC OBJECTIVES

- Introduce globally proven startup development frameworks to the Cyprus ecosystem
- Support founders in progressing from idea to validated business model
- Connect local entrepreneurs with international mentors, investors, and operators
- Improve founder readiness for funding and long-term growth

The Founder Institute operates a pre-seed accelerator programme designed for founders at the earliest stages of building a startup.

The programme follows a globally standardised structure, delivered locally through the Cyprus chapter.

Programme Structure

- Duration: Multi-week structured accelerator programme
- Format: Weekly sessions led by experienced entrepreneurs, investors, and industry experts
- Office Hours: One-on-one mentor sessions to support founders individually

- Assignments: Weekly deliverables focused on validation, customer discovery, and business model development
- Milestones: Clear progression criteria to ensure accountability and consistent advancement

Core Areas of Support

- Idea validation and customer discovery
- Business model development
- Product and MVP planning
- Go-to-market strategy
- Founder mindset and execution discipline

Additional Benefits

- Access to a global mentor network (30,000+ mentors)
- Exposure to international best practices
- Integration into a global founder and investor ecosystem
- Partner perks exceeding \$2M in value (including tools such as AWS, HubSpot, Stripe, and others)

The programme is designed to be intensive and execution-focused, ensuring founders actively build and validate their startups during the process.

The Founder Institute targets early-stage entrepreneurs, including individuals at the idea stage or with early traction.

Target Participants

- First-time and experienced founders
- Individuals with startup ideas seeking structure and validation
- Early-stage teams building technology-driven solutions

Selection Process

- Online application submission
- Review of founder background, commitment, and idea clarity
- Interviews with programme directors
- Final selection based on readiness, motivation, and potential

The programme is selective, with a strong emphasis on founder commitment and ability to execute.

The Cyprus chapter admitted 21 founders in its inaugural cohort.

Globally, the Founder Institute has supported thousands of startups across its international network, contributing to company formation, job creation, and investment readiness worldwide.

In Cyprus, the programme is currently in its first cohort, with early-stage outcomes focused on:

- Validation of startup ideas through structured customer discovery
- Development of initial product concepts and MVP direction
- Refinement of business models and value propositions
- Increased founder clarity and execution discipline

While still at an early stage locally, the programme is already contributing to improving the quality and preparedness of early-stage founders entering the ecosystem.

The Founder Institute plays a complementary role within the Cyprus startup ecosystem by focusing on the earliest stage of company creation. Through its global network, the programme connects founders in Cyprus with international mentors, investors, and operators, effectively bridging the local ecosystem with global opportunities.

The Cyprus chapter collaborates with a range of ecosystem stakeholders, including:

- Local innovation and entrepreneurship organisations
- Private sector partners and service providers
- International platforms and investor networks

Key partners include organisations such as AAlchemy Ventures, alongside a broader network of local and global collaborators. The programme's positioning is not to replace existing initiatives, but to strengthen the pipeline of startups entering later-stage accelerators, funding programmes, and investment networks. The current cohort includes founders working across a range of industries and problem areas, reflecting the diversity of early-stage innovation in Cyprus.

At this stage, startups are primarily focused on:

- Problem validation
- Market research
- Early product development

Selected examples include:

WOSOM

WOSOM is developing a scalable digital platform aimed at transforming the fragmented global wedding industry by streamlining interactions between couples, vendors, and guests. The startup has already received external validation, being recognised as one of the winners of the CyEC 2026 competition organised by the University of Cyprus.

Genius Ball Sports

Genius Ball Sports provides tools for organisations, teams, and athletes to collect, manage, and analyse sports performance data. The platform enables more accurate evaluation of performance metrics, supporting improved decision-making and long-term athletic development.

GoToGrow.me

GoToGrow is a go-to-market platform designed for early-stage B2B founders. It helps users define their ideal customer profile, generate buyer personas, and launch outreach campaigns, enabling founders to acquire their first customers without prior sales experience. The company is currently in the validation phase with an MVP and early design partners.

Urban Games

Urban Games is an application designed to help individuals in new cities connect through sports and activities. By focusing on community-building and accessibility, the platform addresses the needs of expats and urban populations seeking social engagement through physical activity. The startup is currently finalising user validation and preparing for MVP development.

Tribease

Tribease is building an operational infrastructure platform for physical SMEs, enabling them to manage projects, vendors, and workflows more effectively. The solution addresses inefficiencies and lack of structure in execution processes, with the team currently in early validation following product development.

SAQR

SAQR develops flight simulation software for agricultural drone certification providers, aiming to reduce hardware-related training costs while improving pilot precision. The company has achieved early recognition, including securing second place in Startup Universe Morocco 2025, and is transitioning toward a web-based solution to scale accessibility.

As the cohort progresses, these startups are expected to advance toward MVP development and early market testing.

As a newly launched chapter, several challenges have emerged that reflect broader dynamics within the early-stage ecosystem:

Key Challenges

- Many founders enter the ecosystem without structured validation processes
- Early-stage entrepreneurs often seek funding before achieving product-market clarity
- Limited awareness of global best practices in startup development

Lessons Learned

- Structured guidance and accountability are critical at the idea stage
- Education and methodology can significantly improve founder outcomes
- Access to international perspectives adds substantial value to local founders

The programme highlights the importance of building strong foundations before pursuing funding or scaling. Looking ahead, the Founder Institute Cyprus chapter aims to expand its impact and strengthen its role within the local ecosystem.

Key Priorities

- Launch future cohorts to support a growing number of founders
- Expand the local and international mentor network
- Strengthen connections with investors and funding platforms
- Increase awareness of structured startup development methodologies

Vision for the Future

The long-term goal is to position Cyprus as a more active participant in the global startup ecosystem by enabling founders to build companies that are scalable, investment-ready, and internationally competitive from the earliest stages.

6.5 Gravity Ventures

Gravity Ventures is a next-generation incubator based in Cyprus, dedicated to accelerating high-potential startups in deep-tech, space, and dual-use sectors. Positioned at the intersection of research, industry, and entrepreneurship, Gravity Ventures translates cutting-edge innovation into commercially viable solutions with global impact. What sets Gravity Ventures apart is its strong integration within European and international innovation ecosystems, combined with a hands-on, founder-centric approach. Gravity is operating under the umbrella of CyRIC – Cyprus Research & Innovation Centre Ltd - a leading research, innovation and entrepreneurship organization in Cyprus and the only certified Business Innovation Centre in the country since 2016 (certification received from the European Innovation Network).

MISSION

Gravity Ventures' mission is to identify, support, and scale startups developing technologies that shape the future—focusing on deep-tech, space, and dual-use innovations with the potential to deliver measurable economic, societal, and environmental impact. Through targeted incubation and hands-on support, Gravity Ventures bridges the gap between research, innovation, and market adoption.

VISION

Gravity Ventures aims to position Cyprus as a regional hub for high-impact innovation, where cutting-edge technologies are transformed into globally competitive ventures. By fostering a new generation of founders and connecting them with European and international ecosystems, the incubator envisions a future where breakthrough technologies translate into sustainable growth and resilience.

STRATEGIC PRIORITIES

Gravity Ventures focuses on investing in, and supporting startups developing future-shaping technologies, particularly in deep-tech, space, and dual-use sectors that address critical global challenges. The incubator prioritises ventures that go beyond innovation, placing strong emphasis on measurable impact—economic, environmental, and societal—and clear pathways to market adoption. At the same time, Gravity Ventures actively strengthens its connections within European and international ecosystems, enabling startups to access expertise, funding, and new markets. Through a highly tailored, founder-centric incubation approach, it supports startups from early validation to investment readiness. Ultimately, these priorities contribute to positioning Cyprus as a strategic gateway for innovation, linking Europe with emerging regions and fostering cross-border collaboration in high-impact technologies.

Gravity Ventures operates a structured yet highly flexible incubation model, combining long-term support with a tailored, founder-centric approach. The incubator runs an annual open call to attract high-potential startups in deep-tech, space, and dual-use sectors, while also maintaining a rolling evaluation process. Applications are reviewed on a monthly basis, enabling Gravity Ventures to identify and onboard promising ventures continuously throughout the year, ensuring responsiveness to emerging innovation.

Unlike short-term acceleration programmes, Gravity Ventures follows a traditional incubation model with an average duration of 3–4 years, closely aligned with the European benchmark. This extended engagement allows startups to progress from early-stage validation to market entry and scaling, supported by structured milestones and continuous performance monitoring.

A key differentiator of the programme is its tailored support framework. Startups receive customised mentorship and training based on their specific technological and commercial needs, including technical validation, business development, regulatory guidance, and go-to-market (GTM) strategy. This is complemented by access to a strong network of industry experts, research institutions, and international partners.

Gravity Ventures also plays an active role in facilitating access to funding. Startups are supported in securing both public grants and private investment, with a strong track record of enabling funding acquisition across incubation cycles. On average, startups secure approximately €1 million per incubation cycle, reflecting the incubator's focus on investment readiness and strategic positioning.

In terms of impact, Gravity Ventures demonstrates strong post-incubation performance, with approximately 87% of supported startups remaining active three to five years after completing the programme—significantly highlighting the effectiveness of its long-term, impact-driven incubation approach.

Gravity Ventures follows a highly selective, quality-driven approach to startup support, reflecting its position as a privately operated incubator investing its own capital. Gravity Ventures prioritises high-potential ventures where long-term value creation and impact justify sustained investment and engagement.

The incubator operates an annual open call complemented by a rolling application process, receiving on average over 200 applications per year from Cyprus, the wider EMMENA region, and Central Europe. Each application undergoes a structured evaluation, with approximately 1 in 50 startups ultimately selected for incubation, ensuring a highly curated portfolio.

A defining element of the selection process is the strong emphasis on the founding team. Gravity Ventures places particular importance on technical expertise, domain relevance, and the team's ability to execute. An international outlook and an entrepreneurial mindset are equally critical, reflecting the need for startups to compete in global markets. While teams are generally preferred, Gravity Ventures also supports exceptional single founders, actively contributing to team building where strong potential is identified.

The incubator adopts a sector-agnostic approach, supporting startups across a diverse range of industries, including advanced materials, diagnostic devices, green technologies, space and dual-use applications, as well as selected ventures in creative industries such as entertainment and music. This diversity reflects Gravity Ventures' focus on innovation potential rather than sector constraints.

Due to its selective model, the number of startups onboarded each year remains intentionally limited, enabling the incubator to provide deep, tailored support and maintain a high standard across its portfolio.

Gravity Ventures demonstrates measurable impact through its consistent delivery of high-quality incubation services, validated by its certification as an EU|BIC under the European Business and Innovation Centre Network (EBN). This quality label—held by approximately 150 organisations worldwide—requires annual auditing, ensuring continuous excellence in innovation and entrepreneurship support.

On an annual basis, Gravity Ventures supports approximately 15 startups within its core incubation programme, while also mentoring additional ventures across the national and European ecosystem in its capacity as an EU|BIC. This dual role extends its reach beyond its immediate portfolio, contributing to broader ecosystem development.

In terms of financial impact, startups supported by Gravity Ventures raise on average €1 million during their incubation cycle, through a combination of public grants and private investment. This is complemented by significant in-kind contributions, including expert mentoring, technical guidance, and operational support provided by both Gravity Ventures and CyRIC personnel.

The incubator's portfolio has contributed to the creation of more than 37 full-time equivalent (FTE) jobs, predominantly in senior and highly skilled roles, reflecting the deep-tech and innovation-driven nature of the supported ventures. Furthermore, Gravity Ventures demonstrates strong long-term outcomes, with approximately 87% of its startups remaining active five years after completing the incubation programme.

Some indicative examples of our notable portfolio achievements include Capsule Skateboards, which has achieved international market presence and recognition; Octave Technologies, awarded at NAMM Show during its first year of operations; and Euphyia Tech, recognised as a leading Smart Readiness Indicator (SRI) service solution primarily suggested as the go-to tool for SRI officially by the European Commission.

The story of Gravity Ventures is strongly bound with the story of the Cyprus Research and Innovation Center (CyRIC) - established in 2012. It represents a leading force in shaping the research, innovation, and entrepreneurship ecosystem in Cyprus. Since its establishment in 2016, Gravity Ventures has played a central role in bridging research excellence with entrepreneurial execution, contributing to the country's transition towards a knowledge-driven economy.

A key pillar of its positioning is our certification as an EU|BIC—a distinction held by a limited number of organisations globally. This certification not only validates the quality of its incubation services but also embeds CyRIC, and by extension Gravity Ventures, within a trusted European network of innovation actors, enabling knowledge exchange, benchmarking, and cross-border collaboration.

At the national level, Gravity Ventures maintains strong partnerships with all major universities in Cyprus, fostering the translation of research outcomes into entrepreneurial ventures. We actively collaborate with public authorities, including ministries and innovation agencies, as well as with private sector stakeholders, contributing to policy alignment, programme implementation, and ecosystem development initiatives.

Internationally, Gravity Ventures is deeply integrated into key European networks and alliances. Through our engagement with organisations such as the European Business and Innovation Centre Network (EBN), Business Angels Europe, and the European Defence Alliance, Gravity Ventures connects Cypriot startups with investors, industry leaders, and collaborative opportunities across Europe and beyond. In addition, GV has a physical presence in major entrepreneurship events around Europe such as Websummit, Slush, Hello Tomorrow and many more, on an annual basis. These links strengthen market access, facilitate investment readiness, and position Cyprus as an active contributor to international innovation ecosystems.



Figure 5.2 – Gravity Ventures Incubator

A SMALL SELECTION OF OUR DEEP-TECH STARTUPS – AT A GLANCE

Capsule Skateboards – a leading advanced material skateboarding company with a fully customizable, recyclable and 6x more durable skateboard in the market, made in Cy, selling worldwide and keep producing IP in the areas of advanced materials. (ISPO 2019 Awarded as Top 50 innovative startups in Sports)

Octave Tech – Worlds first integrated recording interface, live multi-effects unit, VST/MIDI instrument player and multi-track editor (DAW), NAMM SHOW 2025 Awarded

Euphyia Tech – Cutting edge technology to assess and enhance building sustainability and smartness. World class excellence and reliability

Mediloom – Anoscopy Made Easy. Easy and Reliable pre-screening of colorectal conditions. Changing the way the world thinks about anoscopy.

The journey of Gravity Ventures has reaffirmed that building deep-tech ventures is a long-term commitment—complex, demanding, and inherently uncertain, yet ultimately rewarding. Supporting startups in this space requires patience, resilience, and the ability to navigate continuous cycles of progress and setbacks. One of the most important lessons learned is that success starts with the founders: their technical depth, mindset, and perseverance matter more than the initial idea itself. For this reason, Gravity Ventures prioritizes investing in people first, and ideas second. Over time, this approach has proven essential in helping startups adapt, evolve, and endure the realities of entrepreneurship—recognizing that the path from innovation to impact is not linear, but rather a sustained journey shaped by learning, iteration, and determination.

Gravity Ventures remains firmly oriented towards the future, continuously evolving its capabilities to respond to emerging technological trends and global challenges. In an increasingly complex and fast-changing innovation landscape, the incubator prioritises continuous learning and the strengthening of its expertise to effectively support the next generation of high-impact startups.

Looking ahead, Gravity Ventures is placing particular emphasis on sectors that are expected to shape the coming decade, including space technologies, Earth observation, Internet of Things (IoT), Life Sciences, and Dual-Use innovations. These domains represent not only significant market opportunities but also critical areas for addressing global needs related to wellbeing, sustainability, security, and resilience.

At the same time, the incubator is focused on further enhancing its programmes, expanding its international partnerships, and deepening its engagement with investors and industry stakeholders. This includes strengthening pathways for startups to access funding, scale internationally, and integrate into global value chains.

Driven by a consistent commitment to impact, Gravity Ventures will continue to prioritise ventures that combine technological excellence with real-world application—ensuring that innovation translates into meaningful economic, environmental, and societal outcomes.

6.6 IDEA Innovation Center

IDEA Innovation Center is a leading non-profit incubator-accelerator for startups in Cyprus, established in 2015 by the Bank of Cyprus and other esteemed partners. IDEA focuses on supporting early stage startups with scalable business models across multiple industries.

IDEA's cornerstone is its structured nine-month Startup Program, designed in line with international best practices and tailored to startup needs. The Program supports entrepreneurs in validating ideas, developing sustainable business models, and preparing for growth and investment.

Since its inception, IDEA has supported 100 startups, many of which have secured investment capital, formed business partnerships in Cyprus and abroad, established their own offices, and created high value jobs.

IDEA's approach is defined by hands on support, a strong mentor network, and well established collaboration with academia, industry, and ecosystem partners. Through focused business-creation training, expert guidance, and access to an extensive network, IDEA provides a solid foundation for startups to progress from the idea stage to market entry and growth.

MISSION

IDEA's mission is to promote an innovation-driven entrepreneurial culture in Cyprus by improving access to the business world and supporting the development of sustainable ventures that bring new products and services to market.

VISION

To position Cyprus as a competitive hub for entrepreneurship and innovation, supported by a strong pipeline of scalable startups contributing to long term economic growth and resilience.

STRATEGIC OBJECTIVES

- Support high potential early stage startups with clear growth prospects
- Strengthen founder capabilities through structured training and mentorship
- Improve access to funding, investors and international markets
- Foster close collaboration between startups, industry and ecosystem partners
- Contribute to economic diversification through innovative ventures

IDEA offers a structured programme designed for early stage startups, with a strong focus on practical execution and measurable progress.

Key elements include

- Nine-month Startup Program duration delivered on an annual basis

Structured curriculum covering amongst other topics business modelling, market validation, finance, legal aspects, and growth strategy

- Weekly workshops and hands on practical sessions

- One to one mentoring from experienced professionals and industry experts
- Access to a strong mentor and partner network
- Support in investor readiness and pitching
- Opportunities to connect with investors and corporate partners
- Access to office space and infrastructure during the programme
- €20,000 in seed capital per selected startup

As of 2025, IDEA has integrated a Mental Fitness Initiative into its programme, recognising the importance of founder wellbeing in building sustainable ventures. The initiative strengthens mental resilience, stress management, and long term performance through structured sessions and practical tools addressing the psychological demands of entrepreneurship.

Together, these services provide startup teams with the technical, business, and personal capabilities required to build scalable and resilient ventures.

IDEA targets early stage startups with innovative and scalable business ideas.

Eligibility criteria include

- Develop an innovative product or service, or solve an existing problem in an innovative way
- Have a clear business concept and value proposition
- Be led by a dedicated team of at least two founders or core members
- Demonstrate strong commitment to actively participate in the programme
- Show scalability and market impact potential
- Have the ability to expand internationally through technology

Selection process

- Open call for applications
- Evaluation based on the idea, team, market potential, and feasibility
- Shortlisting
- Interviews and final selection by evaluation committee

IDEA typically supports a limited number of startups per cycle to ensure high quality and personalised support.

Over the past 10 years, IDEA has delivered measurable and sustained impact across the Cyprus startup ecosystem.

Key results include

- 100 startups admitted to the programme
- 60 startups successfully graduated
- 960+ applications received, reflecting strong demand and high visibility
- 260+ entrepreneurs supported
- 110+ new jobs created by IDEA supported startups
- Representation across 25+ different industries, demonstrating sectoral diversity

Funding support

- €100,000 in seed capital distributed in 2025 to 5 companies

Network strength

- 50+ mentors actively engaged
- 40+ expert trainers contributing to programme delivery

Recognition

- 60+ national and international awards achieved by IDEA alumni

These results highlight IDEA's consistent contribution to startup creation, employment generation, and the development of high potential ventures with both local and international reach.

IDEA plays a central role in the Cyprus startup ecosystem by supporting early stage entrepreneurship and facilitating collaboration between startups, academia, industry, and public institutions. It acts as a bridge between research, business and entrepreneurship, provides a pipeline of investment ready startups, and supports knowledge transfer and innovation, contributing to the development of a dynamic and innovation driven ecosystem.

Strategic Partners

IDEA's strategic partners contribute directly to Program delivery, startup support and ecosystem engagement:

- Bank of Cyprus
- Lellos P. Demetriades Law Office LLC
- Cyprus Telecommunication Authority (CYTA)

These partnerships provide startups with free access to expertise, mentoring, consultancy, infrastructure, professional services, and market relevant opportunities.

Formal Collaborations

IDEA has established formal collaborations with key national stakeholders, supporting structured cooperation in areas such as innovation policy, entrepreneurship development, funding pathways, and international market access:

- Deputy Ministry of Research, Innovation and Digital Policy
- Chief Scientist for Research and Innovation of Cyprus
- Center for Entrepreneurship (C4E), University of Cyprus
- Areti Charidemou Law Firm
- OEB – Cyprus Employers & Industrialists Federation
- Cyprus Investment Promotion Agency – Invest Cyprus (CIPA)
- KV Kinisis Ventures
- Powersoft Solutions

These collaborations strengthen IDEA's ability to connect startups with investors, corporates, and international networks.

Ecosystem Support and Extended Network

IDEA also benefits from explicit support and active engagement with a wider network of ecosystem organisations. This extended network enhances access to talent, skills development, research, visibility, and industry linkages across the innovation ecosystem.

- Cyprus Chamber of Commerce & Industry (CCCI)
- Youth Board of Cyprus
- Cyprus University of Technology (CUT)
- European University Cyprus
- Frederick University
- CYENS Centre of Excellence
- CIM-Cyprus Business School
- Delema McCann
- GrantXpert Consulting
- Junior Achievement Cyprus

Through these partnerships and collaborations, IDEA strengthens the national entrepreneurship infrastructure and supports the development of innovation driven, scalable ventures.

IDEA has supported a diverse range of startups across multiple sectors. Alumni represent fintech, digital platforms, health, enterprise software and services.

Key outcomes include

- 60% graduation rate from admitted startups
- Several startups securing external funding and investment
- 30+ startups generating recurring revenue streams following programme completion
- Several teams progressing from idea stage to scalable commercial operations within two to three years
- Selected Success Stories
- IDEA alumni include startups that have achieved notable milestones shortly after completing the programme:
 - A cybersecurity startup that progressed directly into a leading international accelerator and secured over \$2M in external investment.
 - A board game startup successfully launched a crowdfunding campaign, raising over €600K, validating strong market demand and enabling international distribution.
 - A mixed reality / virtual reality (MR/VR) startup secured €300K in early stage funding, supporting product development and commercial pilots.
 - An SEL (Social Emotional Learning) educational platform secured over €200K in private investment and expanded into the US market.

These cases illustrate IDEA's role in supporting startups with different business models and sectoral foci, enabling founders to translate innovation into commercial traction and investment readiness.

Portfolio characteristics

- IDEA's alumni portfolio reflects both sectoral diversity and market relevance, including:
 - Fintech startups advancing payment and compliance solutions
 - Health-tech ventures developing digital health services and remote care tools
 - SaaS startups scaling subscription based services across European markets
 - Service platforms improving access and efficiency in local and international markets



Figure 5.3 – IDEA's offices

Many alumni remain active and continue to grow, contributing to the reputation and long term impact of the programme.

Key challenges include

- Limited access to early stage funding in the local market
- The small size of the domestic market, requiring an early international focus
- The need for continuous upgrading of entrepreneurial skills

Key lessons learned

- Strong founder commitment is critical to success
- Early market validation is strongly linked to better outcomes
- Access to experienced mentors enhances startup performance
- Building strong partnerships increases long term impact

IDEA has adapted by strengthening its mentor network, focusing on practical execution, and increasing international exposure for startups.

Looking ahead, IDEA will continue to strengthen its role in supporting innovative entrepreneurship in Cyprus, responding to evolving technologies and market dynamics. The focus remains on enabling startups to scale, access investment and expand into international markets.

Through ongoing collaboration with strategic partners and ecosystem stakeholders, IDEA aims to further strengthen a connected innovation ecosystem where high potential ventures can grow, contribute to economic diversification, and reinforce Cyprus' position as a competitive hub for entrepreneurship and innovation.

6.7 KPMG Startup Innovation Lab

Founded in 2025, the KPMG Startup Innovation Lab (SIL) Accelerator is an investor driven accelerator venture building programme designed to bridge the gap between high potential startups and capital. Operating under KPMG's Private Enterprises and Innovative Deal Advisory, SIL combines advisory expertise, investor access and structured acceleration to support startups across their funding journey – from Seed to Series A+ and beyond.

Based in Nicosia, SIL focuses primarily on technology driven ventures, including SaaS, FinTech, HealthTech and other scalable business models with strong potential for regional and international expansion.

The programme has successfully delivered one cohort supporting 7 startups (a second cohort and another 5 startups are currently underway) in becoming investor ready and positioning them for fundraising. Beyond the structured programme, SIL has also supported additional startups through tailored advisory services.

Our unique value proposition lies in combining investor-led acceleration with KPMG's advisory expertise and international network. Through the programme, startups gain access to KPMG's international mentors, industry experts, investors as well as to structured capacity building support.

In addition, the programme provides tangible deliverables with an estimated value of c. €40,000 per startup, including investment readiness support, pitch deck refinement, financial model review, indicative pricing analysis, an Investment teaser and an Information Memorandum.

Key elements of our value proposition include:

- Investor-led approach aligned with real market expectations
- Access to KPMG's International mentors and industry experts
- Strong advisory backbone through KPMG Innovative Deal Advisory expertise
- Structured capacity building and hands-on support
- Tangible investor readiness deliverables
- Direct access to investors and international networks
- Focus on scalability and cross border growth
- Long-term engagement beyond programme lifecycle

MISSION

To empower high potential startups and investors by bridging capital and innovation, acting as a catalyst for innovative deals in Cyprus and beyond.

VISION

To create lasting value for startups, investors and corporate partners through a high-impact venture building acceleration model, while contributing to a significant increase in innovative deal activity in Cyprus by 2030.

STRATEGIC OBJECTIVES

- Enhance startup investment readiness and fundraising success
- Strengthen investor engagement and access to quality deal flow

- Position Cyprus as a growing innovation and investment hub
- Foster international connectivity through KPMG's global network
- Support scalable, high growth ventures across key sectors

The KPMG SIL Accelerator is a structured 4-month hybrid programme, combining in-person sessions and virtual delivery. Each cohort includes approximately 5-7 startups, ensuring a highly tailored, hands-on experience.

The programme is structured across key phases:

1. Selection & onboarding
2. Workshop, mentorship & advisory
3. Investor and financial readiness & Investor Day
4. Post-programme support

Core offerings include

- Tailored mentorship: one-on-one guidance from experienced mentors and industry experts. Each startup is matched with a dedicated mentor and participates in regular (bi-weekly) progress sessions with the SIL team
- Investor access: Direct exposure to angel investors, VCs and family offices
- Investment readiness: Support in pitch deck development and storytelling, financial model review, indicative pricing analysis and preparation of key investor materials (Investment Teaser and Information Memorandum)
- Workshops & training: topics include but are not limited to go-to market (GTM) strategy, growth, branding, scaling, financial literacy and team-building
- Network opportunities: access to a curated ecosystem of founders, investors and partners
- Market insights: strategic guidance supported by industry trends and data
- Pitch preparation: ongoing coaching and live practice sessions
- Post programme support: continued engagement through alumni network and ecosystem activities

KPMG SIL supports early-to-growth stage startups (Seed to Series A+) with strong scalability potential, primarily in technology driven sectors such as SaaS, FinTech, HealthTech and related industries.

Selection process

The process is competitive and structured across multiple stages:

1. Application screening
 - a. Review of pitch decks and submitted information through their applications
 - b. Initial assessment of traction, team, scalability and market opportunity
2. Evaluation process
 - a. Shortlisted startups are assessed against defined criteria including:
 - i. Business model viability
 - ii. Growth potential
 - iii. Market positioning
 - iv. Team strength



Figure 5.4 – KPMG's Investor's day

3. Selection Committee pitching
 - a. Startups present to a jury of KPMG professionals and external ecosystem experts
 - b. Final selection based on combined scoring and strategic fit

Each cohort typically includes a small, curated group of startups to ensure quality and depth of support.

Since its launch in 2025, the SIL Accelerator has:

- Supported 12 startups across two cohorts (second cohort with 5 startups is currently in progress)
- Engaged startups across sectors including SaaS, FinTech, PropTech, HealthTech and HospitalityTech
- Delivered structured investor readiness support and advisory

In addition, SIL has supported 10+ additional startups through tailored, non-structured advisory services, including:

- GTM strategy
- Pitching and fundraising preparation
- Financial modelling and indicative pricing analysis
- Business plan development
- Grant application support (for their pitching part)
- Investment Teaser and Information Memorandum preparation

Notable achievements include

- Advisory support to innovative and high growth companies
- Ongoing involvement in international initiatives
- Contribution to strengthening investor startup engagement in Cyprus

(Note: Funding raised figures are not disclosed but startups are actively progressing through fundraising pipelines)

KPMG SIL Accelerator plays an active role in strengthening the Cyprus startup ecosystem through collaboration across private, public and international stakeholders.

Key partnerships

- IDEA Innovation Center – delivery of workshops and mentoring from KPMG SIL team members
- Crowdfunder – mentorship and investor-focused workshops
- GrantXpert – delivery of Grants and leadership workshops
- IMH – media visibility and startup promotion
- 33East – delivery of workshops
- CyprusInno –
- Gravity?
- Ellinas finance ?

Government & institutional collaboration

- Pedagogical Institute of the Ministry of Education (Ideodromio programme) – delivery of entrepreneurship workshop and participating in the jury of the competition part

Internal links

- KPMG Emerging Giants Network – global platform connecting startups, investors and corporates
- Hosting of the Emerging Giants EMA Meet up in Cyprus, enhancing international exposure

The KPMG SIL Accelerator has supported startups across multiple industries, focusing on scalable and innovative business models.

Selected examples include companies operating in:

- SaaS and Digital platforms
- FinTech and Financial services innovation
- HealthTech solutions
- PropTech and real estate innovation

Through the programme, startups have:

- Refined their business models and GTM strategies
- Strengthened investor readiness
- Engaged directly with investors and funding opportunities
- Positioned themselves for international growth

Key challenges encountered include

- Investor readiness gap: Many startups require significant preparation before engaging with investors
- Market size limitations: Cyprus' small market necessitates early international focus
- Access to capital: limited local investment appetite for high risk ventures

Key lessons learned

- Early and continuous investor engagement is critical
- Tailored, hands-on support delivers stronger outcomes than generic programmes
- Building long-term relationships is more impactful than short-term acceleration
- Ecosystem collaboration significantly enhances programme effectiveness

Future Outlook

- Upcoming initiatives
- Priorities
- Vision for the future

Upcoming initiatives

- Launch of the KPMG SIL Investor Platform connecting startups and investors
- Expansion of investor engagement activities and deal flow generation
- Increased collaboration with international partners and ecosystems

Priorities

- Strengthening Cyprus' position as an innovation hub
- Increasing investor participation and cross border funding
- Supporting more startups through both structured and advisory programmes

VISION FOR THE FUTURE

To establish KPMG SIL as a leading investor-driven accelerator in the region, facilitating high quality deal flow and contributing to a significant increase in innovation-led investment activity in Cyprus.

6.8 Space BIC by ERATOSTHENES CoE

Space BIC by ERATOSTHENES CoE is a specialised business incubation centre dedicated to supporting the development of space-based entrepreneurship in Cyprus. Established in 2025 and operated by the ERATOSTHENES Centre of Excellence, with the support and funding of the Deputy Ministry of Research, Innovation and Digital Policy (DMRID), the incubator focuses on empowering early-stage startups and individual entrepreneurs leveraging satellite data, space technologies, and geoinformation services.

The programme offers a structured 24-month incubation cycle, combining non-equity funding, technical and business support, and access to infrastructure, networks, and markets. It targets both newly established companies and aspiring entrepreneurs with innovative, space-enabled solutions addressing societal and commercial needs.

Despite being in its early stages, Space BIC has already demonstrated strong momentum, attracting significant interest from applicants, selecting its first cohort of four startups in December 2025 and onboarding them in February 2026, while aligning with ESA BIC best practices to ensure high-quality programme delivery and long-term sustainability.

MISSION

To foster the creation and growth of innovative space-related startups in Cyprus through high-quality incubation services, funding, and expert support, contributing to the implementation of the Cyprus Space Strategy 2025–2030 by promoting the commercialisation of space technologies, strengthening the national space ecosystem, and enabling the development of new space-based products and services.

VISION

To establish Space BIC as a key instrument for implementing the Cyprus Space Strategy 2025–2030, supporting the country's ambition to become a regional digital and innovation hub, and contributing to the development of a robust, sustainable, and internationally competitive space ecosystem in the Eastern Mediterranean.

STRATEGIC OBJECTIVES

- Foster the creation and growth of space-enabled startups in Cyprus
- Strengthen the national space innovation ecosystem
- Facilitate technology transfer between space and non-space sectors
- Enable access to funding, markets, and international networks
- Align with ESA BIC standards and evolve towards ESA BIC Cyprus

Space BIC provides a comprehensive 24-month incubation programme structured across multiple stages, from idea validation to growth and scale-up.

Core Offerings

- Non-equity funding of up to €50,000 (De Minimis)
- Dedicated workspace and infrastructure access

- Technical support and access to specialised equipment
- Business development and commercialisation guidance
- Mentoring from in-house experts and an international mentor network
- Market access support (local and international)
- Networking opportunities with industry, corporates, and stakeholders
- Access to investors (angels, VCs, financial institutions)
- R&D and innovation project support

Support is tailored to each startup based on its maturity, prototype stage, and specific needs.

Target Startups

- Individual entrepreneurs or teams based in Cyprus (or planning to establish locally)
- Startups and SMEs established within the last 5 years
- Ventures leveraging:
 - Satellite data
 - Space technologies
 - Geoinformation services
- Solutions with a clear space connection (upstream, downstream, or technology transfer)
- Strong business case and market potential

Selection Process

- Open call for applications
- Evaluation based on:
 - Innovation and technical feasibility
 - Market potential and scalability
 - Relevance to space technologies
- Selection of high-potential startups for incubation

The programme initially planned for 2 startups per cycle but expanded to support 4 startups in its first cohort, reflecting strong demand and programme adaptability.

As a newly established initiative, Space BIC is at an early stage, but has already achieved:

- 13 applications received in the first call
- 4 startups selected for incubation
- Programme expansion beyond initial capacity
- Alignment with ESA BIC best practices
- Active development of international collaborations

While long-term impact indicators (jobs created, funding raised) are still emerging, early traction demonstrates strong ecosystem demand and relevance.

Space BIC plays a catalytic role in Cyprus' space and innovation ecosystem, acting as a bridge between research, industry, and entrepreneurship.

Key Contributions

- Strengthening space entrepreneurship in Cyprus
- Connecting startups with international space ecosystems



Figure 5.5 – Official Announcement Event of the selected teams of the Space BIC

- Supporting commercialisation of research and innovation Partnerships
- Collaboration with the ESA BIC ecosystem and space-related organisations, including IPN Portugal (ESA BIC CENTRO)
- Partnerships with research institutions, universities, and industry stakeholders
- Engagement with government bodies and innovation ecosystem actors
- Mentor network including experts (20 mentors as of April 2026) from leading organisations including but not limited to:
 - Czech Technical University in Prague
 - GEOSYSTEMS HELLAS S.A and GEOMATICS Cyprus Ltd
 - KPMG (including KPMG Law and Technology Consulting)
 - PwC Cyprus
 - Cyprus University of Technology
 - CyRIC
 - Cyta
 - German Germany Nicosia
 - Aristotle University of Thessaloniki
 - Investment and venture support from organisations such as Loggerhead Ventures
 - Legal, financial, and business advisory support from organisations such as Pyrgou Vakis Law Firm

International Outlook

- Active engagement in the EMMENA region (Eastern Mediterranean, Middle East & North Africa)
- Exploration of collaborations with other ESA BICs
- Strategic goal: evolution into ESA BIC Cyprus

The first cohort includes 4 selected startups, currently entering the incubation phase.

As the programme progresses, detailed case studies will highlight:

- Use of space technologies in different sectors
- Business development milestones
- Market entry and scaling journeys

Challenges

- Building awareness around space-based entrepreneurship in a small ecosystem
- Educating applicants on what constitutes a “space connection”
- Operating a new programme with evolving structures and processes
- Limited initial pipeline of space-focused startups

Lessons Learned

- Strong latent interest exists when properly activated
- Flexibility in programme design is crucial (e.g., increasing cohort size)
- Ecosystem building is as important as startup support
- International alignment (e.g., ESA standards) strengthens credibility

Key Priorities for 2026

- Organisation and participation in events to strengthen the ecosystem
- Increased technical exposure and validation opportunities for startups
- Deepened collaboration with ESA for programme optimisation

Strategic Goals

- Expand the pipeline of space-enabled startups
- Strengthen partnerships locally and internationally
- Enhance investment readiness of incubated startups
- Prepare and submit application for ESA BIC Cyprus

VISION FORWARD

Space BIC aims to become a central hub for space innovation in the region, positioning Cyprus as a growing player in the global space economy.

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MORE INFORMATION

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

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