Qatar’s startup ecosystem jumps 11 places in global index

Doha, Qatar: The Qatari entrepreneurial and startup ecosystems have continued to attract global attention, with the sectors witnessing remarkable improvement in the global rankings.

According to the Global Startup Ecosystem Index 2024, Qatar’s startup ecosystem experienced a notable enhancement in 2024, reaching the seventh position in the Middle East and advancing 11 places to 79th globally, thus reversing the six-position decline observed over the previous two years.

Meanwhile, the Global Entrepreneurship Monitor’s (GEM) Qatar National

Report 2023/2024, published in collaboration with QDB, indicated that the country ranked third in the MENA region and fifth globally in the National Entrepreneurship Context Index (NECI) with a score of 5.9, surpassing the global average of 4.7.

The GEM report also noted that the Total Early-Stage Entrepreneurial Activity (TEA) rate in Qatar has reached an impressive 14.3%, a significant increase from 10.7% in the previous year.

Guided by the Qatar National Vision 2030, the government has been diligently working to diversify and strengthen the economy to ensure its long-term sustainability and competitiveness.

Qatar’s advantageous business environment is attracting an increasing number of foreign startups, with Invest Qatar playing a crucial role in facilitating their market entry. The Invest Qatar Gateway platform provides companies with access to essential resources, connections with key stakeholders, and opportunities for partnerships to establish a robust presence in the nation.

Enhancing the investment environment, Qatar is home to a dynamic startup ecosystem bolstered by various incubation centers, seed funding initiatives, and innovation hubs such as the Qatar Science & Technology Park and the Qatar Business and Incubation Center. Entrepreneurs in Qatar benefit from access to talent, financial resources, and market opportunities, which are essential for nurturing a successful startup ecosystem.

Felix Katterl, Partner and Corporate Practice Lead at Soutien Group

Speaking on the development, Felix Katterl, Partner and Corporate Practice Lead at Soutien Group, a Doha-based consulting firm, said, "The launch of new programmes with international calls for participation and the organization of major events like Web Summit Qatar has led to an influx of foreign early stage ventures, an increase in the maturity of local businesses, and the emergence of professional (VC) investors translating into progress for the local start-up ecosystem."

Katterl, whose company specializes in market entries and business localisation, added that public and private stakeholders have done their part to lower the barriers to market entry and operation for start-ups and scale-ups in Qatar with simplified registration processes, decreases and waivers of government and professional fees, tax breaks, introduction of new types of visas, and allocation of budgets and funds.

"At the same time, we observe potential issues with post-licensing matters (ranging from obtaining visas, opening bank accounts and completing registrations with government portals to maintaining books and records, and complying with mandatory filings) and, in connection with it, a need for more awareness for local laws, rules and regulations as well as ongoing reporting and filing requirements, which demands "education" by regulators, support of professional service providers and allocation of relevant resources from start-ups and scale-ups," he noted.

According to the GEM report, the rates of new business ownership and nascent entrepreneurship have risen from 4.1% and 6.8% in the previous year to 5.1% and 9.7% in 2023, respectively. These trends mirror the TEA rate, suggesting that the enthusiasm for entrepreneurship is gaining momentum, as indicated by the growth in early-stage entrepreneurial activities.

"The year has seen a rise in the percentage of established business ownership, mirroring earlier phases of the entrepreneurial journey. The share of Qatar's adult population engaged in Established Businesses (EB) rose from 3.9% in 2022 to 4.4% in 2023," the Qatar National Report 2023/2024, noted.

The GEM report also indicated that the rate of business discontinuation has shown an upward trend, reaching a peak of 9.6% in 2023. Nevertheless, the combined rates of TEA at 14.3% and established businesses at 4.4% suggest substantial growth in Qatar's entrepreneurial landscape.

A majority of both early-stage and established business owners are focused on the consumer services sector. The proportion of early-stage entrepreneurs operating in this sector increased to 59.4% in 2023, up from 40.7% the previous year. Likewise, the share of established businesses in the consumer services sector rose from 38.8% in 2022 to 47.3% in 2023, as noted in the report.