

Bayt.com Middle East Entrepreneurship Survey

October 2013



Section 1

Research Objective

Objective

- The research was conducted to gain insights into the current level of understanding and interest in the idea of entrepreneurship within the region. The key information areas covered in this research were to understand:
 - Current work preferences and reasons thereof: being self employed vs. being employed for a salary
 - Current level of entrepreneurship in the region
 - What are the perceived barriers to starting a business
 - The ease of setting up own business in current country of residence
 - Perception of Entrepreneurs

Section 2

Research Methodology

Sample Definition

Age and Gender:

Adult males and females

Aged 18 plus years

Nationalities:

GCC Arabs, North Africans, Levant, Western Expats & Asians

Country of Residence

GCC: UAE, KSA, Kuwait, Oman, Qatar, Bahrain

Levant: Lebanon, Syria, Jordan

North Africa: Egypt, Morocco, Algeria, Tunisia

Data Collection

All data was collected online. Fieldwork was done between 2nd September to 15th September 2013. The total number of respondents achieved was 8,776.

Section 3

Research Findings

Section 3a

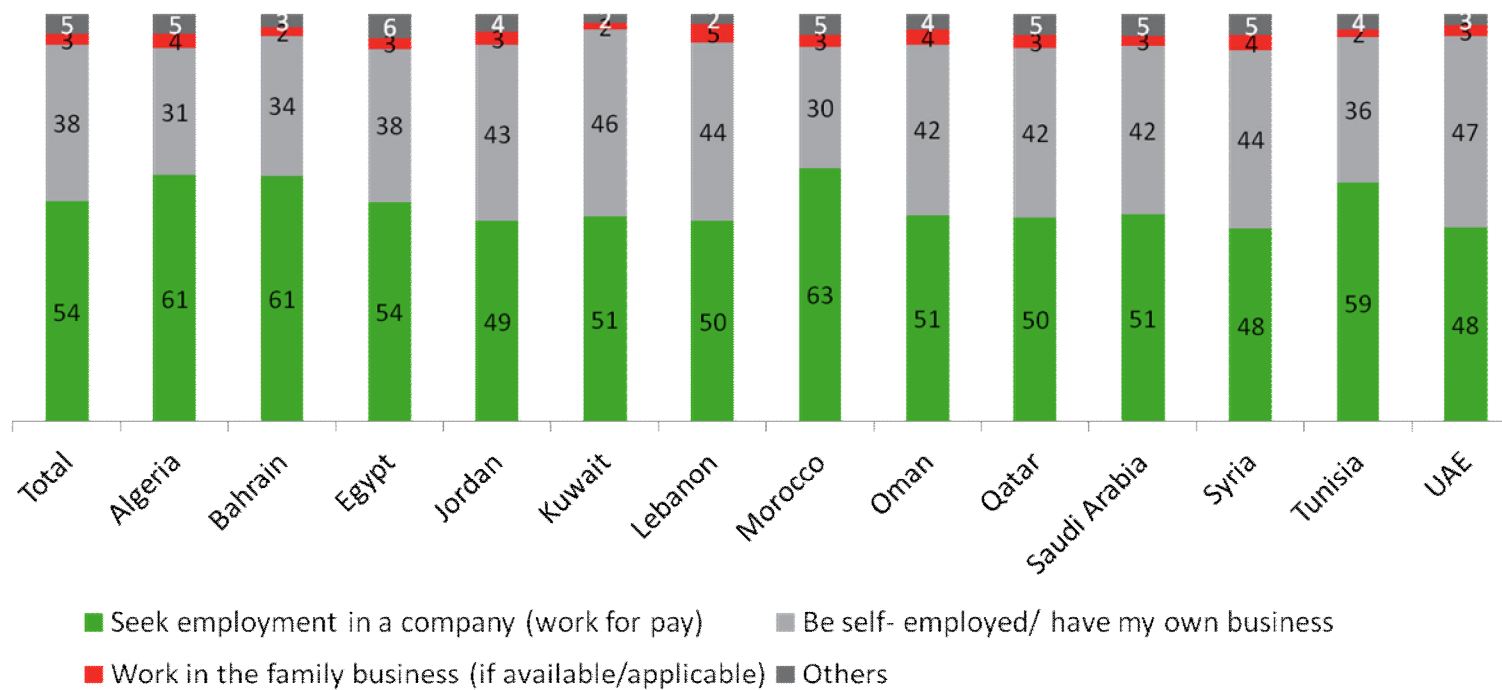
Work Preferences

Summary

- If given a choice 54% respondents would prefer to seek employment , i.e. work for pay in another company. This preference is particularly high in Morocco (63%), Algeria (61%) and Bahrain (61%). Interestingly respondents from the UAE are evenly split with 48% preferring employment and 47% preferring to be self-employed.
- Of those who prefer to seek employment , 58% say they would prefer to be employed in a private sector company. The preference towards being employed in a private sector company is high across the region but particularly higher than average in the Levantine countries like Syria (86%), Lebanon (77%) and Jordan (71%).
- The key reason for opting to seek employment in another company is the guarantee of regular income (40%) followed by learning new skills/ techniques (39%).
- Personal fulfillment (62%) followed by freedom to choose work-life balance (51%) are the top reasons cited for preferring to be self-employed if given a choice.

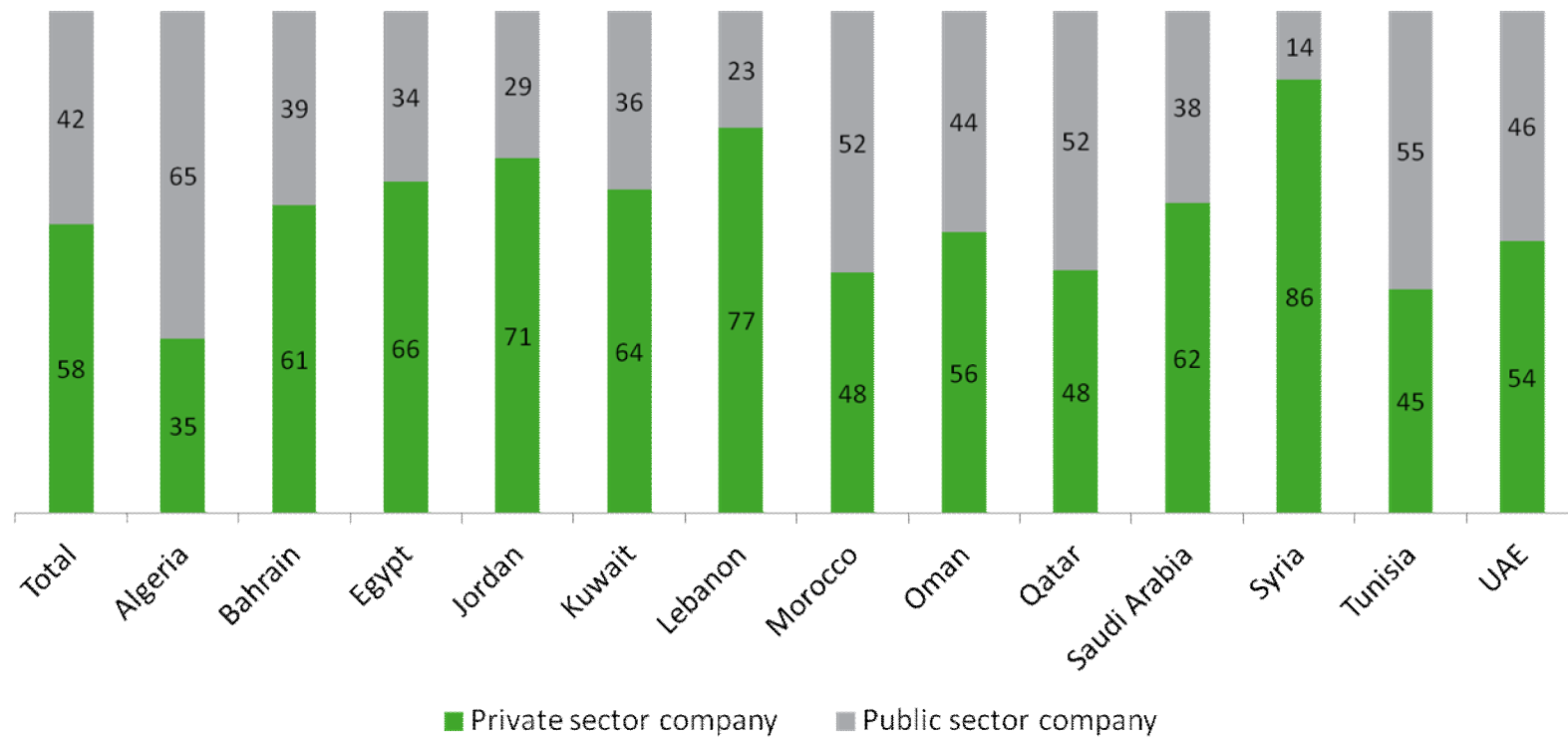
Work style preference

Q1. Given a choice what would you like to do? Please select one option from below.



Choice of sector

Q2. Would you prefer to work for ?

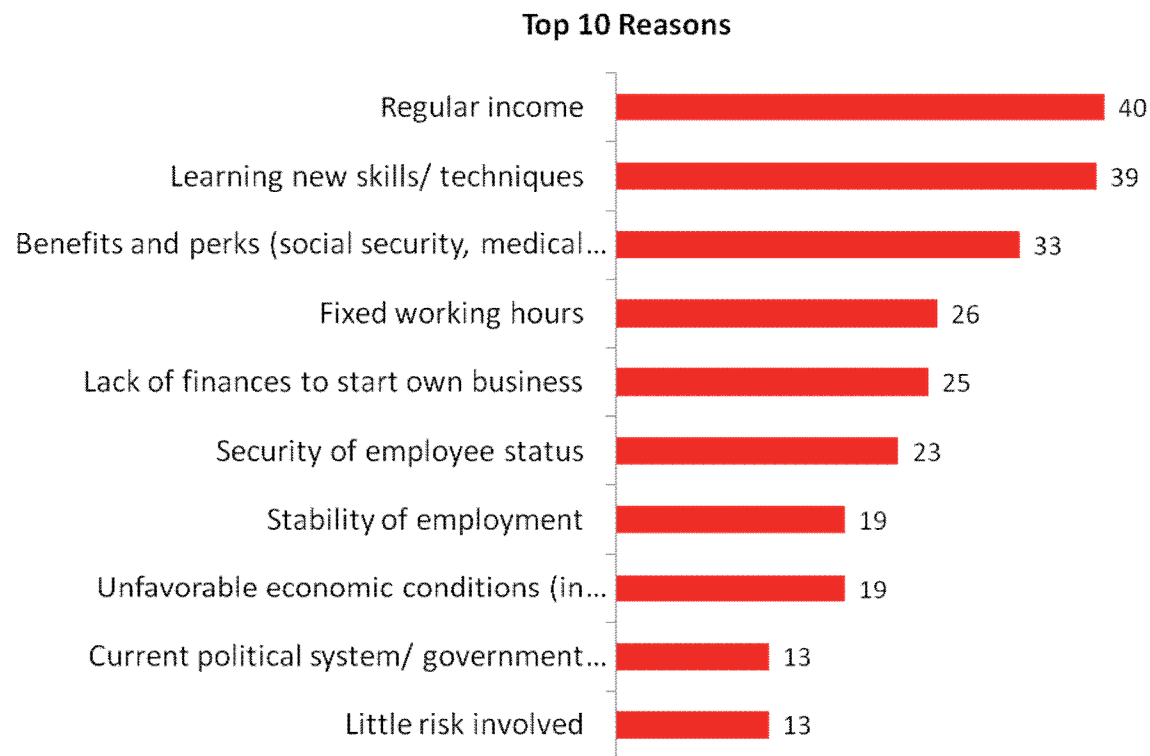


Base: Those who say they would prefer to Seek employment in a company (work for pay) (4793)

All figures are % s

Reasons for preferring to seek employment in a company (work for pay)

Q3. Why do you say that you would prefer to Seek employment in a company (work for pay)?



Base: Those who say they would prefer to Seek employment in a company (work for pay) (4793)

All figures are % s

Reasons for preferring to Seek employment in a company (work for pay) by country

Q3. Why do you say that you would prefer to Seek employment in a company (work for pay) ?

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
Base:	4793	641	57	1448	341	101	134	560	57	93	754	66	217	324
Regular income	40	41	44	43	39	42	34	36	42	32	36	33	45	43
Learning new skills/ techniques	39	38	37	41	39	41	37	34	46	39	39	35	37	45
Benefits and perks (social security, medical insurance, etc.)	33	36	32	33	40	30	32	31	32	19	31	23	32	34
Fixed working hours	26	29	28	26	29	23	25	26	19	28	24	18	22	30
Lack of finances to start own business	25	20	26	26	30	27	34	19	14	19	28	38	27	27

Base: Those who say they would prefer to Seek employment in a company (work for pay) (4793)

All figures are % s

Reasons for preferring to seek employment in a company (work for pay)

Q3. Why do you say that you would prefer to seek employment in a company (work for pay) ?

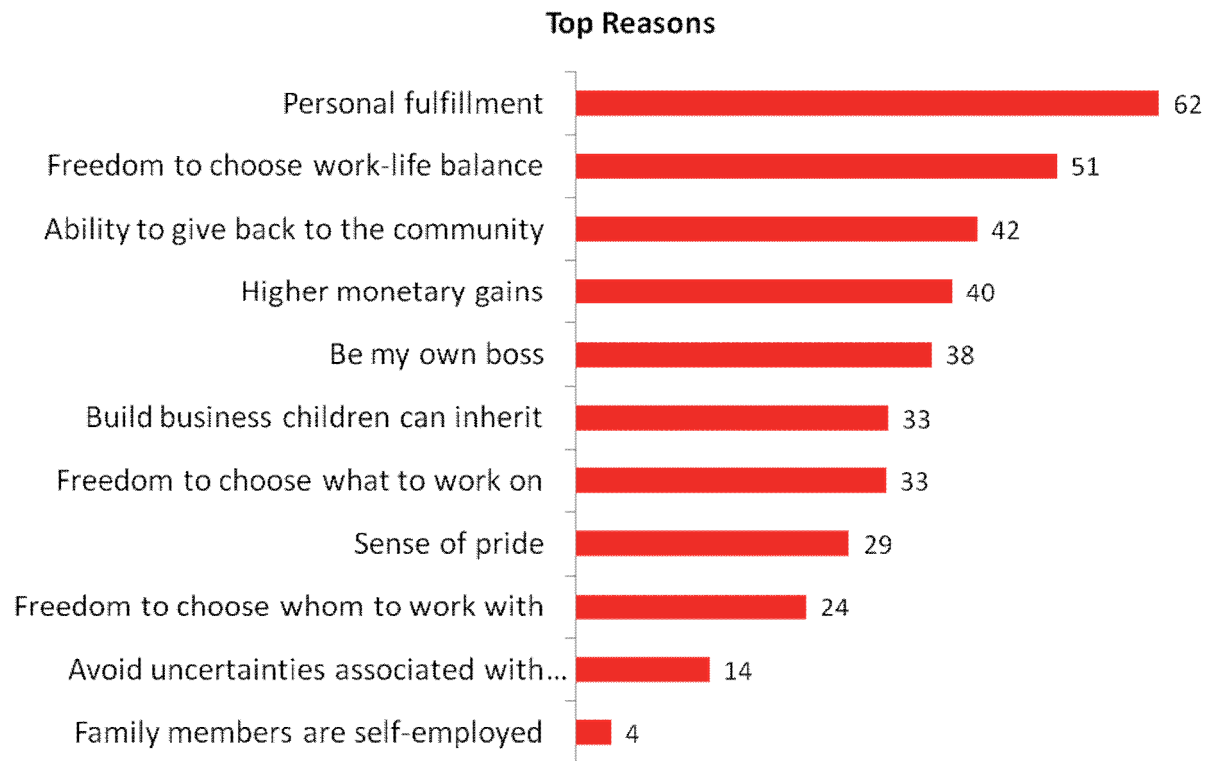
	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
Base:	4793	641	57	1448	341	101	134	560	57	93	754	66	217	324
Security of employee status	23	27	23	21	24	23	26	22	19	20	23	14	29	26
Stability of employment	19	18	19	21	15	25	27	15	18	15	16	8	18	23
Unfavorable economic conditions (in relation to starting/ running a business)	19	10	21	24	28	17	22	15	11	12	17	20	16	16
Current political system/ government makes starting own business difficult	13	7	18	18	12	9	17	6	9	5	13	17	10	8
Little risk involved	13	10	25	15	16	13	11	7	11	11	12	8	9	14

Base: Those who say they would prefer to Seek employment in a company (work for pay) (4793)

All figures are % s

Reasons for preferring to be self-employed

Q4. Why do you say that you would prefer to be self-employed/ have my own businesses ?



Base: Those who say they would prefer to Be self-employed/ have my own business (work for pay) (3373)

All figures are % s

Reasons for preferring to be self-employed by country

Q4. Why do you say that you would prefer to be self-employed/ have my own businesses ?

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
Base:	3373	325	32	1009	297	92	117	262	47	76	610	61	130	315
Personal fulfillment	62	47	50	70	66	61	64	56	64	50	60	59	54	60
Freedom to choose work-life balance	51	52	53	46	55	59	57	49	57	43	54	48	47	53
Ability to give back to the community	42	44	41	43	47	32	28	41	43	43	43	36	48	41
Higher monetary gains	40	30	38	42	48	42	55	30	36	40	43	39	35	34
Be my own boss	38	39	56	33	48	39	47	36	47	36	33	39	45	42
Build business children can inherit	33	24	28	35	40	38	27	24	23	26	40	33	23	32

Base: Those who say they would prefer to Be self-employed/ have my own business (work for pay) (3373)

All figures are % s

Reasons for preferring to be self-employed by country

Q4. Why do you say that you would prefer to be self-employed/ have my own businesses ?

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
Base:	3373	325	32	1009	297	92	117	262	47	76	610	61	130	315
Freedom to choose what to work on	33	26	31	32	39	41	35	31	28	22	33	26	33	38
Sense of pride	29	23	28	27	35	28	26	24	23	26	33	28	24	36
Freedom to choose whom to work with	24	23	22	22	34	32	28	22	15	28	24	21	20	27
Avoid uncertainties associated with employment	14	11	13	12	23	20	15	11	11	18	13	13	11	21
Family members are self-employed	4	3	3	4	5	5	1	2	6	4	5	2	2	4

Base: Those who say they would prefer to Be self-employed/ have my own business (work for pay) (3373)

All figures are % s

Section 3b

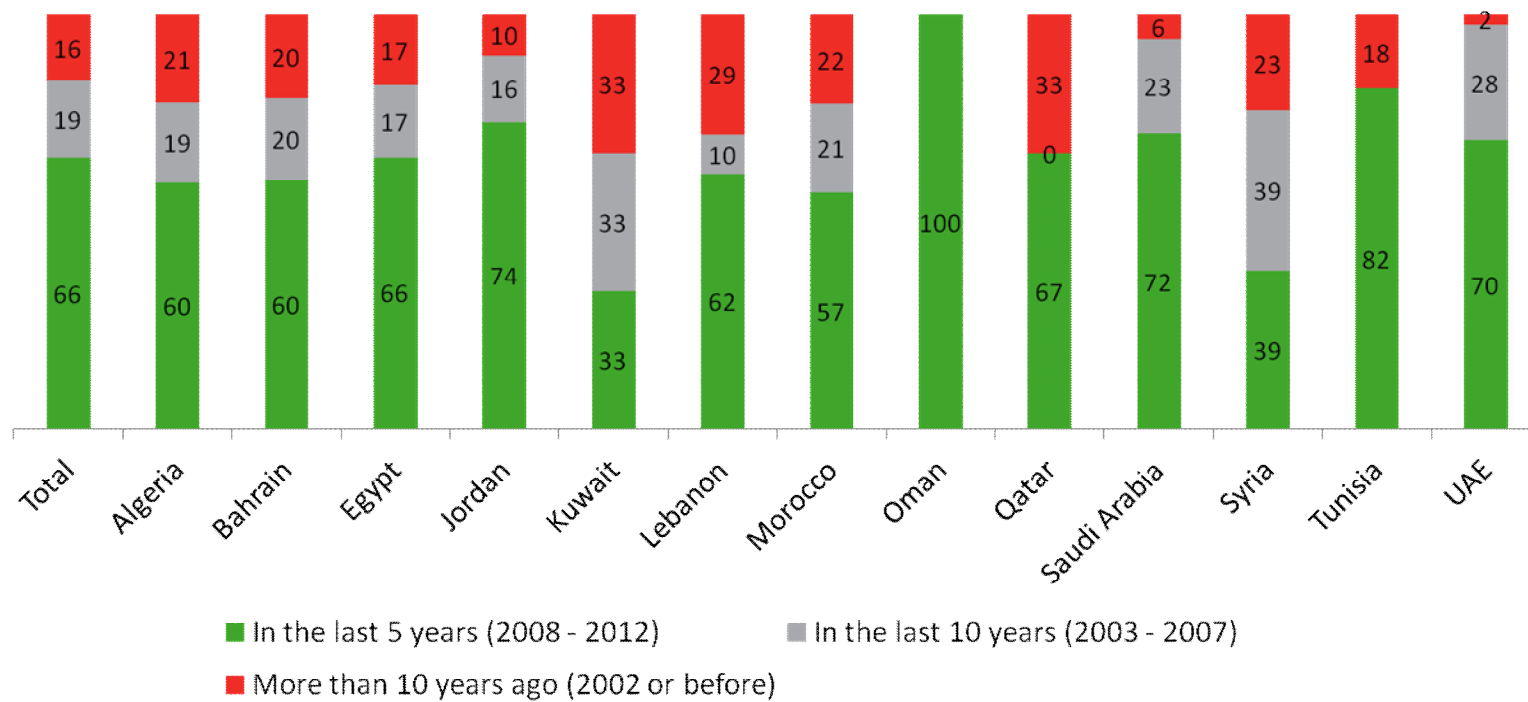
Self Employed

Summary

- Majority of those who are self-employed claim that they took the first steps to establish their business in the last 5 years.
- 21% claim that their business is established and currently performing well while another third claim that their business is established but currently not performing well.
- Independence to achieve what they want and the ability to control career path are the top reasons to start own business.
- 52% of those who are currently employed by a company claim they are thinking of starting their own business. Inability to procure financial support (68%) is the main barrier that has prevented respondents from starting their own business.

Age of business

Q5. You said you are self-employed / have your own business. When did you take the first step to establish it?



Base: Those self employed (446)

All figures are % s

Current stage of business

Q6. Which of the following best applies to the business you have established?

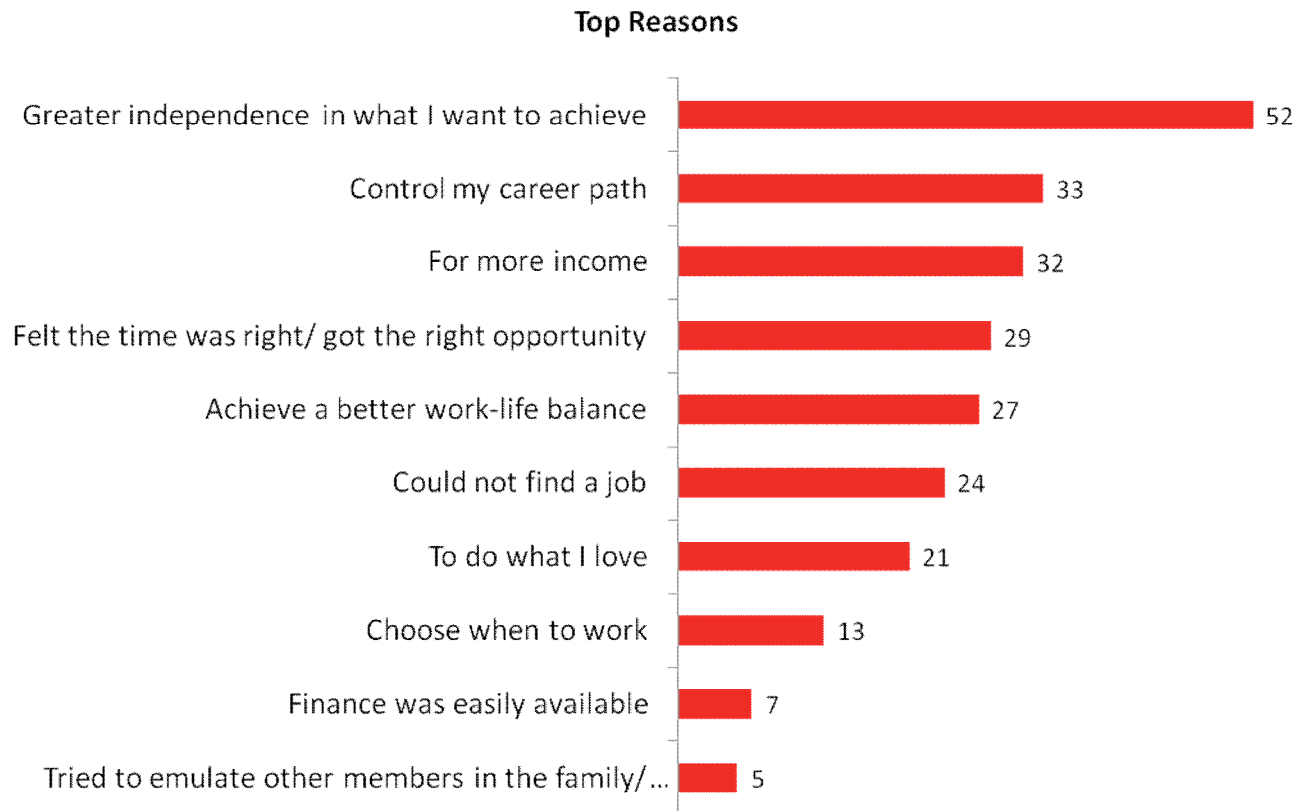
	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
Base:	446	52	5	190	31	3	21	28	2	6	35	13	17	43
My business is well established and performing well	21	31	20	17	29	67	10	14	0	0	23	31	18	23
My business is established but currently not performing well	33	19	20	40	36	33	38	46	50	33	20	54	24	16
I am at the start up stage of the business	28	31	20	25	23	0	38	18	50	17	29	0	35	49
I am in process of closing down my business	6	6	0	5	10	0	5	7	0	50	9	0	0	5
Don't know/ Can't say	13	14	40	13	3	0	10	14	0	0	20	15	24	7

Base: Those self employed (446)

All figures are % s

Reason for starting own business

Q6b. Why did you decide to start your own business in the first instance?



Base: Those self employed (446)

All figures are % s

Reason for starting own business by country

Q6b. Why did you decide to start your own business in the first instance?

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
Base:	446	52	5	190	31	3	21	28	2	6	35	13	17	43
Greater independence in what I want to achieve	52	46	60	52	65	100	38	50	0	33	34	85	59	63
Control my career path	33	35	40	33	23	67	43	43	0	17	37	39	24	30
For more income	32	29	20	34	29	67	38	21	0	17	29	31	47	26
Felt the time was right/ got the right opportunity	29	25	0	30	13	67	24	14	50	33	23	46	35	44
Achieve a better work-life balance	27	25	60	28	16	67	19	21	0	50	34	39	24	28

Base: Those self employed (446)

All figures are % s

Reason for starting own business by country

Q6b. Why did you decide to start your own business in the first instance?

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
Base:	446	52	5	190	31	3	21	28	2	6	35	13	17	43
Could not find a job	24	35	20	26	26	0	10	32	0	17	20	15	12	21
To do what I love	21	12	0	21	32	33	14	21	0	67	11	39	18	30
Choose when to work	13	17	20	13	13	100	10	4	0	0	17	15	6	14
Finance was easily available	7	8	0	6	10	0	19	4	0	0	6	8	12	2
Tried to emulate other members in the family/ encouraged by family	5	6	0	5	3	0	5	7	0	0	9	15	6	2

Base: Those self employed (446)

All figures are % s

^ Attempt to start own business (those employed elsewhere)

Q7. Which of the following best describes you with regards to starting your own business?

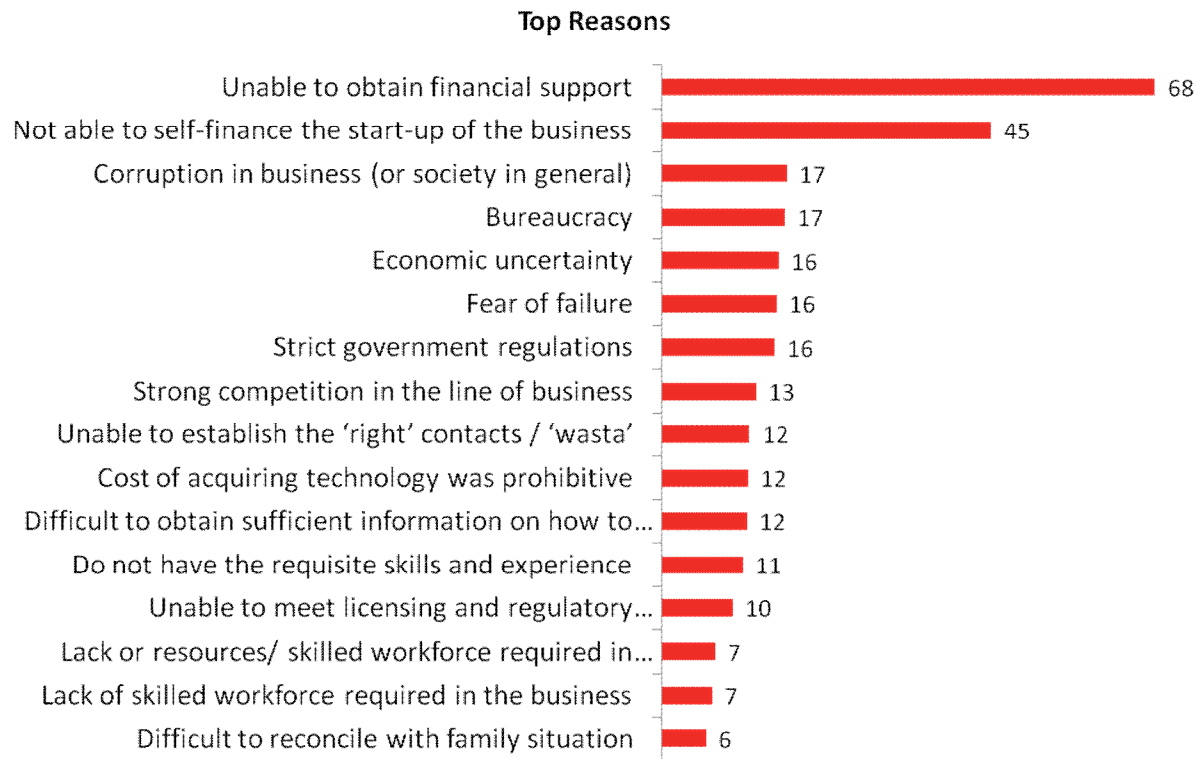
	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
Base:	4354	457	51	1325	342	153	125	214	73	110	872	70	124	438
I have tried to start my own business in the past but could not do so/ or failed to do so	22	21	14	23	18	24	17	21	15	22	23	33	19	20
I am currently thinking of starting my own business	52	52	43	51	50	45	49	49	58	45	57	44	51	53
I have never thought of starting my own business	15	13	22	16	20	19	19	20	15	16	12	14	16	13
Don't know/ Can't say	11	13	22	10	12	12	15	11	12	17	8	9	14	14

Base: Those currently employed in the public/ private sector or family business (4354)

All figures are % s

^ Hindrances in Starting Own Business

Q8. Given below are some reasons that people have identified which could prevent one from starting one's own business. Which of these prevented you from starting your own business?



Base: Those who tried to start a business in the past but could not do so (943)

All figures are % s

Section 3c

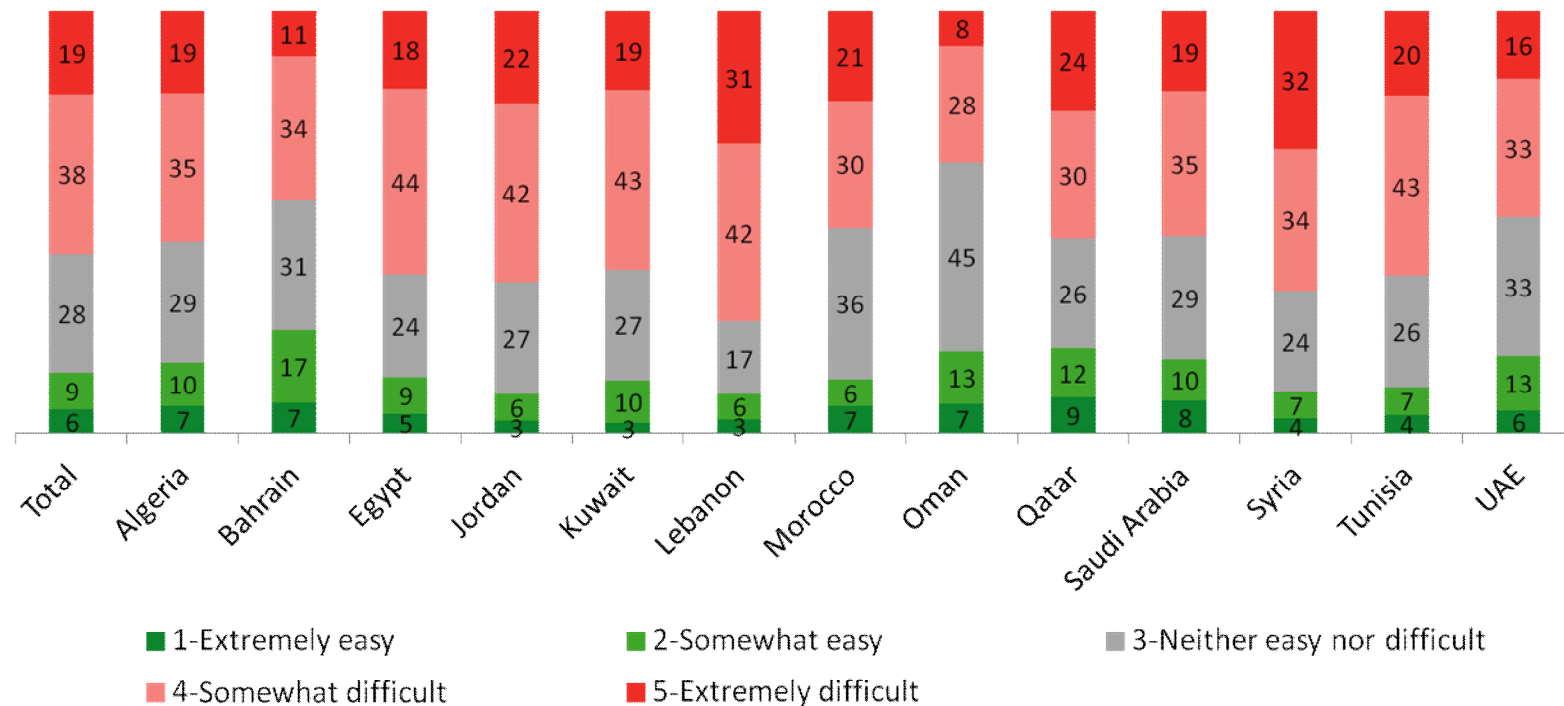
Entrepreneurship In Own Country

Summary

- Almost 6 in 10 are of the opinion that starting their own business in their country of residence is difficult. This opinion is most common amongst those from Lebanon (74%).
- Unavailability of finance is a major difficulty according to 62% for those who wish to start their own business. Another 36% cite economic instability as a hurdle. Interestingly, in the GCC 'strict rules and regulations laid out by government' is a greater concern than elsewhere with 61% in Saudi, 55% in Qatar, 53% in Kuwait, 48% in Oman, 38% in Bahrain and 37% in the UAE saying so (compared to 31% overall).
- 80% of the respondents claim they personally know people who have started their own business.

Ease of setting-up own business

Q9. In your opinion, on a scale of 1-5 where 1 is extremely easy and 5 is extremely difficult, how easy/ difficult would you say it is to start your own business in the country you currently live in?



Base: Total (8776)

All figures are % s

Difficulties in setting up own business

Q9b. Why do you say it is difficult to start your own business the country you currently live in?

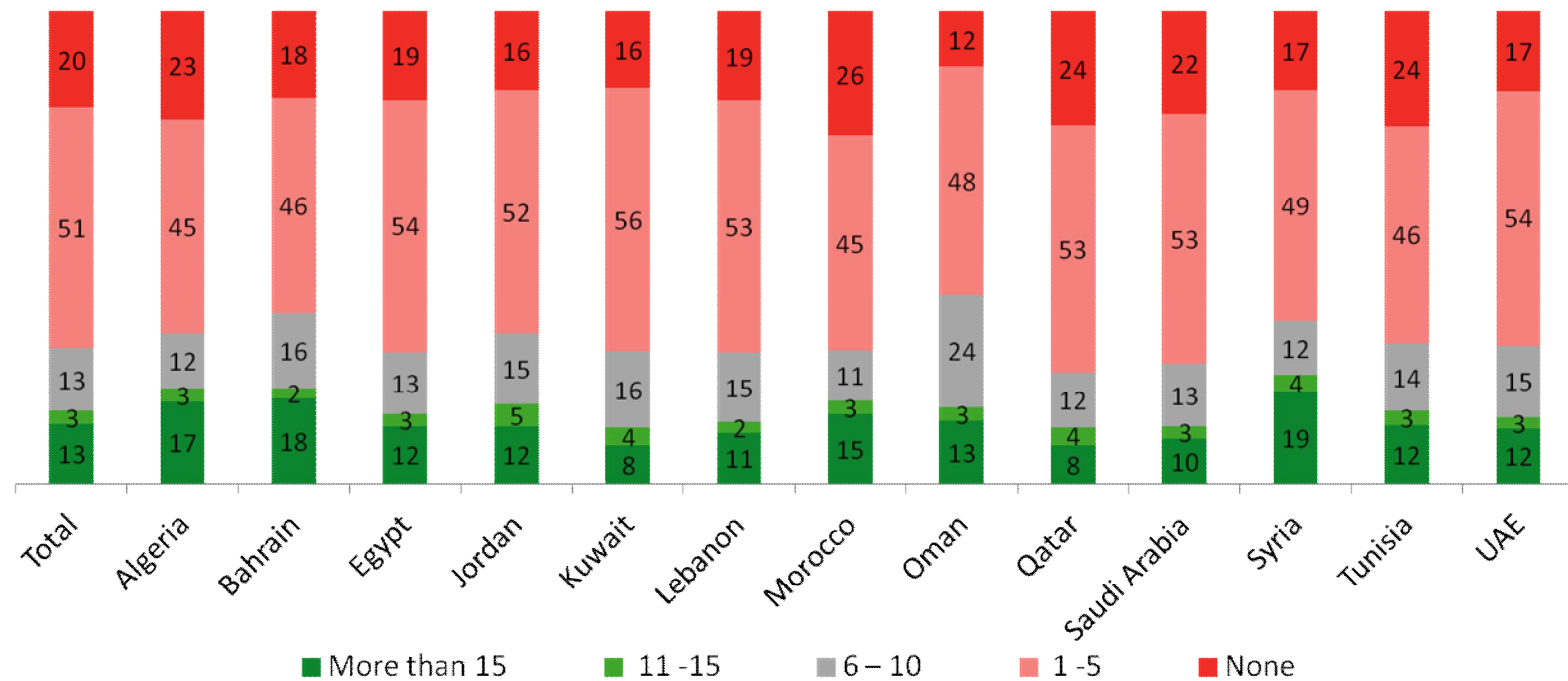
	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
Base:	5048	570	42	1659	441	122	197	455	40	98	779	92	227	326
Unavailability of finance	62	50	64	63	75	57	58	72	75	50	55	57	75	64
Economic instability	36	16	38	61	44	16	60	18	13	9	10	55	46	14
Strict rules and regulations laid out by government	31	22	38	23	27	53	10	21	48	55	61	19	19	37
Political instability	31	7	43	59	20	16	71	3	8	1	7	64	49	6
High levels of corruption	30	44	14	34	32	23	36	31	13	7	21	34	27	5

Base: Those who say somewhat difficult/extremely difficult (5048)

All figures are % s

Knowledge of entrepreneurs

Q10. How many people do you personally know who have started their own business in your country of residence?

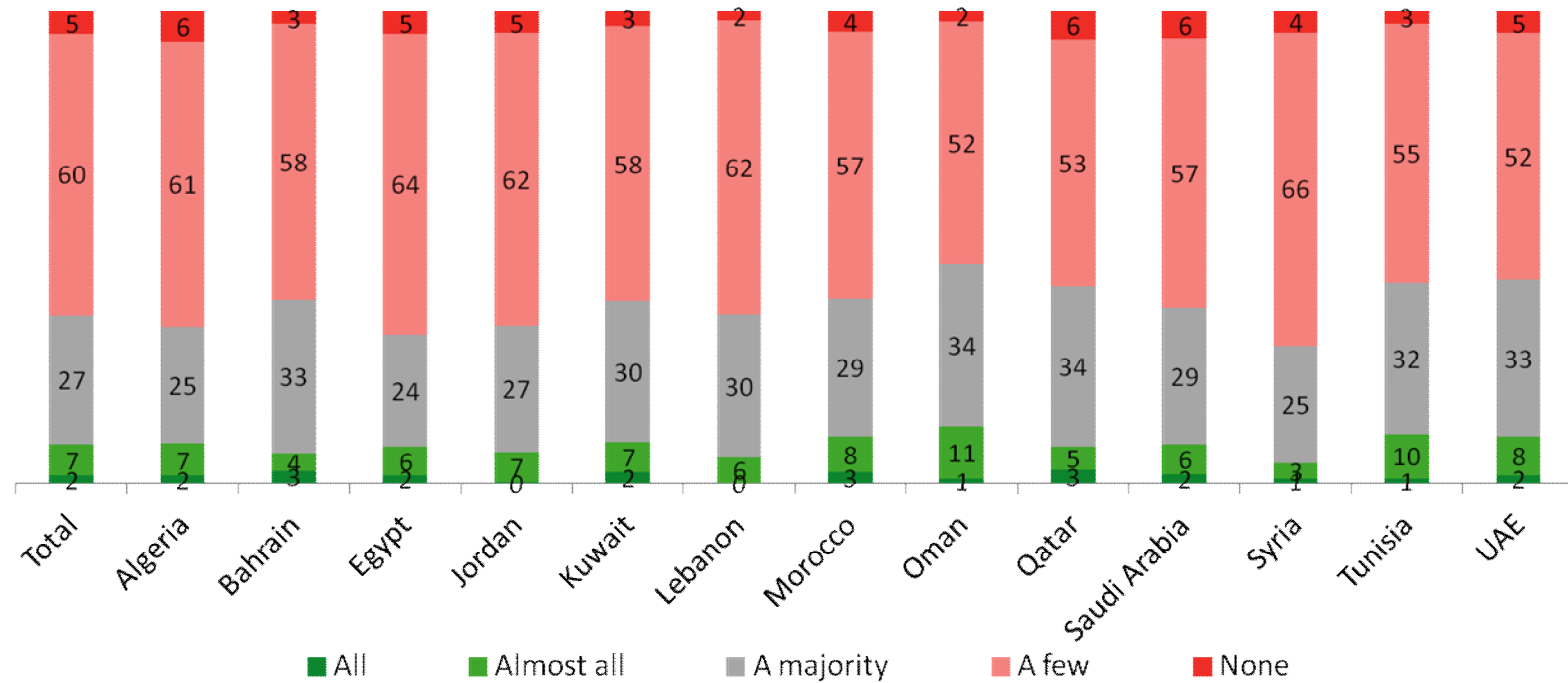


Base: Total (8776)

All figures are % s

Successful entrepreneurs

Q10a. How many entrepreneurs that you know are successful in your opinion?



Base: Those who personally know people who have started their business (7002)

All figures are % s

Section 3d

Perception of Entrepreneurship

Summary

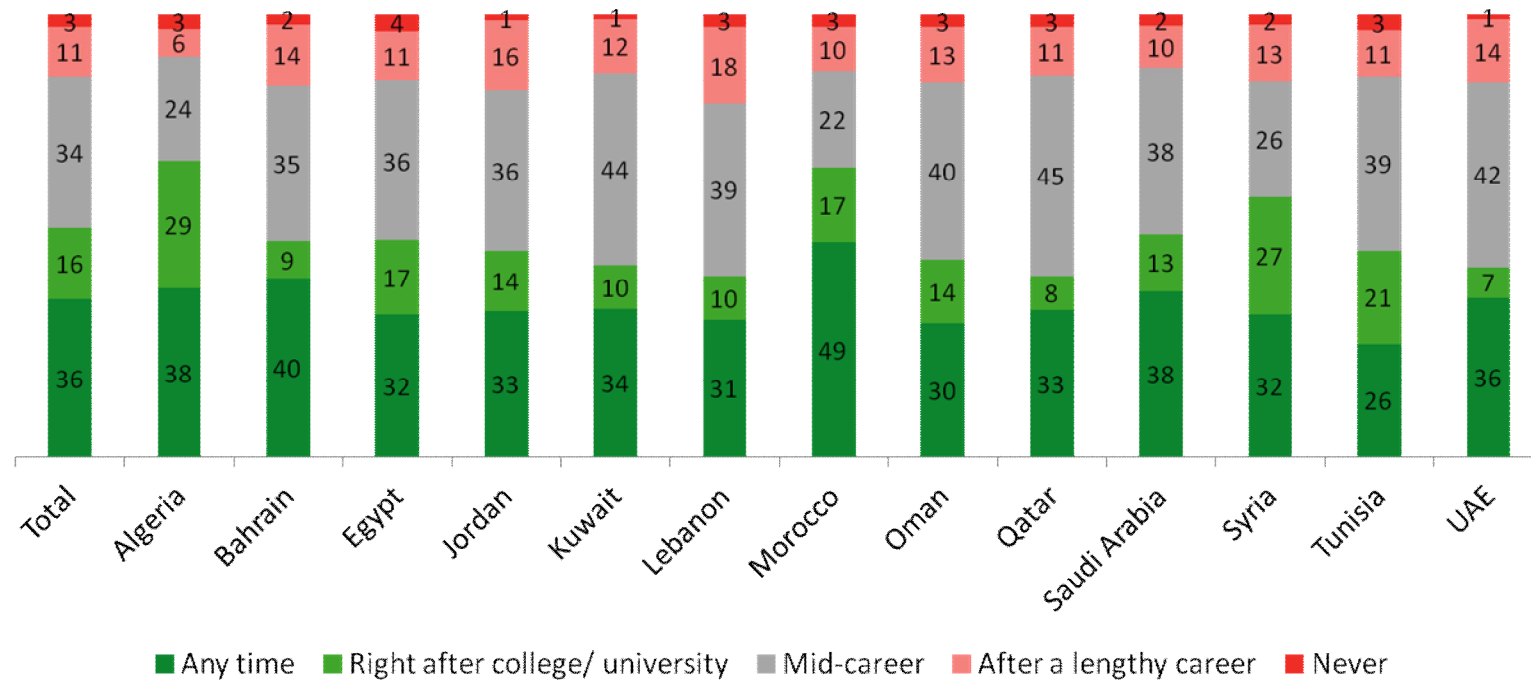
- Just over a third of the respondents believe that anytime is good to start one's own business. Another 34% say that mid-career is a good time.
- When asked what in their opinion is the single best advice to an aspiring entrepreneur, 4 in 10 said they would say Don't be afraid of failure.
- Communication/ Information Technology is most appealing industry for entrepreneurship, with a quarter of respondents saying so.
- Procuring startup finance, hiring wrong personnel and losses are top three issues that respondents claim they would be worried about.

Summary

- When asked about the role education has played:
 - 68% of the respondents agree that the education they have received has helped them develop an entrepreneurial attitude. Respondents in Oman are most likely to agree (82%).
 - 67% say it has helped them understand the role entrepreneurs play in the society.
 - 65% say education has made them interested in becoming an entrepreneur.
- Interestingly, three quarters of respondents agree entrepreneurs 'think only about their own profit'; another 80% say they are opportunity driven.
- The positives associated with entrepreneurs are that they create new products/ services for society's benefit (62%) and help create new jobs in the marketplace (73%).

Best time to start own business

Q11. In your opinion when is it the best time to start one's own business?

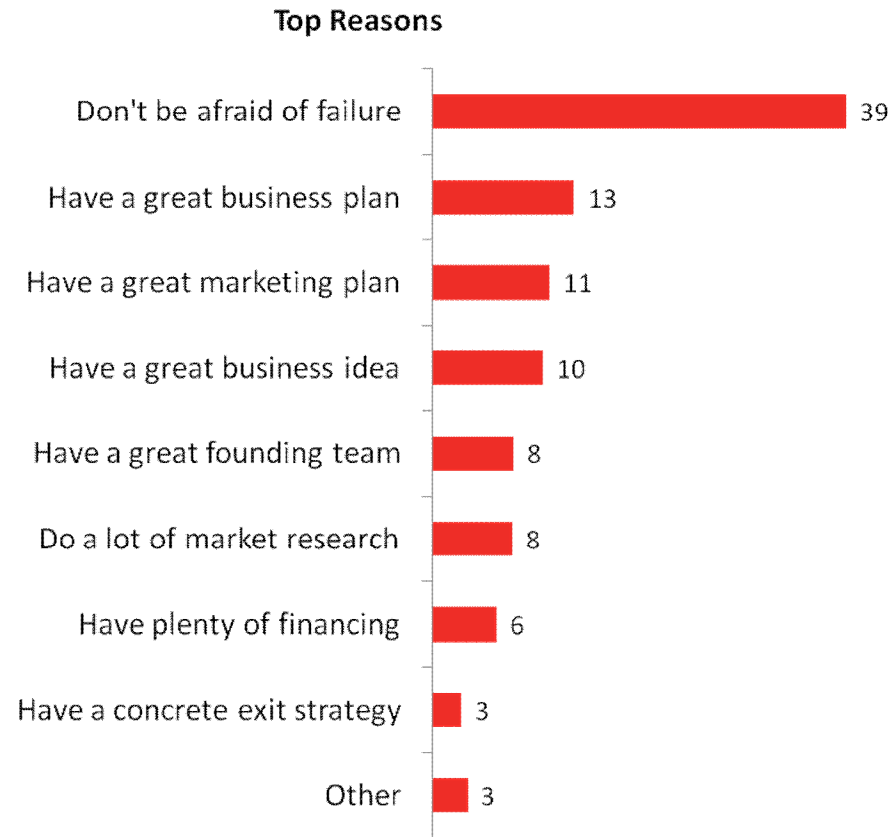


Base: Total(8776)

All figures are % s

Advice to aspiring entrepreneurs

Q12. What do you think is the single best advice to an aspiring entrepreneur?



Base: Total(8776)

All figures are % s

Most appealing industry

Q13. Which ONE industry in your country of residence do you think is most appealing for entrepreneurship?

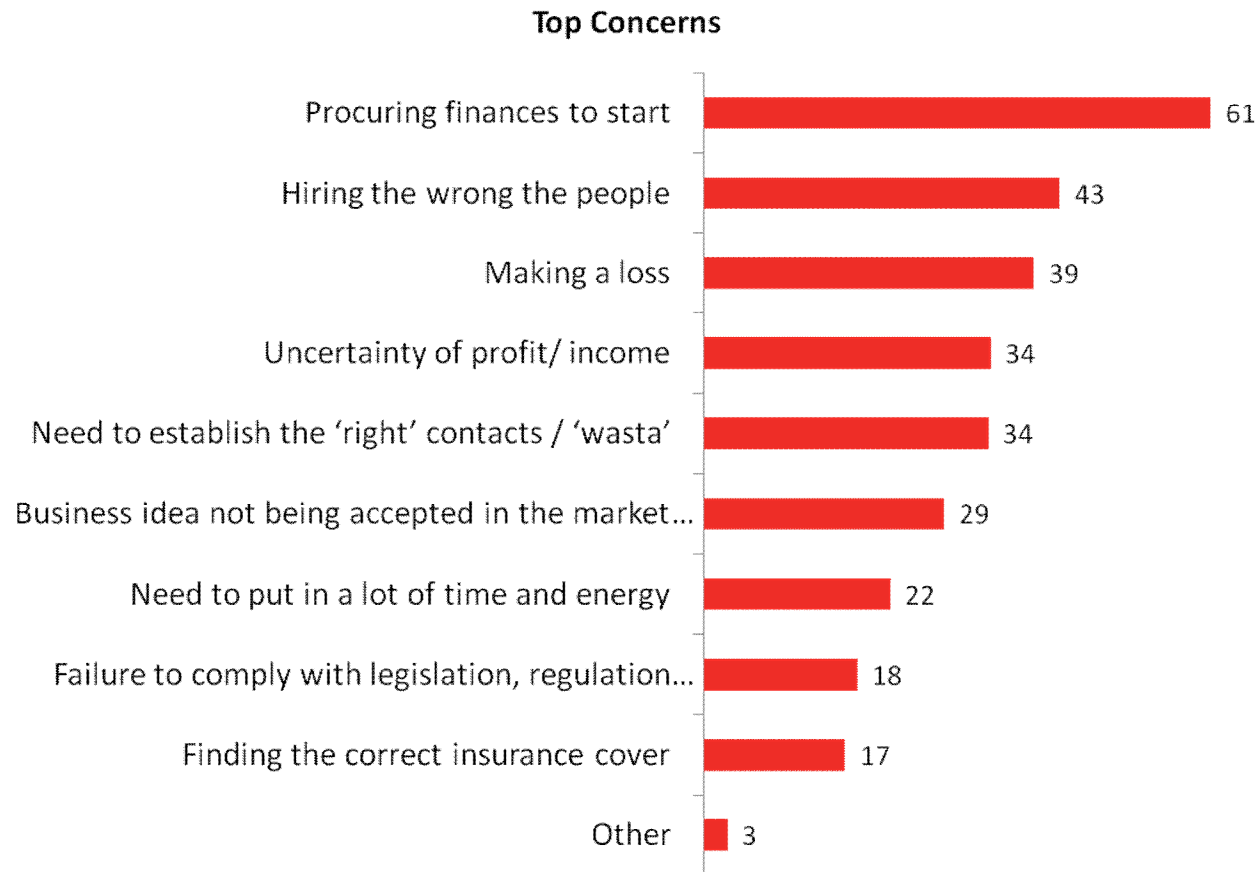
	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
Base:	8776	1048	94	2663	687	200	268	886	112	183	1462	139	363	671
Communications/Information Technology	24	24	15	30	26	15	18	24	14	13	19	27	29	11
Finance, Insurance, and Real Estate	14	18	11	10	15	11	12	16	16	11	17	20	12	14
Advertising/Marketing /Public Relations	13	10	14	15	8	16	16	12	9	14	12	7	11	13
Hospitality and Leisure	12	4	20	11	16	18	23	16	13	14	10	8	17	19
Architecture and Engineering	12	17	7	10	7	16	13	9	19	20	16	17	9	13
Education	6	6	6	6	10	5	4	7	5	6	6	5	6	6

Base: Total (8776)

All figures are % s

Top concerns while setting up business

Q14. Imagine if you were to set up your own business today (in the country you live in), what are the top 3 things that you would be most concerned about?



Base: Total(8776)

All figures are % s

Top concerns while setting up business by country

Q14. Imagine if you were to set up your own business today (in the country you live in), what are the top 3 things that you would be most concerned about?

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
Base:	8776	1048	94	2663	687	200	268	886	112	183	1462	139	363	671
Procuring finances to start	61	57	59	61	61	54	56	63	58	56	60	62	70	62
Hiring the wrong the people	43	55	31	40	40	33	36	49	43	34	44	40	41	34
Making a loss	39	37	31	47	42	33	35	46	31	23	33	27	39	29
Uncertainty of profit/income	34	26	43	36	38	40	40	31	33	36	31	30	31	44
Need to establish the right contacts/ wasta	34	37	42	30	33	49	38	30	30	42	36	40	34	36
Business idea not being accepted in the market place	29	27	32	31	31	30	30	27	29	27	27	29	30	27
Need to put in a lot of time and energy	22	24	29	18	20	25	31	22	31	33	22	22	19	32

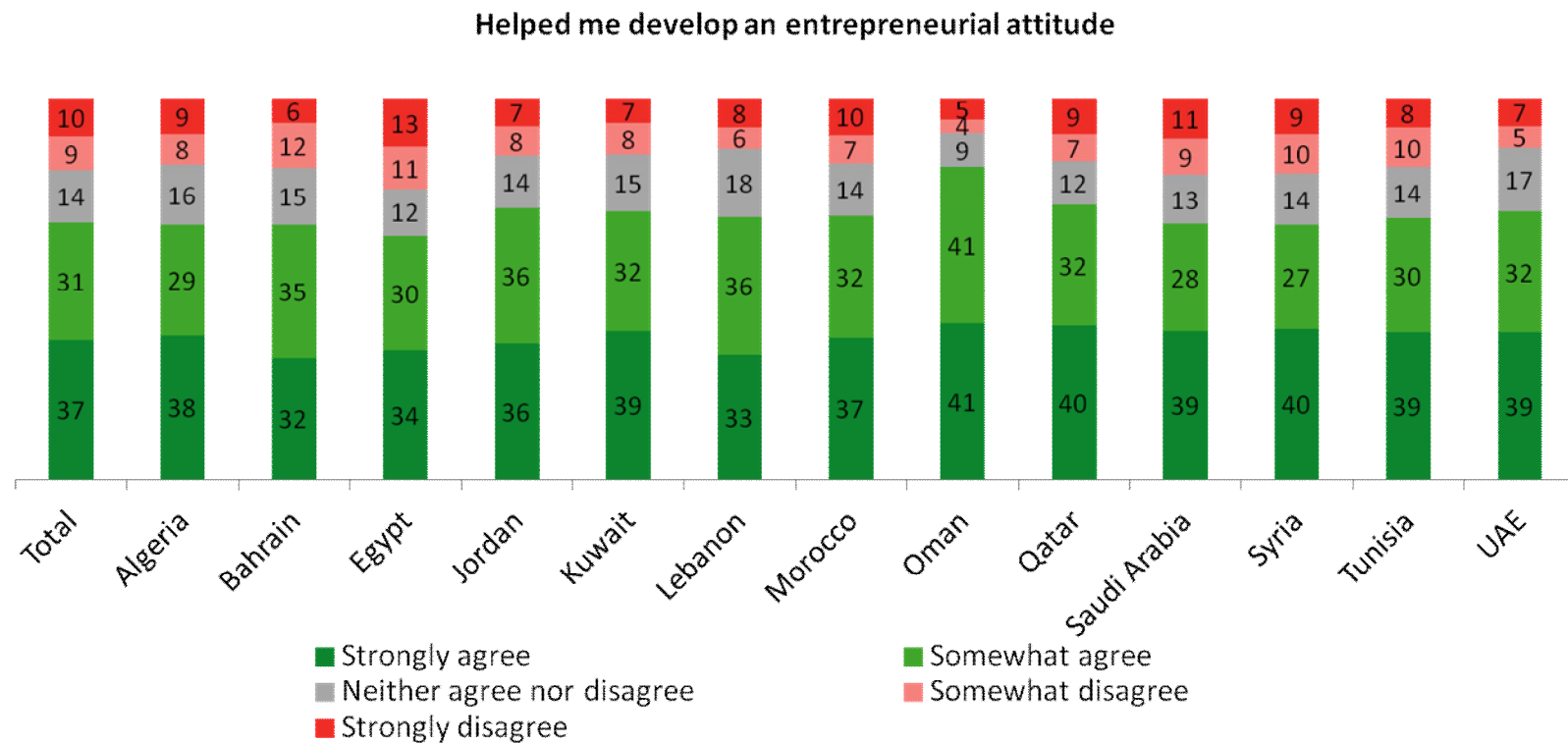
Base: Total(8776)

All figures are % s

Role of education

Q15. Given below are some statements that people have made about the education they have received and the role it plays in making them an entrepreneur. To what extent do you agree or disagree with each of these:

The education I have received has



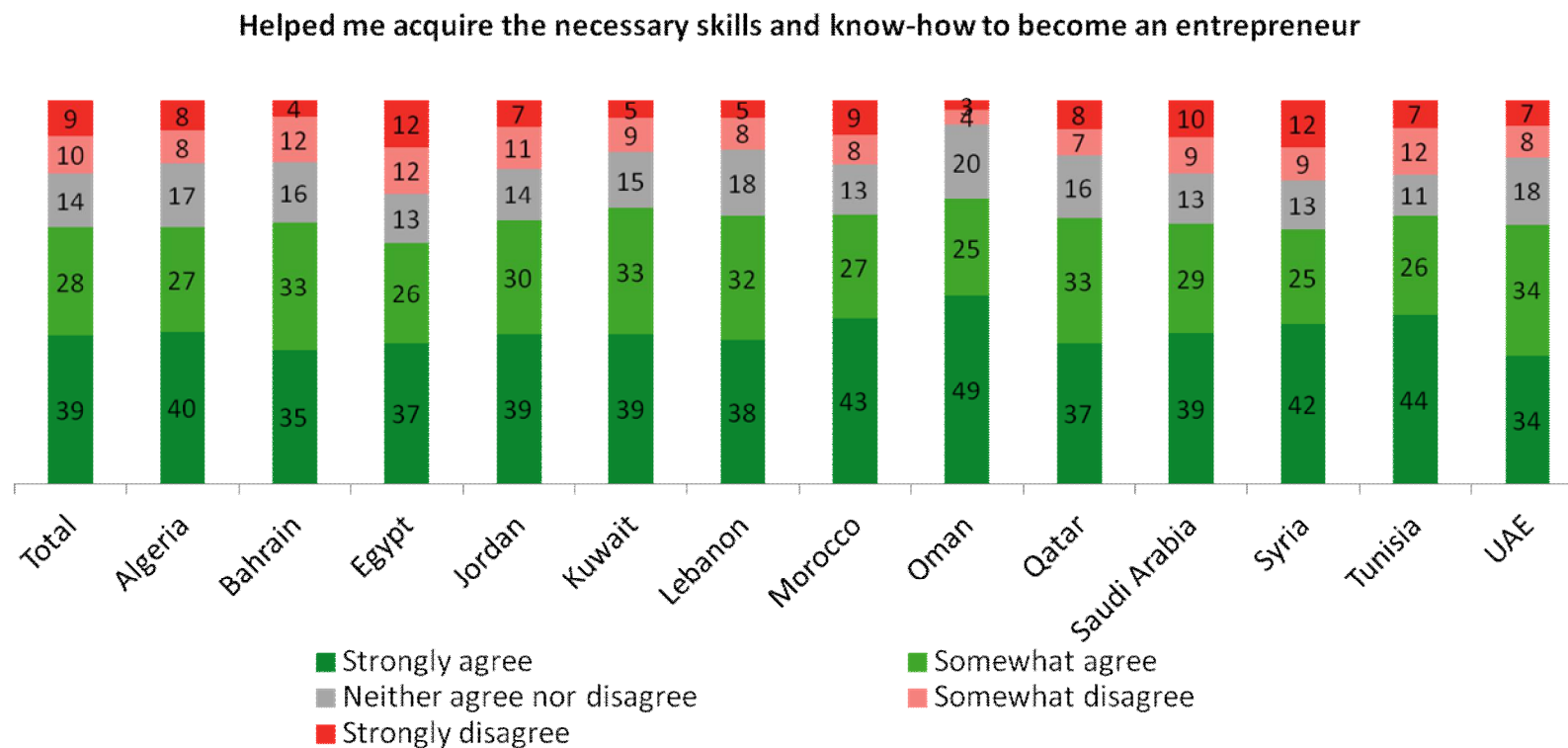
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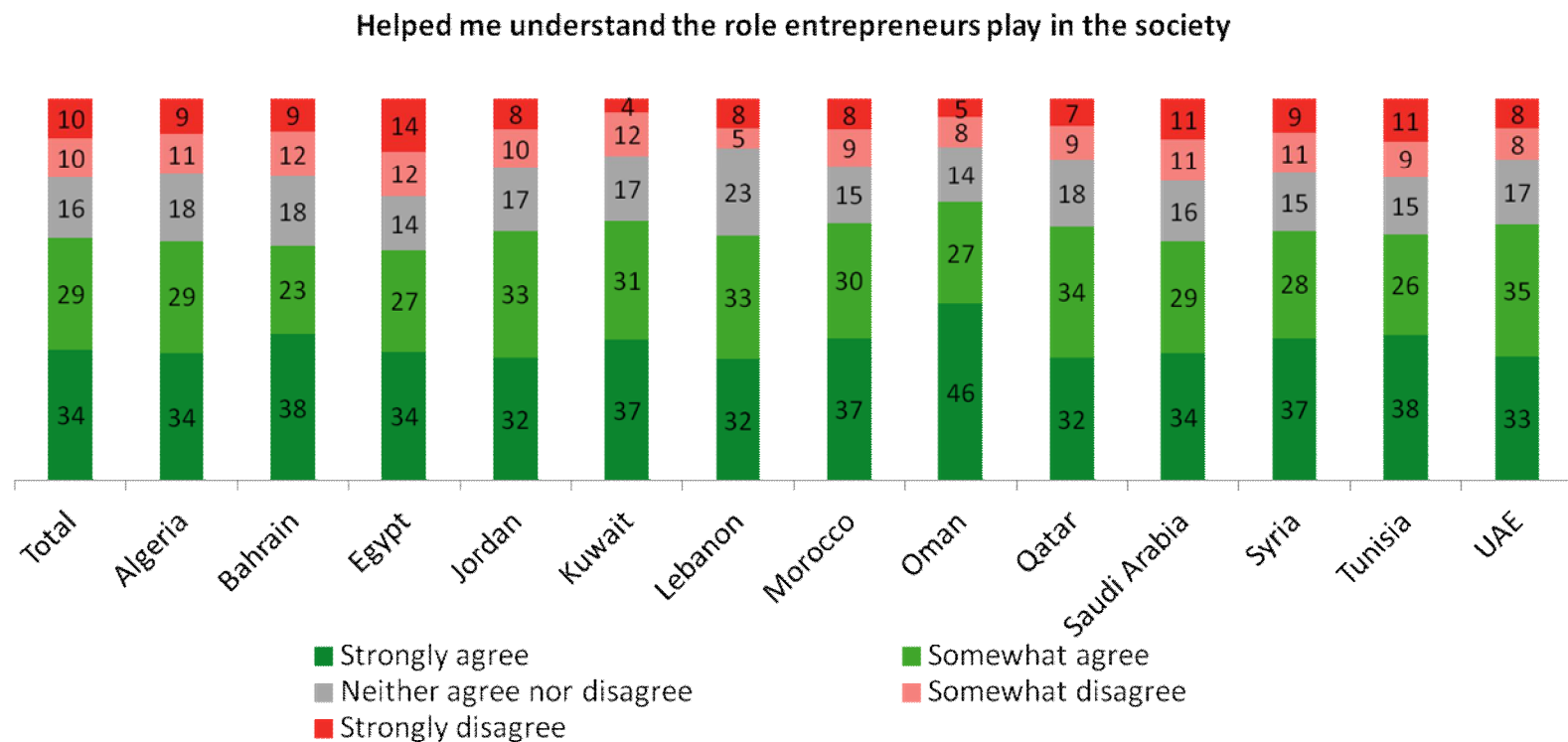
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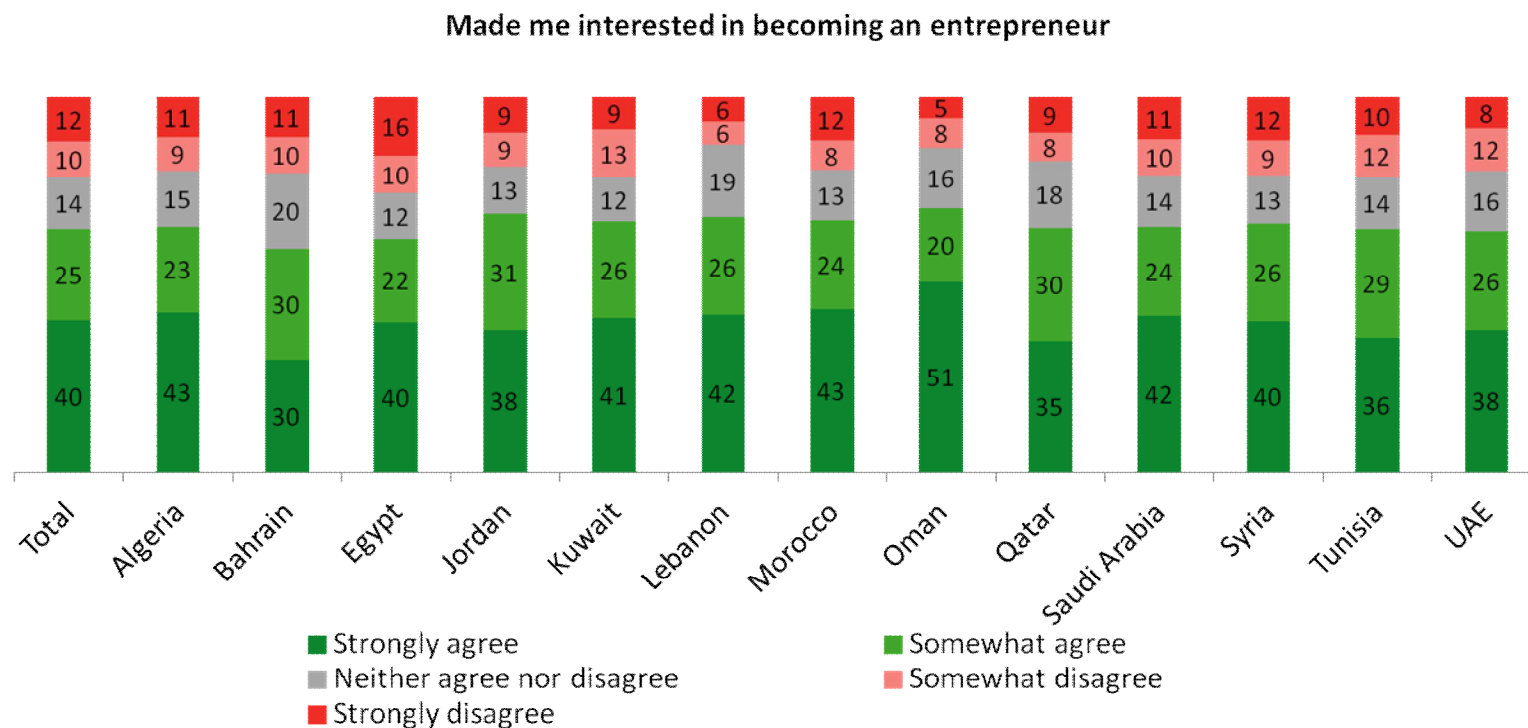
Base: Total(8776)

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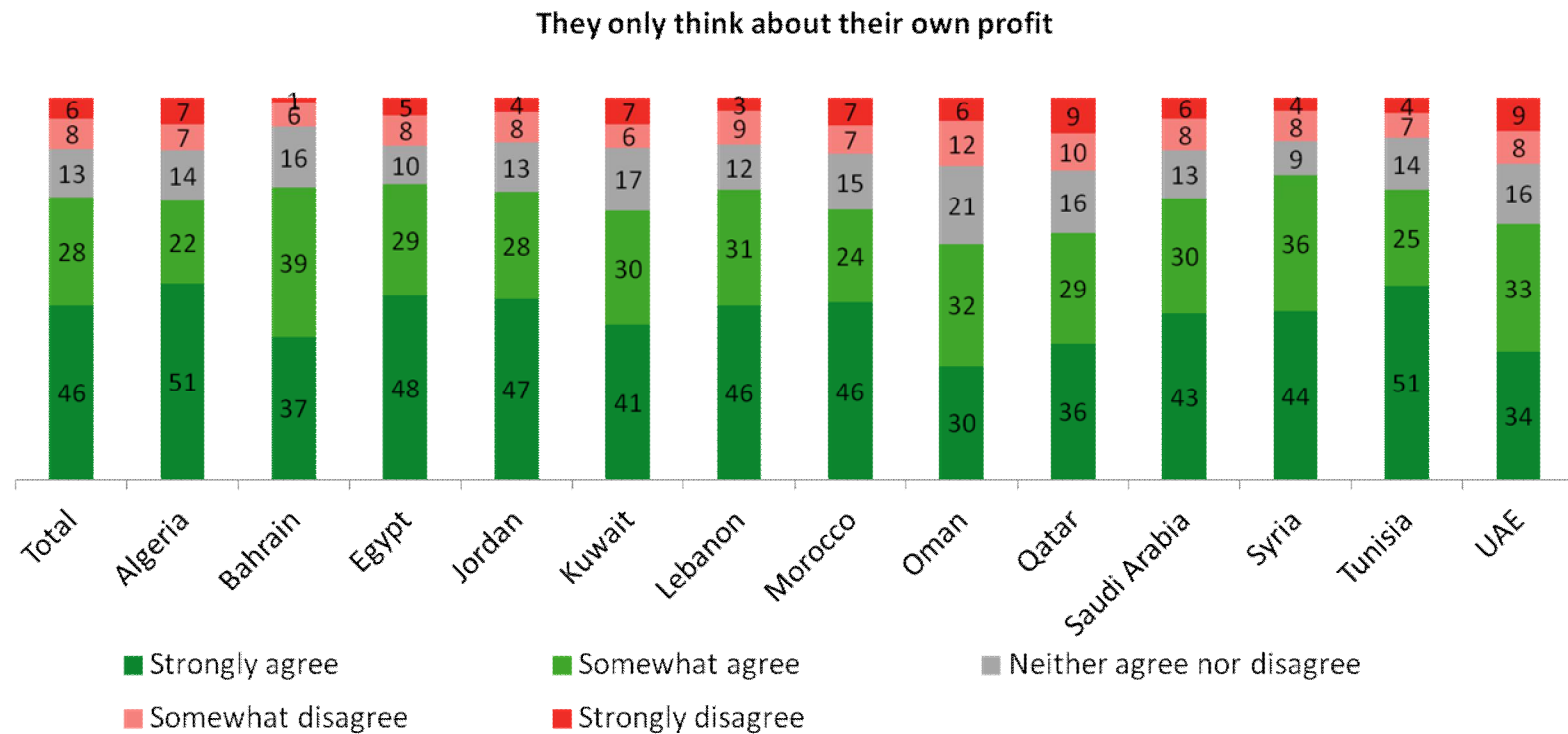


Base: Total(8776)

All figures are % s

Perceived image of entrepreneurs

Q16. Could you please tell us to what extent you agree or disagree with the following statements related to Entrepreneurs?

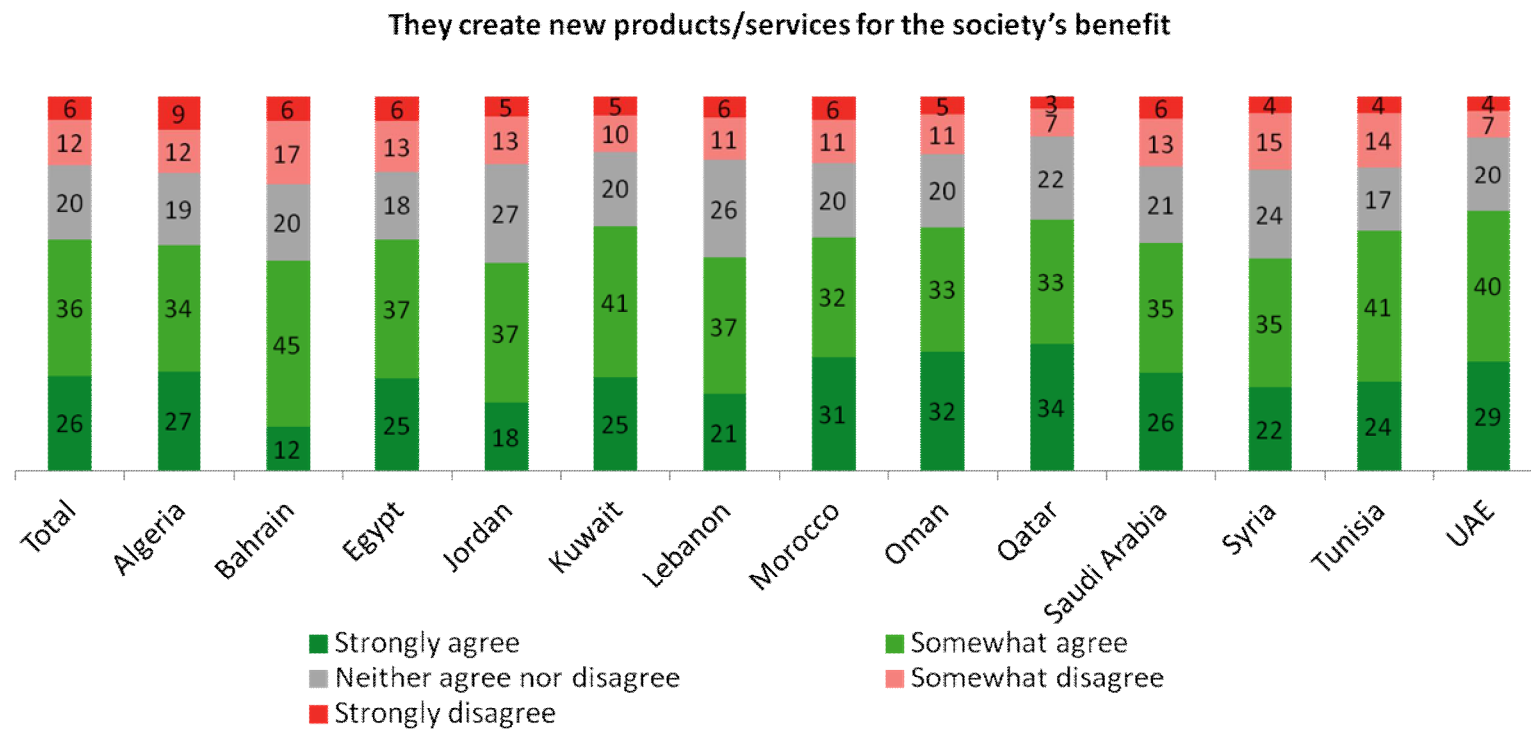


Base: Total(8776)

All figures are % s

Perceived image of entrepreneurs

Q16. Could you please tell us to what extent you agree or disagree with the following statements related to Entrepreneurs?

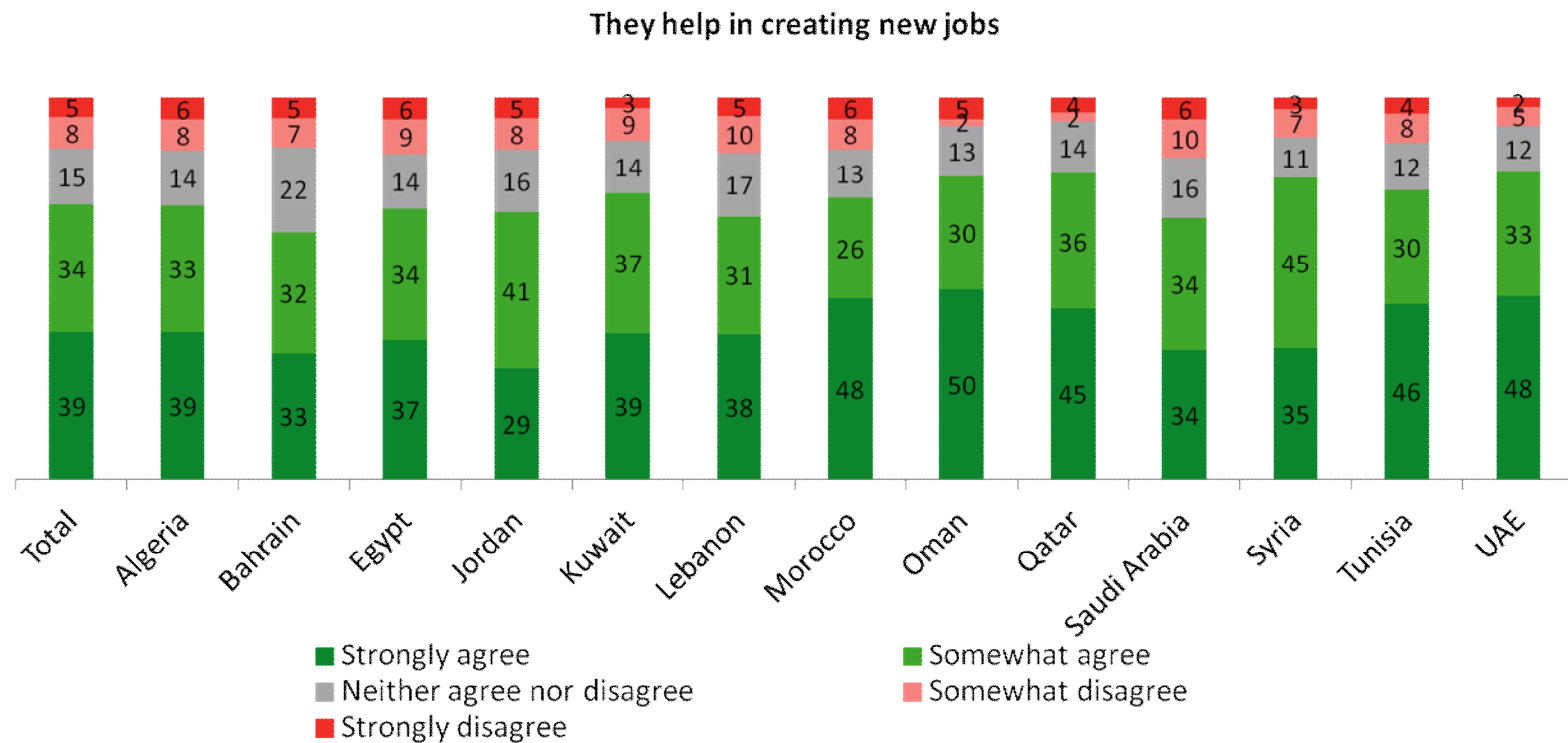


Base: Total(8776)

All figures are % s

Perceived image of entrepreneurs

Q16. Could you please tell us to what extent you agree or disagree with the following statements related to Entrepreneurs?

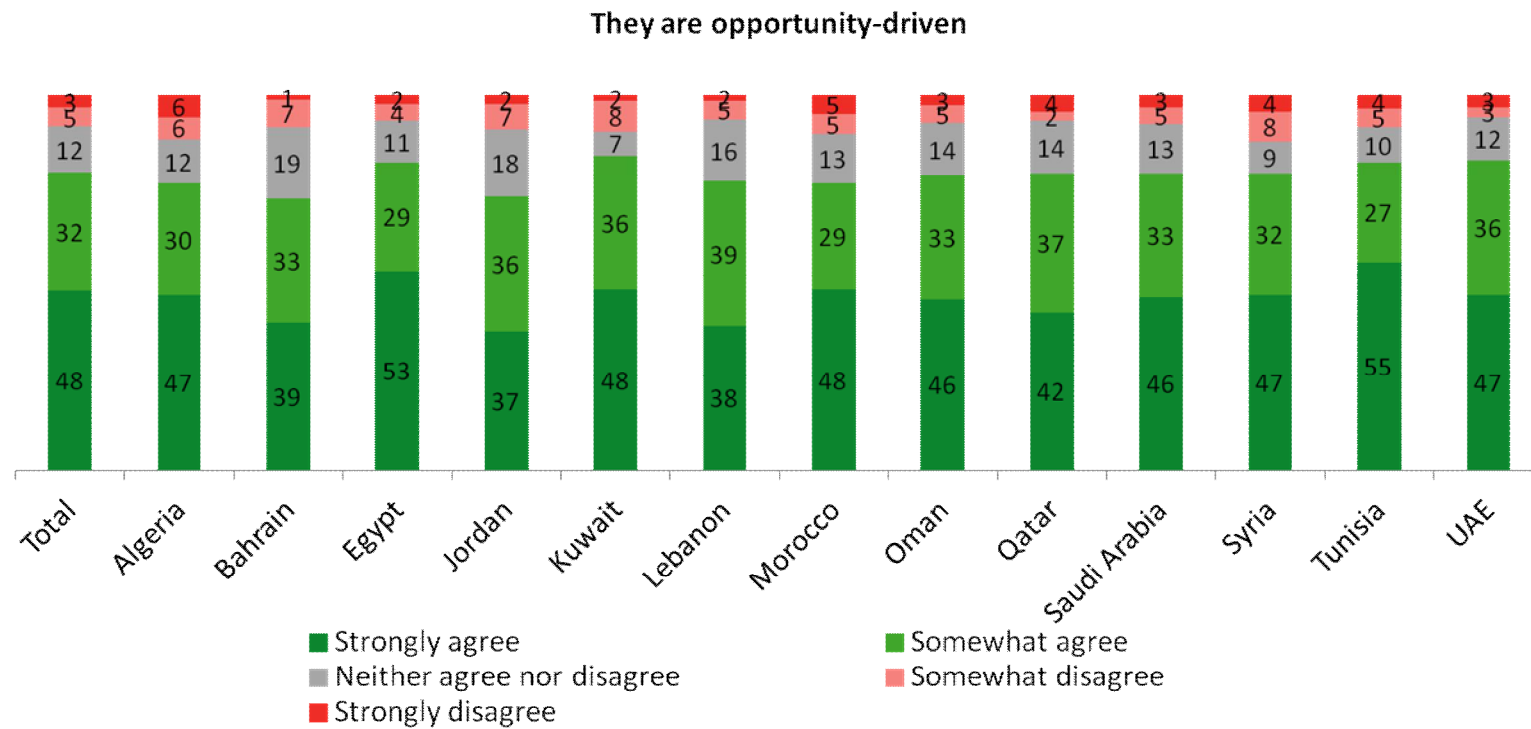


Base: Total(8776)

All figures are % s

Perceived image of entrepreneurs

Q16. Could you please tell us to what extent you agree or disagree with the following statements related to Entrepreneurs?



Base: Total(8776)

All figures are % s

 Thank you

