

The Bayt.com Entrepreneurship in MENA Survey

Nov 2017





Section 1

PROJECT BACKGROUND

Objectives

- This research was conducted to gain insights into the current level of understanding and interest in entrepreneurship within the region. The key objectives were to understand:
 - Current work preferences and reasons for being self employed vs. employed
 - Current level of entrepreneurship in the region
 - The perceived barriers to starting a business
 - The ease of setting up own business in current country of residence
 - Perception of entrepreneurs in the region

Key findings

- Findings show that more than three-fifths (62%) of respondents prefer to be self-employed, with this proportion being considerably lower in Pakistan (39%), Algeria and the UAE (both at 55%). 'Personal fulfillment' (53%) and 'freedom to choose work-life balance' (41%) emerge as the top reasons for preferring to be self-employed. On the other hand, those who prefer to seek employment in a company, do so mostly for the regular income and for learning new skills (both at 43%).
- Nearly 7 in 10 of those who are self-employed took the first step to establish their business in the last 5 years. 'Gaining greater independence in what they wanted to achieve' (32%), 'for more income' (29%), 'achieving a better work-life balance' (28%) and 'wanting to do what they love' (24%) arise at the top reasons for having started their own businesses.
- Over 6 in 10 are currently thinking of starting their own business (62%), while 20% have already tried but failed, with financial related reasons being the main obstacle preventing from doing so. This shows that although MENA residents have the entrepreneurial spirit, they may lack the financial resources to put them into action.
- Nearly three-fifths claimed it was difficult to start a business in their country of residence (58%) with residents in the Levant (61%) and North Africa (68%) claiming that to a greater extent. Over half also believes that the government could better support entrepreneurs by easing laws and regulations of setting up a business (53%).

Key findings

- When it comes to perceptions of entrepreneurship, Real Estate/ Property Development (11%) and Commerce/ Trade/ Retail (9%) are considered to be the most appealing industries for entrepreneurship, followed by IT/ Internet/ E-commerce (8%) and Consumer Goods/ FMCG (8%). According to respondents, procuring finances (62%) is the top concern while setting up a business.
- In regards to the perceived image of entrepreneurs, respondents most strongly agree with the statements that 'entrepreneurs are opportunity-driven' (82%) and 'entrepreneurs help in creating new jobs' (80%).
- Finally, the most important 'key to success' for entrepreneurship is innovation (27%) followed by employing the right people (25%).
- To conclude, being an entrepreneur is looked as a favorable career by respondents in the MENA region where a majority of respondents who are not self-employed aspire to become entrepreneurs. However, there are several barriers and gaps, particularly financial ones, prevent them from doing so.



Section 2

RESEARCH METHODOLOGY

Sample Definition

Age and Gender:

Adult males and females

Aged 18 and above

Nationalities:

Arabs, North Africans, Levantines, Westerns, Asians

Country of Residence

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

Levant: Lebanon, Jordan

North Africa: Egypt, Morocco, Algeria, Tunisia, Sudan

Others: Pakistan

Data Collection

All data was collected online. Fieldwork was done between 1 October and 22 October 2017.

The total number of successful online interviews achieved was 4,570.

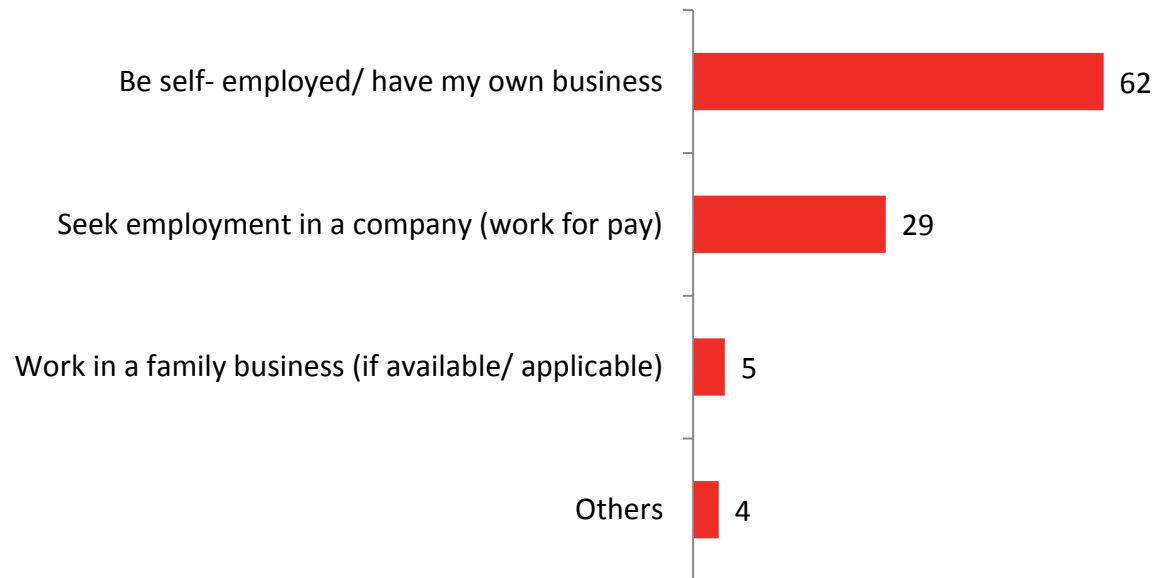


Section 3a

WORK STYLE PREFERENCES

Work style preference

- When asked about their work style preference, more than three-fifths (62%) of respondents claimed they would prefer to be self-employed. On the other hand, 29% claimed they would prefer to seek employment in a company.



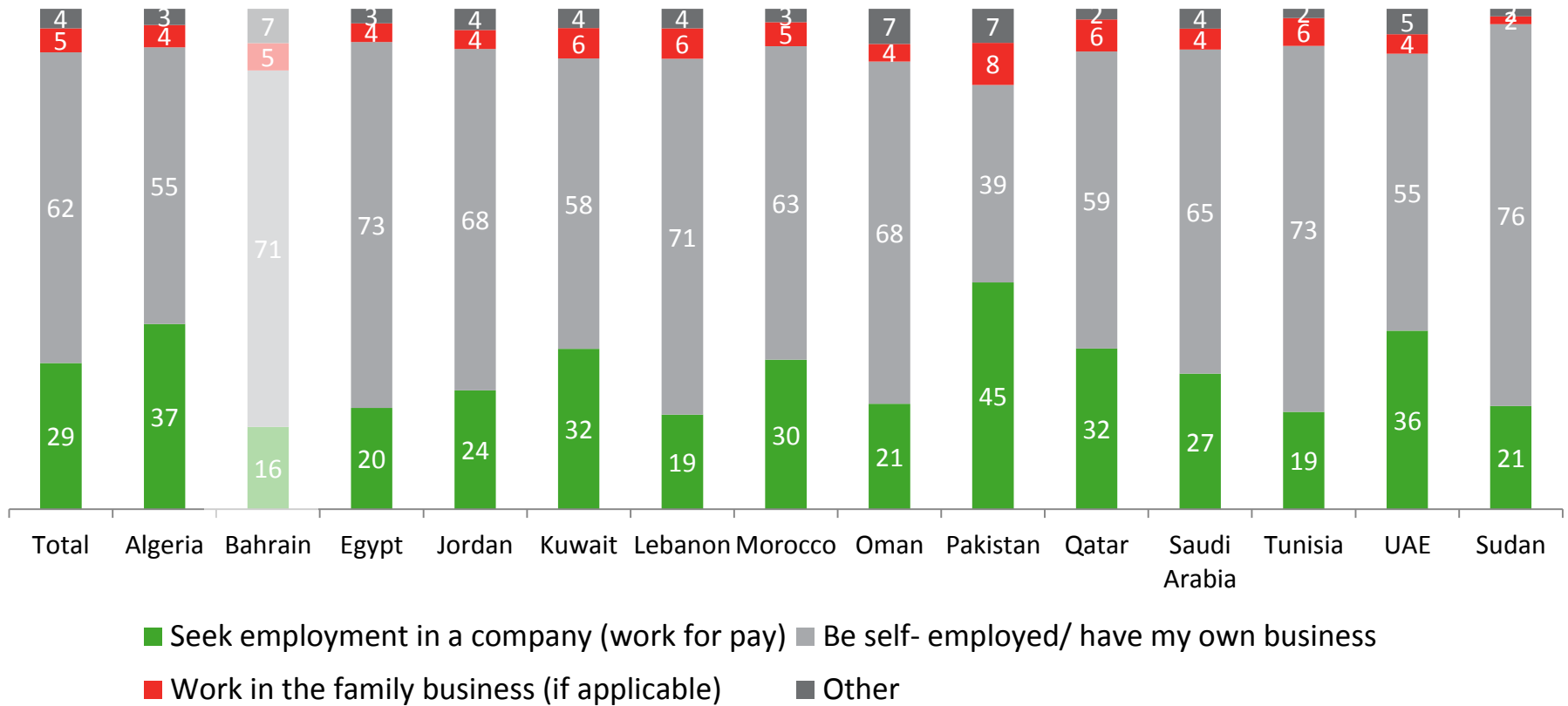
Q. Given the choice, what would you like to do? Please select one option from below.

Base: Total (4,570)

All figures are %'s

Work style preference

- This proportion of those interested in working for firms was considerably higher in Pakistan at 45%, Algeria (37%) and the UAE (36%).



Q. Given the choice, what would you like to do? Please select one option from below.

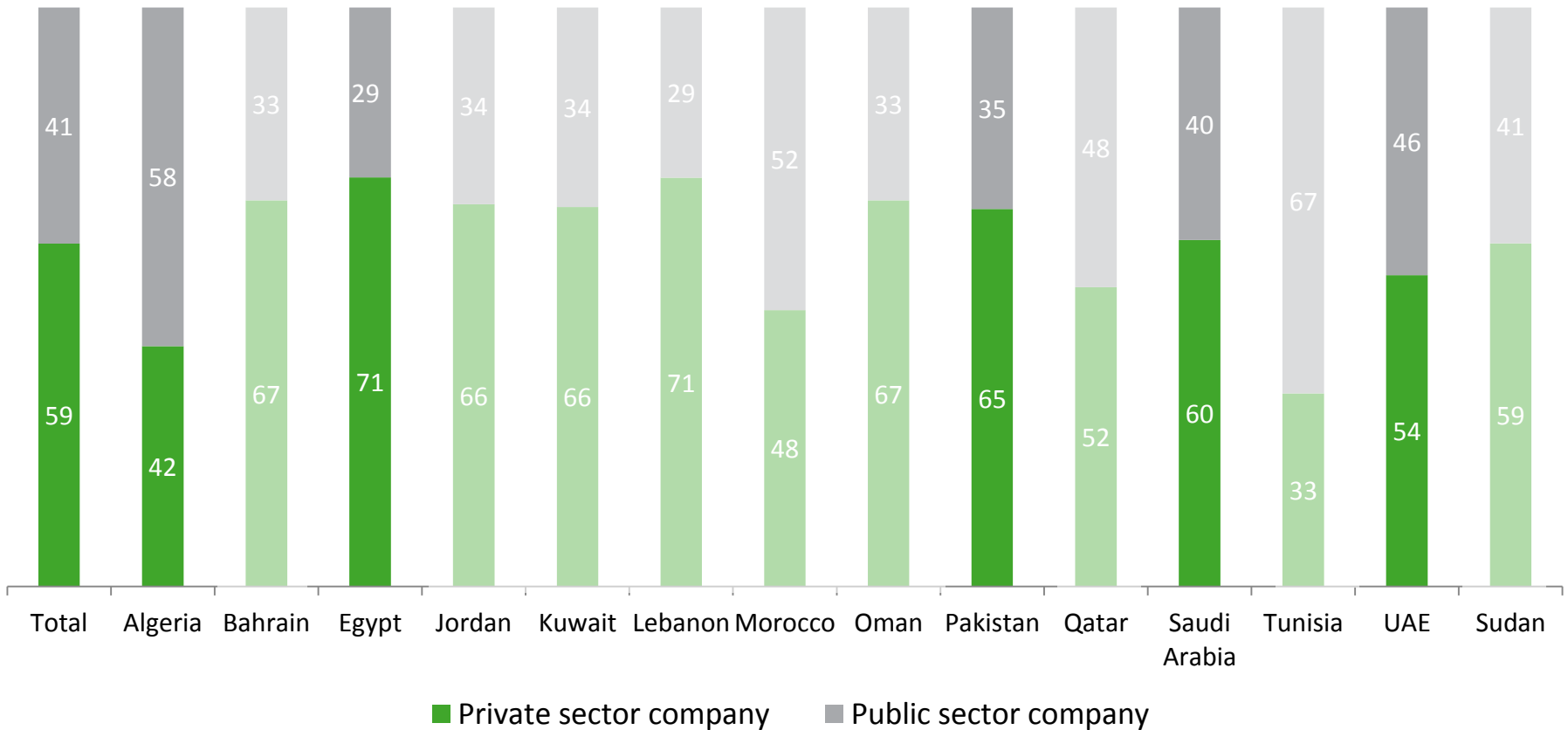
Base: Total (4,570)

All figures are %'s

Small bases for Bahrain (73 respondents)

Choice of sector

- Of those who prefer to seek employment in a company, 59% state that they would prefer to work for the private sector.



Q. Would you prefer to work for a?

Base: Those who say they would prefer to 'seek employment in a company (work for pay)' (1,333)

Small base for Jordan (50), Kuwait (58), Morocco (88), Qatar (60)
 very small base for Bahrain (12), Lebanon (34), Oman (24), Tunisia (21), Sudan (27)

All figures are %'s

Reasons for preferring to 'seek employment in a company'

- The main reasons for preferring to seek employment in a company are regular income and learning new skills (both at 43%). Stability of employment (35%), lack of finances to start their own business (31%), fixed working hours (30%) and benefits and perks (29%) follow.



Q. Why do you say that you would prefer to 'seek employment in a company (work for pay)'? Select 3 responses only

Base: Those who say they would prefer to 'seek employment in a company (work for pay)' (1,333)

All figures are %'s



Reasons for preferring to 'seek employment in a company' – By country (1/2)

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Pakistan	Qatar	Saudi Arabia	Tunisia	UAE	Sudan
Base:	1,333	159	12*	167	50*	58*	34*	88*	24*	247	60*	219	21*	119	27*
Learning new skills	43	41	50	40	38	34	47	40	33	42	48	50	52	47	48
Regular income	43	34	75	47	38	47	32	31	46	49	40	45	38	50	33
Stability of employment/ job security	35	45	33	26	44	43	59	31	25	20	40	40	43	46	19
Lack of finances to start own business	31	32	25	28	36	26	24	40	42	30	40	32	29	22	26
Fixed working hours	30	23	17	29	32	34	41	28	29	34	27	30	29	34	15
Benefits and perks	29	43	33	31	40	21	29	38	25	21	23	23	43	24	52
Unfavorable economic conditions	19	21	33	34	22	9	9	28	17	11	10	19	10	7	37
Political system/ gov. difficulty to start own business	12	18	8	16	8	14	6	17	21	9	7	10	-	6	26
No investment required	12	4	-	4	2	17	24	3	29	29	12	4	5	24	4

Q. 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)' (1,333)

All figures are %'s

*Small / very small base, please read data carefully



Reasons for preferring to 'seek employment in a company' – By country (2/2)

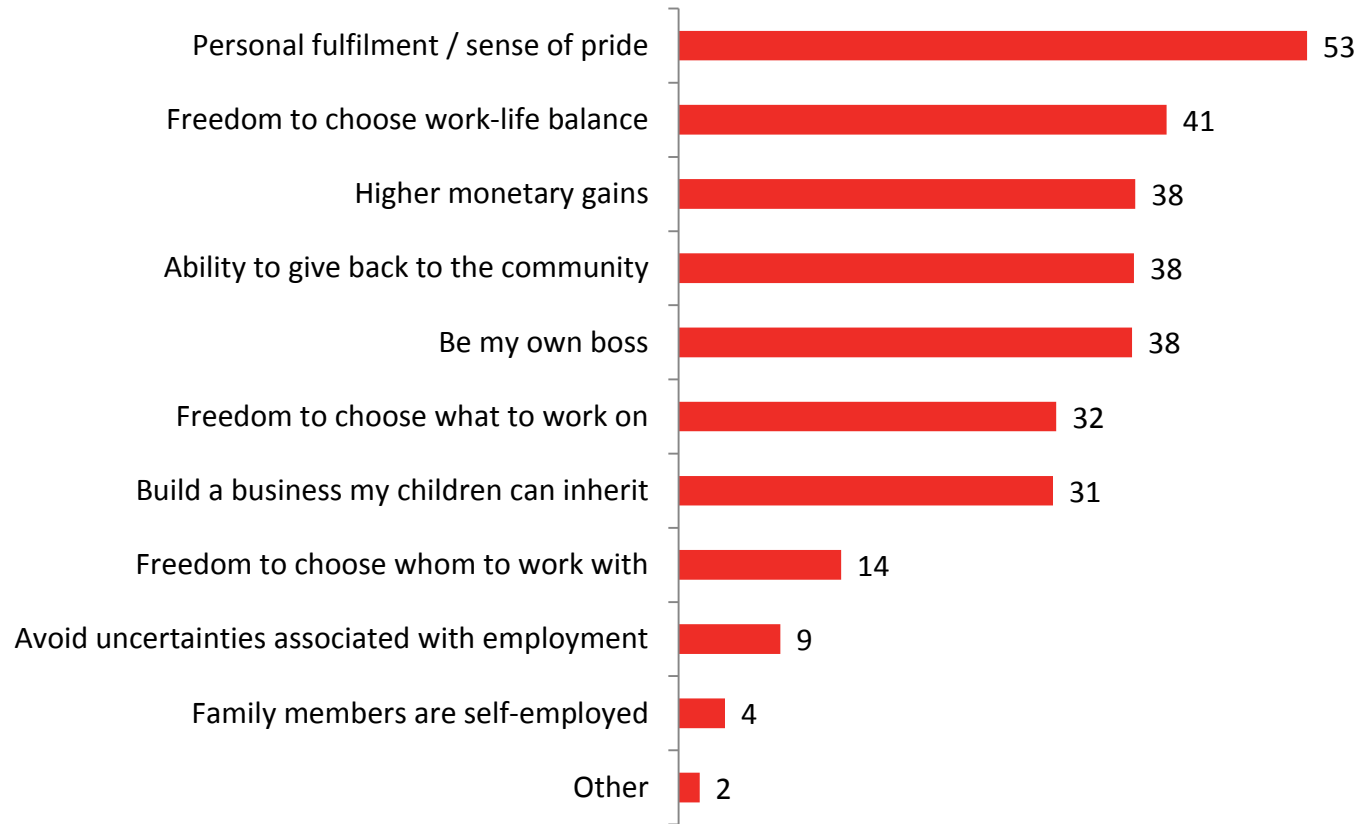
	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Pakistan	Qatar	Saudi Arabia	Tunisia	UAE	Sudan
Base:	1,333	159	12*	167	50*	58*	34*	88*	24*	247	60*	219	21*	119	27*
Lack of an appropriate business idea	10	9	-	10	4	9	6	18	13	10	12	13	-	6	7
Consistent resources/ flow of work	10	8	8	8	10	16	-	6	4	11	15	9	19	12	4
Lack of necessary skills to be self-employed	9	10	8	8	8	7	12	8	8	12	3	9	29	4	15
Little risk involved	8	4	8	9	8	17	9	2	4	11	18	8	-	8	-
Lack the confidence for running own business	8	7	-	8	10	7	3	9	4	9	5	5	5	9	15

Q. 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)' (1,333)

Reasons for preferring to be 'self-employed'

- 'Personal fulfillment' (53%) and 'freedom to choose work-life balance' (41%) emerge as the top reasons for preferring to be self-employed. 'Be my own boss', 'ability to give back to the community' and 'higher monetary gains' follow (all at 38%).



Q. Why do you say that you would prefer to 'be self- employed/ have my own business'?

Base: Those who say they would prefer to 'be self- employed/ have my own business' (2,839)

All figures are %'s

Reasons for preferring to be 'self-employed' – By country

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Pakistan	Qatar	Saudi Arabia	Tunisia	UAE	Sudan
Base:	2,839	238	52*	604	144	105	128	185	78*	215	111	525	79*	185	100
Personal fulfilment / sense of pride	53	45	46	68	60	43	38	65	29	32	35	57	59	49	46
Freedom to choose work-life balance	41	48	48	38	42	42	41	45	40	42	47	36	35	42	50
Higher monetary gains	38	32	27	45	40	37	30	25	29	26	41	44	53	34	44
Ability to give back to the community	38	48	37	36	36	29	23	53	40	35	37	40	35	32	50
Be my own boss	38	40	40	35	35	46	53	37	45	45	47	33	44	36	21
Freedom to choose what to work on	32	31	33	24	30	29	38	28	40	40	32	32	30	43	37
Build a business my children can inherit	31	27	37	37	27	37	30	19	38	28	28	36	29	25	32
Freedom to choose whom to work with	14	15	17	10	16	18	25	15	21	22	15	10	6	16	7
Avoid uncertainties associated with employment	9	8	12	4	8	12	13	8	14	14	13	7	5	15	8
Family members are self-employed	4	5	2	1	2	7	4	4	3	14	5	3	1	5	3

Q. 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' (2,839)

All figures are %'s

*Small / very small base, please read data carefully

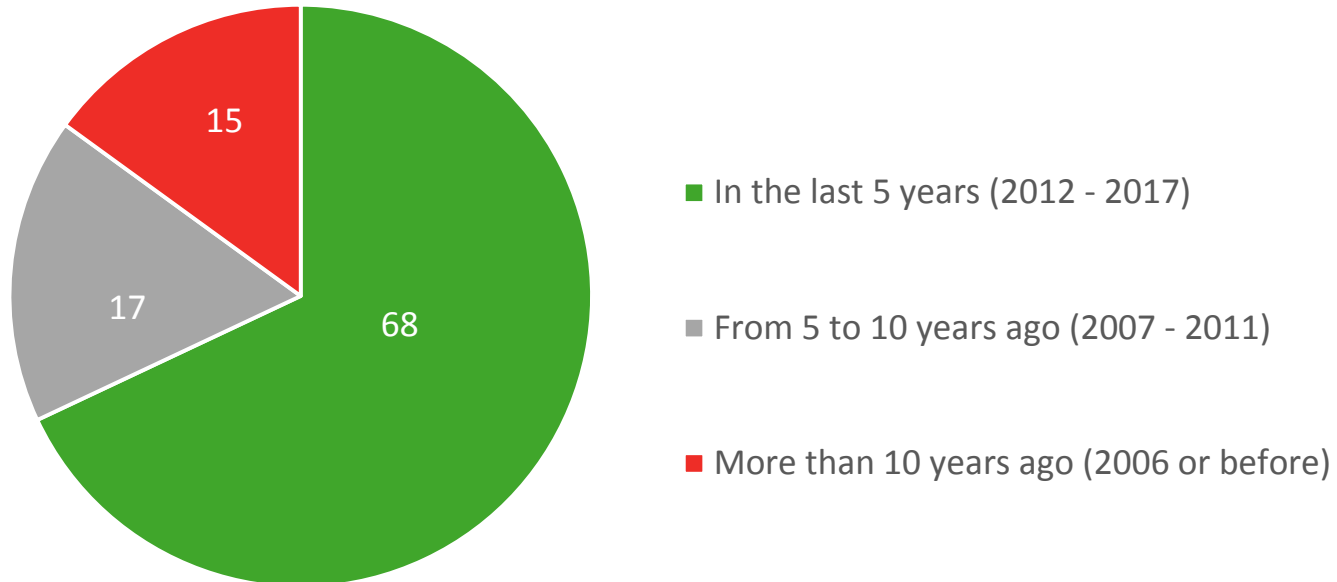


Section 3b

SELF-EMPLOYMENT

Age of business (those self-employed)

- Of those who are self-employed, nearly 7 in 10 respondents took the first step to establish their business in the last 5 years.



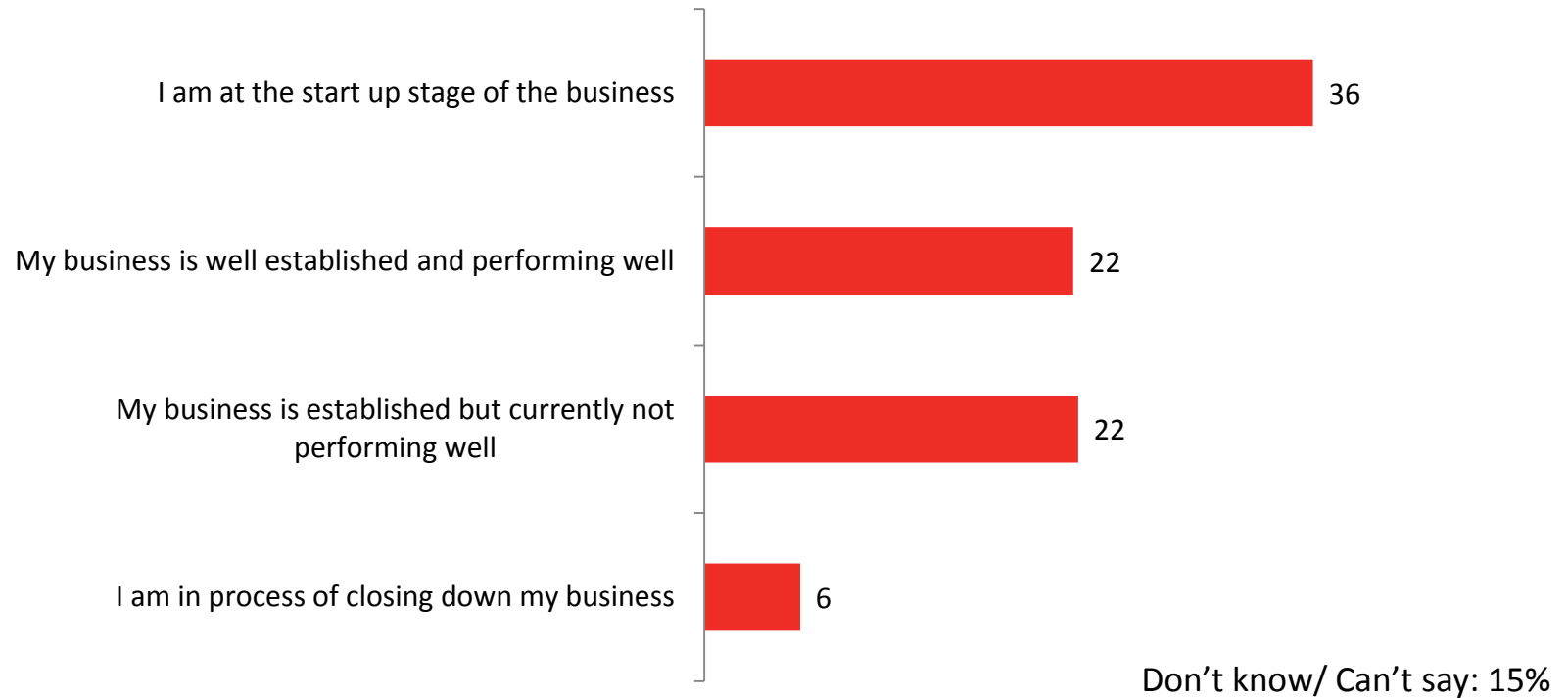
Q. You said you are self-employed / have your own business. When did you take the first step to establish it?

Base: Those self-employed (356)

All figures are %'s

Current stage of business (those self-employed)

- When it comes to the current stage of their business, over a third of the self-employed are at the start up stage of the business (36%), while another 22% claim that their business is established and performing well (22%). On the other hand, 22% say their business is established but not performing well



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

Base: Those self-employed (356)

All figures are %'s

Reason for starting own business (those self-employed)

- 'Gaining greater independence in what they wanted to achieve' (32%), 'for more income' (29%), 'achieving a better work-life balance' (28%) and 'wanting to do what they love' (24%) arise as the top reasons for starting their own businesses



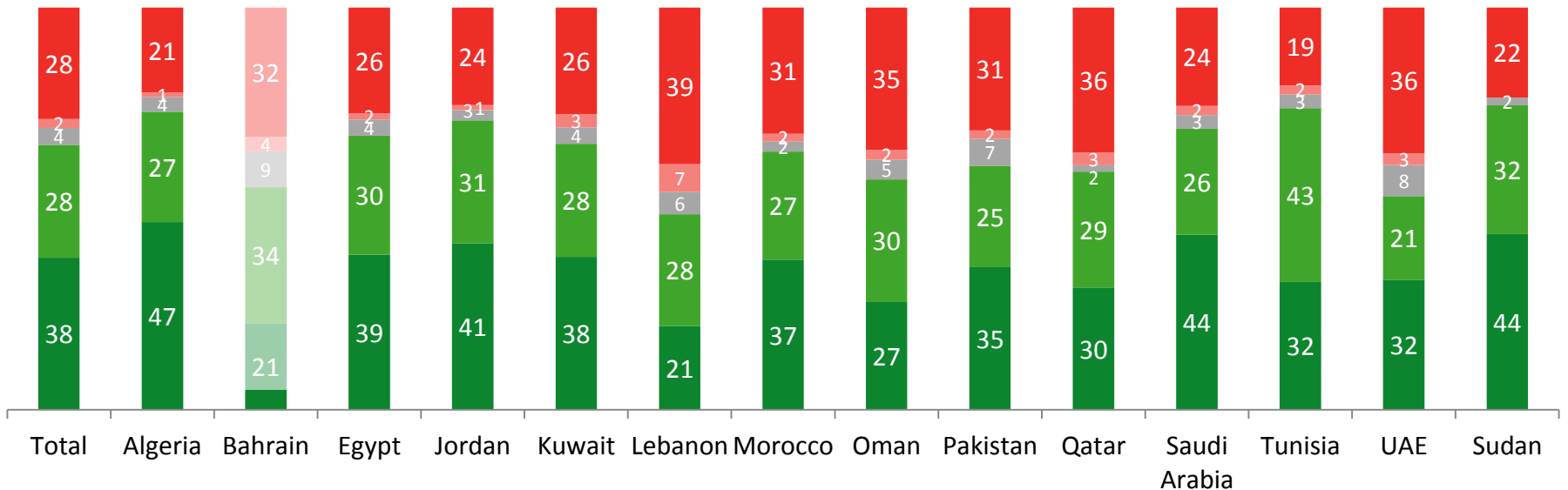
Q. Why did you decide to start your own business in the first instance?

Base: Those self-employed (356)

All figures are %'s

Hiring plans for the next year

- Two-thirds of respondents are planning to hire for their business in the next year



■ Definitely hiring
 ■ Probably hiring
 ■ Probably not hiring
 ■ Definitely not hiring
 ■ I don't know / I'm not sure

Q. Are you planning to hire for your business within the next 12 months?

Base: Those who are self-employed or employed in a family business (3,151)

All figures are %'s

Small base for Tunisia (88), Oman (82), very small base for Bahrain (56)

Personal ambition for business and future

- Over a third of respondents have personal ambitions to grow their business further in their country of residence (36%), followed by 22% who aim to become a major international group.



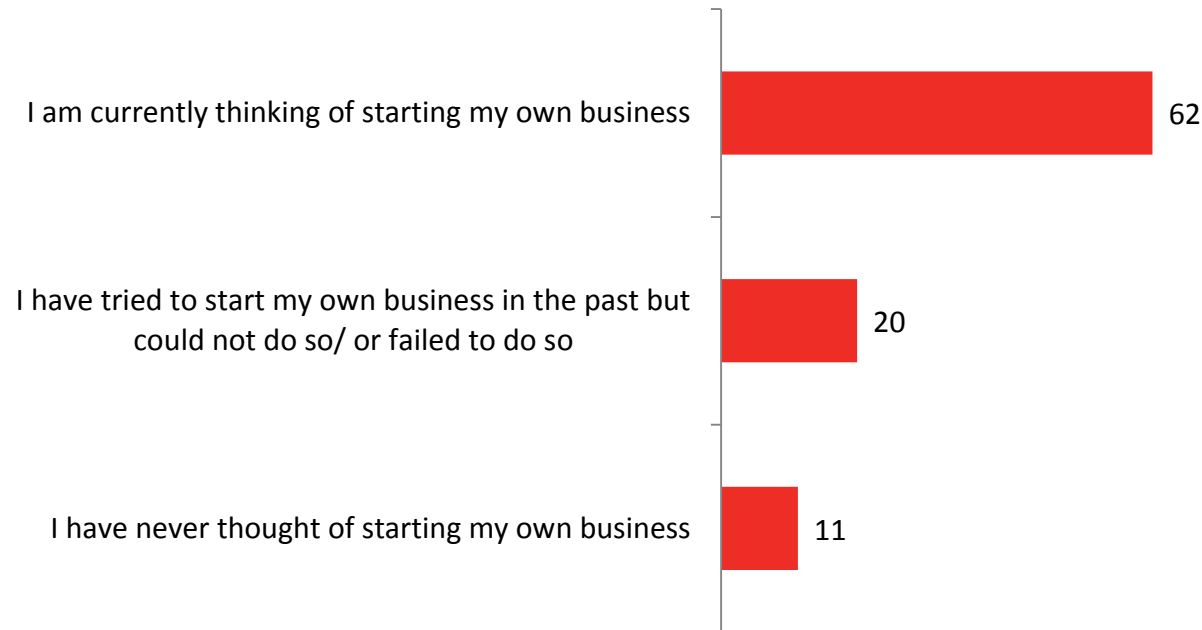
Q. Which of the following best describes your personal ambition for your business and future growth?

Base: Those who are self-employed (356)

All figures are %'s

Attempt to start own business (those currently employed)

- When it comes to those who are currently employed, almost 6 in 10 are currently thinking of starting their own business. 17% of respondents have tried to start their own business but have failed, while 15% never thought of starting their own business.



Don't know/ Can't say: 7%

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

Base: Those currently employed in the public/ private sector (4,797)

All figures are %'s

Attempt to start own business (those currently employed)

– By country

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Pakistan	Qatar	Saudi Arabia	Tunisia	UAE	Sudan
Base:	2,407	172	44*	438	119	124	82*	81*	75*	252	141	453	43*	222	93*
I have tried to start my own business in the past but could not do so/ or failed to do so	21	18	23	23	29	21	21	10	21	16	16	21	23	19	27
I am currently thinking of starting my own business	59	64	59	64	45	62	59	67	65	50	67	56	56	59	59
I have never thought of starting my own business	10	10	9	7	20	10	9	15	5	11	7	12	7	13	11
Don't know/ Can't say	10	8	9	6	7	7	12	9	8	23	11	11	14	10	3

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

Base: Those currently employed in the public/ private sector (2,407)

All figures are %'s

*Small / very small base, please read data carefully

Challenges faced in starting a business (those who tried but couldn't/ failed to do so)

- Of those who tried to start a business in the past, financial-related obstacles were the main reasons preventing them from starting their own business.



Q. 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 (494)

All figures are %'s

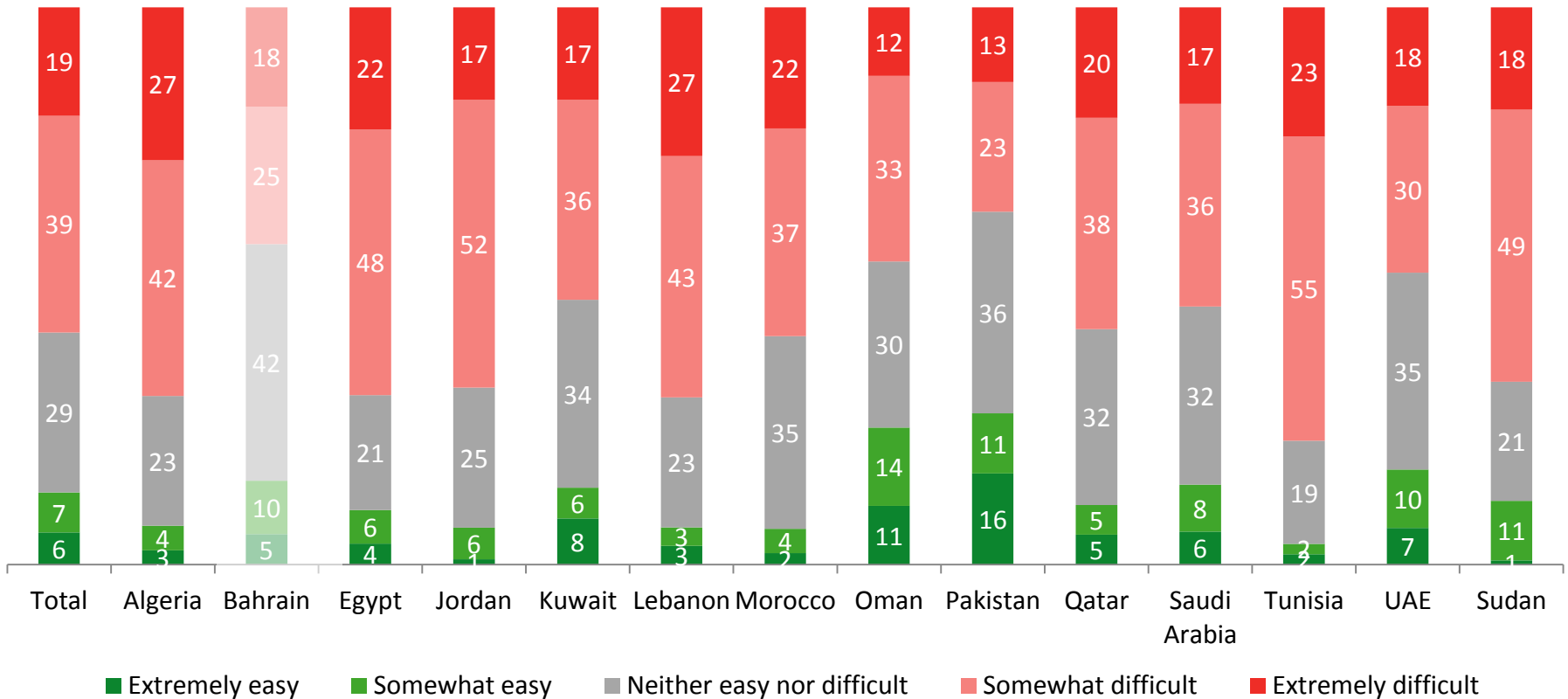


Section 3c

PERCEPTION OF ENTREPRENEURSHIP

Ease of setting up own business

- Nearly three-fifths claimed it was difficult to start a business in their country of residence (58%).
- Respondents in the Levant (61%) and North Africa (68%) believe that to a greater extent when compared to GCC respondents (52%).



Q. 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?

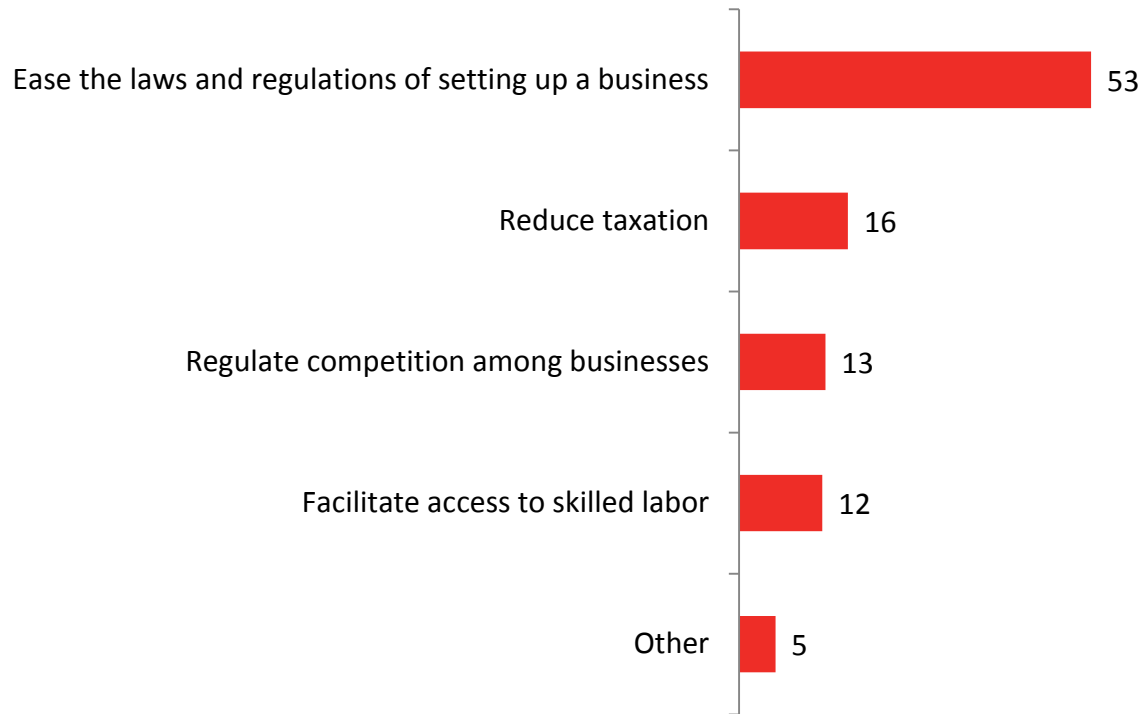
Base: Total (4,570)

All figures are %'s

Small bases for Bahrain (73 respondents)

Government support for entrepreneurs

- Over half of respondents believe that the government could better support entrepreneurs by easing laws and regulations of setting up a business (53%).



Q. How do you think governments could better support entrepreneurs?

Base: Total (4,570)

All figures are %'s

Government support for entrepreneurs – By country

- Taxation reduction is echoed more strongly in Jordan (39%).

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Pakistan	Qatar	Saudi Arabia	Tunisia	UAE	Sudan
Base:	4,570	430	73*	826	211	181	180	295	114	545	187	810	108	334	131
Ease the laws and regulations of setting up a business	53	53	55	62	40	59	36	47	64	29	61	63	57	52	56
Reduce taxation	16	15	16	14	39	7	23	25	9	20	10	9	20	16	27
Regulate competition among businesses	13	14	10	11	9	18	19	12	13	19	13	10	9	13	8
Facilitate access to skilled labor	12	11	14	7	6	12	17	10	11	26	12	14	9	13	4

Q. How do you think governments could better support entrepreneurs?

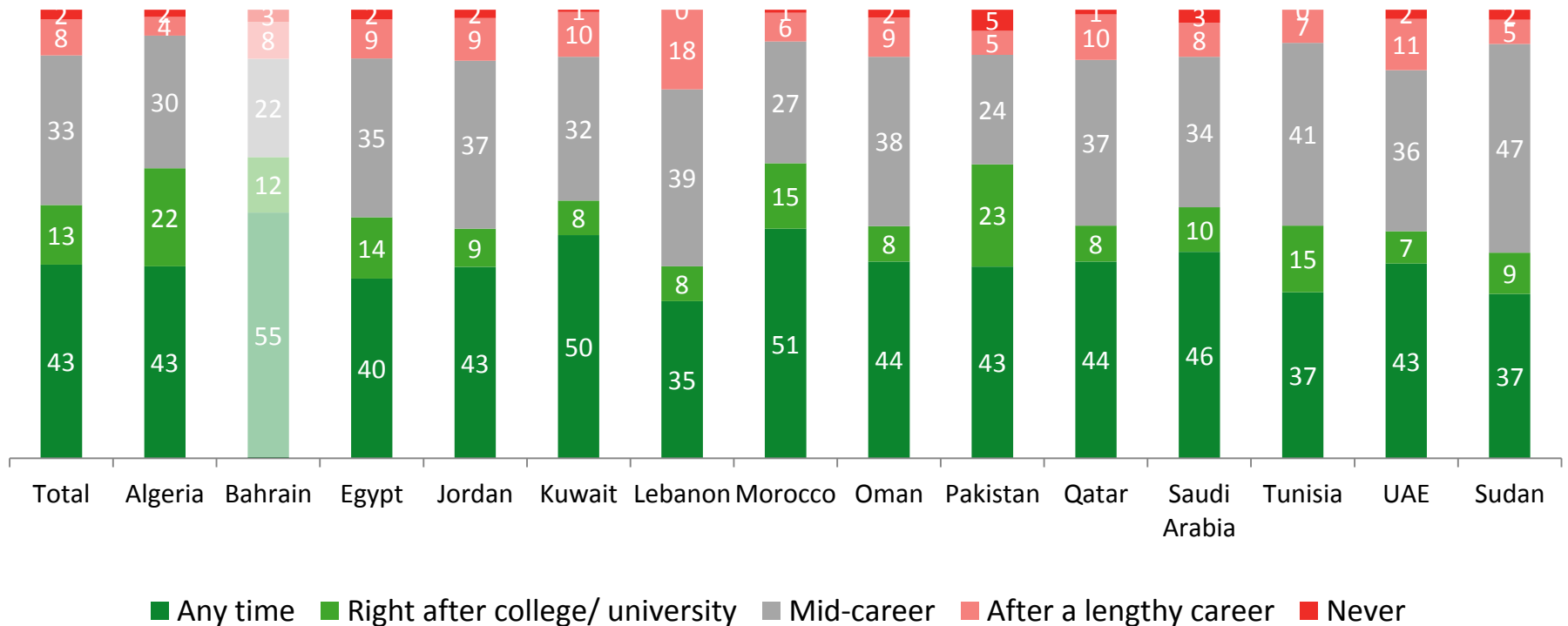
Base: Total (4,570)

All figures are %'s

*Small base, please read data carefully

Best time to start a business

- 43% of respondents mentioned that starting a business can be done any time while a third consider the best time to be mid-career (33%).



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

Base: Total (4,570)

All figures are %'s

Small bases for Bahrain (73 respondents)

Advice to aspiring entrepreneurs

- 'Not being afraid of failure' (44%) is by far the best advice to aspiring entrepreneurs.
- Having a great business follows at 12%.



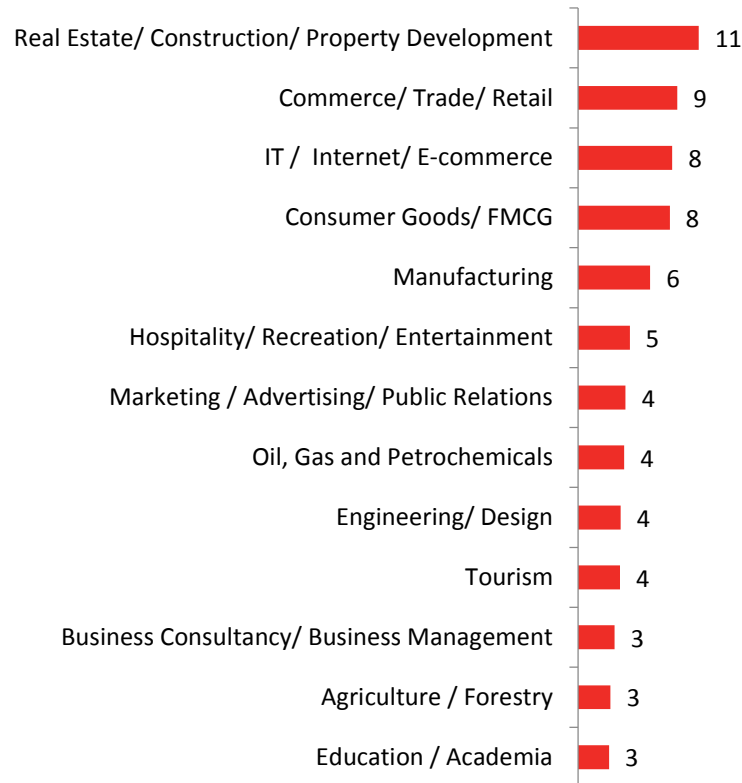
Q. What do you think is the single best advice to an aspiring entrepreneur?

Base: Total (4,570)

All figures are %'s

Most appealing industry for entrepreneurship

- The most appealing industries for entrepreneurship are considered to be Real Estate/ Property Development (11%) and Commerce/ Trade/ Retail (9%) followed by IT/ Internet/ E-commerce (8%) and Consumer Goods/ FMCG (8%).



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

Base: Total (4,570)

Only industries >2% are presented

All figures are %'s

Most appealing industry for entrepreneurship

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Pakistan	Qatar	Saudi Arabia	Tunisia	UAE	Sudan
Base:	4,570	430	73*	826	211	181	180	295	114	545	187	810	108	334	131
Real Estate/ Construction	11	8	10	15	6	9	6	15	9	7	18	10	11	10	10
Commerce/ Trade/ Retail	9	8	5	12	12	12	6	11	8	3	5	10	10	8	9
IT / Internet/ E-commerce	8	7	11	10	12	9	6	8	4	7	9	9	8	6	11
Consumer Goods/ FMCG	8	5	15	9	9	8	11	10	7	4	7	10	8	8	7
Manufacturing	6	10	1	10	6	5	2	6	4	4	7	5	13	4	8
Hospitality/ Entertainment	5	2	7	2	4	4	15	5	5	3	6	5	3	10	2
Marketing / Advertising/ Public Relations	4	3	3	4	3	6	3	5	1	7	3	5	4	5	1
Oil, Gas and Petrochemicals	4	8	4	3	2	13	1	3	7	3	7	3	8	2	2
Engineering/ Design	4	5	3	3	3	2	7	3	7	6	4	3	2	4	2
Tourism	4	7	3	4	4	2	4	4	8	2	3	3	2	6	1
Business Consultancy/ Business Management	3	4	4	2	4	2	4	2	4	4	3	4	4	2	5
Agriculture / Forestry	3	9	1	2	1	1	1	2	-	3	5	1	5	2	12
Education / Academia	3	1	4	2	4	3	2	1	6	7	1	2	3	2	4

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

Base: Total (4,570)

Only industries >2% are presented

All figures are %'s

Small base for Bahrain (73 respondents)

Top concerns while setting up business

- The top concern of respondents while setting up their own business, would be procuring finances to start (62%), the uncertainty of profit/ income (37%).
- Hiring the wrong people is a higher concern in North Africa (40%) as compared to 29% in the Levant and 27% in the GCC.



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

Base: Total (4,570)

All figures are %'s

Top concerns while setting up business – By country

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Pakistan	Qatar	Saudi Arabia	Tunisia	UAE	Sudan
Base:	4,570	430	73*	826	211	181	180	295	114	545	187	810	108	334	131
Procuring finances to start	62	69	55	61	70	51	53	74	61	41	58	67	74	56	79
Uncertainty of profit/income	37	27	45	37	39	42	48	29	36	46	41	35	19	42	26
Need to establish the 'right' contacts	31	21	37	19	31	39	32	22	40	51	45	26	20	43	37
Hiring the wrong people	32	49	21	36	36	21	29	39	30	18	17	33	40	22	40
Need to put in a lot of time, energy and effort	31	21	37	19	31	39	32	22	40	51	45	26	20	43	37
Making a loss	26	25	16	39	26	21	22	32	15	16	13	30	24	19	20
Lack of good advice and mentorship	25	30	18	23	26	22	21	31	31	29	20	25	26	23	23
Business idea not being accepted in the marketplace	24	26	26	27	26	28	29	21	23	19	22	23	21	19	19
Finding the correct insurance cover	17	11	15	15	17	14	15	20	18	24	14	17	18	16	19
Failure to comply with legislation, regulation and/or standards	13	14	19	16	8	14	11	7	11	7	20	16	15	14	11

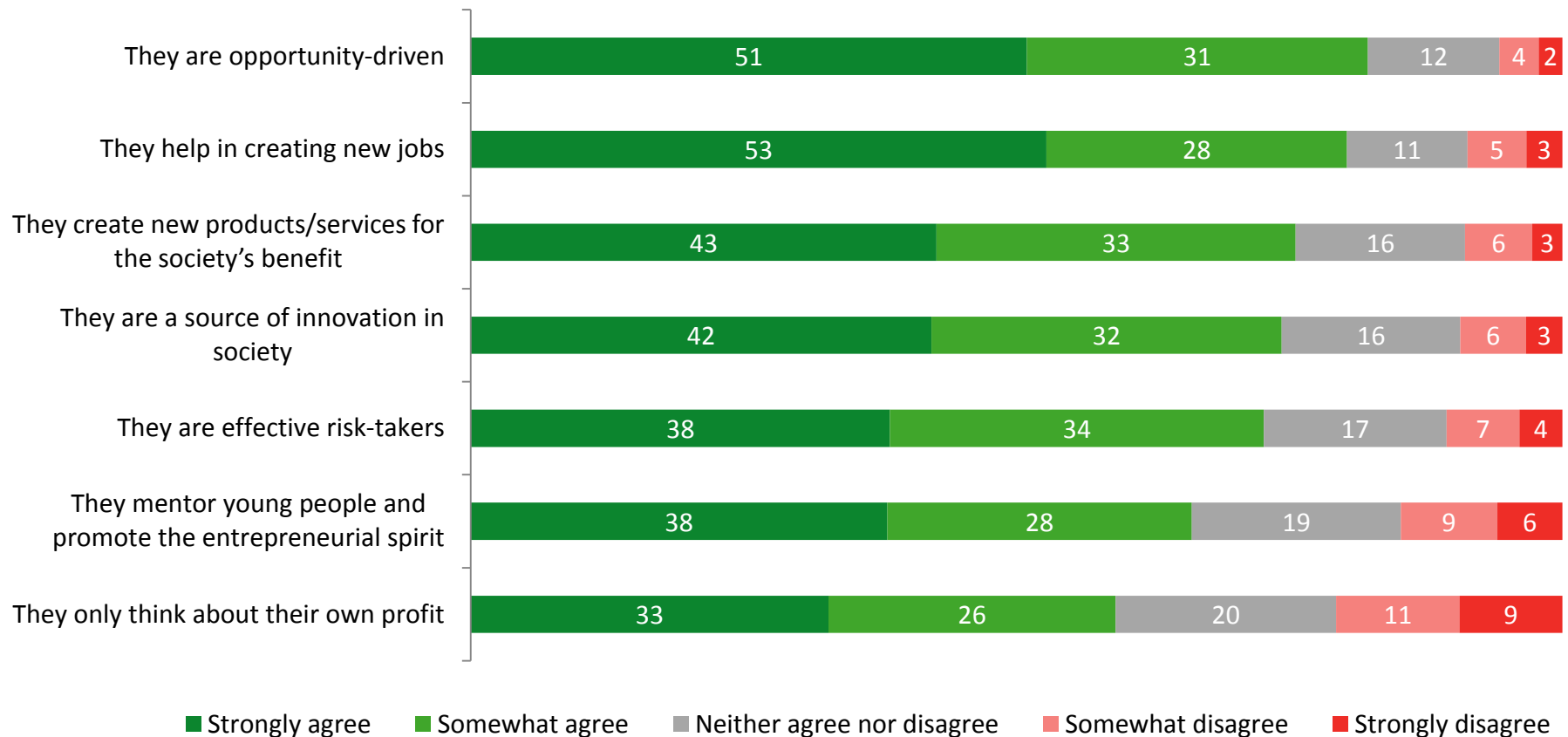
Q. Imagine if you were to set up your own business today (in your current country of residence), what are the top 3 things that you would be most concerned about?

Base: Total (4,570)

All figures are %'s Small base for Bahrain (73 respondents)

Perceived image of entrepreneurs

- Respondents perceive entrepreneurs to be opportunity-driven (82%) and they help in creating new jobs (80%).



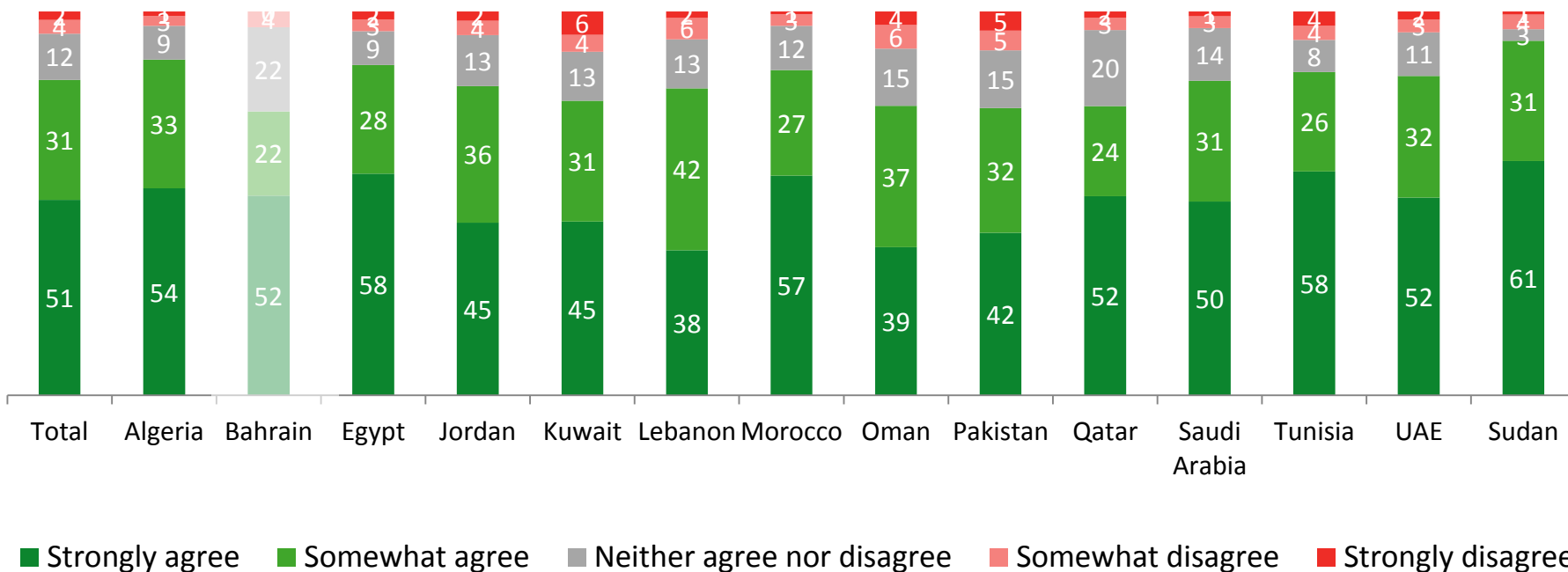
Q. Could you please tell us to what extent you agree or disagree with the following statements related to entrepreneurs?

Base: Total (4,570)

All figures are %'s

Perceived image of entrepreneurs – Are they opportunity-driven?

- Respondents in North Africa (87%) perceive entrepreneurs to be opportunity-driven more than those in Levant (82%) and GCC (80%).



Q. Could you please tell us to what extent you agree or disagree with the following statements related to entrepreneurs?
 ... They are opportunity driven

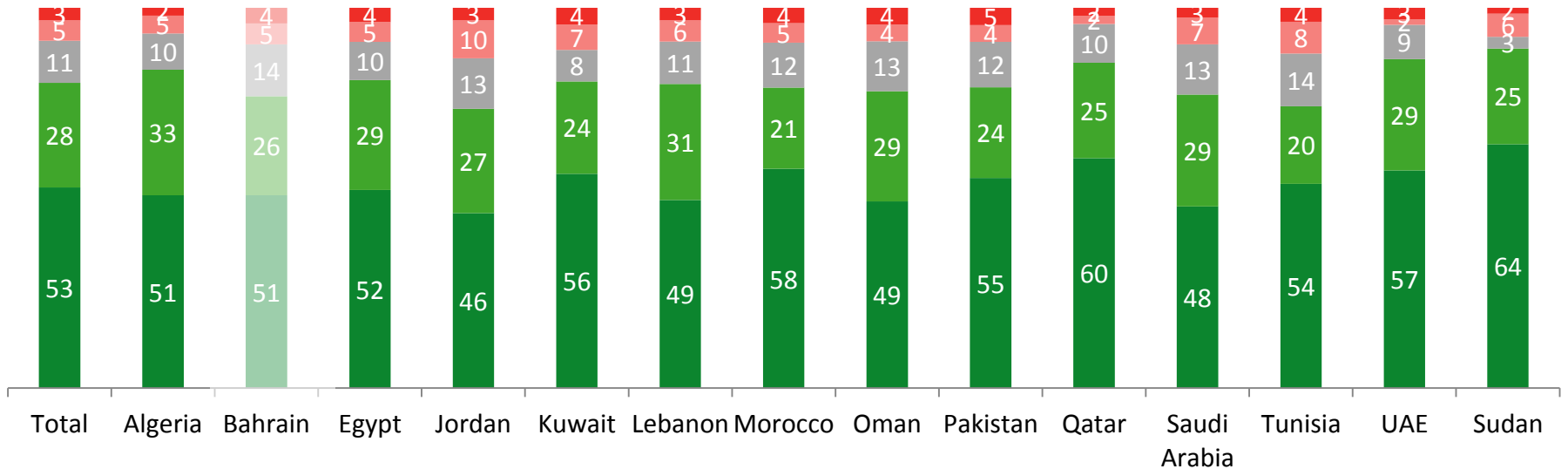
Base: Total (4,570)

All figures are %'s

Small base for Bahrain (73 respondents)

Perceived image of entrepreneurs – Creation of new jobs

- Respondents in the UAE (87%) and Sudan (89%) agree that entrepreneurs help in creation of new jobs.



■ Strongly agree
 ■ Somewhat agree
 ■ Neither agree nor disagree
 ■ Somewhat disagree
 ■ Strongly disagree

Q. Could you please tell us to what extent you agree or disagree with the following statements related to entrepreneurs?
 ... They help in creating new jobs

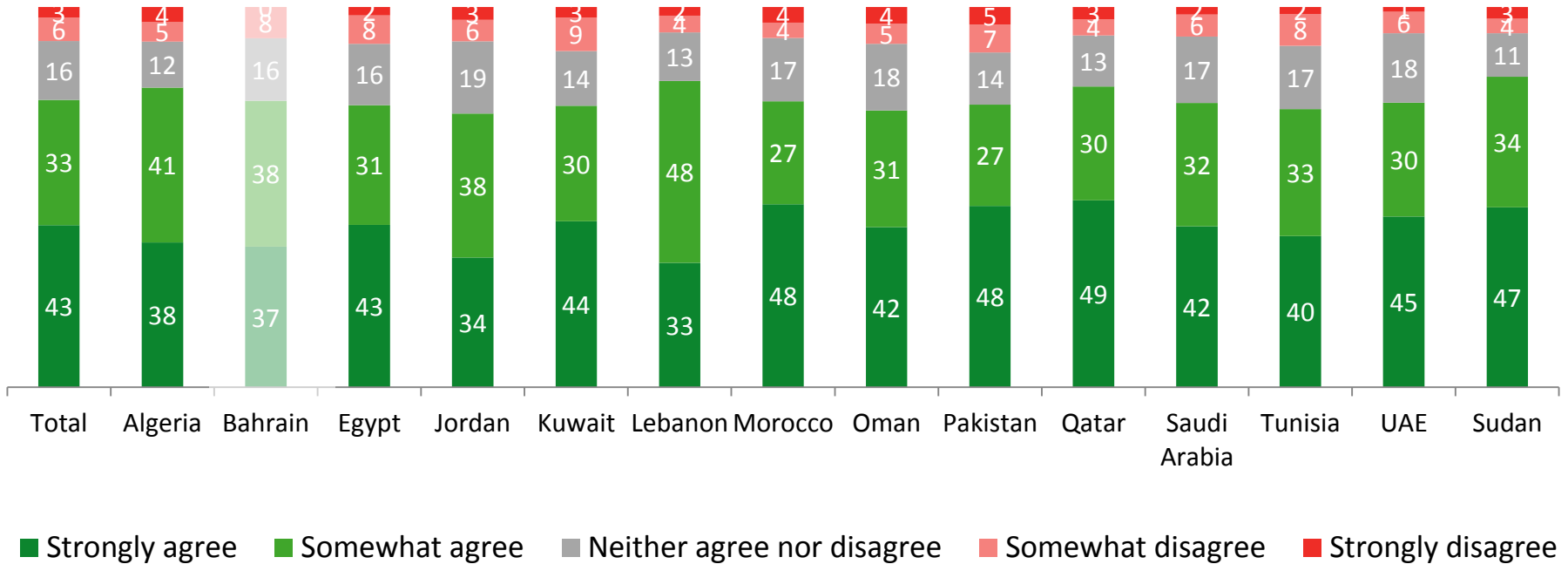
Base: Total (4,570)

All figures are %'s

Small base for Bahrain (73 respondents)

Perceived image of entrepreneurs – Creation of products/ Services

- Slightly over three-quarters of respondents perceive entrepreneurs to create products or services for the society's benefit.



Q. Could you please tell us to what extent you agree or disagree with the following statements related to entrepreneurs?
 ... They create new products/services for the society's benefit

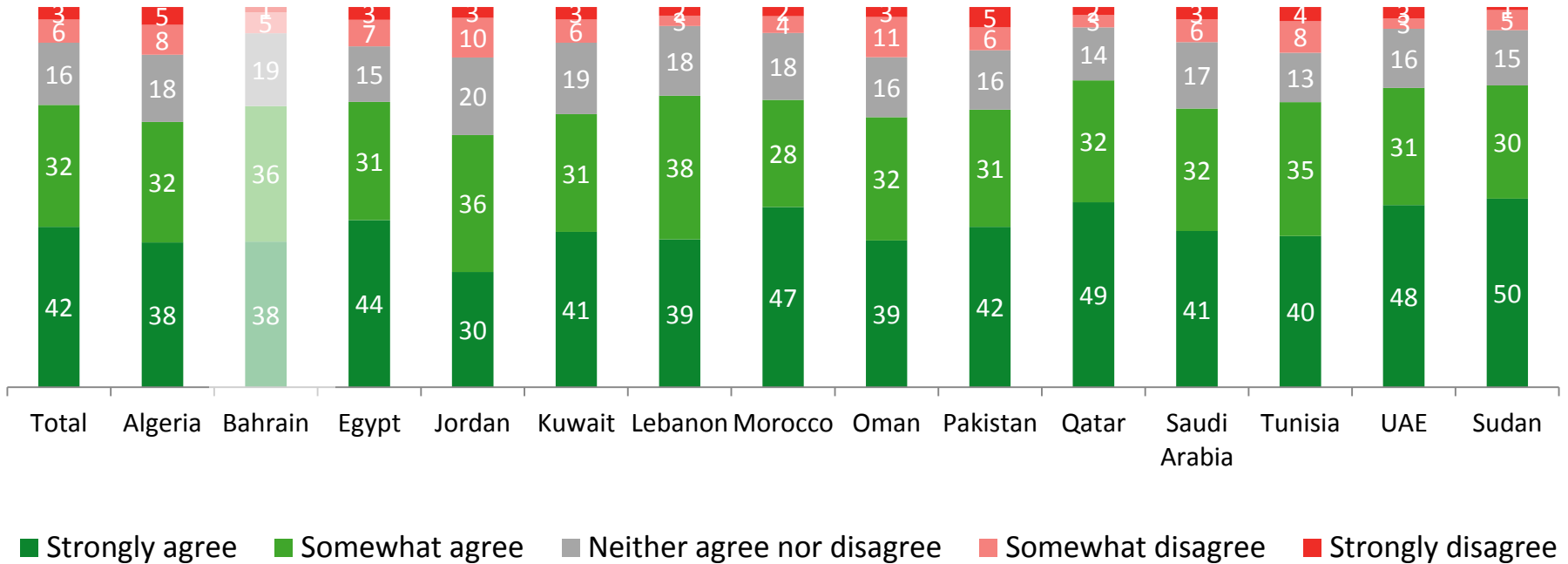
Base: Total (4,570)

All figures are %'s

Small base for Bahrain (73 respondents)

Perceived image of entrepreneurs – Source of innovation

- Close to three-quarters of respondents (74%) perceive entrepreneurs to be the source of innovation in society.



Q. Could you please tell us to what extent you agree or disagree with the following statements related to entrepreneurs?
 ... They are a source of innovation in society

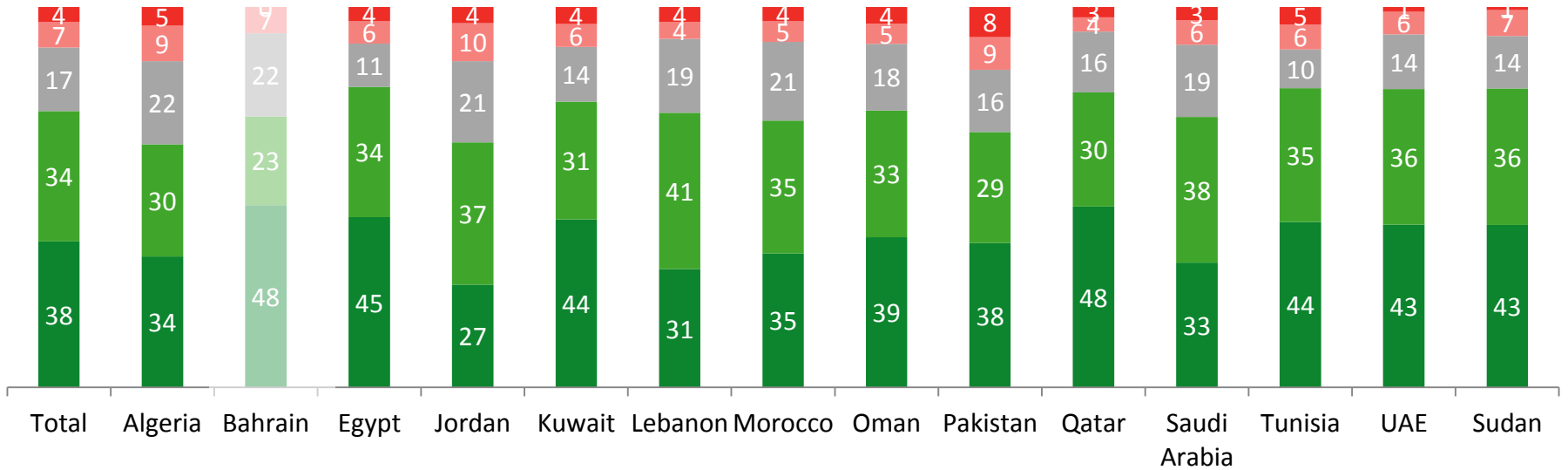
Base: Total (4,570)

All figures are %'s

Small base for Bahrain (73 respondents)

Perceived image of entrepreneurs – Effective risk-takers

- Respondents in Egypt (79%), Tunisia (79%), the UAE (78%) and Qatar (78%) perceive entrepreneurs to be effective risk-takers.



■ Strongly agree
 ■ Somewhat agree
 ■ Neither agree nor disagree
 ■ Somewhat disagree
 ■ Strongly disagree

Q. Could you please tell us to what extent you agree or disagree with the following statements related to entrepreneurs?
 ... They are effective risk-takers

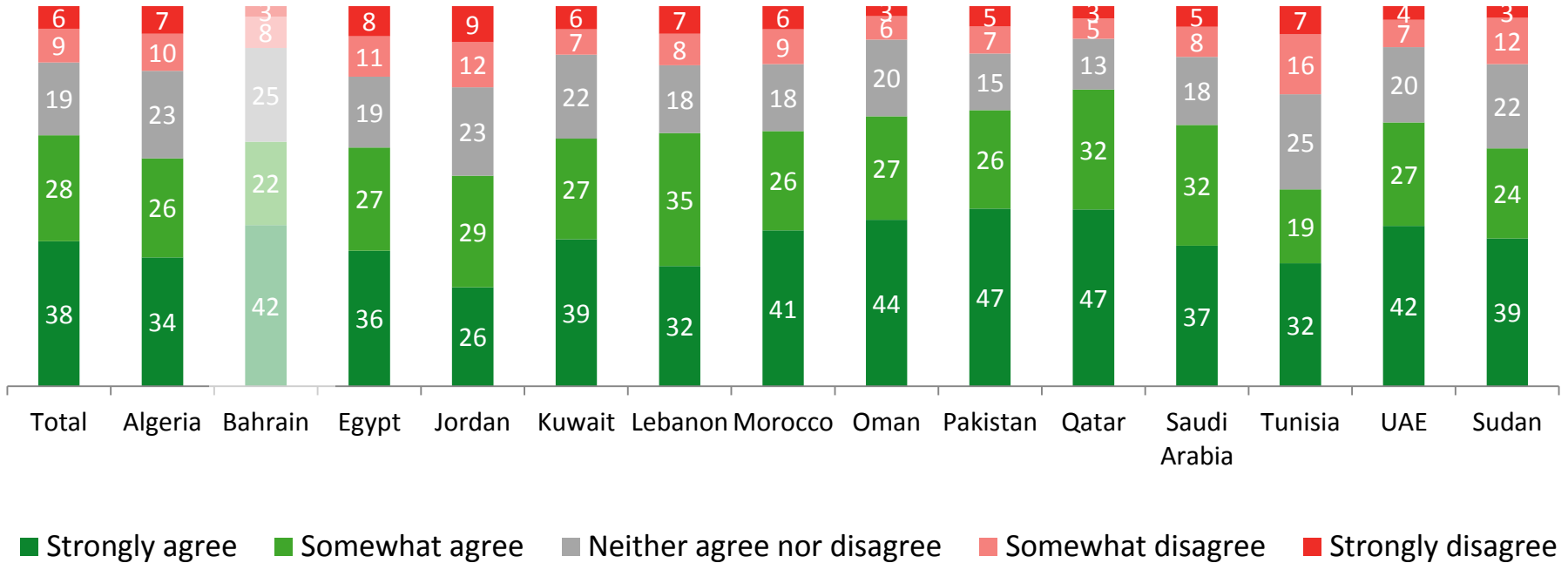
Base: Total (4,570)

All figures are %'s

Small base for Bahrain (73 respondents)

Perceived image of entrepreneurs – Mentoring young people

- Respondents in the GCC (70%) consider entrepreneurs to mentor young people and promote entrepreneurial spirit more than those in Levant (65%) and North Africa (62%).



Q. Could you please tell us to what extent you agree or disagree with the following statements related to entrepreneurs?
 ... They mentor young people and promote the entrepreneurial spirit

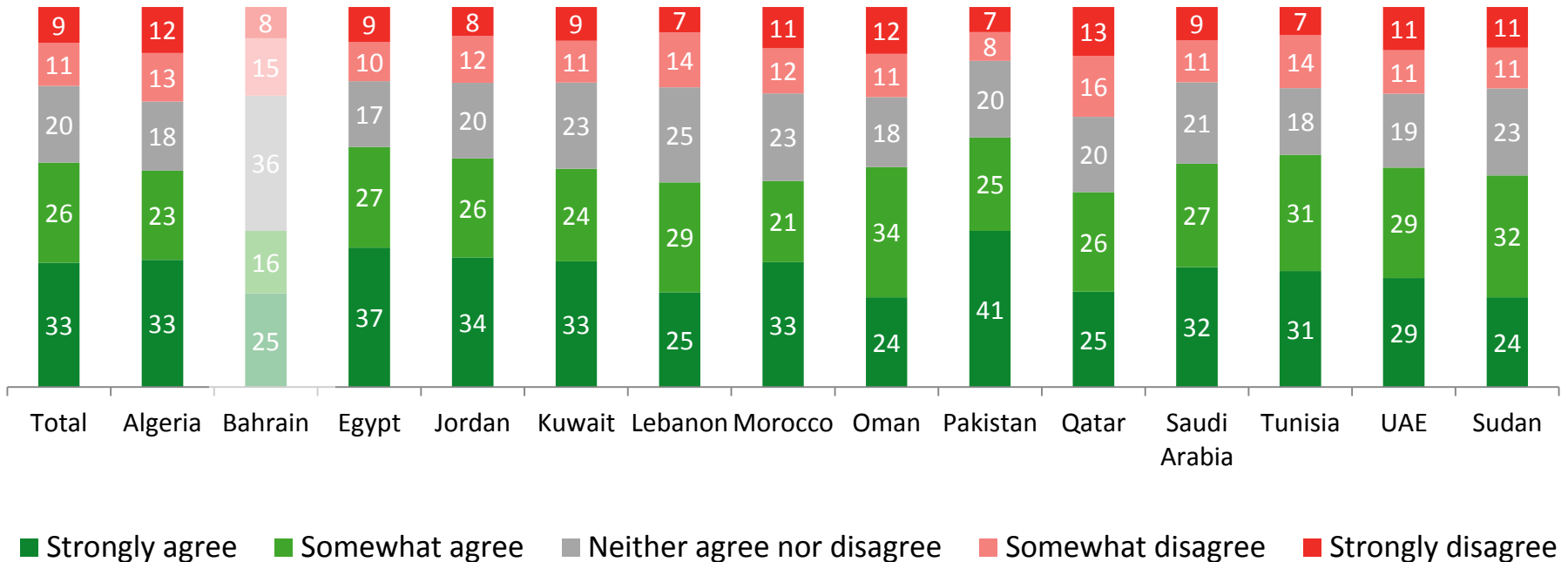
Base: Total (4,570)

All figures are %'s

Small base for Bahrain (73 respondents)

Perceived image of entrepreneurs – Are they profit-driven?

- The perception that entrepreneurs are opportunity driven is higher in Pakistan (66%) and Egypt (63%).



Q. Could you please tell us to what extent you agree or disagree with the following statements related to entrepreneurs?
 ...They only think about their own profit

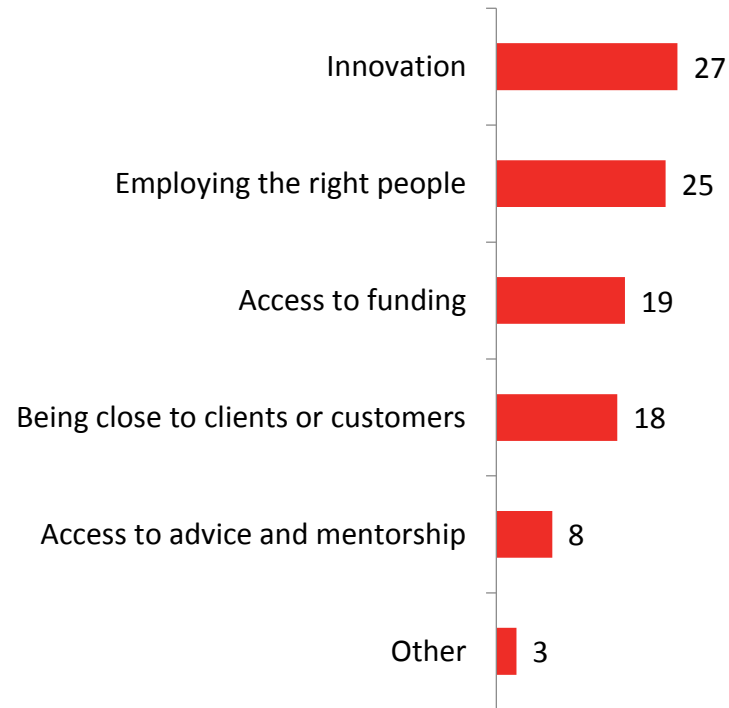
Base: Total (4,570)

All figures are %'s

Small base for Bahrain (73 respondents)

Key to Success as an Entrepreneur

- Over a quarter of respondents believed that innovation is the 'key to success' as an entrepreneur (27%), followed by employing the right people (25%).



Q. In your opinion, what is the “key to success” as an entrepreneur?

Base: Total (4,570)

All figures are %'s



Section 4

DEMOGRAPHICS



Respondent Profile (1/3)

Gender

- Male – 79%
- Female – 21%

Age

- 18 – 29 – 45%
- 30 – 39 – 33%
- 40+ – 22%

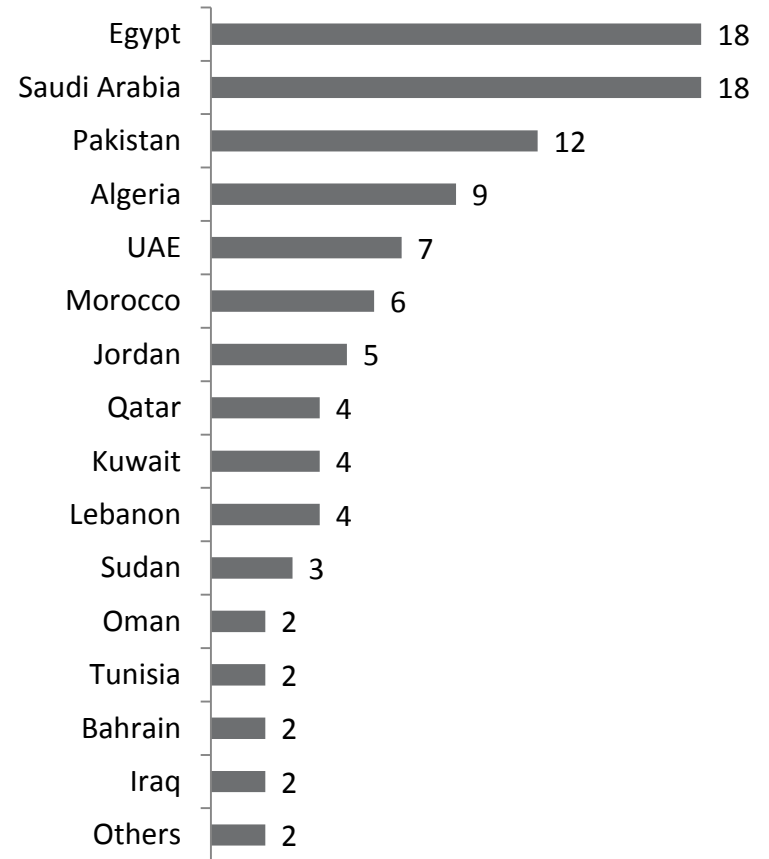
Marital status

- Single – 46%
- Married – 51%
- Divorced – 2%
- Separated – 1%

Number of children

- None – 18%
- One – 21%
- Two – 27%
- Three – 18%
- More than three – 17%

Country of residence

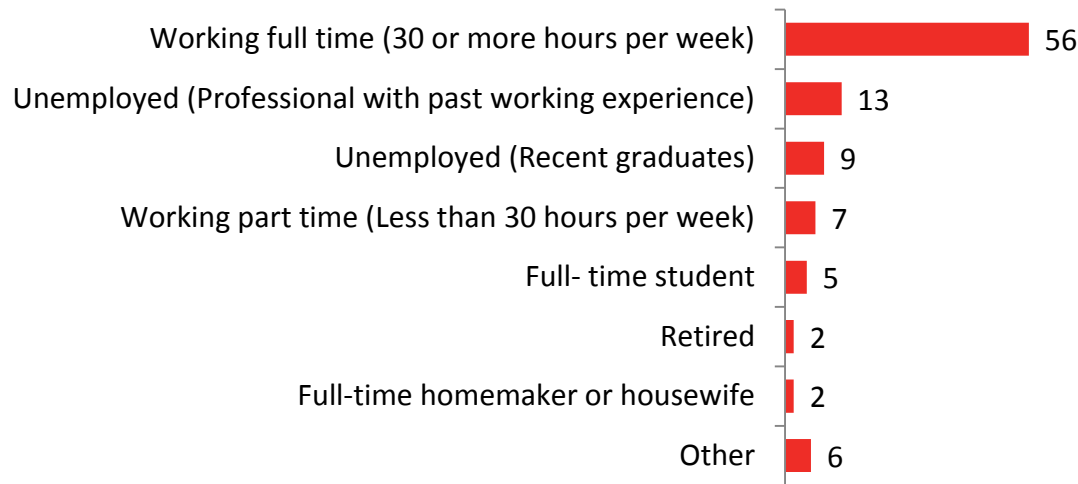


Base: Total (4,570)

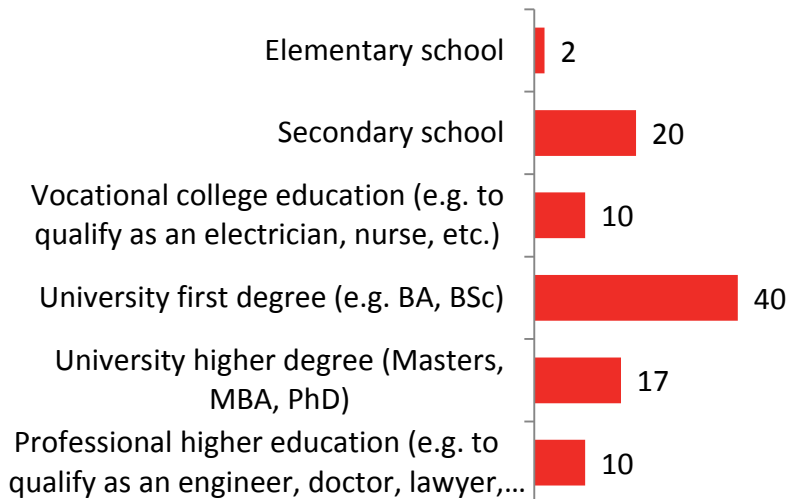
All figures are %'s

Respondent Profile (2/3)

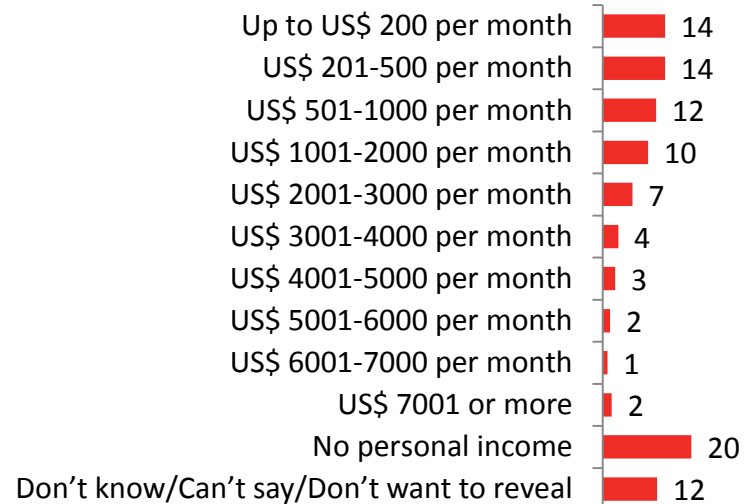
Working status



Education



Monthly income

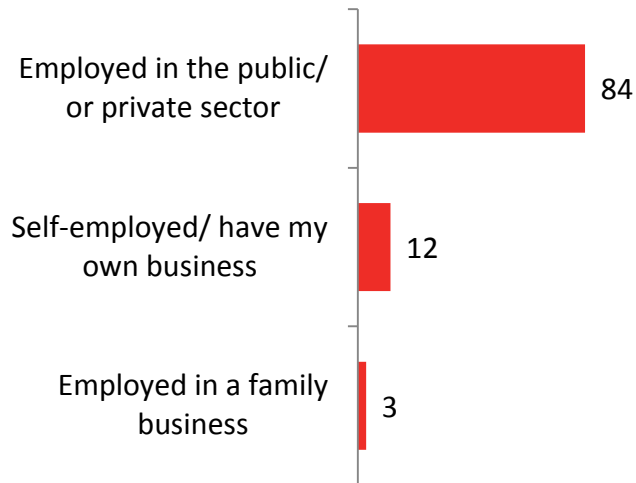


Base: Total (4,570)

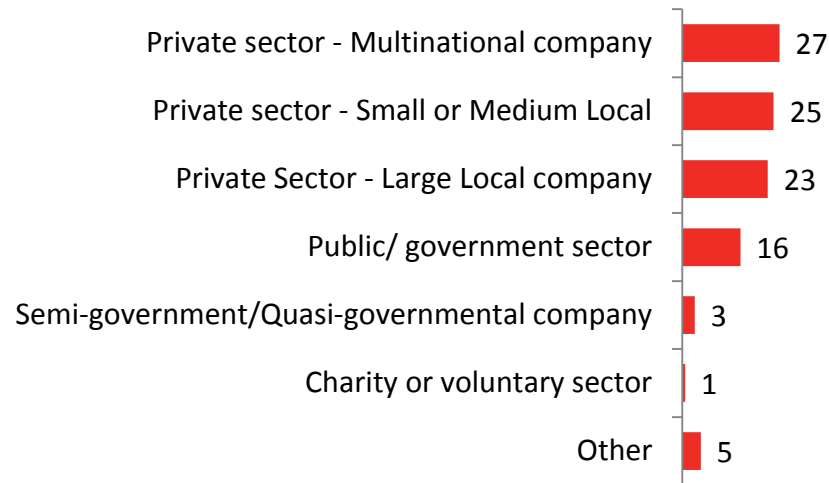
All figures are %'s

Respondent Profile (3/3)

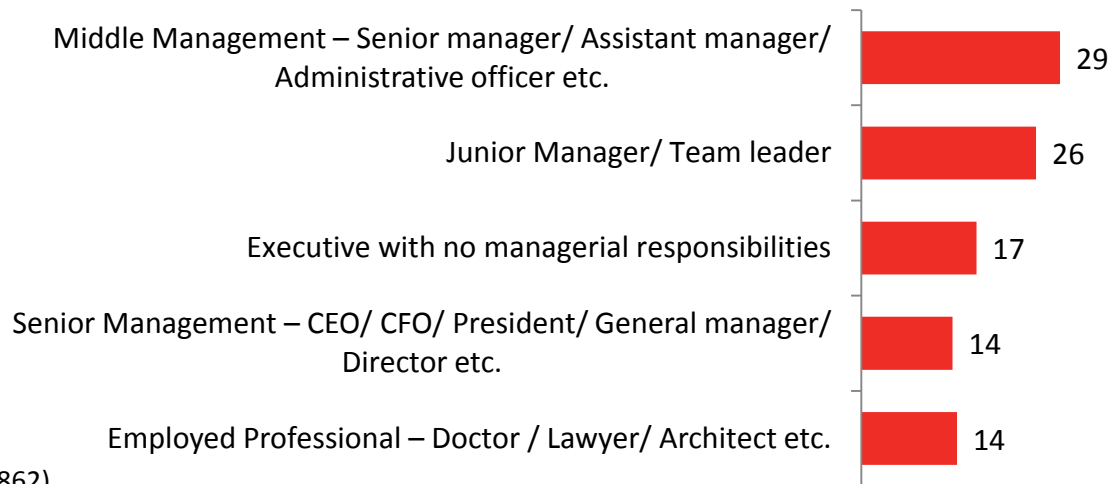
Type of employment



Sector of employment



Level of seniority at work



Base: Those employed (2,862)

All figures are %'s



THANK YOU