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Gujarat Entrepreneurship Indices Rebound Post Covid Downturn

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Years 2020-21 witnessed shutting down of a large number of early and mid business ventures due to the Covid pandemic. But two years down the line, the entrepreneurship sector is more resilient, the latest Global Entrepreneurship Monitor (GEM) report for 2022-23 indicates. The report says Gujarat has fared well on a number of indices.

Three faculty members of Entrepreneurship Development Institute of India (EDII) – Sunil Shukla, Pankaj Bharti, and Amit Kumar Dwivedi – prepared the Indian leg of the report that includes 51 countries.

The report was released by South Korean ambassador to India Chang Jae-Bok and Mercy Epao, joint secretary of Government of India’s Ministry of MSME, among others at EDII. Sunil Shukla, director general of EDII, said the heartening trend in the past few years – including post-Covid years – was diversification of sectors and identifying emerging industries.

“Initiatives such as VGGS also provide a major platform for the entrepreneurs to understand the flow of capital and major projects that can provide business opportunities,” he said, adding that diversity in entrepreneurship was a major plus for India and for Gujarat.

“Among the indices where Gujarat fared well was ‘perceived opportunity for starting a business’ (90% compared to national average of 75%) and ‘perceived capabilities required to start a new business’ (94% compared to national average of 78%). In two other indices, the state was nearly at par with the national average – fear of failing and ease to start a new business,” said Dwivedi. The report mentioned that the total entrepreneurial activities (TEA) rate based on sample survey carried across India was 11.5% compared to which, business exit was 6.3%. ‘India has a low business exit rate which is similar to Colombia (6.4%) and lower than Brazil (13%). This implies that Indian entrepreneurs are more resilient and persistent in running their businesses despite their difficulties,’ mentioned the report.

The survey indicated that 67% or two-thirds of entrepreneurship opportunities were perceived in consumer services, followed by 21% in transforming, 7% for extractive and 5% for business services.

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