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GSER 2025: Urgent Need for AI Policy Amid Sharp Drop in Global Ecosystem Value

As global startup Ecosystem Value plunges 31%, Startup Genome calls for policymakers to urgently embrace Native AI to not risk falling behind

SAN FRANCISCO, Calif. — June 12, 2025 — Startup Genome, in partnership with the Global Entrepreneurship Network, has released the [2025 Global Startup Ecosystem Report \(GSER\)](#) in its 13th year, today at VivaTech Paris. The GSER leverages the largest quality-controlled dataset in the industry, analyzing data from over 5 million companies across 350+ entrepreneurial innovation ecosystems. Built on over a decade of Startup Genome's independent research and policy expertise, and driven by a consortium of representatives spanning 65+ countries, the report provides insights on key trends, investment flows, and policy strategies driving entrepreneurial success.


This year marks a major shift – with Asia and Africa surging while much of Europe falters. 2025 has seen a sharp decrease in Ecosystem Value globally, down 31% in aggregate, marking a significant break from years of sustained growth. The shift is closely linked to a downturn in major exits and IPOs. The report ranks the Top 40 global startup ecosystems, Top 100 emerging ecosystems, and features regional rankings. For the first time, the GSER rankings include an AI Factor, tracking the race to transition startup ecosystems to AI Native ecosystems. With 90% of current AI funding concentrated in the U.S. and China, economies that don't rapidly implement



targeted entrepreneurial AI policies risk losing billions instead of emerging as tomorrow's innovation powerhouses.

Further global key findings from the #GSER2025 include:

- The **global disparity in Ecosystem Value change is stark**: Asian and sub-Saharan African ecosystems saw a decrease of 17%, while Latin America experienced an aggregate drop of 45%, Europe 24%, MENA 22%, Oceania 19%, and North America 18%.
- **AI & Big Data surged**, becoming the fastest-growing sub-sector with a 33% increase in VC funding, now commanding 40% of all global VC investment, up from 26% in 2021.
- Across last year's Top 40 ecosystems, the **total count of large exits decreased by a troubling 31%**. Those bucking this trend were primarily Asian ecosystems – Shenzhen, Tokyo, Seoul, and Shanghai – together with Paris and Philadelphia.
- **Hong Kong made the most significant improvement of all Top 40 Global Startup Ecosystems**, jumping up from the Emerging Ecosystems ranking in 2024 to #27 globally this year.
- **Bengaluru-Karnataka reached #14 in the Top 20 ecosystems**, an impressive improvement of seven positions from last year.
- **Philadelphia jumped 12 places to #13**, the most significant movement of all North American ecosystems in the Top 40.
- **Paris and Madrid** were the only European ecosystems in the Top 40 to improve rankings, with **Paris rising to #12** following a surge in unicorns and early-stage deals. Though still Europe's top performing ecosystem, **London dropped one place to the #3** globally - it was tied with New York City for #2 from 2020-2024.
- **São Paulo remains Latin America's only Top 40 ecosystem** at #37, leading the region in overall performance. Meanwhile, Mexico City continues to lead among emerging ecosystems.
- **Riyadh had the most significant growth in MENA**, moving up from the 51-60 range in 2024 to the 21-30 range among the emerging ecosystems, fueled by major growth in exits over \$50 million.
- **Cape Town and Lagos lead sub-Saharan Africa**, with Lagos ranking highest in Funding and Cape Town in Talent & Experience.
- **Sydney is Oceania's top performer**, ranked #25 globally, while Melbourne maintained its #32 spot with a 14% VC funding increase.



“We’re at a pivotal moment 2 years into the AI era of exponential startup ecosystem growth. Ecosystem Values corrected down 31% yet some are pulling ahead: those investing in the accelerated creation and support of AI-Native startups (rather than putting 100% in AI infrastructure and adoption). The future belongs to nations and cities that combine bold vision with new AI-native startup policy action to hitch the AI wave. In response, Startup Genome is launching a global entrepreneurial AI policy coalition to support ministries and agency leaders.” — **JF Gauthier, Founder & CEO, Startup Genome**


The GSER is created in partnership with the Global Entrepreneurship Network, Dealroom, Crunchbase, Pitchbook, Bella Private Markets, and Tracxn. The 2025 edition provides actionable guidance for policymakers, ecosystem leaders, and founders to develop evidence-based strategies that strengthen startup communities - the world’s most powerful engine of job creation and economic growth.

“The lesson is unmistakable: the bold change the world. Ecosystems that move rapidly to develop AI-specific strategies will reap the greatest rewards. Those that hesitate risk being left behind as value creation accelerates around them.” — **Jonathan Ortman, President of the Global Entrepreneurship Network**

Discover how 150+ entrepreneurial ecosystems across the world stack up and view the full report [here](#). Explore previous editions of the GSER and other insightful Startup Genome reports [here](#).

ABOUT STARTUP GENOME

[Startup Genome](#) is the world-leading innovation ecosystem development organization, having worked with more than 185 economic and innovation ministries and public/private agencies in over 65 countries. We work to catalyze startup success and ecosystem growth and ensure that



all cities and countries capture their fair share of the new economy. Startup Genome strategy clients grew their ecosystem values 59% faster than peers (41% vs. 25%). On average, Startup Genome clients produced \$1.4 billion per year more in ecosystem value from an average starting point of \$9.2 billion. Our evidence-based ecosystem research, advisory, and scaleup programs are rooted in global experience with the world's largest AI-curated startup dataset and proprietary instruments developed from over a decade of primary research.

ABOUT THE GLOBAL ENTREPRENEURSHIP NETWORK

[The Global Entrepreneurship Network](#) operates in 200 countries with a mission to make it easier for anyone, anywhere, to start and scale a business. By fostering deeper cross-border collaboration between founders, investors, policymakers, ecosystem builders and others, GEN fuels healthier and more efficient local and national entrepreneurship ecosystems. Network members collaborate to democratize opportunity, drive economic mobility, create new jobs and grow economies while developing the conditions for entrepreneurs to solve the world's toughest challenges.

ABOUT VIVA TECHNOLOGY

VivaTech accelerates innovation by connecting startups, tech leaders, major companies and investors responding to our world's biggest challenges. Each year, over four exciting days in Paris, VivaTech creates Europe's biggest technology and startup event, exploring the most disruptive topics in tech with world-premiere demos, launches and conferences in a collaborative ecosystem. This is where business meets innovation. Join us for the ninth edition of VivaTech 11-14 June 2025. For more information go to our website at <https://vivatechnology.com/media> and @VivaTech.

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