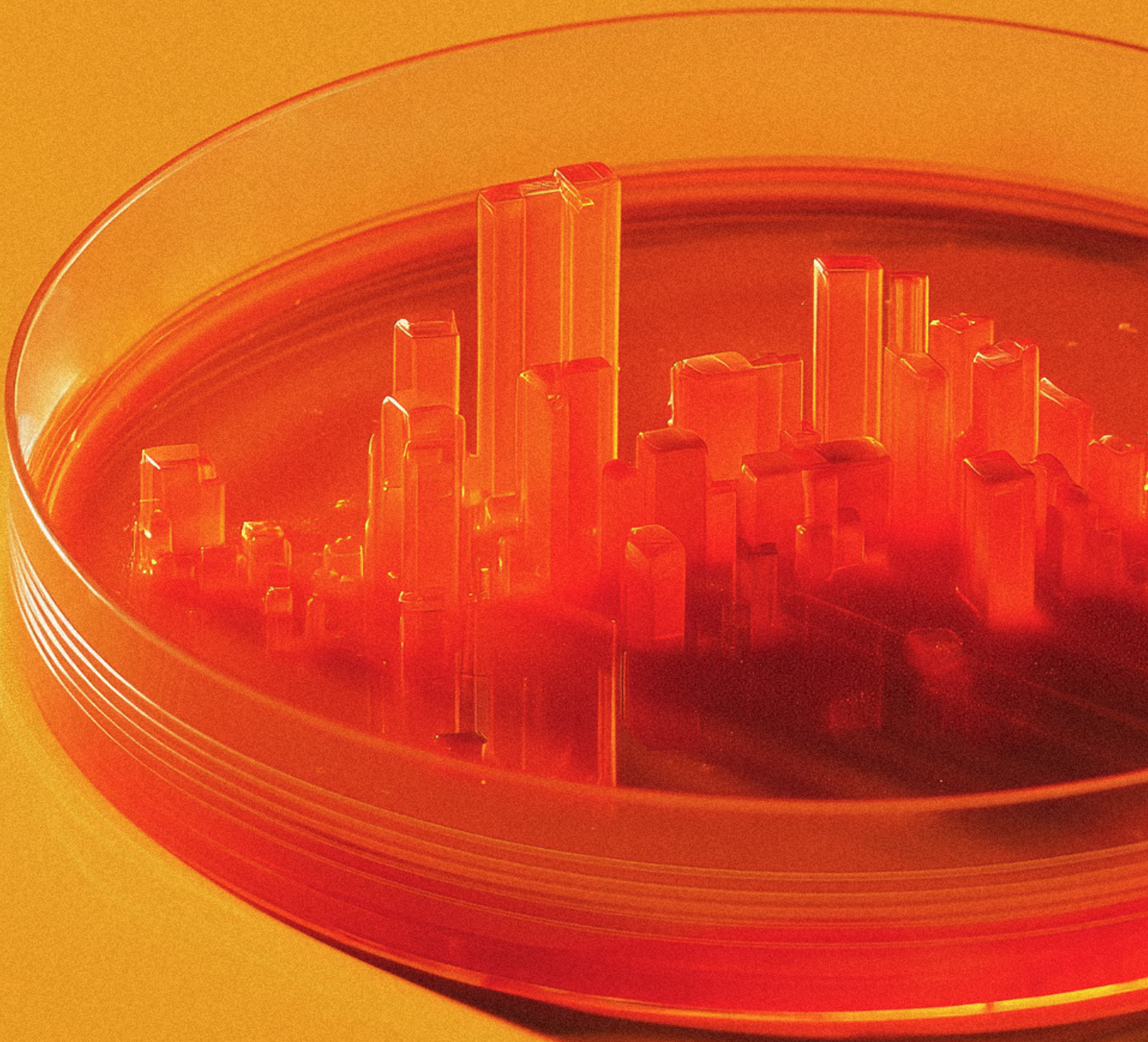


# The Startup Friendly Cities Index 2026





# Executive Summary

The geography of entrepreneurship is being rewritten.

In today's economy, cities - not countries - are the real frontiers of innovation. They are the ecosystems where talent concentrates, capital circulates, and ideas take physical shape.



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Cities need startups. They generate momentum, a culture of invention that renews the urban economy from within. Startups recycle local wealth, train the next generation of builders, and signal to the world that a city is open for possibilities.

The vitality of a city's startup ecosystem determines its global relevance as much as its infrastructure or GDP. A city without a living startup ecosystem risks becoming a museum of its past success. A city that gets it right becomes a magnet for innovation and talent.

The Startup Friendly Cities Index captures this new reality. It reveals which cities have nurtured fertile ground where founders can plant ideas and scale them. From Dubai's speed to Zurich's precision, from Singapore's Fiscal intelligence to San Francisco's venture capital ecosystem, the world's most Startup-friendly cities are proving that entrepreneurship thrives where the system works.

As the geography of entrepreneurship continues to shift, one truth has become clear: the competitiveness of cities depends on how well they enable people to build.

# Introduction

The Startup Friendly Cities Index 2026 measures and compares the relative attractiveness of top global cities for founders, investors, and innovators. It provides an empirical view of what makes an urban environment work for startups, linking the everyday experience of founders to the deeper systems that sustain innovation.

The results show a global pattern of convergence and divergence. A handful of mature hubs continue to dominate, but emerging markets - particularly in the Middle East and Southeast Asia - are closing the gap rapidly. Across regions, the most Startup-friendly cities share three traits: regulatory efficiency, strong digital infrastructure, and a deep pool of young talent.



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Ultimately, the Index transforms abstract measures of innovation into a tangible ranking of how well each city enables its founders to move from idea to impact.

# The Startup Friendly Cities Index 2026

An index measuring and comparing the relative attractiveness of global cities for entrepreneurial activity, innovation, talent development, and business agility.

The Startup Friendly Cities Index 2026 is built on a two-stage analytical framework designed to measure how effectively cities enable entrepreneurial success. At the country level, the Index first identifies active Startup economies by assessing venture capital depth, deal inclusivity, and the number of unicorns, capturing both the scale and maturity of national ecosystems.

It then moves to the city level, where performance is evaluated across five equally weighted dimensions: existing Startup activity, measuring the density and diversity of new ventures; digital connectivity, reflecting the speed and reliability of internet infrastructure; young talent, which combines university excellence with a city's attractiveness to students and graduates; quality of life, assessing social and environmental conditions that influence talent retention; and business agility, evaluating regulatory efficiency through registration speed and tax exposure. Each metric is normalised and combined into a composite score, producing a balanced picture of how well each city supports founders from initial idea to global scale.

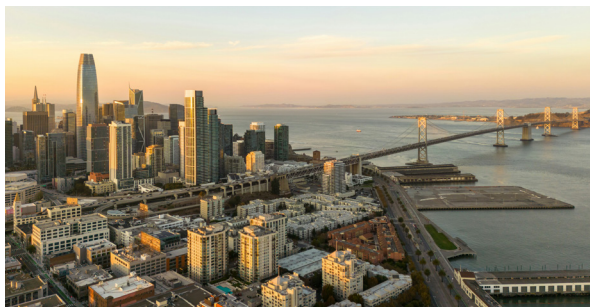
Ranking	City	Score	
Rank 1	 San Francisco	0.6403	<div></div>
Rank 2	 Zurich	0.5869	<div></div>
Rank 3	 Dubai	0.5645	<div></div>
Rank 4	 Singapore	0.5482	<div></div>
Rank 5	 New York City	0.5450	<div></div>
Rank 6	 Los Angeles	0.5440	<div></div>
Rank 7	 Seoul	0.5406	<div></div>
Rank 8	 London	0.5225	<div></div>
Rank 9	 Hong Kong	0.5194	<div></div>
Rank 10	 Paris	0.5056	<div></div>
Rank 11	 Toronto	0.4919	<div></div>
Rank 12	 Stockholm	0.4912	<div></div>
Rank 13	 Tokyo	0.4896	<div></div>
Rank 14	 Amsterdam	0.4834	<div></div>
Rank 15	 Melbourne	0.4644	<div></div>
Rank 16	 Shanghai	0.4365	<div></div>
Rank 17	 Oslo	0.4089	<div></div>
Rank 18	 Beijing	0.4073	<div></div>
Rank 19	 Warsaw	0.4044	<div></div>
Rank 20	 Madrid	0.4032	<div></div>
Rank 21	 Dublin	0.4008	<div></div>
Rank 22	 Tel Aviv	0.3365	<div></div>
Rank 23	 Cape Town	0.2772	<div></div>
Rank 24	 São Paulo	0.2598	<div></div>
Rank 25	 Bengaluru	0.2300	<div></div>
Rank 26	 Kyiv	0.1914	<div></div>
Rank 27	 Mexico City	0.1635	<div></div>
Rank 28	 Jakarta	0.0629	<div></div>



## Key Findings

### #1 San Francisco

Remains the global benchmark, as it continues to combine unparalleled venture capital depth, density of Startups, and a mature innovation ecosystem supported by strong digital and talent infrastructure.



### #2 Zurich

Highlights Europe's innovation strength, driven by exceptional educational quality, high living standards, and strong digital readiness, which offsets its smaller scale of venture activity.



### #3 Dubai

A model of regulatory efficiency and digital ambition. Dubai's rapid rise reflects an economy built for founders - fast to incorporate, frictionless to operate, and globally connected.



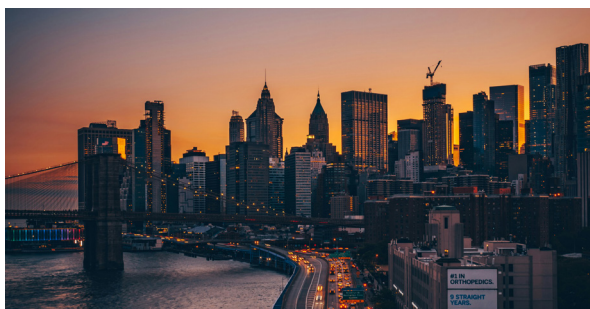
### #4 Singapore

Singapore's clarity in regulation, taxation, and digital infrastructure sets the standard for business agility. It remains the benchmark for founder mobility and cross-border scalability in Asia.



### #5 New York

New York City combines deep venture activity with one of the world's strongest financial infrastructures. However, its relatively lower quality-of-life scores moderate its ranking.





## Key Observations

01

### U.S. Startup Capitals Still Rule Venture Markets - But Struggle to Stay Livable

San Francisco (#1), New York (#5), and Los Angeles (#6) continue to lead due to their deep venture capital markets and dense Startup networks. However, their overall performance is moderated by low quality-of-life scores, driven by high living costs. These weaknesses underline that rising affordability pressures could erode their capacity to retain skilled talent and sustain ecosystem growth over time.

02

### Bengaluru's Entrepreneurial Gravity Is Too Strong to Ignore

Bengaluru hosts twice as many unicorns as Singapore (32 vs. 15), but ranks lower on The Startup Friendly Cities Index (#25 vs. #4). The drag comes from slower company registration processes and a relatively lower quality-of-life score. Yet, the city's entrepreneurial energy is undeniable. If Bengaluru could streamline business setup, reduce tax friction, and invest in stronger digital infrastructure, it could break into the global top 10 startup-friendly cities. A similar pattern emerges in Beijing and Shanghai, which boast vast Startup bases but lag behind Zurich and Dubai - cities that offer lower taxes, simpler regulations, and greater business agility. The takeaway is clear: venture activity alone doesn't make an ecosystem globally competitive; it must be matched by enabling policy, infrastructure, and livability.

03

### Europe Wins Through Steady Hands, Not Flashy Valuations

Zurich (#2), Paris (#10) and Amsterdam (#14) outperform many cities by maintaining steady performance across key dimensions. Zurich's strong educational base and solid digital infrastructure compensate for its smaller venture scale, while Amsterdam combines high living standards with unrivalled access to high-calibre young talent. Both cities show that smaller European hubs can attract Startup activity through stability, livability, and institutional reliability rather than the sheer scale of investment or deal flow that defines the larger ecosystems. Paris maintains strong talent pipelines and institutional stability but face higher corporate tax exposure and slower registration times, reducing their agility compared to smaller ecosystems.

04

### London Defies the Exodus to Remain a Global Startup Epicentre

Despite ongoing wealth and talent outflows, London (#8) remains a resilient Startup hub. Its deep capital markets, global financial networks, and multicultural talent base continue to attract founders seeking credibility & scale. Even amid higher taxes and regulatory friction, London's combination of access to investors, international visibility, government grants and institutional trust keeps it anchored in the global top ten, a testament to its enduring entrepreneurial gravity.

## Key Observations

05

### Dubai and Singapore Rewrite the Startup Playbook for Agility

Dubai (#3) and Singapore (#4) demonstrate how efficiency and clarity in business operations can rival traditional innovation hubs. Dubai ranks among the top cities globally for business agility, driven by fast-paced registration procedures, low corporate taxes, and exceptional broadband speeds (412 Mbps). Singapore's balanced profile, ranking in the top five for digital connectivity and top three for talent and livability, reinforces its reputation as one of the most structured and dependable Startup environments. Together, these cities illustrate how predictable governance and regulatory simplicity directly translate into entrepreneurial competitiveness.

06

### Asia's Rising Order: From Tokyo's Stability to Seoul's State-Backed Momentum

Tokyo (#13) remains a benchmark of consistency - balancing mature infrastructure with deep talent pools, though weighed down by higher taxes. Seoul (#7) and Hong Kong (#9) blend state-backed innovation with strong academic ecosystems, signaling a power shift toward a multipolar innovation map increasingly defined by Asian cities.

07

### Emerging Markets Gain Momentum, but Bureaucracy Still Caps Their Potential

São Paulo (#24) and Cape Town (#23), and Mexico City (#27) represent the growing dynamism of emerging-market ecosystems but also the persistence of institutional bottlenecks. São Paulo, for example, records strong digital connectivity (0.66) and a large Startup base but is held back by long registration timelines (60 days) and high taxes. Cape Town and Mexico City perform moderately across livability and agility but still face uneven governance and infrastructure quality. These cities demonstrate increasing entrepreneurial momentum but remain limited by policy inefficiencies that restrict scalability and global reach.

Conclusion: Where Founders Go, the Future Follows

Cities are no longer competing on geography. They are competing on experience. The ones that make it easiest to start, live, and scale will become the gravitational centers of global innovation.

Cities are, at their core, the infrastructure of ambition. The ones that attract and retain founders share a defining trait: frictionless access to capital, digital networks, talent, and a quality of life that sustains creativity.

Multipolitan's "Startup Friendly Cities Index 2026" shows that the winners of the next decade will not be those with the deepest venture pockets but those that create the most enabling environments. From San Francisco's ecosystem depth to Zurich's precision, Dubai's speed, and Singapore's structure, the world's most competitive cities make entrepreneurship predictable, scalable, and human. The equation is simple: founders follow efficiency, investors follow founders, and the cities that make it easiest to build will define the next chapter of global innovation.





# Methodology

The Startup Friendly Cities Index applies a two-stage analytical framework designed to identify and compare the world's most dynamic Startup environments. It begins with a country-level screening to pinpoint the most active and mature entrepreneurial economies, followed by city-level scoring to evaluate how well each urban centre enables founders to build, scale, and sustain innovation. The approach moves from the macro (national venture performance) to the micro (city-level conditions), providing a clear picture of where entrepreneurial ecosystems actually thrive, and why.

# Stage 1: Country-Level Screening

The first stage identifies countries with the deepest venture activity and strongest records of scaling Startups to global success. Dealroom’s list of the top 60 countries by total venture-capital investment served as the analytical baseline.

From this pool, two complementary metrics were used to refine the shortlist:

## Country Metric 1: Venture Activity and Ecosystem Depth

This indicator captures both the scale and distribution of venture investment. Two sub-metrics were used:

Sub-Metric	Description	Source
Total VC funding (USD)	Measures total venture capital raised reflecting funding depth and investor confidence.	Dealroom
Average deal size (USD)	Derived by dividing total funding by number of rounds. Smaller averages indicate broader participation and ecosystem inclusiveness.	Dealroom

Each variable was normalised to a 0–1 scale using Min–Max scaling.

Because a healthy Startup ecosystem spreads capital across a wide base rather than concentrating it in a few mega-deals, the deal size variable was inverted before aggregation. The two normalised values were averaged to create a single Venture Activity Index, representing both breadth and depth of entrepreneurial finance.

## Country Metric 2: Scalability as a Success Measure

To assess the ability of national ecosystems to scale, the analysis incorporated the number of registered unicorns per country as a proxy for sustained Startup success.

Sub-Metric	Description	Source
Number of unicorns per country	Proxy for Startup scaling and global success rate.	Dealroom, StartupBlink, World Population Review

This indicator was normalised and averaged with the Venture Activity Index to generate a composite Country Startup Friendliness Score.

## Country Ranking and Selection

Countries were ranked according to their composite scores. The top 28 national ecosystems advanced to the next stage, representing the world’s most mature and dynamic Startup economies in 2026.

## Stage 2: City-Level Scoring

### City Identification

For each of the 28 countries, one or more representative cities were selected based on their concentration of Startup activity and unicorn headquarters, using data from Dealroom and StartupBlink. Given the dominance of the United States and China in global venture formation, three cities were selected from the U.S. and two from China. All other countries contributed one leading city.

Each city was then assessed across five equally weighted pillars, together defining Startup friendliness:

1.	Startup Activity
2.	Digital Connectivity
3.	Young Talent
4.	Quality of Life
5.	Business Agility

### City Metric 1: Startup Activity

This metric captures both the density and depth of each city's entrepreneurial ecosystem.

Sub-Metric	Description	Source
Number of startups per city	Proxy for ecosystem breadth and inclusiveness.	Dealroom, StartupBlink
Number of unicorns per city	Proxy for ecosystem maturity and scaling success.	Dealroom, StartupBlink

*Both values were normalised and combined using a density-weighted average, assigning 60% weight to total Startups and 40% to unicorns:  $StartUpActivity = 0.6 \times StartUp\_Score + 0.4 \times Unicorn\_Score$*

*This weighting prioritises ecosystem vibrancy over concentration, recognising that many early-stage ventures indicate stronger long-term resilience than a few high-valued firms.*

### City Metric 2: Digital Connectivity

A city's digital infrastructure is the backbone of its innovation capacity. Connectivity was evaluated through average internet speeds, measuring both mobile and fixed broadband performance.

Indicator	Description	Source
Median mobile download speed (Mbps)	Proxy for mobile digital access.	Ookla Speedtest Global Index
Median fixed broadband speed (Mbps)	Proxy for wired digital capacity.	Ookla Speedtest Global Index

*An average of both measures was computed for each city and normalised to a 0–1 scale. Higher scores indicate faster, more reliable connectivity and stronger readiness for digital business operations.*



## Stage 2: City-Level Scoring

### City Metric 3: Young Talent

Talent supply was assessed through both educational excellence and attractiveness to graduates.

Sub-Metric	Description	Source
Number of QS Top 100 universities	Proxy for higher-education quality and innovation capacity.	<a href="#">QS World University Rankings</a>
QS Best Student Cities Score	Proxy for a city's attractiveness and retention potential among global talent.	<a href="#">QS Best Student Cities</a>

Both sub-metrics were normalised and combined into a weighted composite:

$$\text{YoungTalent} = 0.6 \times \text{University\_Score} + 0.4 \times \text{StudentCity\_Score}$$

This balance emphasises education quality while accounting for liveability and career appeal to young professionals.

### City Metric 4: Quality of Life

Quality of life shapes a city's ability to attract and retain talent, influencing where founders choose to live and work.

Indicator	Description	Source
Quality of Life Index	Composite score incorporating cost of living, safety, healthcare, pollution, and purchasing power.	Numbeo

All scores were normalised (0–1), with higher values representing better living conditions and urban environments conducive to long-term Startup success.

### City Metric 5: Business Agility

Business agility reflects how quickly and cost-effectively a company can be established and operated.

Two sub-metrics capture both regulatory speed and fiscal flexibility:

Indicator	Description	Source
Average days to register a business	Measures administrative efficiency of incorporation.	Independent research, national and municipal registries
Corporate tax exposure (%)	Effective combined corporate tax rate, including national, state/provincial, and municipal levels.	PwC Corporate Income Tax Database

Both variables were normalised to a 0–1 scale and inverted (since lower values indicate higher agility).

The resulting sub-scores were then averaged to form the Business Agility Index, where higher scores denote faster, lighter, and more flexible business environments.

# Final Scoring

Each city's final Startup Friendliness Score was computed as the simple average of its five normalised pillar scores:

$$\text{CitySFI} = (\text{StartUpActivity} + \text{DigitalConnectivity} + \text{YoungTalent} + \text{QualityOfLife} + \text{BusinessAgility})/5$$

This composite provides a balanced, transparent measure of:

1.	Entrepreneurial intensity (Startup Activity)
2.	Technological readiness (Digital Connectivity)
3.	Talent supply (Young Talent)
4.	Liveability (Quality of Life)
5.	Regulatory agility (Business Agility)

*The resulting Startup Friendly City Index 2026 identifies and compares the global cities that most effectively convert digital capacity, governance quality, and human capital into entrepreneurial growth.*

## Sources

1.	See: <a href="#">Dealroom database</a> .
2.	See: <a href="#">StartupBlink</a> , Global Unicorns and Ecosystem ranking.
3.	See: <a href="#">World Population Review</a> , Unicorns by Country.
4.	See: <a href="#">Speedtest Global Index, city-level</a> .
5.	See: <a href="#">Quality of Life Index by City Mid-Year</a> .
6.	See: <a href="#">QS Best Student Cities</a> .
7.	See: <a href="#">QS World University Rankings</a> .
8.	See: <a href="#">PwC Corporate Income Tax Rates</a> .

# Disclaimer



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