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Bangladesh Startup Investments Report H’1 2026

Shaping Foundations For An Investable Ecosystem

July 2026

STARTUP BANGLADESH LIMITED™ | ANCHORLESS BANGLADESH | EXITSTACK

Executive Summary

In H’1 2026, global venture investment reached USD 510 Bn, driven by AI-led deals, while Asia recorded USD 70 Bn in venture funding led by technology startups in China, India, and Singapore. Against this backdrop, Bangladesh’s startup ecosystem entered a more selective investment environment, with improving macroeconomic conditions supporting cautious optimism as real GDP growth is projected at around 5% in 2026.

Bangladesh recorded USD 6 Mn in startup funding across six deals in H’1 2026. While funding declined 95% compared to H’1 2025, investment activity increased 51% compared to H’2 2025, indicating early signs of stabilization. Capital deployment remained concentrated, with the three largest deals accounting for 80% of total funding and average ticket size reaching USD 1 Mn.

The funding landscape reflected a shift toward early-stage investments and startup with stronger fundamentals. Software & Technology emerged as the leading funded sector, capturing 35% of total investment, followed by Financial Services and Healthcare. Early-stage companies accounted for 90% of deployed capital, while venture capital remained the dominant funding source. However, global investors continued to provide 100% of ecosystem capital, highlighting no domestic participation in the first half of the year.

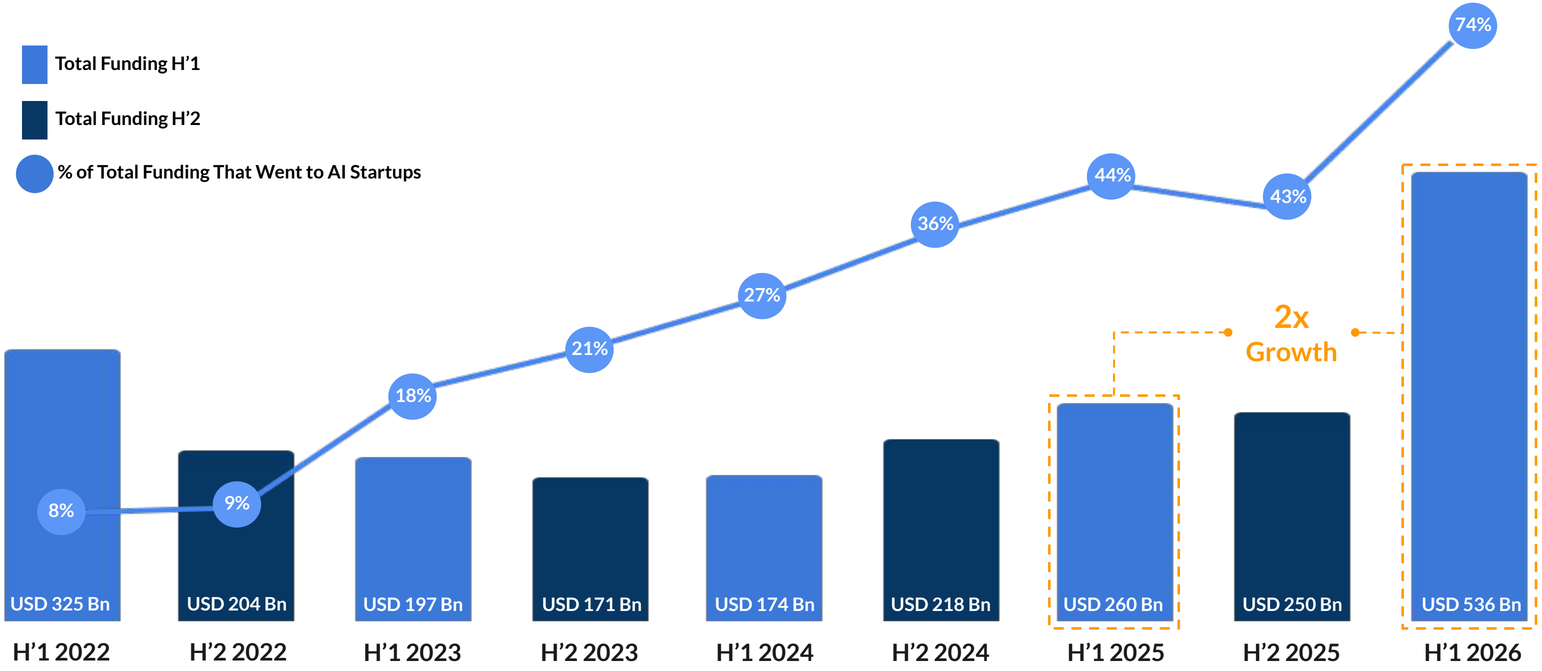
Bangladesh continues to face a structural growth capital gap. Since 2013, 80% of total startup capital has been deployed into late-stage companies, with 98% of late-stage funding originating from global investors. While early-stage funding channels have expanded, domestic capital availability remains limited for startups seeking to scale.

Recent initiatives, including the launch of BSIC’s USD 35 Mn institutional fund and startup-focused measures under the FY2026-27 national budget, represent important steps toward strengthening the financing ecosystem. Overall, H’1 2026 reflects an ecosystem transitioning toward disciplined capital deployment, where sustained growth will depend on effective policy execution, stronger startup readiness, and deeper domestic investor participation.

Global Venture Investment Reached A Record High In H'1 2026

Driven By AI Deals That Accounted For 74% Of Total Funding

Global venture funding rose to a record USD 510 Bn in H'1 2026, exceeding the total funding raised in 2025 and more than doubling year-on-year. AI remained the primary growth driver, attracting 73.5% of total investment, while OpenAI and Anthropic alone secured USD 217 Bn, representing 43% of total funding. **AI's share of venture investment has increased nearly ninefold over the past four years.**



Source: Crunchbase

Bangladesh's Growth Outlook Outpaces Most Peers

However, Investment Intensity Has Yet To Catch Up

	GDP Per Capita (2026)	Estimated Real GDP Growth (2026)	Startup Investment As % of GDP (2025)	Investment Per Capita (H'1 2026)	Investment Raised (H'1 2025)	Investment Raised (H'1 2026)	YoY Change In Investment Raised
Singapore	USD 107,773	4%	2.24%	USD 1416	USD 4 Bn	USD 9 Bn	▲ **166%**
China	USD 14,853	4%	0.13%	USD 21	USD 10 Bn	USD 29 Bn	▲ **191%**
India	USD 2,813	7%	1.07%	USD 10	USD 6 Bn	USD 14 Bn	▲ **135%**
Pakistan	USD 1,596 2025*	4%	0.03%	USD 0.23	USD 58 Mn	USD 59 Mn	▲ 1%
Bangladesh	USD 2,800	5%	0.03%	USD 0.03	USD 120 Mn	USD 6 Mn	▼ **95%**

Source: World Bank, Tracxn, i2i Ventures, LightCastle Analytics, Anchorless Bangladesh, Startup Bangladesh Limited (SBL), ExitStack

Global Capital Shaped The Investment Landscape

With Financial Services And Software & Technology Attracting The Majority Of Funding

6 Mn
Total Funding
Raised By 4 Companies

6
Investment Deals Made
H'1 2025 Deal Count Was 14

USD 1 Mn
Average Ticket Size
92% Decrease From H'1 2025

USD 2 Mn
Largest Deal
By Revora, In Seed & Grant

66%
Venture Capital Funding
54% Of It Went To Seed Stage

100%
Global Investor Funding
Vs. 99.5% in H'1 2025

90%
Early Stage Investments
Vs. 4% in H'1 2025

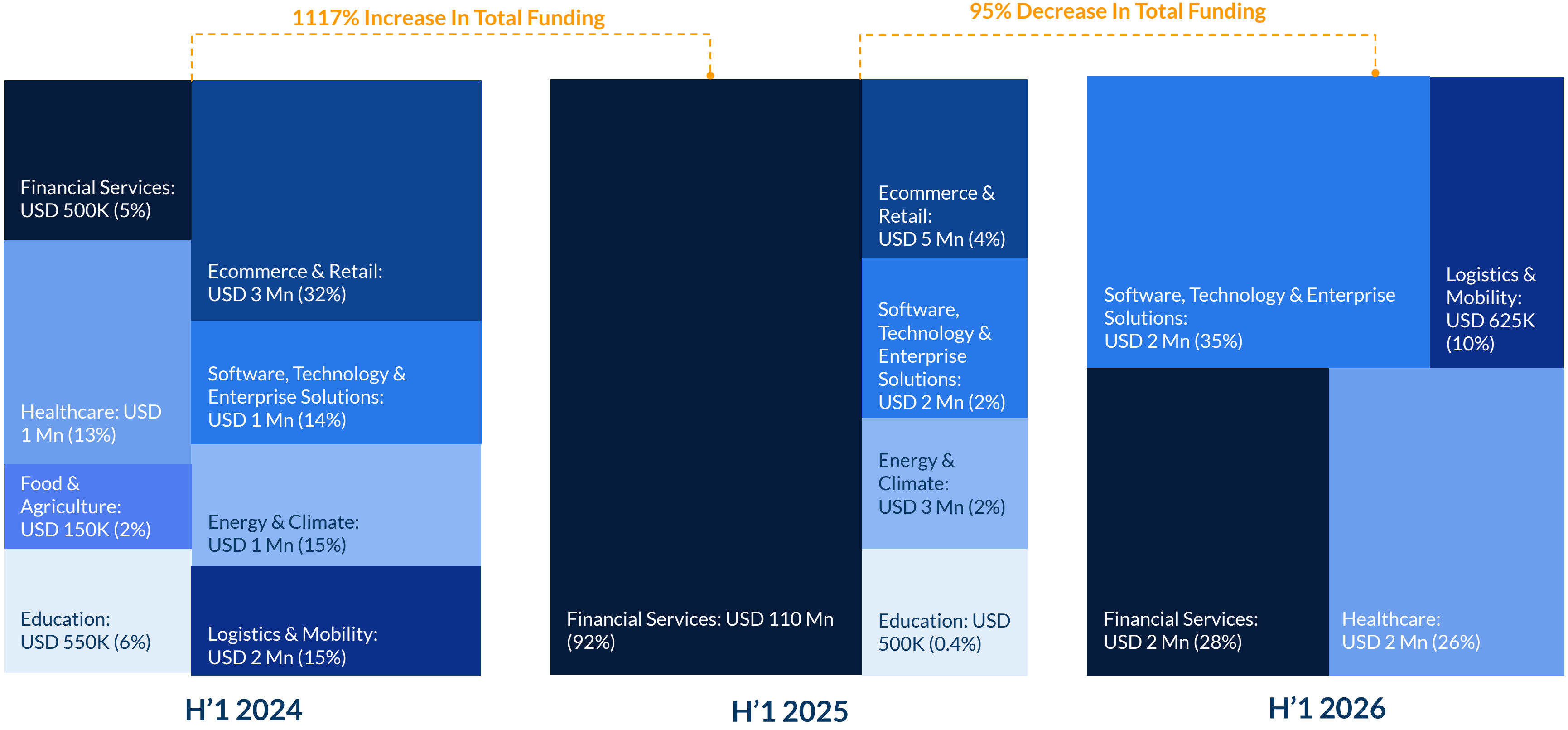
35%
Software & Tech's Share
Financial Services: 29%

H'1 2026 reflects a more selective investment environment, with global investors concentrating capital into fewer deals. The remainder of 2026 will depend on stronger startup fundamentals, improved investor confidence, and deeper domestic capital participation.

Source: LightCastle Analytics, Anchorless Bangladesh, Startup Bangladesh Limited (SBL), ExitStack

Software Emerged As The Top-Funded Sector

As Its Share Rose To 35% While Financial Services Declined To 29%

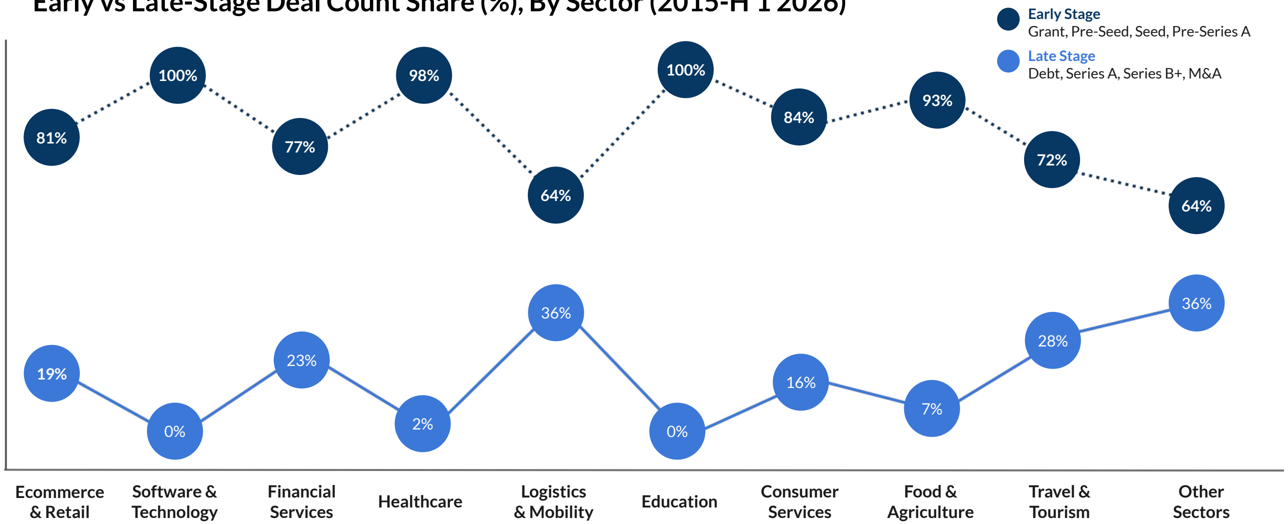


Source: LightCastle Analytics, Anchorless Bangladesh, Startup Bangladesh Limited (SBL), ExitStack

Bangladesh's Late-Stage Funding Relies Heavily On Foreign Capital

With Limited Domestic Capital Available To Support Startup Growth

Early vs Late-Stage Deal Count Share (%), By Sector (2015-H'1 2026)



Total Deals Made

454 Deals

Early Stage: 381 Deals (84%)
Late Stage: 73 Deals (16%)

Total Capital Deployed

USD 1.1 Bn

Early Stage: USD 223 Mn (20%)
Late Stage: USD 879 Mn (80%)

Late-Stage Capital Source

98% Global

Global: USD 857 Mn
Local: USD 22 Mn

Growth Capital Gap

Although late-stage deals represent just 16% of transactions, they account for 80% of total funding (USD 879 Mn of USD 1.1 Bn), with 98% coming from global investors, **highlighting limited domestic growth capital.**

Source: LightCastle Analytics, Anchorless Bangladesh, Startup Bangladesh Limited (SBL), ExitStack

FY2026-27 Budget Brings A Coordinated Approach To Startup Financing

Pairing Tax Relief, Public Capital, And Regulatory Reform Under One Package

Cost Reduction

0%

Turnover Tax

Part of a decade-long package for qualifying startups that also zeroes advance tax, advance income tax, and customs/regulatory duty.

15%

VAT Exemption

VAT exemption on essential operating inputs like SaaS, cloud infrastructure, and office rent.

2035

Guaranteed Period

Year until which these VAT exemptions are guaranteed, providing a long-term policy horizon.

Public Capital Injection

BDT 500 Cr

Startup Fund

Channeled through the ICT Division to target women, youth, and new tech ventures.

Tk 1,000 Cr

Startup Bangladesh Fund Expansion

Government target to scale the existing Startup Bangladesh Limited VC fund (~Tk700 Cr today), widening co-investment capacity for private and global capital.

Regulatory Reforms

Tk 100 Cr

Revenue Eligibility Cap

Annual turnover threshold defining which companies qualify as "startups" for the decade-long tax package.

4%

Capped Lending Rate

Bangladesh Bank's Startup Finance Master Circular (July 2025) caps startup lending rates via a BDT 500 Cr refinancing facility.

Share Swap Circular

Offshore-Free Structuring

Lets shareholders swap shares for holding-company shares without moving capital offshore, easing entry for foreign investors.

Source: LightCastle Analytics, Bangladesh Bank, ExitStack, The Daily Star

Thank You

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