

Business Standard

2021 record year for Indian tech investments, Bengaluru in world's top 5

The analysis conducted jointly by London & Partners and Dealroom.Co found that Bengaluru continued to lead India's tech charge

Press Trust of India | London January 13, 2022 Last Updated at 20:02 IST



The year 2021 was a record one for venture capitalist (VC) technology sector investments in India, which jumped from ranking fourth globally in 2020 to third, according to new research released in London on Thursday.

The analysis conducted jointly by London & Partners and Dealroom.Co found that Bengaluru continued to lead India's tech charge, attracting USD 18.6 billion to rank fifth in the world's top global cities for tech VC investment.

Overall, Indian tech VC investment grew nearly three times from USD 14.9 billion in 2020 to USD 44.6 billion in 2021 a year of a worldwide record high for such investments at USD 675 billion. The UK ranked fourth with USD 39.8 billion, with capital London also in fourth place just ahead of Bengaluru as the world's top tech hubs with USD 25.5 billion.

The record venture capital investment figures for the UK and India in 2021 demonstrate that tech and innovation are thriving across both regions. With an increasing number of unicorns and exciting tech startups, cities such as London and Bengaluru are now recognised by VCs as some of the best places to find game changing companies to invest in, said Hemin Bharucha, Country Director India for London and Partners, the Mayor of London's international trade and investment agency.

This is great news for tech businesses across both ecosystems and creates lots of opportunities for collaboration between London and Indian tech hubs especially in areas of mutual strength such as fintech and edtech. As well as access to high levels of growth capital, London has the talent, customers and a supportive ecosystem tech companies need to scale and we look forward to helping more Indian businesses expand into London in 2022, he said.

The VC tech investments in 2021 were led by the US at USD 328.8 billion followed by China at USD 61.8 billion.

The top global hubs attracting these investments were the San Francisco Bay Area (USD 100.9bn), New York (USD 47.5bn) Greater Boston Region (USD 29.9bn), London (USD 25.5bn),

Bengaluru (USD 18.6bn), followed by Beijing (USD 13.6bn) and Shanghai (USD 13.4bn).

In terms of unicorns or startups valued at over USD 1bn produced in 2021, 133 new unicorns came from the Bay Area, 69 from New York, 21 from the Greater Boston Area.

Bengaluru had a record year, producing 16 new unicorn companies, with London producing more new unicorns than in any previous year at 20.

Akshay Chaturvedi, Founder and CEO of Delhi-based tech firm Leverage Edu, said: London over the years has established itself as a top hub for talent across multiple domains. For a customer first, tech driven company like ours, it is only natural to establish our biggest international office in London.

The quality and diversity of talent here is unmatched. I would like to thank London and Partners for helping us in the start of this amazing journey.

Last year has been dubbed a landmark for London's tech sector, with a large increase in megarounds (USD 100m+ rounds), an unprecedented number of exits, more new unicorns than any previous year and over 2.3 times raised compared to 2020 levels.

Eileen Burbidge, Partner at London VC firm Passion Capital added: London and the rest of the UK's tech sector continues to go from strength-to-strength and means that the UK is now competing on the global stage.

It's fantastic to see that London tech companies are attracting large volumes of capital across all stages of the funding journey as a sign that our tech ecosystem is truly flourishing, and our entrepreneurs are second to none. With high growth sectors such as fintech, climate tech and health tech, we can expect London's tech companies and those across the UK to attract further attention from global investors in 2022, Burbidge said.