

[Home](#) / [Economy](#) / Economic Survey: India becomes third-largest startup ecosystem in the world

Economic Survey: India becomes third-largest startup ecosystem in the world

[OPEN APP](#)

India recognised over 14,000 new startups in 2021-22 against 733 in 2016-17.. (Photo: iStock)

2 min read . Updated: 31 Jan 2022, 04:39 PM IST

Nikhil Patwardhan

As of 14 January, India had 83 unicorns with a total valuation of \$277.77 billion, according to the Survey. Most of these unicorns are in the services sector, which contributes over 50% to India's GDP

Listen to this article

[HOME](#) [LATEST](#) [MARKETS](#) [PREMIUM](#) [FOR YOU](#)

US and China, the Economic Survey 2021-22 released on Monday showed.

The Survey noted that the government recognised over 14,000 new startups in 2021-22 against 733 in 2016-17. With this, the total number of recognised startups in the country surpassed 61,400. During 2021, 555 districts had at least one new start-up against 121 districts in 2016-17, as per the Economic Survey.

[OPEN APP](#)

RECOMMENDED FOR YOU

[View All](#)

Global policy coordination needed to tackle macroeconomic cha...



Data recap: Netflix slows, covid grows, NFT bust



How First Global's founder approaches her personal investment



The 126-year-old dam that stands between Kerala and Tamil Nadu

India saw a record 44 startups turning unicorns in 2021. Unicorns are companies with over \$1 billion valuation. India also overtook the UK to have the third-highest number of unicorns after the US and China, which added 487 and 301 unicorns, respectively.

As of 14 January, India had 83 unicorns with a total valuation of \$277.77 billion, according to the Survey. Most of these unicorns are in the services sector, which contributes over 50% to India's GDP.

The outbreak of the covid-19 pandemic in early 2020, which forced governments across the world to put restrictions on businesses and movements of people to curb the spread of the contagious disease, compelled major central banks to open their liquidity taps. Consequently, the banking system was flooded with liquidity, leading to investors crowding emerging markets like India, where they typically get high return on investments.

Private market investments, just as public market investments, thus, got a boost in India since 2020. VCCircle in December, reported that all unicorns of 2021, put together, had raised over \$12.7 billion. [OPEN APP](#)

Many startups and unicorns, especially new-age technology companies, also got listed on the stock exchanges during the year. In April-November 2021, ₹89,066 crore were raised via 75 initial public offerings (IPOs), much higher than in any year in last decade, the Survey showed.

"Investment by all categories of investors in IPOs of companies was reflective of not only the confidence in markets, but also that in corporate sector performance and prospects of the economy in the long run," the Survey said.

TRENDING STORIES



[PNB recruitment 2022 for 145 SO posts: How to apply, salary, ...](#)



[Omicron BA.2.12 mutant found in majority of Delhi samples, re...](#)



[Amazon offering up to 30% off on refurbished smartphones. Che...](#)



[Ridiculously exotic! Anand Mahindra's take on India's island ...](#)

It also noted that the government, to incentivise startups, has extended the deadline for claiming tax holiday till 31 March 2022 by the Finance Act 2021. The government has also extended the capital gains exemption for investment in startups for another year till 31 March 2022, the Survey added.

[OPEN APP](#)

Union minister of commerce and industry Piyush Goyal has urged global venture capital funds to sharpen their focus on startups from smaller (tier-2 and tier-3) cities, VCCircle had reported. The minister had urged the startup fraternity to nurture 75 more unicorns in 2022.

[Close](#)

[HOME](#)[MARKETS](#)[PREMIUM](#)[FOR YOU](#)[Enter Email Address](#)[Subscribe](#)

Recommended

Promoted

25 Stock Recommendations to Create a Multibagger Portfolio

Research & Ranking



Promoted

Market ups and downs can be confusing. Just #GoAutomatic with...

Kotak MF | Balanced Advantage Funds

[Learn More](#)[OPEN APP](#)

Promoted

Start Your Own Mutual Fund Business

NJ Wealth

[Read more](#)

Recommended by

[HOME](#) [LATEST](#) [MARKETS](#) [PREMIUM](#) [FOR YOU](#)[OPEN APP](#)