

THE 'ASIAN TIGER' DREAM IS STALLING

It is time Bangladeshi founders look to the Gulf

MOHIDUL ALAM

There is a familiar refrain doing the rounds in Dhaka's startup circles. "The ecosystem is dead." "The ship is sinking." The mood is understandable, but it misdiagnoses the problem. Bangladesh's startup ecosystem is not dying. It is just working from the wrong map.

For the past decade, founders were encouraged to look east. The default playbook was to incorporate in Singapore, chase Southeast Asian (SEA) accelerators, and pitch to funds hunting for the "next Asian tiger". In 2025, that story looks far less convincing. Southeast Asia's venture boom has cooled, while a new centre of gravity for capital and demand is emerging closer to home, in the Gulf, especially Saudi Arabia.

The era of flying to Singapore for a \$60,000 cheque and spending thousands just to get in the room is fading. The smart money has moved. Bangladeshi founders should move with it.

Southeast Asia reset: why the 'tiger' is tired

The wave of optimism that drove billions into Southeast Asia has met a hard reality check. A recent Lightspeed report notes that investors pumped \$72bn into SEA tech companies over the last five years, but returns have been sobering.

The region's public market champions were meant to provide clear exit pathways, yet many have struggled. Grab's market capitalisation is down roughly 65% since listing, and GoTo has fallen roughly 86%. Beneath the headlines is a structural issue: market depth.

Southeast Asia is often spoken about in the same breath as China or India, but the addressable, high-spending consumer base is far smaller than the mythology suggests. There are only about 16 million "power user" households earning over \$20,000 across the entire region. The massive, instantly monetisable middle class that underpinned so many pitch decks has been slower to materialise.

For Bangladeshi founders, the implication is straightforward. The liquidity tap is tightening. The "growth at all costs" model promoted by many accelerators is being replaced by a tougher demand for sustainability, and that shift is harder to support in markets where purchasing power is uneven and fragmentation is the norm.

The GCC awakening: where liquidity and demand are rising

While Southeast Asia cools, the Middle



ILLUSTRATION: ZARIF FAIAZ

East is moving in the opposite direction. In 2025, the MENA region saw startups raise \$7.5bn, a 225% year-on-year increase.

Saudi Arabia is at the centre of that acceleration. In 2025 alone, the kingdom recorded \$1.72bn in venture capital funding, up 145% from the previous year, while deal volume rose 45% to 257 transactions. For the first time, Saudi Arabia surpassed the UAE in deal activity, accounting for 37% of all MENA transactions.

This is not just domestic capital circulating locally. International investor participation in Saudi Arabia rose by 65% last year. The appetite for digital transformation is strong and, unlike the more fragmented consumer classes in SEA, the GCC offers concentrated purchasing power and the ability to pay for quality quickly.

The Bangladeshi pivot is already under way

This shift is not theoretical. Look closely at the marquee deals coming out of Dhaka. The capital is increasingly arriving from the Gulf, not Singapore.

The merger between Bangladesh's ShopUp and Saudi Arabia's Sary created a new entity, SILQ, in a deal valued at more than \$100m. More than an acquisition, it signalled a corridor connecting South

Asian supply with Gulf demand.

Pathao, the logistics and ride-hailing company, raised a \$12m pre-series B led by VentureSouq, a GCC-based fund.

Markopolo, an adtech startup, raised \$2m led by Joa Capital, a Saudi venture capital firm.

10 Minute School, one of Bangladesh's largest edtech firms, raised \$2m led by Conjunction Capital in the UAE.

Jatri, the transportation platform, secured investment from Fatima Gobi Ventures, with networks across Pakistan and the GCC.

These are not one-offs. Companies such as MyAlice, Zatiq, and Barikoi are building momentum in the region. There is also talk of further GCC-linked M&A that would deepen this corridor.

Learning from Pakistan: the Gulf as a nearby market

While Bangladesh's founders looked east, Pakistani startups treated the Gulf as a natural extension of their home market and built for it early. Haball (\$52m) and MedIQ (\$6m) recently raised significant rounds explicitly for Saudi expansion, backed by regional VCs. COLABS is entering Riyadh with local partners, PostEx (\$7.3m) is scaling across the GCC, and Abhi (\$60m) has established deep UAE partnerships.

They also leveraged an asset Bangladesh shares but often underuses strategically. Large expatriate communities in the Gulf can serve as a practical beachhead for distribution, hiring, partnerships, and early customers. That advantage is much harder to replicate in Southeast Asia.

A door closing in Singapore, a door opening in Riyadh

The claim that "Bangladesh is dead" only holds if you measure success by access to Singapore's old playbook. Founders do not win by insisting on a single route to the capital. They win by following demand.

Saudi Arabia is explicitly pursuing economic diversification under Vision 2030 and is actively courting international startups. The opportunity cost of ignoring the GCC is rising fast. The capital is there, the urgency for digital solutions is real, and the first serious cross-border outcomes are already appearing.

Take a pause chasing a tiger. Look to the Gulf.

Mohidul Alam is a senior investment analyst at Antler. Previously, he worked at VentureSouq, investing across fintech, AI, and marketplace startups.

Views expressed in this article are of the author's own and may not reflect the editorial stance of The Daily Star.



Microsoft targets \$50 bln AI investment across the global south

NEXT STEP DESK

Microsoft said on February 18 that it is on track to invest \$50 billion by the end of the decade to expand access to artificial intelligence (AI) technologies across countries in the "Global South."

According to a recent report by Reuters, the announcement was made at an AI summit in New Delhi, where senior executives from major technology companies met political leaders to discuss the governance and deployment of emerging AI systems.

The term "Global South" is commonly used to describe developing, emerging or lower-income nations, many of them located in the southern hemisphere.

Microsoft said the planned spending would support infrastructure, cloud capacity and AI deployment in these markets, though it did not provide a detailed breakdown of the investments by country. Last year, Microsoft unveiled \$17.5 billion in AI-related investments in India.

Asha Sharma named new CEO of Microsoft Gaming



IMAGE: MICROSOFT

NEXT STEP DESK

Microsoft has appointed Asha Sharma as the new head of its gaming division, replacing longtime leader Phil Spencer, who is retiring after 38 years at the company, the software giant announced last week.

Sharma, who previously led product development for AI models and services at Microsoft, became Executive Vice President and CEO of Microsoft Gaming. She previously held roles as Chief Operating Officer at Instacart and a Vice President at Meta.

Spencer, who led the division for 12 years and oversaw major acquisitions including Activision Blizzard and ZeniMax, said he made the decision to retire last fall. He will remain in an advisory role through the summer to ensure a smooth transition.

Sharma outlined three priorities for the division: delivering great games, renewing focus on the Xbox console, and shaping the future of play. "We will recommit to our core Xbox fans and players, those who have invested with us for the past 25 years," she said.

The leadership change comes as Microsoft Gaming faces declining revenue, with gaming revenue falling around 9.5% in the December quarter, according to a report by Reuters on the matter. The division also faces competition from Sony's PlayStation and tariff-induced cost pressures.

Nvidia nears \$30 billion investment in OpenAI: report

NEXT STEP DESK

Nvidia is close to finalising a \$30 billion investment in OpenAI as part of a fundraising round seeking more than \$100 billion, according to a recent report by Reuters, which cites a source familiar with the matter. The investment would value the ChatGPT maker at approximately \$830 billion and rank among the largest private capital raises on record, the source said. SoftBank and Amazon are also expected to participate in the round, Reuters has previously reported.

The deal would replace a commitment announced in September under which Nvidia planned to invest up to \$100 billion to support OpenAI's use of its chips



in data centres, the Financial Times reported. An initial \$10 billion investment was planned once a definitive agreement was reached for OpenAI to purchase Nvidia systems, but negotiations took longer than expected, the source said.

OpenAI intends to use much of the new capital to purchase Nvidia's chips, which power the training and deployment of its AI models, according to the source added.

OpenAI targets \$600 billion in compute spend through 2030: report

NEXT STEP DESK

OpenAI is planning approximately \$600 billion in total computing expenditure through 2030, as the ChatGPT maker prepares for an initial public offering that could value it at up to \$1 trillion, according to a recent report by Reuters, citing a source familiar with the matter.

The company's 2025 revenue totalled \$13 billion, exceeding its \$10 billion projection, while spending came in at \$8 billion,

under its \$9 billion target, the source said. OpenAI expects more than \$280 billion in total revenue by 2030, split roughly equally between

consumer and enterprise units, according to a CNBC report.

The development comes as Nvidia nears a \$30 billion investment in OpenAI as part of a fundraising round seeking more than \$100 billion, which would value the company at about \$830 billion.

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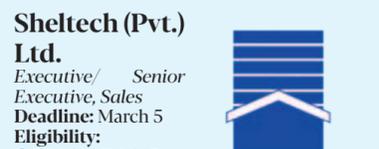


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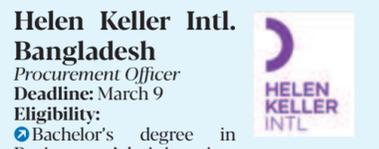
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Vibe coding platform claims \$100M annual run-rate revenue in 8 months

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Emergent, a vibe coding platform that lets users build software using natural language and AI agents, says it has reached \$100 million in annual run-rate revenue just eight months after launching, according to a recent report by TechCrunch.

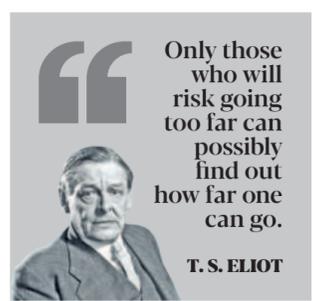
As per TechCrunch, the startup announced that its run-rate revenue has doubled in the past month. It now has more than 6 million users across 190 countries, with roughly 150,000 paying customers. Users have created over 7 million applications on the platform, the company claims.

The rapid growth reflects surging global interest in 'vibe coding' or using AI to generate software. Co-founder and CEO Mukund Jha told TechCrunch that about 70% of users have no prior coding experience, while nearly 40% are small businesses. Most use the platform to digitise operations previously managed through spreadsheets, email, or messaging apps.

Around 80 to 90% of new projects focus on mobile applications, reflecting demand for software that can be deployed quickly, states the report. The platform generates revenue through subscriptions, usage-based pricing, and hosting fees. The company has also begun testing an enterprise offering and is running pilots with a small number of customers to address security and compliance requirements.

Emergent also launched a mobile app for iOS and Android that lets users create apps via text or voice prompts and publish directly to Apple's App Store and Google's Play Store. The app is currently in testing, with users having already built more than 10,000 applications.

The US and Europe account for roughly 70% of revenue, while India is the fastest-growing market, says the company in the TechCrunch report. The San Francisco-headquartered startup, with an office in India's Bengaluru, raised \$70 million in January, tripling its valuation to \$300 million, further states the report.



T. S. ELIOT