

India, Japan defy global deal slump in Q1CY25

JADEN MATHEW PAUL

Mumbai, 10 April

Despite a 6 per cent dip in global deal activity in the first quarter of 2025 (Q1CY25), India and Japan have emerged as bright spots, offering hope to investors navigating turbulent markets, according to a GlobalData report.

The report stated that M&A, private equity, and venture financing deals all saw year-on-year declines globally, driven by economic uncertainty and tightening capital flows. M&A deals regis-

tered a 5 per cent decline in volume during Q1 2025. The number of private equity deals was down 2 per cent, while venture financing dropped 8 per cent.

Against this subdued backdrop, India and Japan stood out. India recorded a 14.2 per cent increase in deal volume and a 10.58 per cent rise in deal value. Japan outperformed further, with deal volume surging 26.9 per cent and deal value jumping 54.5 per cent.

India's booming startup ecosystem and robust consumption trends, along with Japan's steady corporate restruc-

turing and innovation-led deals, are seen as key drivers of their outperformance. The two economies appear to be bucking regional and global trends, attracting investor interest even as major markets like China, the US, and the UK witnessed declines, said the report.

"While the overall downturn is indicative of a cautious approach among investors and corporations alike, the resilience shown by some markets offers a glimmer of hope," said Aurojyoti Bose, Lead Analyst, GlobalData.

The Asia-Pacific region saw a 4 per

cent fall in deal volume, largely driven by China's sharp M&A slowdown amid regulatory challenges. Europe fared worse, with a 9 per cent drop, while North America declined 4 per cent, despite the US remaining the largest market. "While the global deal landscape is facing headwinds, it is essential to recognize that pockets of growth still exist. Markets like India and Japan are defying the broader trend, indicating that strategic investments and innovation can thrive even in challenging times," added Bose.