

India well placed to tackle Trump's tariff volleys: Blackstone CEO

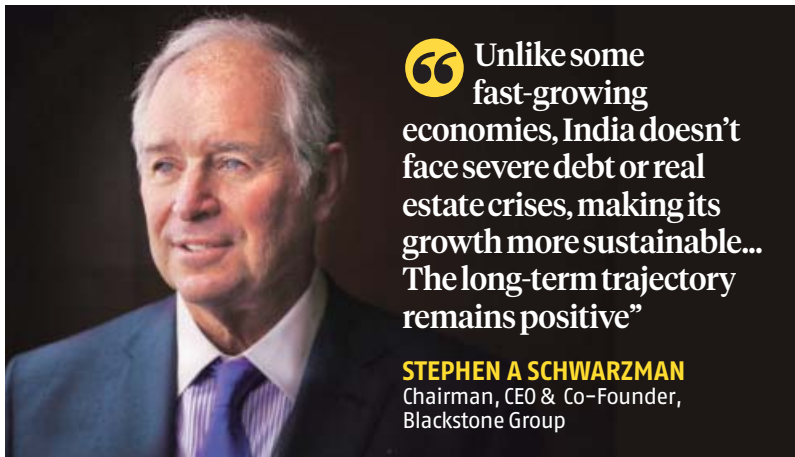
Firm to invest \$100 bn in India in future

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India and the US are expected to have smooth trade negotiations after US President Donald Trump and Indian Prime Minister Narendra Modi had a productive meeting during Modi's visit to the White House last month. Stephen A Schwarzman, chairman, chief executive officer, and co-founder of one of the world's largest alternative investment firms, Blackstone Group, said in Mumbai on Wednesday.

Schwarzman said tariffs and trade negotiations are big worries. "The US aims to establish tariff quotas with its major trading partners to ensure fair competition. But India is well-placed in this environment. Modi had a productive meeting with Trump, and they have agreed on a trade agreement. There are very few countries in the



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Chairman, CEO & Co-Founder,
Blackstone Group

world that have had that. While some adjustments will be necessary, I expect smooth negotiations,” Schwarzman, who is visiting India on Blackstone's 20th anniversary of its first investment, said.

Blackstone, which started its India journey with \$1 billion of investment in

2005, has invested close to \$50 billion in India over 20 years. In the future, Blackstone, which has assets under management of \$1.1 trillion across the world, will increase its investments by 2x, or \$100 billion, in India, he said, without offering a time frame.

Blackstone: Stronger exit options make India attractive for PEs

On the impact of Trump's tariffs on the rest of the world, Schwarzman said it's early to comment as the outcome is uncertain.

"We don't know how this is all going to work out, how initial announcements will result in modifications, and what kind of change it will involve. I think it will lead to a sizeable increase in manufacturing activity in the US, and hopefully, that should boost US growth rates. If that happens, given the size of the US economy, it tends to be a good thing for the rest of the world. If the US is growing faster, we can then consume more things — that's one scenario. There are other scenarios, but it's just way too early to predict," he said.

Schwarzman said India is the fastest-growing major economy in the world.

"While challenges exist, they are manageable compared to those in other markets. Unlike some fast-growing economies, India doesn't face

severe debt or real estate crises, making its growth more sustainable. Despite market fluctuations and political issues, the long-term trajectory remains positive," he added.

Schwarzman said there is a huge need to build infrastructure in India. "You can just look around and see that we've done a lot of interesting things in that area. We have in-depth exposure to different types of infrastructure. And when we go ahead in that area, we would just be matching what we know with what's needed here, and it's also determined by deals," he said.

On India's economic growth prospects and business outlook, Schwarzman observed some softness over the past two quarters, accompanied by a stock market decline.

"Some believed the market was overvalued, and a correction was expected. When that happens, people get nervous. However, in the long term, India's real economy remains

strong. Growth rates have been among the highest globally, and I don't see anything that will change that in the near to intermediate term. The government here is relatively effective compared to others. No government makes perfect decisions, but the overall record is good," he said. Schwarzman added that population growth is another positive factor in India, as a growing population supports economic expansion — unlike in many other countries where declining populations contribute to economic contraction.

On lower commercial real estate overseas, Schwarzman said lower rates increase real estate values. "Even with a market selloff in the US, real estate investment trusts and stocks have risen. Lower interest rates reduce borrowing costs and raise property values, making our real estate team optimistic," he said.

Amit Dixit, Blackstone's Asia private equity (PE) head, said that over the past 20 years,

India's PE sector has evolved considerably. "Initially, PE meant buying 2-3 per cent stake in public companies, but that was essentially public equity. Gradually, minority investments in privately held firms became common. When we started investing, 95 per cent of deals were minority stakes. Over time, control-oriented investments have increased, and we have made repeated investments across sectors like technology, healthcare, consumer, and more," Dixit said.

Blackstone has emerged as India's largest realty investor, with investments in commercial properties, logistics parks, and data centres. The firm would continue to invest in healthcare, energy transition, data centres, and technology.

"Historically, investors saw India as a great place to invest but difficult for exits. That has changed with a vibrant IPO market — India accounted for 25 per cent of all global IPOs last year," Dixit said.