

INDIA-JAPAN INVESTMENT SYNERGY

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1. INTRODUCTION

India and Japan are two leading global economies that share a common history against western imperialism, similar geo-political goals and an aspiration for an increased global recognition. Critics may espouse the recent Indo-Japan bonhomie nurtured by the heads of the two states - Mr. Shinzo Abe and Mr. Narendra Modi - as a forced collaboration to counter the increased Chinese domination, however, in the midst of dominant political and economic threats, India and Japan stand together as 'natural allies' bound together with similar cultural and political identities. This article discusses the recent successes in forging Indo-Japan cooperation and analyzes the recent impediments that may have bottlenecked an even greater cooperation between the two Asian giants.

Pre-India's independence, India's exports of iron ore to Japan were instrumental in Japan's fervent economic reconstruction post its debacle in the World War II. However, Japan's interest in the Indian economy began only post India's independence with the grant of first Yen loans to India.

The subsequent entry of Suzuki Motor into India in the early 1980s, followed by Honda's collaboration with the Hero Group paved the way for revolutionizing the Indian automobile sector and introduced advanced technology for mass production of cars that catered to the

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changing public demand for novel cars.¹ These initial investments ushered in an era of economic camaraderie between the two countries, which later translated into significant investments across a range of sectors and industries. As of October 2016, there are 1,306 Japanese companies registered in various Indian states and 4,590 Japanese business establishments in India. This is a significant increase compared with 267 Japanese companies registered in India in the last decade.²

In recent times, India and Japan have strengthened their cooperation through a series of new initiatives such as economic investments, defense and security. For instance, Japan has recently inked a deal with India to sell nuclear technology and equipments, in order to strengthen its ties with India.³ In 2016, the total FDI, from April to December was USD 35,844 million, out of which, Japan's contribution was about 8% and totaled USD 4,249 million.⁴ Currently, Japan is the fifth largest investor in India in terms of FDI, with investments in automobiles, pharmaceuticals, electrical equipment, telecommunication, chemical and service sectors, aggregating up for 7% of India's overall FDI between April 2000 and March 2016.⁵ The Japanese FDI in India, in the last few years has increased from USD 1.7 billion in 2013-2014 to USD 2.61 billion in 2015-2016.⁶ As of October, 2016 there are 1,305 Japanese companies that are registered in India, which is a 13% increase from 2013. These

¹Shrestha Shahadave, "Impact of Japanese FDI in the Development of Indian Automobile Sector: Case Study of Two Japanese Automakers", available at http://daigakuin.soka.ac.jp/assets/files/pdf/major/kiyou/kiyo_h26_03.pdf.

²Embassy of Japan in India, "Japanese Business Establishments in India", available at http://www.in.emb-japan.go.jp/PDF/2016_j_cos_list_pr.pdf.

³Al Jazeera news and news agency, "Japan, India Sign Agreement on Civil Nuclear Power", available at <http://www.aljazeera.com/news/2016/11/japan-india-sign-agreement-civil-nuclear-power-161111164153096.html>.

⁴Department of Industrial Policy and Promotion, "Fact Sheet on Foreign Direct Investment", available at http://dipp.nic.in/English/Publications/FDI_Statistics/2016/FDI_FactSheet_OctoberNovemberDecember2016.pdf.

⁵Embassy of India, Japan, "India-Japan Economic Relations", available at https://www.indembassytokyo.gov.in/india_japan_economic_relations.html.

⁶*Infra* note 7.

companies have 3,961 establishments throughout India, which is 56% increase compared to 2013.⁷

The initial investments by Japanese companies in India have been the precursor to a slew of mega-deals between Japanese and Indian companies across sectors and industries. This includes Daiichi Sankyo's USD 5 billion majority acquisition of Ranbaxy, NTT Docomo's minority acquisition in Tata Teleservices for USD 2.7 billion and Nippon Life Insurance's minority acquisition in Reliance Life Insurance for USD 680 million. With India's ranking growing as the most attractive investment destination, both in Japan and across the world,⁸ it is expected that India will remain a key destination for investment from Japan. The consumption driven market in India buoyed by foreign investments is likely to offer a rich potential to 'cash rich' Japanese firms who have faced souring of relations with China.

2. STRATEGIC PARTNERSHIP

Prime Minister Abe had predicted in his book "Towards a Beautiful Country: My Vision for Japan" that Indo-Japan relations have the potential to exceed Japanese ties with the US and China. The significant upsurge in the Indo-Japanese economic, political and strategic ties has led to India successively liberalizing its trade policy to facilitate inbound Japanese investments. Several institutional bodies, such as a dedicated 'Japan Cell' in Department of Industrial Policy & Promotion ("DIPP") and the Foreign Investment Implementation Authority ("FIIA"), have now been created to promote and facilitate Japanese investments and FDI projects in India.

The signing of the Comprehensive Economic Partnership Agreement ("CEPA") in 2011 buoyed trade relations between the two countries. CEPA aims to reduce or eliminate tariffs over the next

⁷Embassy of India, Japan, "India-Japan Economic Relations: Bilateral Brief", available at https://www.indembassytokyo.gov.in/bilateral_brief.html.

⁸*Supra* note 7.

10 years (until 2021) in respect of over 90% of the goods traded between India and Japan. CEPA also envisaged expansion of bilateral trade to USD 25 billion by 2014, and to provide a framework for enhanced cooperation between the two countries by facilitating trade in goods and services, increasing investment opportunities and protecting intellectual property rights.⁹

In addition to the CEPA, the Indian and the Japanese political leadership have pledged to realize the full potential of Indo-Japan Strategic and Global Partnership. The Government of India has also constituted a Core Group chaired by the Cabinet Secretary on the India-Japan Investment Promotion Partnership. One of the obligations of the Core Group is to co-ordinate and facilitate investments from Japan in various sectors to exploit the opportunity of investment and technology transfer.

An important milestone in this strategic partnership was the signing of MoU between Rajasthan State Industrial Development and Investment Corporation and Japan External Trade Organization ("JETRO"), for setting up an exclusive Japanese Economic Zone in the Neemrana Industrial Estate, which offers investors various benefits such as slashed tax rates among other things.¹⁰ After the success of the Economic Zone in Neemrana, the government is planning to set up another Japanese Economic Zone in Ghilot in 500 acres of land.¹¹

Japan is also an active suitor in India's "Make in India" initiative and provides the financial support for various such Government initiatives such as 'Skill India' and 'Digital India'. In December 2015, Prime Minister Shinzo Abe announced the establishment of the

⁹Press Information Bureau, "Ministry of Commerce and Industry", available at <http://pib.nic.in/newsite/erecontent.aspx?relid=73598>.

¹⁰Dr. Anil Kumar Kanungo, "Japanese FDI in Indian Automobile Sector: Evolution and Practices", available at <http://www.freit.org/WorkingPapers/Papers/ForeignInvestment/FREIT562.pdf>.

¹¹Business Standard, "Rajasthan to have second Japanese Industrial Zone", available at http://www.business-standard.com/article/news-ians/rajasthan-to-have-second-japanese-industrial-zone-115040800931_1.html.

Japan-India Make-in-India Special Finance Facility. Under this, Nippon Export and Investment Insurance (“NEXI”) and Japan Bank for International Cooperation (“JBIC”) will provide financial assistance of up to 1.5 trillion Yen for realising the Make in India initiative.¹² This amount will be realised for supporting direct investment of Japan into India, loan of operating capital required by Japanese Companies conducting business in India, including development of necessary infrastructure and loans for equipment and material procurement used for local production in India.¹³

Under the Make in India initiative, the Delhi-Mumbai Industrial Corridor was also launched pursuant to the MOU signed between India and Japan, which is a mega infrastructure project of USD 90 billion, covering an overall length of 1,483 kilometres between Delhi and Mumbai.¹⁴ The project will see major expansion of infrastructure and industry – including smart cities and industrial clusters along with rail, road, port and air connectivity – in the states along the route of the Delhi-Mumbai Industrial Corridor. Many smart cities would be developed alongside. A total of 24 special investment nodes are envisaged to be created by the government that would support manufacturing, however, any type of industry could be set up. The main role of these hubs is to facilitate businesses, set up their factories quickly without any hiccups in land acquisition and resources, and provide cheap, fast and efficient transportation to ports as well as to the whole of India. Additionally, this project will house multiple National Investment and Manufacturing Zones – to be developed as a Model Industrial Corridor. It is estimated to have the potential to generate about 10 million jobs, once it’s functional.¹⁵

Japan and India have also decided to take steps to develop “Japan Industrial Townships” in India especially in the Delhi-Mumbai

¹²Ministry of Economy Trade and Industry of Japan, “Announcement of Japan-India Make-in-India Special Finance Facility on a Scale of 1.5 trillion Yen”, available at http://www.meti.go.jp/english/press/2015/1211_02.html.

¹³*Infra* note 14.

¹⁴Centre for Urban Research, “Delhi Mumbai Industrial Corridor”, available at <http://delhimumbaiindustrialcorridor.com>.

¹⁵*Infra* note 16.

Industrial Corridor and the Chennai-Bengaluru Industrial Corridor regions in order to facilitate Japanese investment to India.¹⁶

Various Japanese companies are extracting full advantage of the Make in India initiative. An important example of this is the Japan's Hitachi group which has invested more than Rs. 100 crore for setting up a manufacturing base in Bengaluru for manufacturing ATM machines. This appears to be working in their best interest especially after the cash crisis being faced by the country due to demonetisation.¹⁷

Apart from the Make-in India initiative in which we have seen an active participation by the Japanese, Japanese Companies are also participating in other similar, parallel initiatives being taken by the Indian Government.

Recently, Yamaha, the famous two-wheeler manufacturer, got certified and rewarded for promoting the Skill-India policy, for providing training in bike mechanics and communication for customer service, at the vocational training centre in Chennai.¹⁸

Japanese participation involved substantial monetary contributions and technology transfers. The Government of India has pledged US \$4.5 billion, with the Japanese Government promising an equal amount.

Japan is also assisting India in various ways for improving the maritime infrastructure, such as by setting up a 15 megawatt diesel

¹⁶ Mohul Ghosh, "Japan's Make-in-India Agenda: Establishing 11 Industrial Townships and Doubling Investments", available at <http://trak.in/tags/business/2015/05/07/japan-make-india-industrial-townships-investments/>.

¹⁷ Business Today, "Hitachi invests Rs. 100 crore to set up ATM making firm in India", available at <http://www.businesstoday.in/current/corporate/hitachi-invests-rs-100-cr-to-set-up-atm-making-firm/story/230344.html>.

¹⁸ Business Standard, "Japanese companies contribute to the growth of Indian industry", available at http://www.business-standard.com/article/news-ani/japanese-companies-contribute-to-the-growth-of-indian-industry-116121400614_1.html.

plant in South Andaman Islands and setting off a chain of underwater surveillance sensors off the Andaman train.¹⁹

3. RECENT SETBACKS

India caught significant Japanese interest only after liberalization of the Indian economy in the early nineties. Japan's investment in India has increased over the years, however in comparison to the total FDI made by Japan, FDI in India is small. In the Financial Year 2015-2016, India-Japan trade reached USD 14.51 billion marking a decrease of 6.47% from Financial Year 2014-2015. In 2015-2016, India's exports to Japan were USD 4.66 billion while imports were USD 9.85 billion. This negative growth in trade with Japan is a matter of concern for India.²⁰

The 'conservative approach' of the Japanese is well articulated in the context of the low trade volume between the two countries. The bilateral trade between the two countries is substantially lower than the trade between Japan and China. In 2009, less than 5% of total Japanese FDI came to India. The Japan Chamber of Commerce and Industry in its report to the DIPP titled "Suggestions for Government of India" dubs the Indian business environment as "tough", with tax inefficiencies, land acquisition challenges, multiple administrative bottlenecks, and difficult legal environment and labour issues consistently being named as the primary culprits.²¹

The World Bank's report on 'Ease of Doing Business in India' recognizes the subtlety of the Indian market, and the challenges that foreign investors often face while undertaking business in India. The

¹⁹Saturo Nagao, "A Japan-India Partnership in Maritime-Asia: Analysis", available at <http://www.defencenews.in/article/A-Japan-India-Partnership-In-Maritime-Asia-%E2%80%93-Analysis-250416>.

²⁰*Supra* note 7.

²¹Embassy of Japan, India, "Suggestions for Government of India by Japan Chamber of Commerce and Industry in India 2016", available at http://www.in.emb-japan.go.jp/itpr_en/00_000064.html.

debacle that Posco²² and Tata Motors have faced while investing on tribal land in India is well known and documented. Similarly, India's systemic inefficiencies in implementing the complicated land acquisition process play a significant role in the bottlenecks²³ associated in the implementation of the Delhi-Mumbai Industrial Corridor, which has been the beneficiary of Japanese investment. No wonder, India is ranked 130th out of 189 economies in the Ease of Doing Business Report issued by the World Bank taking into account the intricacy of the regulatory regime, the judicial delays in pronouncement of justice and enforcement of contractual obligations in India, the mundane compliances associated with taxes, and the difficulties in obtaining permits and basic infrastructure support.²⁴ Hopefully, some of the challenges associated with the Indian land acquisition procedures are likely to abate with the implementation of the Real Estate (Regulation and Development) Act, 2013.

Furthermore, the process of filing and servicing court proceedings is often complicated, tiresome and time consuming and based on the antiquated laws and regulations. One of the biggest challenges that foreign companies face while litigating in India is the problem of delay, with cases sometimes taking several years to be resolved.

Costs involved for engaging and retaining lawyers, incurred at the interim stage, enforcement costs, and miscellaneous costs among other things post significant obstacles to the litigating companies.

India's tax system which is riddled with multiplicity of direct and indirect taxes has constantly deterred foreign investors from Japan and other global destinations from investing into India. The dispute between Vodafone and the Indian government which garnered a lot of negative investor publicity coupled with the Indian government's

²²Jongsoo Park, "Korean FDI in India: Perspectives on POSCO-India Project", available at <http://www.rlarrdc.org.in/images/POSCO-India%20Project.pdf>.

²³The Economist, "India: A New Dawn for Japanese Companies", available at https://www.eiuperspectives.economist.com/sites/default/files/EIU%20India%20Japan%20Mar31%2015_FINAL.pdf.

²⁴The World Bank, "Ease of Doing Business in India", available at <http://www.doingbusiness.org/data/exploreconomies/india>.

unpopular decision to retrospectively implement the General Anti Avoidance Regulation massively dampened global investment sentiments.²⁵

Other instances of highly publicized battles with local subsidiaries of foreign businesses, including Nokia, and Nestle highlighted the uncertainty and ambiguity in Indian laws and the non-uniform application of the law. It is expected that the implementation of the Goods and Service Tax (GST) later this year should result in increased tax transparency and tax compliance and attract more foreign direct investments across sectors.²⁶

Apart from enacting the Goods and Service Tax another positive step taken up by the Government to attract foreign investments is to set up a new 'tax simplification panel' to simplify the archaic income tax law, as part of an effort to make it easier to do business in India.²⁷ The panel will suggest ways to create predictability and certainty in tax laws without having a substantial impact on the tax base and revenue collection.

India's weak infrastructure manifested by its poor energy supply, unpaved roads, ineffective airports and ports also pose a major challenge to foreign investors. Infrastructure inefficiencies like inadequate power generation add a significant cost factor for manufacturing companies in the country.²⁸

The recent pitfall in the Indo-Japan relationship has been on account of legal Tata-DoCommo dispute which has marred Japanese interest in India. However, the two parties have finally reached a settlement,

²⁵Abhishek Vijay Kumar Vyas, "An Analytical Study of FDI in India (2000-2015)", available at <http://www.ijsrp.org/research-paper-1015/ijsrp-p4631.pdf>.

²⁶The Economic Times, "Implementation of GST to attract more FDI", available at http://economictimes.indiatimes.com/articleshow/54310069.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst.

²⁷Price Waterhouse Coopers, "Income Tax Simplification Committee First Report and Recommendations", available at https://www.pwc.in/assets/pdfs/news-alert-tax/2016/pwc_news_alert_20_january_2016_income_tax_simplification_committee_first_report_and_recommendations.pdf.

²⁸*Supra* Note 27.

and Docomo is likely to have a smooth exit.²⁹ Another instance which has been a setback for Japanese investments is the Ranbaxy-Daiichi dispute, where the dispute arose, because Ranbaxy had misrepresented and concealed facts from Daiichi and had obtained investment in Ranbaxy on the basis of fabricated data. The Ranbaxy Daiichi dispute serves as an important lesson for other Japanese investors to be cautious while conducting their due diligence.

The problem of land acquisition is another boulder in the way of Japanese investors. Investors and manufacturers need timely acquisition of contiguous land to contain project cost escalation and meet project timelines. However, landowners are often wary of selling — given the potential future price appreciation and non-transparent price benchmarks. As a consequence, land for industrial development is not as easily available as it used to be earlier. The number of departments to be visited as well as the number of visits to each department makes the land acquisition process complex. High costs and transaction fees add to the overall costs of the land acquisition process. The problem of poor infrastructure, although being actively addressed by the Indian government also remains a niggling issue for ease of investment.³⁰

Another one of the myriad problems being faced by the Japanese investors is the perplexing political and regulatory processes, which pose a major challenge for companies doing business in India. Investment in sectors which require continuous interface with various regulatory authorities expose the investor to delays in implementing the project, thus, affecting their profitability. Multiplicity of Indian enactments coupled with the lack of regulatory guidance also exerts considerable operational strain on investors investing in regulated sectors. A prominent example is of

²⁹Sayan Ghosal, "Tata, Docomo to bury the hatchet, but RBI hurdle remains to be cleared", available at http://www.business-standard.com/article/companies/tata-docomo-to-bury-the-hatchet-but-rbi-hurdle-remains-to-be-cleared-117022800274_1.html.

³⁰Anshuman Magazine, "Challenges facing amended policies", available at <http://epaperbeta.timesofindia.com/Article.aspx?eid=31808&articlexml=Challenges-facing-amended-policies-14022015301012>.

Indian companies that list third party content on an electronic medium and are required to comply with a plethora of legislations - the Information Technology Act, 2000, the Indian Penal Code, 1860, the Indecent Representation of Women (Prohibition) Act, 1986 and several judicial pronouncements. Regulatory and enforcement authorities present at Central, State and Local levels in India have made it mandatory for the businesses to obtain various licenses and approvals before commencing operations.

Besides, Indian laws are generally not drafted in a simple language, making them difficult to be understood without ambiguity, giving room to the need of issuing clarifications regarding their interpretation. Citing this problem faced by foreign investors, the Ministry of Finance has taken a bold step by deciding to scrap the Foreign Investment Promotion Board ("FIPB").

This will result in smooth FDI inflow. Though the government has still not come up with a clear outline, it will surely un-complicate the current problems being faced by the Japanese investors, when the time comes.

The difference in the approach in decision making between the decision makers in Indian companies and the Japanese counterparts has also resulted in setbacks and disputes, and consequently decelerated Japanese investments into India. Unlike their American, South Korean and the European counterparts, slowness in decision making process hampers the adaptability of Japanese companies to appropriately streamline for sudden changes in the Indian market.

In cases where there is an information asymmetry between the corporate office in Japan and its local Indian subsidiary, the implementation of key commercial decisions naturally gets affected.

Differences in decision making and cultural approach to issues have also resulted in increased labour unrest. Toyota had to close two of its plants near Bangalore, following unrest and strike by the workers

demanding an increase in the pay.³¹ Similarly, in 2012, Suzuki Motors witnessed violent protests by labourers.³²

However, Japanese investors / companies that have implemented India specific commercial strategy have had resounding success. Softbank has made aggressive investments in India and is largely the fulcrum of the Indian start-up ecosystem. Honda's constant focus on innovation in the automotive space has had a great success. Panasonic and Daikin have also competed with American and South Korean companies in grabbing a significant stake of the air conditioners market in India.³³

4. MITIGATING THE CHALLENGES

Though there exist problems and the recent hiccups in investments into India from Japan, India continues to remain a bright spot for foreign investment. As a low cost manufacturing hub with English speaking workforce and a growing domestic market, India offers a significant economic advantage for foreign investment.³⁴ Bangalore, Chennai and the NCR Region have become hubs for Japanese investors engaged in diverse businesses, including IT/ITES, e-commerce, healthcare, transport and education.

Despite the struggle of a few Japanese investors in India, India showcases stories of unparalleled successful partnership between Indian and Japanese companies. Maruti Suzuki has managed to

³¹The Hindu, "Toyota workers resort to hunger strike", available at <http://www.thehindu.com/business/Industry/toyota-workers-resort-to-hunger-strike/article5868206.ece>.

³²The Times of India, "Maruti's Manesar plant GM(HR) burned to death, 91 workers arrested; government says business confidence intact", available at <http://timesofindia.indiatimes.com/india/Marutis-Manesar-plant-GMHR-burned-to-death-91-workers-arrested-government-says-business-confidence-intact/articleshow/15045097.cms>.

³³Sunny Sen, "Striking back", available at <http://www.businesstoday.in/magazine/cover-story/japanese-brands-are-on-the-rise-in-india/story/201863.html>.

³⁴Kroll, "Expert Q&A: Outlook for Japanese investment in India", available at <http://www.kroll.com/en-us/intelligence-center/blog/expert-qa-outlook-japanese-investment-india>.

produce double the number of vehicles than its parent Suzuki Motor Corporation in 2016.³⁵ Similarly, auto-parts maker Motherson Sumi witnessed a 28.24% growth in its profits in the third quarter in 2016.³⁶ Softbank and Kukoyo Limited stand out as investors who are willing to bet on the Indian economic story and carve India as their number one priority market.³⁷ Nissan, which has set up a plant in Chennai and has exported more than 7,000,000 Indian made cars till date, considers India to be one of its largest hubs for investment.³⁸

However, India would need to ensure that the foreign investors in general and Japanese investors in particular are not discouraged by the Indian regulatory challenges. Apart from creating transparency within the bureaucratic operation, it is essential to create transparent procedures with respect to filing of application with local authorities. Giving assistance to new investors in the form of identifying location, easy availability of information, setting up distribution channel etc. will help attract potential Japanese investors. The eBiz portal implemented under the aegis of the DIPP that seeks to create an investor-friendly business environment by making available relevant regulatory information - dealing with company incorporation, operational permits / licenses, and winding up - available to the concerned stakeholders on an online portal. As of date, 14 services, including company incorporation related services and basic tax registrations have been integrated with the eBiz portal to provide a single window clearance for operating a business in India. The Ministry of Labour and Employment has also launched the Shram Suvidha Portal in October, 2014 to enable compliance

³⁵Ketan Thakkar and Ashutosh Shyam, "Maruti's production in 2016 to be double that of its Japanese parent", available at <http://economictimes.indiatimes.com/industry/auto/marutis-production-in-2016-to-be-double-that-of-its-japanese-parent/articleshow/56227692.cms>.

³⁶Money Control, "Positive on growth, Motherson Sumi plans to set up 9 new plants", available at http://www.moneycontrol.com/news/results-boardroom/positivegrowth-motherson-sumi-plans-to-set9-new-plants_8482241.html.

³⁷*Supra* note 25.

³⁸Autocar Pro News Desk, "Nissan exports its 700,000th made-in-India car", available at <http://www.autocarpro.in/news-national/nissan-exports-700-000th-india-car-23846>.

with 16 out of 44 labour laws through a unified filing system.³⁹ These are transformational initiatives as it results in direct interaction between the regulator and the entrepreneur eliminating middlemen and reducing unnecessary delays and red-tapism.

India has taken major steps to integrate with the world economy and our foreign investment policies are proving to be more investor friendly. The regulators and policy makers have become active in responding to the needs of Japanese investors.

Issues regarding delays, labour issues, infrastructure and tax issues are constantly being addressed. Japan has pledged 35 billion USD in investment in India over the next five years, and proposes to double the foreign investment and the number of companies in India by 2019. In order to boost Japanese investment in India, India thus needs to disseminate information on investment opportunities, identify new areas of collaboration and co-operation, and ease procedural hassles.⁴⁰

From an investor perspective, Japanese should consider undertaking an in-depth due diligence for taking an informed decision before consuming a transaction. After all, the Indian success story is replete with examples of investors who have undertaken the investment risks after detailed market analysis. Furthermore, investment in a good accounting system is the key to ensure transparency of information.

Ongoing training as well as unannounced audits and checks may be necessary to ensure compliance and transparency in books and records. Effective delegation to trusted local management may also ensure effective localization of the business model and evoke confidence in the local management.

³⁹DNA Research and Archives, "Labour reforms unveiled by Narendar Modi's government will boost investor sentiment: India Inc", available at <http://www.dnaindia.com/money/report-labour-reforms-unveiled-by-narendra-modi-s-government-will-boost-investor-sentiment-india-inc-2026668>.

⁴⁰Geethanjali Nataraj, "India-Japan investment relations: Trends and Prospects", available at <http://icrier.org/pdf/WorkingPaper245.pdf>.

India should effectively remove these road blocks that currently mars its highway to foreign investment and collaboration. In turn, India will be allowing Japan a smoother access to a country fertile for development and its massive consumer base.

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