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Japanese FDI in India Part II: Drivers and Obstacles from the Viewpoint of Japanese Investors

Japán közvetlen beruházásai Indiában II.
ösztönzők és akadályok a japán befektetők nézőpontjából

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Abstract: This policy brief is part of a two-part series analysing the history and current situation of Japanese foreign direct investment (FDI), and its potential role in India's economy. The previous part found that while Japan has become a major investor in India over the recent decades, top-level political relations in the past had limited impact on India's actual ability to attract Japanese foreign direct investment. This policy brief examines the factors that determine Japanese companies' willingness to establish or increase their presence in India. It finds that India's dynamically growing market, relatively cheap talent pool, infrastructure 'spending spree', and recent policies promoting the industry are highly attractive to Japanese companies. That being said, Japanese investors are deeply concerned about India's poor infrastructure and still relatively restrictive regulatory environment. For these reasons, the realisation of the 2022 March announcement by Japanese Prime Minister Kishida, which would add an up to 136% increase in Japanese FDI stock in India, would first and foremost depend on India's own ability to implement reforms and improve its infrastructure, rather than on the political will of top Indian and Japanese leaders.

Keywords: India, Japan, Indo-Japanese diplomatic relations, India–Japan investment relations, South Asia, FDI, Kishida Fumio

Összefoglalás: *Jelen írás egy kétrészes sorozat második része, amelynek tárgya a japán működőtőke (Foreign Direct Investment, FDI) történetének, jelenlegi helyzetének és lehetséges jövőbeli szerepének vizsgálata India gazdaságában. Az első részben megállapítottuk, hogy bár Japán az elmúlt évtizedekben fontos befektetővé vált India számára, a legfelső szintű bilaterális kapcsolatok alakulásának csak mérsékelt közvetlen hatása volt a Japánból Indiába érkező FDI mennyiségére. A második részben áttekintjük, mely fő tényezők befolyásolják a japán cégek hajlandóságát arra, hogy Indiában befektetéseket hajtsanak végre. Bemutatjuk, hogy a japán befektetők vonzónak találják India dinamikusan növekvő piacát, viszonylag olcsó munkaerőpiacát, a lehetséges megrendeléseket is jelentő nagymértékű infrastruktúra-fejlesztési ráfordításokat, valamint a közelmúltban bevezetett bizonyos iparfejlesztési ösztönzőket. Ugyanakkor a japán befektetők számára súlyos kockázatot jelent az indiai infrastruktúra általában véve alacsony fejlettségi szintje és a különféle reformok ellenére továbbra is viszonylag szigorú szabályozási környezet. Ez megerősíti a korábbi rész azon konklúzióját, hogy a 2022 márciusában Kisida Fumio japán miniszterelnök által bejelentett szándék megvalósítása – vagyis az Indiában működő japán befektetések volumenének mintegy 136%-kal történő növelése – elsősorban India önmaga megreformálására való képességétől, és nem a két ország legfelső szintű diplomáciai kapcsolatainak alakulásától fog függeni.*

Kulcsszavak: *India, Japán India és Japán közötti diplomáciai kapcsolatok, befektetési kapcsolatok, Dél-Ázsia, külföldi közvetlen beruházás, Kisida Fumio*

INTRODUCTION

This policy brief is part of a two-part series analysing the history and current situation of Japanese foreign direct investment (FDI), and its potential role in India's economy. The overall goal of the series is to assess how realistic, and if realised, how much of a game-changer Japanese Prime Minister Fumio Kishida's March 2022 announcement of USD 42 billion worth of Japanese investment into India over the next five years is. The first part of this analysis suggested that the scope and depth of Japanese companies' presence in India is not strongly dependent on political will at the highest level. Instead, it appears that the inflow of Japanese FDI to India mostly follows the general development in India's investment environment and the changes in Japan's global investment position.

This finding does not *per se* mean that Japanese companies have no unique perspective on India's business environment and that attempts aimed at boosting Japanese investors' presence in India are doomed to failure. Japanese companies investing in India tend to have typical characteristics (e.g. clustering in certain sectors, displaying certain traits of organisational culture) that may allow policymakers to specifically address their needs, motives, and concerns, should India or Japan attach specific value to this particular bilateral investment relationship.

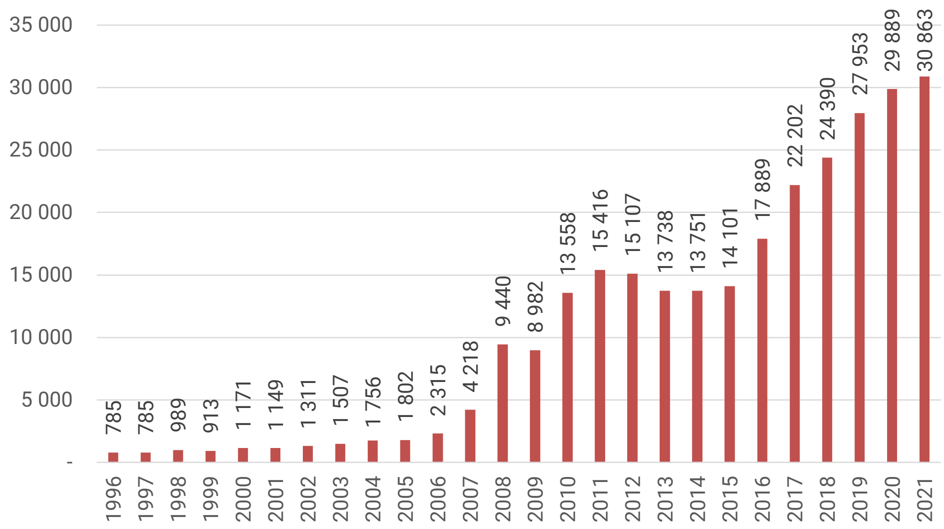
Important sources about Japanese companies' perspective on the Indian market are the various publications of Japanese industry associations and trade promotion agencies, as well as interviews with Japanese corporate officials. In 2009, the Japan Chamber of Commerce and Industry in India (JCCII) published a detailed list of recommendations. Among other things, the list mentions land acquisition and utilisation, the tax system, the physical infrastructure, and untransparent and inefficient administration as key issues with India's investment environment. Semi-structured interviews conducted with Japanese executives in the mid-2010s and more recent public remarks from Japanese investors and officials suggest some improvement but little overall change when it comes to the main concerns and priorities of Japanese companies.

CURRENT FIGURES: JAPANESE FDI IN INDIA AT THE TURN OF THE DECADE

In the 2010s and at the beginning of the 2020s, the net flow of Japanese FDI to India was on the positive side for all years except for 2015. While the 2008 record of USD 5.551 billion has never been achieved again, the early 2010 downward trend has been reversed, and some years' figures in the second half of the decade (e.g. USD 4.2 billion in 2016, USD 4.1 billion in 2019) are quite remarkable in a historical comparison. The total FDI stock of Japanese companies in India has grown continuously since 2014, surpassing the previous record in 2016 and reaching

USD 30.9 billion by 2021 (Table 1). Other channels of Japanese investment flow into India include ODA, loans, and various grants and technology sharing schemes and initiatives.

Table1
Japanese FDI stock in India (USD million)



Source: [JETRO]

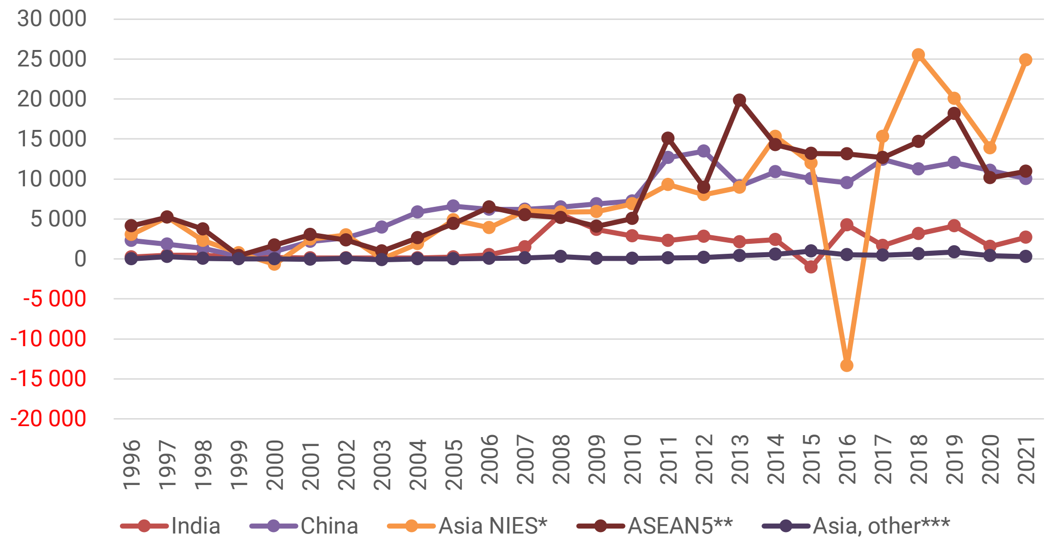
The number of Japanese companies operating in India rose from 870 to 1,493 between 2010 and 2021, running 4,790 business establishments across India. Sector-wise, manufacturing dominates with a particularly high share of automotive, auto part, and electronics manufacturers, some major names being Maruti Suzuki, Toyota Kirloskar Motors, Isuzu Motors, Nippon Steel, Panasonic, Hitachi, Honda, MUJI, and UNIQLO. Japanese companies are present in all 28 states and in most union territories. Japanese investments follow the general geographical pattern of FDI in India, most being located around Mumbai (Maharashtra state), Delhi and the neighbouring Haryana state, and the southern states of Tamul Nadu and Karnataka.

This increase in the presence of Japanese FDI in India does not, however, reflect a truly robust trend *relative* either to other countries' investments in India or to India's place in Japan's global investment position. Throughout the 2010s, India consistently received less Japanese FDI than either China, the Four Tigers country group,[1] or ASEAN (Table 2). From India's perspective, from 2017 in almost every year Japan accounted for 7% of FDI equity inflow and ranked between No. 3–5 as a source of FDI, always surpassed by Mauritius and Singapore, and sometimes also by the US and the Netherlands. In most years, Japanese FDI to India grew more slowly than India's total FDI inflow, and Japan seems to have almost entirely missed out on the 2019–2020 uptake of global FDI inflow (Table 3). In fact, 2020

1 Consisting of South Korea, Taiwan, Hong Kong, and Singapore.

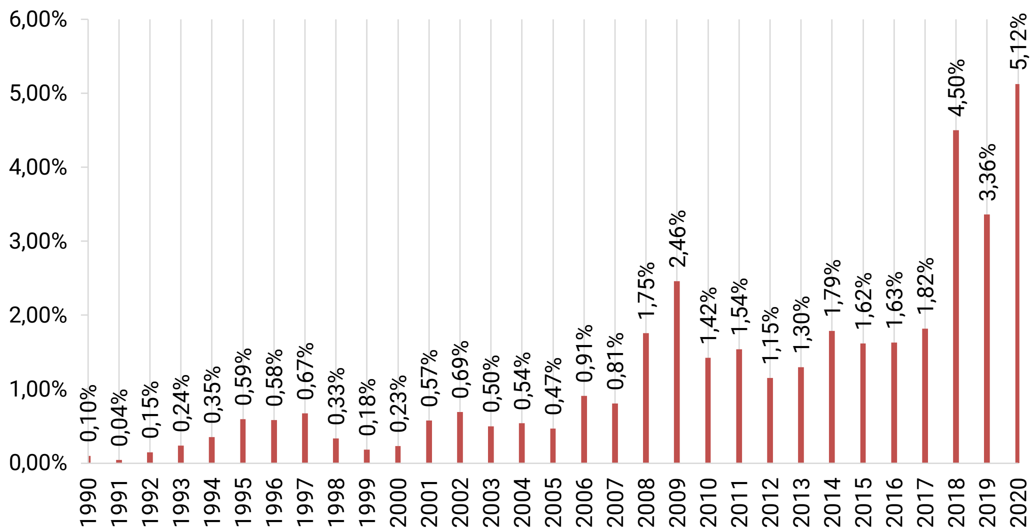
brought about a dramatic, 54.9% fall in Japanese investment to India. This drop [cannot simply be explained with the COVID pandemic]: it is considerably higher than the drop in Japanese investments globally (33.5%) or in China (7.5%), at a time when total FDI to India grew remarkably, and Japan was spending USD 2.2 billion for its companies to relocate from China to Japan, the ASEAN, or India.

Table 2
Japanese FDI inflow to Asian countries (USD million)



Source: [JETRO]

Table 3
India's share within the global flow of FDI



WHAT GOES FOR INDIA?

Company-level research suggests that Japanese investors' main motives for moving to India include (1) the country's emerging market potential; (2) the pressure of competitors advancing into India; and (3) India's location advantages. Despite the somewhat underwhelming outcomes of the India-Japan investment promotion campaign of the past years, it is important to see that India's importance as an investment destination *is* growing, and most major Japanese investors operating in India are expanding their operations. India's key advantages since the beginning of the liberalisation are still there, and Japanese investors want to take advantage of them.

With a population of 1.4 billion and a median age of 28.4 years, India has a large and rapidly growing market size and a truly massive and relatively low-cost pool of skills and talent. The knowledge of English is also widespread, at least among the educated or technically skilled population (which still adds up to over a hundred million people). Set-up costs are relatively low, and while often pointed out as an area of weakness, with all its shortcomings India still offers a better physical infrastructure than many other prospective 'post-China' manufacturing hubs from Southeast Asia to East Africa. India also boasts a sophisticated and relatively mature financial system, including a well-regulated and efficient stock market guarded by the sufficiently independent Securities and Exchange Board of India. The subcontinent occupies a central geographical location between the Asia-Pacific and Western markets, easily accessible via the Indian Ocean's east-west sea lanes of communication.

The various policies of the Modi Ministry aimed at attracting FDI and boosting the manufacturing sector have brought about real change in India's investment environment. The Make in India Initiative (MII), the 2017 GST (Goods and Services Tax) reform, or the more recently announced PLIs (Production Linked Initiatives) have substantially decreased bureaucratic red tape, opened up significant parts of the Indian economy to FDI, and made important steps towards a more cohesive domestic market. While the list of sectors with special licence requirements or foreign investment caps is still long, the majority of sectors now fall under the 'automatic route', and most of the remaining industries are open for at least some amount of FDI under various conditions.

Mostly concentrated in the manufacturing sector, Japanese companies are especially well-positioned to take advantage of the incentives of the Modi Ministry. According to reports, several Japanese companies have submitted applications under the PLI scheme, and Daikin, an Osaka-based air conditioner manufacturing company, is already building its third manufacturing unit in Sri City, Andhra Pradesh to serve markets in the Middle East, South America, and Africa. The automotive and auto part industry is another sector with high potential for Japanese investors. Japanese companies are already well-established in traditional car manufacturing, and India is estimated to have a USD 7 billion market for electronic vehicles (EV) by 2025. The Indian government plans to replace 40-50% of India's aging vehicle park with EVs in the next decade – a massive opportunity for Japanese manufacturers.

The Indian government plans to spend USD 1.4 trillion on infrastructure, including railways, highways, multi-modal parks, ports, airports, urban infrastructure, urban and rural electricity and water systems, and internet and telecommunication networks between 2019 and 2024. More than most other country's investors, Japanese companies are set to profit from India's ambitious infrastructure development plans on two different levels: on the one hand, like almost any investor, by India's infrastructural shortcomings finally being addressed; on the other hand, simply by the Indian government spending money on the problem, as major suppliers of transportation technology, know-how, and infrastructure financing.

Compared to the automotive industry or infrastructure development, Japanese companies have been less successful in taking advantage of India's rapid digitalisation. The seemingly out-of-step decrease in Japanese FDI flow to India in 2020, a year when total FDI inflow to the country skyrocketed, can in part be explained by Western companies being better positioned to capitalise on the sharply rising demand for digital solutions during the COVID-19 pandemic. Nevertheless, India's rapidly growing digital economy is another area where Japanese companies may establish new footholds. E-commerce is estimated to account for 25% of the total organised retail market, with a gross merchandise value over USD 55 billion in 2021. By 2030, it is expected to grow to a USD 350 billion market with 348 million users conducting online transactions and 140 million users shopping online. While in the first quarter of 2022, a year of supply chain woes, India's smartphone market only grew by 2%, India's smartphone park is expected to grow from 750 million to 1 billion by 2026, with millions more devices replaced.

OBSTACLES I: PHYSICAL, DIGITAL, AND SOCIAL INFRASTRUCTURE

It has been demonstrated that, while not living up to the political rhetoric, Japan is nevertheless an important FDI source for India, and Japanese companies are well-positioned to reap benefits from some of the Indian government's policies facilitating investment and promoting manufacturing. Still, the mild disconnect between political rhetoric and actual outcomes in Japanese FDI flow to India needs to be accounted for. By the late 2010s and early 2020s, high-spirited talks about India as the next big investment hub gave way to bleaker outlooks. In 2020, according to JETRO, over 50% of Japanese companies present in India expected losses in their operating profits, higher than in any other market. According to JETRO's 2021 survey on the International Operations of Japanese Firms, the percentage of

Japanese businessmen who considered India as the most important country or region for future investment declined from 5.2% in 2012 to 2.6% in 2021. High-profile exits from the Indian market included Japanese pharmaceutical company Daiichi Sankyo and mobile operator DoCoMo.

Japanese concerns about India's investment environment, drawn from publications issued by and interviews conducted with Japanese businesses and organisations, can be grouped into two main categories. The first includes the shortcomings of India's physical and social infrastructure, both being in dire need of investment and technology. The second one includes dysfunctions in the country's regulatory, administrative, and judiciary system, with these dysfunctions not only making investors' life more difficult, but also hindering the necessary investment into tackling the problems in group one (or rendering such efforts ineffective).

From the first group, the physical infrastructure and the major gaps in India's education system are especially worth highlighting.

The dismal state of India's physical infrastructure (including the poor quality of the road network, unreliable power supply, limited seaport capacity, and problems with high-end internet and telephone connectivity) has been a perennial weakness of India and remains a major challenge for investors. Congested roads and delays in railway fright movement, as well as long turnaround times at ports create major inefficiencies. Blackouts cost the average manufacturing plant five to ten percent of its revenues and producer surplus. The current one-digit spending on infrastructure (as a percentage of the GDP) is likely to be only enough to bridge the existing infrastructure gaps rather than create new room for growth.

Disproportionally involved in manufacturing, Japanese companies are particularly eager to see improvements in the power supply systems in industrial zones. Logistics and transportation becoming more efficient is also important for them, especially concerning the accessibility of motorways through toll gates in order to reach seaports and faraway segments of the domestic market.

Second, Japanese experience with India's labour market varies greatly across skill levels. Japanese executives praise Indian managers and skilled professionals for being highly educated, knowledgeable, and adaptable to Japanese work culture. In the IT sector, entry-level Indian workforce is considered knowledgeable, though not sufficiently application-oriented. On the other hand, large automobile, auto component, and electronics manufacturing companies often find the skillset of shop floor level workers to be below expectations. Directly deploying Japanese skills and experience on the ground is also difficult due to lengthy and complicated visa processes, and in the case of Japanese infrastructure development projects in India's north-eastern states, travel restrictions on foreign nationals. Attrition, not a major issue prior to the 2000s, by the early 2010s surfaced as a problem affecting both unskilled, skilled, and mid-level managerial workforces. Interestingly, while most large Japanese investors have in-house trade unions, these are not among their major concerns, and most companies maintain a policy of relatively active union engagement.

To address the above-mentioned skills gap, Japanese investors in part rely on India's network of Industrial Training Institutes (or ITIs, a network of post-secondary skills development centres run by the Ministry of Skill Development and Entrepreneurship). In addition, many investors set up their own training institutes (e.g. the Toyota Technical Training Institute), run apprenticeship programmes, and engage in extensive campus recruitment. Starting in 2017-2018, twelve Japan-India Institutes of Manufacturing (JIM) and four Japanese Endowed Courses (JEC) have been launched. The goal is to train 30,000 shop floor leaders and engineers up to Japanese standards by the mid-2020s. These initiatives, however, are altogether of a limited scope. Any meaningful addressing of the skills gap among shop floor workers is only possible through improvements in India's domestic education system.

OBSTACLES II: INSTITUTIONAL ENVIRONMENT

Addressing the previously described shortcomings of India's physical, digital, and societal infrastructure would require major investments as well as significant structural reforms over the coming decades. These investments and reforms may, however, be hindered by a set of similarly significant, albeit 'softer', weaknesses in India's regulatory, administrative, legal, and political systems.

Firstly, despite decades of liberalisation, India's overall regulatory environment is still rather restrictive. India's tax system is extremely complicated and undergoes frequent changes, creating considerable uncertainty year by year. The already discussed 2017 GST improved the situation in many respects, but itself is a highly complicated, multi-layered structure. Foreign exchange transfers remain complex procedures, with the 1999 Foreign Exchange Management Act being abundant in special rules, exceptions, and the prescription of difficult-to-obtain permissions. New protectionist measures have been introduced even by the current, supposedly pro-investment government coalition. In 2021, a new law banned foreign-owned e-commerce businesses from selling their own products on their own platforms. While claiming to prevent self-preferencing, this law exclusively targeted foreign investors.

Day-to-day compliance with the existing rules, even the ones that are pro-business by intention, is also a major burden. Government policies in India have become more business friendly, and bureaucratic processes have become simpler over recent years. However, the agencies responsible for enforcing the rules often remain bureaucratic, heavy-handed, and even 'harassing'. Lower-level officials' attitude remains overly bureaucratic. Compliance of industrial units, customs administration, or obtaining construction permits may have become *relatively* easier but remain onerous. Contradictions between departments are commonplace due to poor internal communication and a lack of up-to-date knowledge. Changing a decision after an approval has been issued is not rare. New regulations are enforced without sufficient preparation time.

A lack of capacity in the judiciary and dispute resolution system, and the failure to accept international arbitration awards is another major problem complex. The Indian market is filled with low-cost, low-quality duplicate products. Fighting against these brazen violations of intellectual property rights would be of high priority for Japanese manufacturers. Also, while India's financial markets are relatively developed, companies not merely buying stocks but investing *directly* in production capacities (buying land, building infrastructure and units of manufacturing, and hiring labour) put themselves at considerable risk of exposure to dubious local partners or political populism. Indian courts regularly discriminate against foreign entities and favour Indian companies or citizens. This is one of the main reasons why most Japanese investors present in India are primarily worried not about unfavourable market trends and declining profits but a sudden, catastrophic loss of value. In the World Bank's 2020 Ease of Doing Business Index India ranked a truly remarkable 13th out of 190 in protecting minority investors, but it is at an abysmal 163rd place when it comes to enforcing contracts. The 2015 Commercial Courts Act and the same year's amendment to the 1996 Arbitration and Conciliation Act were considered steps in the right direction. The current government's track record in legal protection for investments is nevertheless mixed, although Japanese companies are not necessarily among the worst affected.[2]

The issue of land acquisition is a key component in all the above-mentioned problem areas, but it deserves its own discussion due to the magnitude of its negative impact. India's British-era land acquisition laws, lack of reliable land records, and strict limitations on the non-agricultural use of agricultural land have led to very high transactional costs and a severe lack of liquidity on the land market. Land acquisition has arguably become the number one bottleneck for investments into manufacturing and physical infrastructure. In 2013, a new land acquisition law act was passed, further favouring the interests of vulnerable smallholders over (both domestic or foreign) investors. The BJP government's 2015 attempt for land acquisition reform died in the upper house of the parliament, where opposition

2 From the early 1990s to the 2010s, India signed Bilateral Investment Treaties (BITs) with several countries. In 2015-2016, spooked by a 2011 international tribunal case and worried about further possible obligations, India drafted a new, highly protectionist model BIT and gave notice of termination of existing BITs to at least 74 countries (the India-Japan CEPA not being among them). This had a measurable, minus 14-28% impact on FDI inflow from the affected countries.

parties still had strong positions. Bureaucratic processes for major development projects are often excruciatingly burdensome, while protesting them can easily become a rallying point for local communities, politicians, and civil society actors. With Japanese companies' relative overrepresentation in land-intensive manufacturing and infrastructure development projects, they are disproportionally affected by India's perennial struggle with creating an efficient land market that serves the purpose of national economic development.

A significant bump in Indo-Japanese economic diplomacy was India's 2019 opting-out from RCEP. A free trade agreement between several Asia-Pacific nations from China to ASEAN member states to Japan, the Regional Comprehensive Economic Partnership accounts for about one third of the global population and economy. India has been part of the negotiations from the beginning, and even hosted multiple rounds of talks. From Japan's perspective, India's participation was of key importance not only because of the two countries' economic relations, but also as a counterweight against China's influence in the newly emerging free trade area. It was therefore a major shock for Tokyo when in 2019 New Delhi decided to opt out from RCEP, claiming that the agreement does not provide enough protection for its industry and farming sector. This decision may have contributed to the recent dip in Japanese investment in India. A large number of Japanese subsidiaries operating in India have close business ties with ASEAN countries; under the previously existing India-ASEAN Free Trade Agreement parts and components were moved relatively freely by Japanese firms between these regions. With India's abrupt severing of its free trade ties to ASEAN, some of these firms may consider shifting their focus towards Southeast Asia, from where access to other Asia-Pacific markets can be better secured.

Finally, India's model of federalism will not make tackling these problems easier. A union of 28 states and 8 centrally administered union territories, on paper the Republic of India represents a highly centralised model of federalism, with rather weak states and an extremely strong central government. In practice, however, poor infrastructure, underfunding, and local political interest groups and client networks severely limit the central administration's ability to implement policies. This leaves investors with an environment where many issues are supposed to be dealt with at the union level, but implementation is delayed by the distance of central authorities *and* the lack of formal competence on the part of local actors. Japanese investors and industry associations try to mitigate this risk by actively engaging with state and city governments and advocating for more competences to be delegated from union to state level. However, when competing for FDI, state and city governments are often overly focused on dominating headlines with the announcements of spectacular investment projects rather than on ensuring a sustainable inflow of FDI by creating a sustainably and reliably good business environment.

At the union level, dedication to continued reforms would be crucial to turn India into the new growth hotspot of the twenty-first century. In this regard, autarkist, self-reliance-oriented, and economically populist rhetoric present on both major political sides is the lesser problem: while organically fitting into the evolution of India's economic and political thought, they have not prevented either the centre-left or the centre-right from implementing important reforms in the 1990s, 2000s, and 2010s. What is less encouraging is the increasing replacement of inclusive, pro-growth developmentalist rhetoric with more exclusionary Hindu triumphalism in BJP's communication. As the reformist agenda of the Modi Ministry fell short on delivering on some of its promises, so has the influence of Hindutva majoritarianism over government politics grown since 2014, and the results of recent state elections have further strengthened the hold of the Hindu right on local and national power. Suggesting a strong relationship between economic development and inter-community harmony may be an overly idealistic take. But whether radical Hindu nationalism can or cannot replace developmentalism as the main driving force behind BJP's vote bank politics may have a major impact on the willingness of the Union Government to embrace politically risky reforms that would be crucial in the longer term.

CONCLUSION

From Japan's perspective, India's importance as an investment destination has grown considerably since the 1990s. Considering this track record, Japanese Prime Minister Fumio Kishida's March 2022 announcement about investing USD 42 into India by 2027 is not entirely unrealistic. Japanese FDI in India grew at lesser, but in magnitude similar rates between 2015 and 2020, and at a considerably higher rate from the early and mid-2000s to 2010-2011 (albeit in an entirely different global and domestic environment). Key factors in this trend are India's rapidly growing domestic market, relatively low-cost pool of skills and talent, low set-up costs, central geographical location along the Indian Ocean's east-west sea lanes of communication, strong technology absorption capacity, and relatively widespread knowledge of the English language among the skilled and educated. Japanese manufacturing companies are well-positioned to benefit from the industrial policies of the incumbent Modi Ministry, aimed at boosting India's role as a manufacturing hub.

Fulfilling this potential will, however, not mostly depend on top-level political visits and joint statements but on India's ability to improve its infrastructure and regulatory environment. Currently, foreign, including Japanese, investors in India have to deal with an overall restrictive business environment, poor physical infrastructure, shortcomings in the education system, and a range of dysfunctions in the regulatory, administrative, judicial, and political systems that hinder the tackling of the above-mentioned problems. Disproportionally involved in manufacturing and infrastructure development, Japanese companies are especially negatively affected by difficulties in land utilisation, poor investment protection rules, and the crumbling transportation infrastructure.

Should these problems be addressed, Japanese investment in India may see another uptake. This, however, is likely true for other major investment sources as well, such as the US, Singapore, or Western Europe. Therefore, while in absolute terms meeting the JPY 5 trillion target is conceivable in a moderately optimistic scenario, it would not automatically translate into Japan's growing role in India's investment map relative to other countries.

RECOMMENDATIONS

In light of the conclusions of Parts I and II of this policy brief, the following recommendations may be put forward for Western, European, and Hungarian policy makers:

(1) Despite its challenges, India should be closely watched as a potential growth, investment, and manufacturing hub for the coming decade. The continuation or stalling of reforms in crucial areas (such as land acquisition) and Hindu nationalists' gaining or losing momentum in state and national elections should especially be monitored closely.

(2)The challenges of India's business environment should be kept in mind when trade and investment promotion policies are being formulated. Missing out on India's growth may be a waste of opportunity, but underestimating India's challenges is a recipe for at best underwhelming, at worst disastrous results.

(3) India's internal challenges, non-aligned traditions, and the falling behind of China in terms of gross material power should not murk the realisation that India is China's only potential peer competitor in Asia, and even in the short-to-mid-term will likely emerge from an Asia-Pacific middle power to just below the class of China and the US. This is almost inevitable save for major unforeseeable disruptions. This realisation does not seem to have been properly internalised in the international and Hungarian research community or general public (while it has probably been prematurely internalised by overly optimistic and triumphalist Indian commentators). India's strategic partnership with Japan and the US, and relative (not gross) naval and high-altitude warfare balance vis-à-vis China should especially be put on or prioritised within the research agenda.