

2018-2019 Japan India Distinguished Visitors Program

Visitor: Ms. Zia Mody (Founding Partner, AZB & Partners)

Period: March 2, 2019 – March 8, 2019

March 2 (Sat)

- Arrival / Check-in at I-House
- Coffee Session at the Graduate School of International Corporate Strategy (ICS), Hitotsubashi University

“The Role of Capital Markets for Emerging Countries”

Moderator: Prof. Tomonori Ito (Hitotsubashi ICS) / Attendees: 20 students and alumni

Some of the questions and responses were as follows:

1. Do the capital markets play a big role in economic development in emerging markets? Are they harmful for emerging countries?
 - There are positive views on the capital market in India, but it involves the risk of an outflow of cash. Therefore, logically they are harmful for emerging countries.
2. India recorded GDP growth rates higher than 8% for 2008 and 2009 during and after the financial crisis. Why was India's GDP growth not affected much by the financial crisis when many developed countries experienced severe recession?
 - The degree of dependence on exports is not high in India and the rupee is not yet fully convertible. As India's economic growth was (and has been) led by domestic demand, the government regulator froze its market without hesitation at that time. That is why India was not affected by the crisis.
3. How do you expect the recent trade war between China and the U.S. to unfold? Will this have a negative effect on the economic development of emerging countries?
 - The tension between the US and China has a great deal to do with India. India is not scared of China any more, but realizes that China leads the way far ahead of India. China is India's principal trading partner (80% of the total), and Chinese money and soft power cannot be ignored.
4. What advice do you give to the female audience gathered here in terms of how they should develop their career and at the same time raise children and enjoy family life?
 - Japan should be willing to open its doors to immigrants and consolidate the system of baby care with highly incentive conditions. In India, some

firms are trying to give a male director a reward for having female subordinates in order to prevent women with children in middle management from leaving their jobs.



- Lecture at Business Break Through University (BBT)

“How to Achieve Breakthrough: Mindset, Leadership and Motivation”

Moderator: Prof. Sakon Uda & Ms. Marina Seki (BBT) / Attendees: 50 students and English-learners

- ✓ Ms. Zia Mody shared her life lessons:
 - Wherever you are, it is important that you always enjoy what you are doing with passion and firm commitment.
 - Be aware that everybody has challenges regardless of gender and civil status (married or unmarried).
 - Remain focused on what motivates you.
 - Set your own benchmark and constantly raise it higher so that you can improve your ability continuously and perform better.
 - Hard work pays off.
 - It is critical to understand your weaknesses and strengths. Impatience will cause a great deal of harm.
 - “A great leader is not busy” according to the book about leadership published by Baker McKenzie where she used to work.
 - Communication is inevitable. Accepting other people’s opinions sometimes brings unexpected advantage and may make you achieve higher.



March 4 (Mon)

- Roundtable Discussion with the members of the Japan-India Business Co-operation Committee (JIBCC) at the Tokyo Chamber of Commerce and Industry (TCCI)

“Legal Considerations in Doing Business in India: Opportunities and Concerns”

Attendees: Ms. Zia Mody, Mr. Shameek Chaudhuri (AZB & Partners)

Mr. Muneo Kurauchi (Chairman, Standing Committee of JIBCC)

Ms. Ami Otome (Japan Foreign Trade Council, Inc.)

Mr. Yoshiaki Kobayashi (Komatsu Ltd.)

Mr. Yoshiro Yamaguchi (MUFG Bank)

Mr. Yuichi Nakagawa (Nippon Express Co., Ltd.)

Mr. Takeshi Akagi (Japan & Tokyo Chambers of Commerce & Industry)

Mr. Go Yamada (Nikkei Inc.)

Mr. Jaikumar Shahani (Shahani Associates Ltd.)

Ms. Hiromi Ogawa (Interpreter)

Mr. Soichiro Sugihara (International Division, TCCI)

Maruyama, Inoue, Kitamura (I-House)

- ✓ India has been enjoying the highest growth rate in the past two years. The amount of foreign investment toward India overtook that of China. The number of new cellular subscribers in India is now 8 million per month.
- ✓ The relationship between PM Modi and PM Abe is quite good. PM Modi is making a serious try to attract an inflow of capital from Japan in a variety of business fields such as manufacturing, engineering, service, food (Ajinomoto), stationery (Shachihata), etc. Foreign direct investment in India will be easier in the next 1–2 years due to the seamless solution. The number of people under the poverty line is decreasing and consumer’s inclination to spend is increasing year on year. The more money people get, the more energy and the longer life they get. In that sense, the Indian market is very attractive.
- ✓ India is a country of complicated bureaucracy and tax system, and PM Modi is trying to make them easier. However, it is still difficult for Japanese firms to enter into the Indian market. Suzuki Motor’s success resulted from their adept understanding toward Indian work culture, and the way of communication with people in the low-income bracket, etc. As Japanese people are so patient, joint ventures should work well. The important thing is to communicate with the Indian partners down to the details at the beginning of partnership development.
- ✓ Labor cost in India has been rising. Japanese firms may want to hire high-skilled workers whose cost is still cheaper than the international standard, or hire workers

with low salary and replace them with new workers with cheaper salary in 10 years' time as Indian labor law will be more flexible by that time.

- ✓ The Indian government has established the National Skill Development Center with the goal of creating jobs for 12 million people, but in fact, it generates jobs only for 1 million. All that is really necessary for students is vocational training. India is now working on an agreement for cooperation with Australia in this regard.
- ✓ It is said that 1.3 million people die a year because of air pollution in India. There are many problems as well as a promising future. Japanese firms who expand their business to India must understand both positive and negative aspects, and try to solve problems with utmost effort.



- Dialogue with Women in Law Japan at I-House

Moderator: Ms. Pavitra Iyer (Mori & Hamada) / Attendees: 24 people

- ✓ Ms. Zia Mody shared her life lessons (similar to the ones in the lecture at BBT)



March 7 (Thu)

- Public Lecture at I-House

“Further Changing India: Business, Law, and Women”

Commentator: Mr. Go Yamada (Nikkei Inc.) / Opening remarks: Mr. James Kondo /

Closing remarks: Mr. J. Shahani

Attendees: 133 people

- ✓ World's 3rd largest economic power in next 5 years, following USA and China, with

Japan as 4th.

- ✓ 50% of the total population in India will be aged 30 or under by 2030. Only 6% of the population will be aged over 60. People will be required to develop a high level of expertise to get jobs.
- ✓ 62% → ratio of wages of women in the middle class against men's
- ✓ The life of women living in villages is harsh. Due to the introduction of micro-finance, however, those women can open up bank accounts under their own names (120 million accounts were opened) and wages are directly paid into their accounts so that their husbands cannot take advantage of their earnings any more. This is one example of a step forward for women's empowerment through law.
- ✓ The World Bank called India a "leaky pipeline" expressing the situation that 48.5% of women drop-out after getting a job. Indian recruitment companies are now very eager to hire talented women as much as possible. The easiest way to tackle this issue is to set a goal. At least one independent women director should be hired in a firm.



March 8 (Fri)

- Check-out / Departure

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