

# INDIA: A BRAVE NEW WORLD - TRILEGAL

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**India is one of the “new world” BRIC economic powerhouses, alongside Brazil, Russia and China, says Karan Singh, a Partner in the Mumbai office of Trilegal, one of a handful of elite Indian law firms.**

“European appetite for investment has been reasonably strong, with certain clear pockets of activity for international investors that are targeting high technology, pharmaceuticals and manufacturing.” There is also an increasing interest in renewable energy, particularly from Spanish companies The financial services sector sees an interest primarily from the UK and the US.

There is some doubt as to whether India will maintain its growth surge. The Reserve Bank of India recently lowered the country's growth forecast from 7.5 to 6.5 percent, with the global economic situation and a lack of encouraging policies from the incumbent coalition Government making political risk a factor for inward investment.

Investors need to be mindful of the growing tension between the central and the state governments

and the risks associated with execution of projects that require facilitation from both the central and state governments, says Singh. Many have chosen to undertake a joint venture (JV) to help overcome local complexities – not always a simple solution.

“The consistency of policies, especially those in respect to foreign investment and tax, is crucial,” says Singh. “And that is where the Indian Government needs to have a re-think, and foreign investors need to be aware of the risks.”

India is a growing economy, which continues to be of interest to Iberian companies. However, those wanting to move into the region need to strike a very careful balance between risk and reward.