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POSITION OF BUSINESS REGULATIONS IN INDUCING FOREIGN DIRECT INVESTMENT INFLOWS TO INDIA AND CHINA: A COMPARATIVE ANALYSIS

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ABSTRACT

The present study is an attempt to compare the position of business regulations in inducing FDI inflows in India and China. The study finds that pertaining to 'starting a business', 'ease of doing business', 'trading across border' 'enforcing a contract' and 'closing a business', China has liberal business regulations than India. But in case of 'getting credit' and 'protecting investors' India is in better position than China. On the basis of the findings of the study it is recommended that the policy makers have to learn that to attract the investors to invest in India there is a need to relax the business regulations and make them compatible to the developing economies of the world especially the neighbouring economies like China. The findings of the present study are helpful for the government, foreign investors and the researchers of the area for the expansion of foreign direct investment inflows in India.

KEYWORDS: *Business regulations, FDI inflows, Investors.*