

Impact of Brexit on India's Foreign Trade

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Abstract

The United Kingdom's long affiliation with the European Union (EU) since Jan 1, 1973 ceased after it decided to withdraw itself from the EU on June 23, 2016, this step, had put the entire world into shockwaves. The divorce between the EU and United Kingdom is marked by the term "Brexit". Brexit is not an event but a process that will unfold its effects with the passage of time. After the referendum of Brexit, market came into sudden turbulence. The effects of Brexit are going to be Boon or Bane is the question that Britain and the entire world will face after 31st March 2019. Under this light, the paper highlights the impact of Brexit on India's foreign trade and overall pros & cons on its economy using narrative approach. The paper also highlights, the concept of Brexit, the reasons and its post-political and economical effects on U.K. and EU.

Keywords

European Union, Referendum, Brexit, Foreign Trade, Indian Economy.

1. Introduction

"The Government cannot just be consumed by Brexit, there is so much more to do. It is very important that people see there is a bright future, and we can re-engage that entrepreneurial spirit of the trading nation for which the U.K. has always been known - that dynamic, creative spirit." - Theresa May

The European Union (EU), is a cohesive union of twenty eight countries of Europe which were affiliated to it both politically and economically. The major objective of the EU was to maintain peace, security, social progress, fair trade, protection of human rights among the countries affiliated to EU. The key benefits it gave to its members are:

- Tax free trading among EU members
- Free movement of Capital and Labour among EU members
- Political and Legal benefits
- Consumer benefits
- Environmental restoration
- Development of poor countries

After the second world war, there began a new movement to create peace and unity between France and Germany, which to an extent laid the foundation ground of the EU. Its most important aim was to avoid war among nations. The U.K. being its member since January 1, 1973, but in 2016 a referendum was held to decide if U.K.. should remain a part of EU. The entire world was under shock waves when the result turned out as 51.9 as "Exit EU" and 48.1 as "remain a member of EU". Thus this resultant poll, clearly stated that U.K. wants to exit from the EU membership, which is termed as BREXIT (Br: Britain, Exit). Scotland had failed in its referendum in 2014 whereas, Britain succeeded it in 2016. Though the treaty is under process and will be finalised by March 2019, it has already created unpredictable global disturbances throughout the world. In such a scenario, India is also expected to face some waves of Brexit as it is the third largest source of Foreign Direct Investment. Brexit is predicted to have a conducive environment for Free trade agreement between U.K. and India.

For the timing, the mystery of Brexit is yet to be unfolded as the treaty is on its way, but will surely create shocks/surprises for many nations. For India, the sudden effect was seen on the stock market where Sensex initially declined by 1600 points and by the end of the day could only tank up to 450 points with the Rupee value exceeding for a US Dollar. But soon by the combined efforts and imitation by Reserve Bank of India and Government of India, things got sorted back to the stable ground. The economy of a country is a web of many factors contributing together, thus any alterations in any of the single factor can shake and the entire processes, for a long/short run. Thus, this paper will try to gauge any such effects, that Brexit has implemented on India's Foreign Trade.

2. Literature Review

There have been the diplomatic, trade relationship between India and EU since 1960s, which has seen improvement with the passage of time. Till date, the agreement for FTA has not reached to a conclusion because of difference in consensus of both the countries as there are some sectors

still under question mark like beverages, dairy, textiles, automobiles. The import duties are quiet high for these products in India, any significant elimination of import tariff will affect the respective sectors to a large extent. The scenario after Brexit has become more crucial and unpredictable for the same. FTA prospects about the ongoing negotiation between EU & Asian partners, India, Association of South- East Asian Nations (ASEAN) & Korea, were focused by Sally (2007). Ecorosys (2009), had carried an impact assessment of study on, sustainable development between India-EU FTA, his report showed various opportunities for trade relations between them. Busch and Matthes (2016) stated that the most important trading partner for U.K. is the EU. 45% of British export and 35% of total U.K. export services are with the EU, thus Brexit would imply trade barriers for U.K. Trade costs has probabilities to hike and custom clearances would delay tasks for U.K.. With focus on the impact of Brexit, very less studies have been conducted. A study was conducted abnormal short term stock returns post Brexit referendum by Oehler, Horn & Wendt (2017), where they also tried to analyse if firm level industrialization was the cause of abnormal returns. Their study concluded that, stocks with higher domestic sales proportion marked higher abnormalities than stocks of abroad sales. The impact of Brexit on U.K. and rest of the Europe was carried out in a study by Irwin G. (2015) which focused on different channels like trade, Industry policies, Immigration, budget and uncertainties, which concluded that U.K. will have greater impact than EU. Dhingra et al. stated that the economic consequences on U.K., of EU exit, can be determined only after it becomes an independent nation. Reenen (2016) stated about the FDI flow to U.K., it predicted about a lower FDI if U.K. separates from EU. In another study Reenen (2016) stated about the long run economic effects on U.K. of post Brexit. Miller (2016) stated about various outcomes Brexit such as economic impact, employment, Fisheries policies, agriculture environment, where Brexit looks favourable in terms of social security, freedom in policy making, and Foreign Direct Investment.

3. Objectives of the Study

- To study the effects of Brexit on India's Foreign Trade.
- To study the concept of Brexit, and analyse the reasons behind it.
- To study the political and economic reforms, on U.K. and European Union, which are likely to occur post Brexit.

4. Research Methodology

The current study is about the after effects of Brexit on India's Foreign Trade. Swot Analysis review method is used to gauge the effects and outcomes of Brexit on India's foreign trade. It also keenly explains the concept of Brexit and ascertains immediate reforms that took place post Brexit in U.K. Secondary data sources from journals, websites & books are collected, for this study. From the metadata, the data which is, closely relevant and substantial for this study is analysed and presented in this paper.

Below figure represents the SWOT analysis of the Impact of Brexit on India's Foreign Trade.

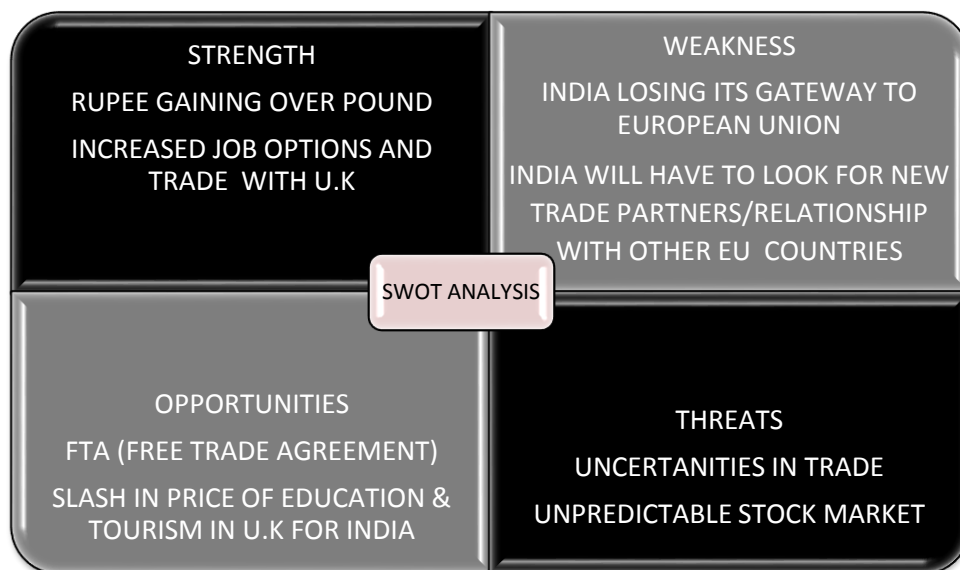


Fig-1 Swot Analysis of Brexit Effects on India's Foreign trade

5. Concept of Brexit: an event or process?

European Union (EU) is a cohesive body of 28 nations, which was formed after the second world war, to maintain peace and unity among nations. Britain became member of the EU or European Economic Community (EEC) in 1973. A referendum was held on June 23, 2016 where, the majority poll decided the exit of U.K. from the European Union, this was termed as BREXIT (The Exit of Britain from EU). But such a decision to separate a nation from EU cannot be so fast and handy, thus under the Article 50, the date of final exit is by as 29th March 2019.

Hence, its after effects are still unpredictable, i.e. its a long term process, which is believed to affect the entire world.

Earlier a referendum was held in 1975, for the country's continued membership of EEC, where the polls turned out to be 67.2% to remain in EEC and 32.8% to exit. After few years the EEC turned into EU. The U.K. parliament arranged another referendum which resulted 51.9% in favour of leaving EU and 48.1% to remain, thus Brexit took place. A country has right to withdraw from EU under the article 50. The exit can take place in a prescribed time with the consent of all other nations, where Britain has been given an extended time of two years i.e. March 2019.

6. Reasons for Britain exit from EU

The reason for U.K. to exit EU was not sudden, in fact U.K. had a series of reasons, which made them switch to an independent nation, rather being a part of the EU. One of the important causes of U.K. to leave EU was, Immigration (i.e. movement of people from one place to another), approx. 10 lakhs people have migrated to Britain in search of jobs and other facilities, as EU provides free movement for job, studies, land holdings among any EU nations. Thus, factors like over-populating and unemployment started creeping in U.K. . Moreover, when a large number of people migrated, less skilled people with low wages were available, which resulted in the loss of jobs and reduction in salaries of U.K. citizens. Another reason for the exit may be, the hike in terrorism and less economic growth, though U.K. is facing both of these issues, but it cannot take its major decisions by itself because it is affiliated by rules of the EU, hence Britain wants to be independent. The next reason being, the feeling of dissatisfaction among U.K., as it pays a huge membership fees to EU, but is not getting off much in return, stimulated the thought of independent nation among U.K. citizens.

7. Various Groups of Campaigning for/Against Brexit

An official campaigning group for leaving the EU was formed named Vote Leave and other such groups which were in for of Brexit, included, Better off out and Grass root out. Some of the non- affiliated groups like Common Wealth Freedom of Movement Organization, also campaigned for the exit. There was an official group campaigning in "For" of the EU, chaired by Stuart Rose called Britain Stronger in the EU , other groups campaigning were Conservatives in, Labour in for Britain Together, Greens for a better Europe.

8. Political Effects Post-brexit

Post brexit the political scenario of U.K. turned out to have various changes. After the results, Cameron announced for resignation by September but held down by 31st July, 2016 with Theresa May becoming the next Prime Minister. Philip Hammond was replaced by George Osborne as Chancellor of Exchequer, Boris Johnson was appointed as Secretary of the State for Foreign and Commonwealth Affairs; David Davis became secretary of state for Existing the EU. Jeremy Corby (labour leader) lost a vote of confidence among in the parliamentary party.

9. Effect on Pound

Around 10% of Sterling value is lost against dollar post-Brexit. The Pound value has gone to the lowest since 1989 i.e. \$.1.32. Pound has also fallen against the Euro, where further it is expected to still lose its value in the come era of Brexit movement.

10. Impact of Brexit on India's Foreign Trade

Brexit is yet to occur pertaining to Article 50 which had extended its final exit date to March 2019, but it has already started affecting the stock market, currencies and other trade processes throughout the world. For instance, India has a healthy trade relationship with U.K. compared to the other EU countries, thus India in a way was benefiting more if U.K. remained in the EU, as it acted like a gateway for India to trade with remaining countries too. U.K. separating from EU is expected to bring both challenges and opportunities for India's foreign trade. For a sudden impact, people started to opt for safe options like gold and the Japanese Yen than investing in the stock market. India being the third largest source of FDI in terms of the number of projects its handling with U.K. It has 122 projects with an increase of inward investment of 65% compared to the previous year with a creation of 7730 jobs. The key sectors attracting Indian investments are food, drink, agritech and healthcare. There are around 800 Indian companies operating in U.K., like Tata Motors with a vast source of employment. Britain is among the seventh country of top 25 countries, with whom India enjoys trade surplus. India's trade investment in U.K. is far more, compared to Europe altogether.

11.Suggestions

The impact of Brexit will focus on the following dimensions in terms of India's foreign trade:

- **Unpredictability of Brexit:** The biggest challenges of Brexit are, its unpredictable possibilities that are yet to occur, i.e. post Brexit (arch 2019) which cannot be mapped exactly today at this hour. So uncertainties in the field of trade and stock market are a major fear for India as well as the entire world.
- **Economy:** On the way developments, India's economic status has strengthened in recent times due to factors like big bang FDI reforms with a significant jump in FDI flow, narrowing current account deficit, declining trade balance due to fall in commodity prices and several measures undertaken by the Government to boost up investments sentiments in the economy. Thus India's strong macroeconomic fundamental policies undertaken by government in recent times will help India to minimize the effects of adverse international developments.
- **The Gate-way:** Because of the knot that India shares with U.K. acts as gate-way for India to other EU nations. The Indian factories that manufactured products in U.K. could sell their products to other EU nations with U.K. as its gateway, but pertaining to the current scenario, of Brexit, there would be obstructions to it. There are chances that Britain will become less favourite of India, in terms of FDI destination. Thus, Britain will have to try harder to attract India's FDI attention by better tax breaks and less regulations.
- **Trade prospects:** Having parted with the EU, U.K. will need a new trading partner with sources of capital and labour where India fits the requirement well for its vast English speaking population. Moreover, presently India's trade with U.K. is around US\$ 14 billion. U.K.'s exit from EU could raise a competitive environment between the nations for becoming India's new trade partner.
- **Real estate:** The Brexit time looks favourable for Indian businessmen and investors to buy property in U.K. With Brexit the prices of property is expected to fall with advantages of stronger rupee against pound.
- **FTA (Free Trade Agreement):** The FTA negotiation between the EU and India have been in the picture since 2007, and "yes" vote for

Brexit will have a direct effect on it. Had Britain stayed with the EU, India need not rework on its strategy, but now India will have to work on a separate pact with U.K. Another Pact named Bilateral Trade and Investment Agreement (BTIA), had started between India and EU, which is expected to look more favourable post Brexit.

- **Services:** There is a vast source of jobs in the area of merchanting for both skilled and unskilled labours, there is also scope of jobs in the areas related to other trade services, R & D and management consulting. The bilateral trade between India and U.K.'s trade in terms of services (excluding travel, transport & banking) is approx £2.5 billion - £3 billion in the recent years.
- **Investment and Capital Flow:** The Brexit scenario is less likely to affect the investment inflow between EU to India. On the other hand, the depreciation of British Pound will invite Indian investors for favourable opportunities, which are expected post Brexit. The British Investors too may diverge their attention to India and such countries where they expect better returns. As a result this may be an investment creation opportunity for India, as well as strengthening capital market for both nations. For U.K. depreciation in the pound may welcome long term investment from India in real estate sector as well.
- **Employment opportunities/ Migration:** Post Brexit, the quota-based job system which U.K. offered to other EU countries will be revoked, which will open up the gates for Indian skilled and unskilled labours, providing a vast job opportunity for India and other related countries.
- **Tourism:** Travelling to U.K. is expected to become cheaper with drop in value of pound. Educational travels and leisure tourism is expected to see a sharp hike with the process of Brexit.
- **Effect on Currency:** The Rupee can observe some unpredictability in the upcoming time as there is still uneasiness in the worldwide markets. BREXIT adds tons of pressure on the rupee, whereas rupee has depreciated to a lower extent against U.S. greenback compared to other rising market currencies. The fluctuation in money market is expected for a shorter span in India because of its strong FOREX reserves and policy measures adopted by Central Government. However the tremors of Brexit and its effect cannot be completely ruled out to impact Indian market, but preparedness can be a good option.

- Foreign Direct Investment (FDI):** UK's choice to leave EU will probably affect the uncertainty dimension of the business and trade network. There may be an impermanent capture in outbound ventures from India to the UK until the point that greater clarity is acquired on the working system between the EU and UK. U.K. is the 3rd largest inward investor in India, following Mauritius and Singapore acquiring a cumulative equity investment of US \$23.11 billion (April 2000-March 2016). As per the report of 2013-14 U.K. bags the first rank among G20 countries and records for around 8.01% of all FDI in India. FDI has seen a sink from US\$24.2 billion in 2013-14 to US\$40 billion in 2015-16. India still continues to be one of the largest source market in terms of FDI projects in U.K. In accordance to an Inward Investment Annual report by UK Trade and Investment (UTKI) 2014-15, India had undertaken 122 FDI projects in the year 2014-15, posing an increment of 65% over last year and marking itself as U.K.'s 3rd largest FDI destination with over 9000 fresh jobs. As per the report by the UK Office for National Statistics. The Indian FDI value into U.K. had marked a significant growth between 2004 to 2013, from £164 million to £1.9 billion. U.K. has a strong attraction towards Indian investors compared to the rest of the EU altogether.

Table-1 FDI Equity Inflows from top countries in India

Rank	Country	Percentage to total FDI Equity inflows Apr'00- Mar'16
1	Mauritius	33
2	Singapore	16
3	U.K.	8
4	Japan	7
5	U.S.A	6
6	Netherlands	6
7	Germany	3
8	Cyprus	3
9	France	2
10	UAE	1

From April 2000-March 2016, the inward FDI equity flow from EU was 22% of India's top ten investing countries.

India's inward FDI equity inflows from Europe are around 14.1% of India's top ten investing countries in the year 2015-16

Source: PHD Research Bureau, compiled from DIPP, Ministry of Commerce and Industry, Government of India

India's trade includes a wide range of goods in terms of foreign trade, thus, the effect of Brexit on India's foreign trade commodities will be (Report by FICCI, 2016)

- **Pharmaceutical:** The biggest market for Pharmaceutical export is US for India, while EU comprised of 10-13% of India's export. the U.K. shares 3-4% of India's pharma share.
- The pharma organizations don't generally expect a major hit following the Brexit and have demonstrated a constrained effect of Pound deterioration. The pharma organizations seem to have a greater support for the Euro. Further, the organizations projects the fact that the standards, directions and item enlistments are now unique for UK and EU, hence, any unfavourable changes can only be determined after the final separation of U.K. from EU.
- **Financial Services:** There are currently bond issuances planned of range USD100-150m in USD and INR. Brexit is making it very hard for UK and other markets (like Singapore, Paris and Frankfurt as green bond investors are mainly EU). The UK's credit rating has been cut, most of bond buyers are from the EU, and thus there is nervousness around these bond issuances. This is important for India as it would be difficult to imagine financing India's huge infrastructure appetite through debt finance in London as analysed per current situation. Again, this would depend on what Brexit scenario plays out. But in the meantime, greater uncertainty will impact the bond pricing.
- **Auto Component:** India exports around 36% of total exports to the EU, where U.K. accounts around 5% of it, thus counts as a major auto component supplier in the EU region. The U.K. Passenger Vehicle market is highly export oriented and the segment has close linkages with the EU automotive market. The anticipated slowdown in the U.K. and the EU region will have a dampening effect on the sector. Also, the depreciating pound will impact the revenue stream companies of over the near term. The real impact will also depend on imposition of any trade restrictions between the EU and U.K., which will become clearer over the medium term.
- **Garments:** Readymade garment is one of the key export items to the U.K from India. Readymade garments account for about 20.0% of the India's total exports to the U.K. The sector is expected to feel the pinch on account of moderation in demand. Also, the drop in the

Pound is expected to impact the un-hedged export contracts with British counterparts. Nonetheless, some of the garment exporters have also opined that they might be insulated if a Free Trade Agreement is negotiated with the UK post Brexit.

- **Information Technology:** India is one among the largest exporters of IT-enabled offerings and the sector has massive publicity for the to the EU market mainly the United Kingdom. U.K. money owed for approximately 17% of India's total IT exports. India's IT exports to other EU international locations is at about 11%. The IT corporations for that reason are anticipated to face the heat in light of the Brexit. The bottom line to the above discussion would be: India is governed by domestic demand and supply so, Brexit may comparatively have a less impact on Indian economy. Though some changes (both positive and negative) are expected to come up on specific industries individually.

12. Bilateral relationship: Economic and Financial

The institutional engagement between the two countries is set by India-U.K. Economic & Financial Dialogue (EFD) and India-U.K. Joint Economic and Trade Committee (JETCO). The EFD was established in February 2005, whereas JETCO was established as an institutional framework for business purpose on Jan 13, 2005 so as to develop a strategic economic relationship between the nations. There is an annual meeting of JETCO delegates, under the leadership of Ministry of Commerce and Industry (CIM) and the Secretary of State of Business, Innovation and Skills (BIS), alternately in London and Delhi. The 10th JETCO session was held in January 19, 2015 in London, which encompassed of government and industry stakeholders, for constructive discussion on themes like Technological collaborations, Education skills and Development, Smart cities, Advanced Marketing and Engineering.

Table – 2 Brexit Impact on United Kingdom and European Union

S.No.	Variable	Impact on United Kingdom	Impact on European Union
1	Budget	The U.K. will likely gain in terms of finance but, the approx. estimation depends on the variation	The EU will lose its major net contributors and budget participant, where these gaps can be recovered by higher

		in the net impact across the U.K. regions	contribution and less spending.
2	International Influence	U.K. departing from the EU, loses its benefit of being able to influence other nations, (which it use to being a part of EU) thus, impacting the economic and Foreign policy interests.	Both soft and hard substantial assets look to grip out of the EU's hands by U.K.'s exit from the EU.
3	Trade Policy	U.K. being a lower priority partner, has less leverage in terms of trade. Thus will face hindrance in trade negotiations and disputes.	The EU is a less appealing partner without U.K. in the deal, where it loses a member state that put its political impression behind the negotiations.
S.No.	Variables	Impact on United Kingdom	Impact on European Union
4	Intra-regional trade	With growing regulatory norms, the cost of trade is expected to increase impacting trade volumes and the U.K.'s position in supply chain.	EU's trade is more significant for U.K. than vice versa. U.K. occupies one sixth of the EU's economy and One-tenth of the EU's export to U.K. However, U.K. is an important source of demand for rest of the EU.
5	Foreign Direct Investment	U.K. would lose its gateway attractiveness to EU, as well as base for corporate Head-quarters and investment location from the EU's end.	Brexit will make it expensive to relocate business investments from the U.K.
6	Industrial Policy	The U.K. is expected to gain flexibilities in industrial policies, but will lose benefits from scale and influence in some of the areas.	The competition policy is expected to weaken with Brexit. The collaboration may loosen in education and research, as well as public procurement.
7	Financial Services	Though U.K. has a strong competitive edge, but with	Apart from one or two financial centres, the business

		Brexit it will lose business, the reason being unable to provide certain services to the EU markets.	and households will likely suffer due to liquidity and increased cost of financial services.
8	Liberalization and regulations	The U.K. will lose its influence over the EU regulations, without gaining much as an independent nation.	The equilibrium in the EU council may shift away from liberalization and it would become harder to form a blocking minority against illiberal measures.
9	Immigration	Immigration will be tightened, which will hamper competitiveness, especially in London.	Some countries of the EU will get affected by the impact of remittances or diverted migration.
10.	Uncertainty	Brexit is a long process which will have its effects for years and the uncertainty as to how things will happen is still under suspense, though it is expected to impact the business field significantly.	For EU, uncertainty won't be healthy in terms of business, but a domino effect is expected of Brexit on remaining EU countries.

13. Top Trading Partners of European Union

The important export trading partners of the EU are USA, China, Switzerland, Turkey, Russia, Japan, Norway, UAE, South Korea and Saudi Arabia. About Euro 10, 87,692 million in 2015 and about 61% share of EU's total exports are contributed by its top export contributors. On the other hand EU's importing partners are China, USA, Russia, Switzerland, Norway, Turkey, Japan, South Korea, India and Brazil, where they contributed around Euro 11,45,392 million and 66.3% share in EU's total imports in 2015. India ranks ninth in EU's sources of import in 2015 with a share of 2.3% in EU's total imports.

Table-2 EU's Trading Partners (2015)

RANK	EU's top 10 Exporting Partners			EU's top 10 Sources of Import Partners		
	EU EXPORT DESTINATION	EU'S EXPORT (EURO MILLION)	% SHARE IN EU'S TOTAL EXPORT	EU SOURCES OF IMPORTS	EU'S IMPORTS (EURO MILLION)	% SHARE IN EU'S TOTAL IMPORT
1	USA	371,223	20.7	CHINA	350,424	20.3
2	CHINA	170,484	9.5	USA	248,437	14.4
3	SWITZERLAND	150,875	8.4	RUSSIA	135,711	7.9
4	TURKEY	79,107	4.4	SWITZERLAND	102,323	5.9
5	RUSSIA	73,911	4.1	NORWAY	74,260	4.3
6	JAPAN	56,550	3.2	TURKEY	61,607	3.6
7	NORWAY	48,869	2.7	JAPAN	59,768	3.5
8	UAE	48,512	2.7	SOUTH KOREA	42,347	2.5
9	SOUTH KOREA	47,901	2.7	INDIA	39,448	2.3
10	SAUDI ARABIA	40,260	2.2	BRAZIL	31,067	1.8
	TOTAL EXPORT	10,87,692	60.7	TOTAL IMPORT	11,45,392	66.3

Source: PHD Research Bureau compiled from EUROSTAT, European Commission, UAE stands for United Arab Emirates

EU counts as China's largest trading partners. China is likely to experience a slow growth rate and will be struck by the risk-off sentiment, which is already visible from the trade figures of 2015, they represent, that the trade became stagnant and will be ultimately affected if the EU's economy gets disturbed.

Table-3 Trade between United Kingdom and China

Category	2006	2007	2008	2009	2010	2011	2012	2013	2014	2016
U.K. export to China	6.03	7.58	9.07	8.05	11.29	14.09	15.69	18.12	26.24	27.62
U.K. imports from China	41.83	53.23	58.22	52.10	61.73	66.04	56.27	57.59	64.15	62.98
Total trade	47.86	60.81	67.29	60.15	73.03	80.13	71.96	75.71	90.38	90.60

Source: PHD Research Bureau, Complied from ITC

India's stand on 9th rank in EU's top ten sources of imports, where China is the largest source of imports for EU and second largest export destination. Therefore, India's trade may comparatively feel less impact of BREXIT.

14. Conclusion

India is on a fast moving economy today with its share in the world GDP from 1.77% in the year 2005 to 3.2% in the year 2017. Indian economy is projected to be the fastest growing major economy in 2018-19 and 2019-20 (International Monetary Fund October 2018 database) with a GDP growth of 7.6 per cent in the first half of 2018-19. This paper tried to analyse the various impacts of Brexit on India's foreign trade. The referendum that took place in 2016, is yet to have its actual effects by March 2019. As India has sound trade relations with U.K. and is a significant FDI source, it is expected to have an impact on the trade practices of India. The Brexit is going to create turmoil globally and its effects can only be anticipated and cannot be concluded at this moment. U.K. is deeply integrated with EU, and untangling them will create cultural and economical impacts around the globe. In the near future, India is expected to see slight volatility in the stock market as well as trade policies, yet the final outcomes can only be unfolded after the U.K. finally exits EU.

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