BREXIT Impact on Indian Economy

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Executive Summary

Britain's exit from European Union would result in several economic and financial implications not only for European Union or advanced economies, emerging and developing economies but for the entire world economy. The BREXIT has already resulted in financial markets volatility across the world and could also spur a number of other risks through various trade, finance and confidence channels.

The weakness in European economy could also hurt world exports as weakening European currencies might put renewed downward pressure on major exporting countries. Therefore, at this juncture, the present World situation will largely depend on the kind of trade deal Britain negotiates with the EU along with no big reductions in its access to the single market.

There is no significant impact of the BREXIT is seen on any sector of the Indian Economy. Though, lot of diversification has taken place in India's exports from advanced economies of Europe and America towards emerging and developing economies of Asia, Africa and Middle East, EU is still India's significant trade partner and UK and Germany are among the top ten export destinations of India and Germany is also in India's top ten sources of imports.

The pace of India-EU and India-UK exports and imports will continue and achieving new growth trajectories in the coming times. India-EU trade is expected to touch USD 100 billion in the next two years by FY2018 of which India-UK trade would post a USD 20 billion trade trajectory.

Though financial markets volatility cannot be ruled out, India's economic resilience has been strengthened on account of big bang economic reforms undertaken by the Government to boost up investment sentiments in the economy.

Despite adverse international economic developments during the last eight years, India is not only the fastest moving economy but its economic share in the world GDP is also increasing at a significant pace from 1.77% in the year 2005 to 2.86% in the year 2015. Notwithstanding, the slowdown in the world economy; growth in India remained robust, buoyed by strong investor sentiment and a recent fall in international commodity prices. India posted a higher growth of 7.6% in 2015-16 as compared to 7.3% in 2014-15, 6.9% in 2013-14 and 5.1% in 2012-13. Growth in India is expected to remain[1] steady at 8% in 2016-17 on account of continuous pace of economic reforms and a good monsoon scenario.

India's economic resilience has strengthened during the recent times on account of factors such as announcements of big bang FDI reforms and a significant jump in FDI inflows, narrowing current account deficit, declining trade balance due to fall in

[1] Projections by PHD Research Bureau of PHD Chamber of Commerce and Industry.

commodity prices. India's strong macroeconomic fundamentals and conducive policy measures undertaken by the government will help in mitigating the impact of adverse international economic developments, going forward.

India attracted FDI equity inflows at about USD 40 billion during 2015-16 as against USD 30.9 billion during the corresponding period of last year, posting a robust growth of about 29%. The Current Account Deficit (CAD) narrowed to 1.1% of GDP in 2015-16 from 1.3% in 2014-15 is more or less manageable at this juncture.

India's foreign exchange reserves are at about USD 361 billion as on 24th June 2016 as against around USD 355 billion as on 26th June 2015 have been improved significantly. Trade balance has also declined to around (-) USD 118.6 billion during 2015-16 as compared to (-) USD 137.6 billion for 2014-15.

The inward FDI equity inflows from Europe are around 14.1% of India's top ten investing countries in the year 2015-16. The investment inflows from EU to India will remain steady as India's growth trajectory would remain promising in the coming times

The recently announced plethora of economic reforms such as Make in India, digital India and opportunities for start ups would attract more and more investments, going forward.

India-EU: Select economic indicators

S.No	Particular	In percentage
1	Share of EU in India's total trade (2015-16)	13.75%
2	Share of EU in India's total exports (2015-16)	16.98%
3	Share of EU in India's Imports (2015-16)	11.53%
4	Share of EU in India's FDI equity inflows (2015-16)	14.5%
5	EU countries in India's top ten export destinations	UK and Germany
6	EU countries in India's top ten sources of imports	Germany
7	Share of EU in India's top ten items of exports	15.53%
8	Share of EU in India's top ten sources of imports	9.43%

Source: PHD Research Bureau, compiled from various sources

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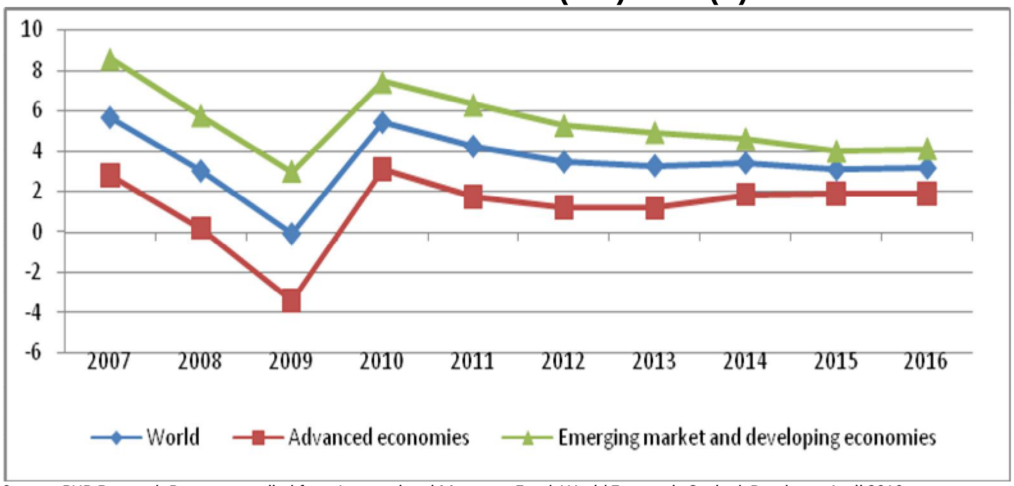
1. Growth Synchronization of advanced, emerging and developing economies

Global recovery is continuing, but at a slowing and increasingly fragile pace. The slow pace of recovery is coupled with global asset market volatility, upliftment of growth momentum in the advanced economies, and continuing headwinds for emerging market economies and lower-income countries. Therefore, as per IMF[2], global growth is projected to remain strong in 2016, at 3.2%, while in advanced and emerging market and developed economies at 1.9% and 4.1% respectively.

World Real GDP Growth (YOY) (%)



Source: PHD Research Bureau compiled from International Monetary Fund, World Economic Outlook Database, April 2016

Notwithstanding this cloudier picture of economic fundamentals across the world economies, softening of oil prices, lower capital outflows from China, and decisions by major central banks have all contributed to improved sentiment. These developments points to the projection that growth in the world economies will still be slightly higher from 3.1% in 2015 to 3.2% in 2016.

Growth in advanced economies reviving slowly

Growth in advanced economies is projected to remain at about 2% owing to diminished growth in the labor force due to aging population. Among the advanced economies, United States has grown at a moderate pace, supported by strengthening economic fundamentals. In the Euro area, recovery has been supported by lower energy prices, a modest fiscal expansion, and supportive financial conditions. However, growth in Japan is expected to remain at 0.5% in 2016 due to increase in the consumption tax rate.

[2] IMF, World Economic Outlook Database, April 2016

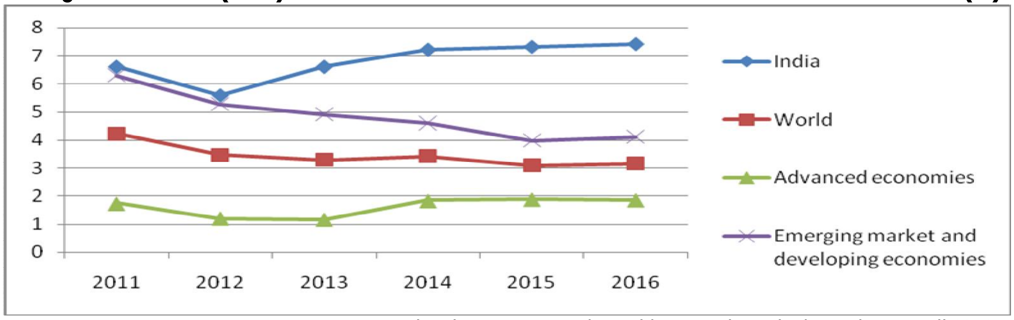
Moderate performance in emerging and developing economies

Although, emerging market and developing economies have accounted for the lion's share of world growth in 2015, yet their growth rate is projected to increase only modestly in 2016. There growth is projected to increase from 4% in 2015, the lowest rate since the 2008–09 financial crises to 4.1% in 2016.

There are immediate challenges particularly for emerging market and developing economies. These common challenges center on dealing with slowing growth and increased vulnerabilities after a decade of optimistic activity and credit expansion. Therefore, in this global environment, with the continued weakness of growth and unfavorable macroeconomic policies in many economies, a three-pronged approach of structural reforms, fiscal support and fiscal stimulus, monetary policy measures are required to stimulate growth, going forward.

According to IMF, Growth in India is projected at 7.5% in 2016. Growth will continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth.

GDP growth rates (YOY) **(%)**



Source: PHD Research Bureau compiled from International Monetary Fund, World Economic Outlook Database, April 2016

Macroeconomic fundamentals of select world economies

It is seen that the growth rate of GDP at 4% in the year 2015 for emerging and developing economies is the highest and reflects the robust macroeconomic policies of their respective Governments. Further, the debt to GDP percentage is the lowest for BRICS[3] economies (Russia has 17.9%) and highest for European PIIGS[4] economies (Greece at 177%) which reflects that BRICS economies are growing at a faster pace owing to its young population, lower tax rates and less public expenditure. On the other hand (as per Table below), interest rates are considerably higher in BRICS economies (Brazil at 14.2%) and lowest in advanced economies (ranges between 0 to

[3] BRICS stands for Brazil, Russia, India, China and South Africa
[4] PIIGS refers to economies such as Portugal, Ireland, Italy, Greece and Spain

1%) which reflects the efforts of central banks of emerging and developing economies' to contain inflation by imposing higher interest rates.

Also, the current account balance of European PIIGS economies is positive whereas negative for most of the BRICS economies except Russia (5%) and China (2.7%) which indicates towards strong external position of advanced economies. The unemployment rate is highest in the European PIIGS economies (Italy at 24.14 percent) and lowest in BRICS economies (4.1% and 4.9% for China and India) except South Korea where the rate is 26.7%. However, fiscal position of Canada and Germany is positive at 0.1% and 0.7% which reflects the prudent fiscal policies and their respective governments.

Macroeconomic snapshot of select world economies

Region	GDP Billion	GDP growth	Govt debt as% of GDP	Int Rate (%)	Infl Rate (%)	CAB (% of GDP)	Unemp rate (%)	Fiscal Deficit (as% of GDP)
United States	17,947	2.4	104	0.5	0.1	-2.6	5.2	-2.5
Canada	1,552	1.2	91.5	0.5	1.1	-3.3	6.9	0.1
Japan	4,123	0.5	229	-0.1	-0.4	2.9	3.2	-6
Euro Area								
United Kingdom	2,849	2.3	89.2	0.5	0.3	-4.3	5	-4.4
Germany	3,358	1.5	71.2	0	0.3	8.5	6.1	0.7
France	2,422	1.1	96.1	0	0.2	-0.1	10.2	-3.6
Netherlands		1.9	65.1	0	0	10.9	6.3	-1.8
European PIIGS								
Portugal	199	1.5	129	0	0.3	0.5	12.4	-4.4
Ireland	238	7.8	93.8	0	0	4.5	7.8	-2.3
Italy	1,816	0.8	133	0	-0.4	2.1	11.7	-2.6
Greece	195	-0.2	177	0	-0.9	0	24.14	-7.2
Spain	1,200	3.2	99.2	0	-0.8	1.4	21	-5.1
BRICS Countries								
Brazil	1,773	-3.9	66.23	14.25	9	-3.3	6.8	-10.3
Russia	1,325	-3.8	17.92	10.5	15.5	5	5.6	-3.5
India	2,091	7.3	67.2	6.5	5.9	-1.3	4.9	-3.9
China	10,983	6.9	43.9	4.35	1.4	2.7	4.1	-2.3
South Korea	313	1.3	35.12	1.25	-4.4	-4.4	26.7	-4.2

Source: PHD Research Bureau, compiled from various sources. Note: CAB stands for Current Account Balance, Int stands for Interest Rate, Infl stands for Inflation rate, Unemp stands for employment rate

2. India's growth story continues...

The Indian economy has performed exceptionally well and grown at a rate of 7.9% in Q4 of 2015-16 reflecting the efforts of the Government to boost the economy. Impressive growth in manufacturing sector at 9.3 percent and industry at 7.4 percent for the year 2015-16 was registered mainly on account of initiatives of the government such as 'Make in India' program and improvement in ease of doing business environment to make India a global manufacturing hub. Further, India is on the path of becoming the hub for hi-tech manufacturing as global giants have already set up and are in the process of setting up more plants in India

India's external position appears robust as the current account deficit has declined and is at comfortable levels; foreign exchange reserves have risen and FDI inflows have grown With the radical reform measures in FDI regime, that is easing of FDI rules in various sectors viz. Animal Husbandry, Broadcasting, Civil Aviation, Defence, Pharmaceutical and Single Brand Retail Trading, the economy is expected to become the most open economy in the world for FDI inflows. As a result of prudent fiscal policies and the government's commitment to fiscal consolidation, India is in a comfortable fiscal position as the government has been able to contain its fiscal deficit at 3.99% of GDP.

Going ahead, India's economic growth is expected to enter high growth trajectory and will continue to be driven by domestic consumption. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth in the coming times.

Estimates of GVA at Basic Price by Economic Activity (At 2011-12 prices) Rs. crore

Industry	2013-14	2014-15	2015-16	Percentage change over previous year	
				2014-15	2015-16
Agriculture, forestry & fishing	1,588,237	1,584,293	1,604,044	-0.2	1.2
Mining & quarrying	267,378	296,328	318,377	10.8	7.4
Manufacturing	1,579,721	1,667,069	1,821,926	5.5	9.3
Electricity, gas, water supply & other utility services	200,861	216,970	231,228	8.0	6.6
Construction	818,494	854,636	887,957	4.4	3.9
Trade, hotels, transport, communication and services related to broadcasting	1,669,844	1,833,997	1,998,292	9.8	9.0
Financial, real estate & professional services	1,844,070	2,039,460	2,248,845	10.6	10.3
Public Administration, defence and other services	1,115,765	1,234,737	1,316,522	10.7	6.6
GVA at Basic Price	9,084,369	9,727,490	10,427,191	7.1	7.2

Source: PHD Research Bureau compiled from CSO

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India posted a higher growth of 7.6% in 2015-16 as compared to 7.3% in 2014-15, 6.9% in 2013-14 and 5.1% in 2012-13. Growth in India is expected to remain[5] steady at 8% in 2016-17 on account of continuous pace of economic reforms and a good monsoon scenario.

India's economic resilience has strengthened during the recent times on account of factors such as announcements of big bang FDI reforms and a significant jump in FDI inflows, narrowing current account deficit, declining trade balance due to fall in commodity prices. India's strong macroeconomic fundamentals and conducive policy measures undertaken by the government in the recent times will help in mitigating the impact of adverse international developments, going forward.

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The recently announced plethora of economic reforms such as Make in India, digital India and opportunities for start- ups would attract more and more investments, going forward.

3. BREXIT: Retrospective and Prospective

The UK voted by 52% to 48% to leave the European Union after 43 years in an historic referendum. The referendum turnout was 71.8% with more than 30 million people voting and the highest turnout at a UK election since 1992. London and Scotland voted strongly to stay in the EU but the remaining vote has been undermined by poor results in the north of England. Also, Britain is the first country to leave the EU since its formation, but a leave vote will not immediately mean Britain ceases to be a member of the 28-nation bloc.

[5] Projections by PHD Research Bureau of PHD Chamber of Commerce and Industry.

The process of exit could take a minimum of two years and expected to be completed by 2020 - the date of the next scheduled general elections. However, the Prime Minister of Britain will have to decide when to trigger Article 50 of the Lisbon Treaty, which would give the UK two years to negotiate its withdrawal, but once Article 50 has been triggered a country cannot rejoin without the consent of all member states as well as curbs the power of EU judges and limits the free movement of workers, potentially in breach the UK's treaty obligations. Also, the British government will have to negotiate its future trading relationship with the EU and fix trade deals with non-EU countries.

Britain is going to lose access of 'free movements' to the single market-with which it conducts nearly-half of its' trade. Unless any agreement comes into being, Britain will have to trade with EU according to the WTO Rules which endow various tariff/non-tariff barriers. Around three million people living in the UK in 2014 were citizens of another EU country. That's about 5 per cent of the UK population. The figures for 2015 suggest that 1.2 million people born in the UK live in other EU countries.

The long awaited referendum of Britain has stated its results of choosing to opt out of the European Union. Although, the formal process of leaving the European Union is supposed to take two years, but the effect on almost all the sectors of the global economy were and will continue to be envisaged for quite a long-term.

4. India- United Kingdom bilateral economic relations

India and the United Kingdom share close and friendly ties. The bilateral relationship that was upgraded to a strategic partnership during PM's Narendra Modi's visit to the UK in November 2015 during which the foundation for enhanced Partnership for the future was laid. The key commercial announcements made during the visit includes in the areas of energy management business for efficient, clean and economical energy, healthcare, financial institutions, pharmaceuticals, MoU to foster joint collaborations on bond and equity issuance, with a strong focus on green infrastructure finance, telecommunication and to deepen research and development exchanges.

The India-UK economic engagement was further reinforced by several important initiatives during PM's visit to UK. It was agreed that the City of London could play an important role in channeling investments into Indian infrastructure projects, leveraging its capital and expertise. Government of India announced its intention to issue the first Government-backed Rupee Bond in London and announced their plans to raise finance through the City of London.

The inaugural meeting of the revived India-UK CEO Forum was convened by the two Prime Ministers. Commercial deals worth over £9.3 billion between Indian and British companies were announced. It was decided to establish a fast-track mechanism to facilitate UK's investments into India and to set up an India-UK Partnership fund under the National Infrastructure Investment Fund (NIIF) to facilitate global investments through the City of London for Indian infrastructure projects. UK has announced its interest in partnering with India in the development of Smart Cities in Indore, Pune and Amravati. In addition, India and UK have a number of bilateral dialogue mechanisms in place, covering a wide spectrum of areas including political, trade, education, science & technology, defence etc.

The significant ones are Economic and Financial Dialogue at Finance Minister-level, Joint Economic & Trade Committee at Commerce Minister-level, Strategic Dialogue at NSA-level, Foreign Office Consultations at Foreign Secretary-level, Defence Consultative Group at Defence Secretary-level, Cyber and Counter-Terrorism Dialogues at Senior Officials-level and other thematic dialogues between the two Foreign Offices.

4.1 Trade Relations

India's total trade with UK has registered 1.6 fold increase over the past decade. The total trade of India with UK was at about USD 8,989 million in 2005-06, which scaled up to about USD 14,023 million in 2015-16. On the other hand, the share of UK's trade in India's total trade has declined from 3.56% in 2005-06 to 2.18% in 2015-16. Trade balance of India with UK has remained favorable for our economy since 2005-06. The trade balance of India's with UK was at about USD 1128.98 million in 2005-06, which scaled up to USD 3635.68 million in 2015-16.

India – UK bilateral trade vis-a-vis its share in India's total trade

Year	India's exports to UK (USD Million)	India's imports from UK (USD Million)	Trade Balance (USD Million)	India's total trade with UK(USD Million)	Share of UK trade in India's total trade (%)
2005-06	5,059.28	3,930.30	1128.98	8989.58	3.56
2006-07	5,622.93	4,177.87	1445.06	9800.8	3.14
2007-08	6,705.50	4,953.68	1751.82	11659.18	2.81
2008-09	6,649.53	5,872.32	777.21	12521.85	2.56
2009-10	6,221.39	4,461.67	1759.72	10683.06	2.29
2010-11	7,284.96	5,396.78	1888.18	12681.74	2.05
2011-12	8,589.93	7,134.30	1455.63	15724.23	1.98
2012-13	8,612.54	6,293.09	2319.45	14905.63	1.88
2013-14	9,779.07	6,045.10	3733.97	15824.17	2.07
2014-15	9,319.73	5,018.28	4301.45	14338.01	1.89
2015-16	8,829.29	5,193.61	3635.68	14022.9	2.18

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

4.1.1 India's top 10 export items to UK

India's main exports to the UK are apparel and clothing accessories, machinery and mechanical appliances, footwear and leather, pharmaceuticals and marine products, Electrical machinery and equipments, manufactures of metals, gems and jewellery, etc. The share of top ten items in India's total exports to UK stands at 62.08% in 2015-16.

Rank	Exporting Items	2015-16 (USD million)	% share in total exports in 2015-16
1	Articles of apparel and clothing accessories, not knitted or crocheted.	905.7	10.26
2	Articles of apparel and clothing accessories, knitted or corcheted.	896.64	10.16
3	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	684.78	7.76
4	Natural or cultured pearls, precious or semiprecious stones, pre.metals,clad with pre.metal and articles of jewellery	539.22	6.11
5	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	526.91	5.97
6	Footwear, gaiters and the like; parts of such articles.	476.59	5.40
7	Pharmaceutical products	463.34	5.25
8	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	408.99	4.63
9	Articles of iron or steel	291.11	3.30
10	Articles of leather, saddlery and harness; travel goods, handbags and similar cont.articles of animal gut (other than silk-warm) gut.	288.2	3.26
	Sum of exports of top ten items	**5481.48**	**62.08**

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

4.1.2 India's top 10 import items from UK

The main imports items from the UK to India are precious and semiprecious stones, machinery and mechanical appliances, Electrical machinery and equipments, aluminium, aircrafts parts, plastic products, etc. Further, the share of top ten items in India's total imports from UK stands at 78.48% in 2015-16.

Rank	Importing Items	2015-16 USD million	% share in total imports in 2015-16
1	Natural or cultured pearls, precious or semiprecious stones, pre.metals, clad with pre.metal and articles	1,504.97	28.97
2	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	723.74	13.93
3	Iron and steel	398.02	7.66
4	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers,and parts.	341.34	6.57
5	Optical, photographic cinematographic measuring, checking precision, medical or surgical inst. And apparatus parts and accessories thereof;	266.06	5.12
6	Aluminium and articles thereof.	213.34	4.10
7	Beverages, spirits and vinegar.	204.27	3.93
8	Aircraft, spacecraft, and parts thereof.	170.72	3.28
9	Plastic and articles thereof.	136.22	2.62
10	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	117.4	2.26
	Sum of imports of top ten items	**4076.08**	**78.48**

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

4.1.3 India's top ten export destinations

Amongst India's leading top ten export destinations, there are only two countries i.e. UK and Germany which stands at rank 5 and 7 respectively in the year 2015-16. In terms of volume and share, India's total exports to UK stands at about USD 8,868.36 million with a share of 3.38% in India's total exports and with Germany stands at USD 7,107 million with a share of 2.71% in India's total exports for the same year.

India's top ten export destinations

Rank	Country	2015-16 USD million	%Share in India's total exports
1	U S A	40,422.61	15.43
2	U Arab Emts	30,321.07	11.57
3	Hong Kong	12,142.67	4.63
4	China	9,052.18	3.45
5	**U K**	**8,868.36**	**3.38**
6	Singapore	7,734.14	2.95
7	**Germany**	**7,106.76**	**2.71**
8	Saudi Arab	6,395.76	2.44
9	Bangladesh	5,695.78	2.17
10	Sri Lanka	5,311.83	2.03
	Total	**1,33,051.16**	**50.76**

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

Only two countries of EU falling under India's top ten export destinations

4.1.14 India's top ten sources of imports

Among India's top ten sources of imports, there is only one member country of EU i.e. Germany falling at rank 8 in the year 2015-16 with total imports of USD 11,972.4 million and with a share of 3.15% in India's total imports for the same year.

India's top ten sources of imports

Rank	Country	2015-16 USD million	%Share in India's total imports
1	China	61,705.14	16.22
2	U S A	21,777.41	5.73
3	Saudi Arab	20,314.81	5.34
4	U Arab Emts	19,424.88	5.11
5	Switzerland	19,302.97	5.07
6	Korea	13,047.19	3.43
7	Indonesia	13,058.43	3.43
8	**Germany**	**11,972.41**	**3.15**
9	Iraq	10,835.64	2.85
10	Nigeria	9,949.17	2.62
	Total	**2,01,388.05**	**52.95**

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

Only one country of EU falling under India's top ten import destinations

4.1.5 India's bilateral trade with UK and EU

The total trade of India's with UK was at about USD 14905.63 million in 2012-13 with a growth of (-) 5.21%, followed by total trade of USD 15824.17 million in 2013-14 with growth of 6.16%, USD 14338.01 million of total trade in 2014-15 with growth of (-) 9.39% and about USD 14022.9 million of total trade in 2015-16 with growth of (-) 2.2%.

While, India's total trade with EU was at about USD 102696.18 million in 2012-13, with growth of (-) 6.15%, followed by trade of USD 101532.25 million in 2013-14 with growth of (-) 1.13%, USD 98523.09 million of total trade in 2014-15 with growth of (-) 2.96% and about USD 88410.29 million of total trade in 2015-16 with growth of (-) 10.26%.

India's total trade with UK and EU

Year	India's total trade with UK (USD Million)	Growth (Y-O-Y %)	India's total trade with EU(USD Million)	Growth (Y-O-Y %)
2012-13	14905.63	-5.21	102696.18	-6.15
2013-14	15824.17	6.16	101532.25	-1.13
2014-15	14338.01	-9.39	98523.09	-2.96
2015-16	14022.9	-2.20	88410.29	-10.26

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

4.1.6 India's top ten exporting items to the World vis-à-vis UK and EU

The top ten exporting items from India to the world are petroleum products, pearl, precious, semi-precious stones, drug formulations, biologicals, gold and other precious metal jewellery, rmg Cotton including accessories, motor vehicle or cars, products of iron and steel, gold and cotton fabrics, madeups etc. In the basket of top ten exporting items, India is exporting all top ten items to UK. While, with EU, India is exporting all the top ten items with the exception of gold.

Rank	Exporting Item	United Kingdom	European Union
1	Petroleum products	1	1
2	Pearl, Precs, Semiprecs Stones	1	1
3	Drug Formulations, Biologicals	1	1
4	Gold and Other Precs Metal Jewellery	1	1
5	Rmg Cotton Incl Accessories	1	1
6	Motor Vehicle/Cars	1	1
7	Products Of Iron And Steel	1	1
8	Iron And Steel	1	1
9	Gold	1	0
10	Cotton Fabrics, Madeups Etc.	1	1

Source: PHD Research Bureau, compiled from Ministry of Commerce and Industry, Government of India
Note: 1 signifies that India is exporting the commodity and 0 signifies India is not exporting the commodity

4.1.7 India's top ten importing items

The top ten items of import for India from world are crude, gold, pearl, precious and semiprecious stones, petroleum products, telecom instruments, coal, coke and briquittes etc, iron and steel, vegetable oils and industrial machinery for dairy, etc. In the basket of top ten importing items, India's importing all top ten items from EU except crude oil. While, with UK, India is importing all top ten items except crude and vegetable oils.

Rank	Importing Commodity	United Kingdom	European Union
1	Petroleum: Crude	0	0
2	Gold	1	1
3	Pearl, Precs, Semiprecs Stones	1	1
4	Petroleum Products	1	1
5	Telecom Instruments	1	1
6	Coal,Coke and Briquittes etc	1	1
7	Other Commodities	1	1
8	Iron And Steel	1	1
9	Vegetable Oils	0	1
10	Indl. Machinery for dairy Etc	1	1

Source: PHD Research Bureau, compiled from Ministry of Commerce and Industry, Government of India
Note: 1 signifies that India is exporting the commodity and 0 signifies India is not exporting the commodity

Going by the above analysis, it has been observed that there exist trade complementarities between India-UK and India-Europe. However, volume of trade is low due to slowdown in the EU and diversification of India's trade towards emerging and developing economies.

India's exports diversifying towards emerging and developing economies (USD billion)

Regions	FY2000		FY2005		FY2010		FY2015		FY2016 (p)	
	Exports	Share (%)	Exports	Share (%)	Exports	Share (%)	Exports	Share (%)	Exports	Share (%)
Europe	10.23	25.94	19.67	23.55	38.52	21.55	56.30	18.14	50.4	19.26
America	9.62	24.70	16.79	20.1	26.87	15.03	59.05	19.03	52.8	20.18
Total	**19.85**	**50.64**	**36.46**	**43.65**	**65.39**	**36.58**	**115.35**	**37.17**	**103.1**	**39.44**
Asia	13.86	37.44	40.00	47.88	93.33	52.21	153.81	49.57	127.4	48.63
Africa	1.90	5.35	5.57	6.67	13.43	7.51	32.84	10.58	25.1	9.56
Total	**15.76**	**42.79**	**45.57**	**54.55**	**106.76**	**59.72**	**186.65**	**60.15**	**152.5**	**58.19**
CIS & Baltics	1.06	2.35	1.09	1.31	1.69	0.94	3.40	1.09	2.4	0.92
unspecified Region	0.04	4.22	0.4	0.49	4.91	2.76	4.93	1.59	3.8	1.45
Total	**36.71**	**100**	**83.53**	**100**	**178.75**	**100**	**310.34**	**100**	**262**	**100**

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

4.1.8 India-EU: Potential Trade Trajectory

Though lot of diversification has taken place in India's exports from advanced economies of Europe and America towards emerging and developing economies of Asia, Africa and Middle East, EU is still India's significant trade partner and UK and Germany are among the top ten export destinations of India and Germany is also in India's top ten sources of imports.

The pace of India-EU and India-UK exports and imports will continue and achieving new growth trajectories in the coming times. India-EU trade is expected to touch USD 100 billion in the next two years by FY2018 of which India-UK trade would post a USD 20 billion trade trajectory.

India-EU: Potential Trade Trajectory

Year	Total Trade (Values in USD billion)
2011-12	109
2012-13	102
2013-14	101
2014-15	98
2015-16	88
2016-17	95*
2017-18	106*

Source: PHD Research Bureau, compiled from Ministry of Commerce and Industry, Government of India. * PHD Research Bureau projections

Though financial markets volatility cannot be ruled out, India's economic resilience has been strengthened on account of big bang economic reforms undertaken by the Government to boost up investment sentiments in the economy. Economic reforms have increased the resilience of the Indian economy to mitigate the impact of adverse international economic developments

4.2 Investment relations

India and EU share a friendly and cordial investment relationship and have been working in the direction to deepen trade and investment ties. Many European Union member countries have been investing in India over the last many years and entering into several agreements to boost bilateral investments. Presently, India's Inward FDI equity inflows from Europe are around 14.1% of India's top ten investing countries in the year 2015-16.

4.2.1 Foreign Direct Investments

UK is the 3rd largest inward investor in India, after Mauritius, and Singapore with a cumulative equity investment of US $23.11 billion (April 2000- March 2016). UK ranks first among the G20 countries and accounts for around 8.01% of all foreign direct investment into India for the period April 2000 – March 2016. Foreign Direct Investment in the last three years has dropped from US$24.2 billion in 2013-14 to US$40 billion in 2015-16. India continues to be one of the largest source markets for FDI projects in the UK.

According to the UK Trade and Investment (UKTI) in their '2014/15 Inward Investment Annual Report', India undertook 122 FDI projects in 2014-15 in the UK, marking an increase of 65 per cent over last year and making it the UK's third largest source of FDI, accounting for over 9,000 new jobs. According to UK Office for National Statistics, the value of Indian FDI into the UK has registered a notable increase between 2004 and 2013, from £164 million to £1.9 billion. UK attracts more Indian investments than the rest of the EU altogether.

FDI Equity Inflows from top 10 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

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

During the period April 2000 – March 2016, inward FDI equity inflows from EU are 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

4.2.2 Joint Economic and Financial Dialogue

Bilateral mechanisms like India-UK Economic & Financial Dialogue (EFD) and India-UK Joint Economic and Trade Committee (JETCO) form the basis of institutional engagements between the two countries. The India-UK Economic and Financial Dialogue (EFD) was officially established in February 2005. India-UK Joint Economic and Trade Committee (JETCO) represents a business driven institutional framework which was established on January 13, 2005 to develop a strategic economic relationship. JETCO delegations meet annually under the leadership of the Minister of

Commerce and Industry (CIM) and the Secretary of State for Business, Innovation and Skills (BIS), alternately in Delhi and London.

The 10th JETCO meeting was held on January 19, 2015 in London which witnessed both industry and Government stakeholders coming together for productive discussions in three Working Groups constituted on the themes of Education & Skill Development, Smart Cities and Technological Collaboration, Advanced Manufacturing and Engineering.

5. Impact of BREXIT on India

1. **Economy-** In the wake of current developments in the world economy such as BREXIT, India's economic resilience has strengthened during the recent times on account of factors such as announcements of big bang FDI reforms and a significant jump in FDI inflows, 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. Therefore, India's strong macroeconomic fundamentals and conducive policy measures undertaken by the government in the recent times will help in mitigating the impact of adverse international developments.

2. **Trade -** At present, India's trade with Britain stands at around US$ 14 billion. Britain's exit could also mean Britain and EU could compete for trading with India and enter into long term relationships with increased growth of trade.

3. **Trade Creation for Indian Businesses-** India's export to the UK is expected to increase as there may be trade diversion in favour of India from other (remaining) EU countries. Similarly, India's import from the UK is expected to increase as there may be more incentive to British exporters to further explore the Indian market. Overall, there exits opportunities of trade creation for India due to possibility of decreasing intra regional trade among the EU countries.

4. **Bilateral Trade and Investment Agreements-** It is expected that the EU will take a more favourable look to complete its negotiations with India to conclude the EU-India Bilateral Trade and Investment Agreement (BTIA).

5. **Services-** With the enhancement of bilateral trade in services, there could be generation of employment opportunities for skilled and unskilled workforce in the services sector in merchanting, other trade related services between related enterprises, professional, management consulting and R&D services. India-UK bilateral trade in services[6] is approx. £2.5 billion - £3 billion in the recent years.

[6] Trade in Services excludes travel, transport and banking

6. **Investment and Capital Flows-**The investment inflows from EU to India will continue and are also not expected to be impacted by the BREXIT vis-a-vis India's growth resilience and promising potential growth trajectory. On account of BREXIT and expected depreciation of the British Pound, in future, Indian investors in the UK may get more favourable investment opportunities. The British investors may like to divert their investment to India and other such countries where they expect to get better returns. Overall, there could be investment creation for India and strengthening of the capital markets of both the nations. Further, BREXIT may result in slowdown in real estate prices and with a depreciating Pound; the UK will provide longer term investment opportunities in the real estate sector to India.

7. **Migration and employment opportunities-** With BREXIT, the UK will no longer be obliged to offer quota-based jobs to the citizens of the EU countries. This might open up the market for skilled and semi-skilled labour for Indian migrants, including temporary workers, in the UK.

8. **Tourism-** In response to Brexit's impacts, travelling to the UK will become cheaper, facilitating increase in tourist movements and educational travel with the big drop in the value of the Pound, and then we could see a surge in leisure tourism to Britain, as travelling may become cheaper.

9. **Financial Market-** The impact of BREXIT on financial markets was short lived due to strong macroeconomic fundamentals of the Indian economy and markets have regained their stability in due course of time.

10. **Currency**- The fluctuations in currency markets will be for a shorter period on account of India's decent FOREX reserves position and strong policy measures taken by the central bank in the recent times. However, volatility in the currency markets cannot be ruled out as and when the negotiation of the UK breakout from EU progresses.

To sum up, BREXIT will not have much impact on Indian economy primarily because India is run by domestic demand and supply; although a few effects, both positive and negative can be envisaged in some industries individually.

BREXIT Impact on the United Kingdom and European Union will be felt though decreased intra-regional trade decreased FDI inflows and outflows, change in Industrial policy, tightened immigration, trade disputes, decreased international influence and decreased budget.

On breakout of UK from EU, there might have a little impact on trading scenario of top trade partners of EU countries. Further, it may also impact trading scenario of these trading partners with other economies of the world.

BREXIT Impact on the United Kingdom and European Union

S.No	Variables	Impact on United Kingdom	Impact on European Union
1	**Intra-regional trade**	With growing regulatory divergence, the cost of trade will increase impacting trade volumes and the UK place in supply chains.	EU trade matters more for the UK than UK trade for the EU. The UK accounts for just one sixth of the EU economy and only one-tenth of EU exports are to the UK, whereas half of UK exports are to the EU. However, the imbalance in the trade relationship is such that the UK is an important source of demand for the rest of the EU.
2	**Foreign direct investment**	The UK will become unattractive as a gateway to Europe, as a base for corporate HQs and as a location for investment from Europe	With BREXIT, the businesses will find it costly to relocate investment from the UK
3	**Liberalization and regulation**	The UK will lose influence over EU regulation without gaining much freedom to regulate independently.	The balance in the European Council may shifts away from liberalization and it becomes harder to form a blocking minority against illiberal measures.
4	**Industrial policy**	The UK will gain flexibility over industrial policy, but will lose the benefits from scale and influence in some areas.	There could be a weakening of competition policy, looser collaboration in education and research and public procurement
5	**Immigration**	Immigration will be tightened, damaging competitiveness, particularly of London.	Some countries will be affected by the impact on remittances or diverted migration, with the extent of political contagion a big challenge.
6	**Financial services**	The UK has a strong competitive edge, but will lose business as it becomes harder to provide certain services to EU markets.	One or two financial centres may benefit, but businesses and households will suffer from the loss of liquidity and increased cost of financial services
7	**Trade policy**	The UK has less leverage, is a lower priority partner in trade negotiations and will find it harder to resolve trade disputes.	The EU is a less attractive trade partner without the UK in the deal and loses a member state that may put its political weight behind negotiations.
8	**International influence**	The UK loses the benefit from being able to influence both in and through the EU, impacting on economic and foreign policy interests	The EU loses substantial soft and hard power assets, but may be able to act more coherently externally and in international institutions

9	**Budget**	The UK gains financially, but how much depends on variation in the net impact across the UK regions	The EU loses a budget participant and a major net contributor, with the gap needing to be filled by higher contributions or less spending
10	**Uncertainty**	BREXIT is a protracted process lasting several years with uncertainty over the endpoint, impacting on businesses	Uncertainty is bad for business in the EU, but there could be risk of domino effect of BREXIT on remaining EU countries

Source: PHD Research Bureau, Compiled from various sources, June 2016

EU's top trading partners

EU's top ten exporting partners are USA, China, Switzerland, Turkey, Russia, Japan, Norway, UAE, South Korea and Saudi Arabia. The top ten exporting destinations of EU contribute exports of about Euro 10,87,692 million in 2015 and about 61% share in EU's total exports. While, EU's top ten importing partners are China, USA, Russia, Switzerland, Norway, Turkey, Japan, South Korea, India and Brazil. The top ten importing partners of EU contributes imports of nearly Euro 11,45,392 million and 66.3% share in EU's total imports in 2015. India's stands at ninth rank in EU's sources of imports in 2015 contributing 2.3% share in EU's total imports.

EU's top trading partners (2015)

EU's top 10 exporting partners				**EU's top ten sources of imports**		
Rank	**EU exporting destinations**	**EU's exports (euro million)**	**% share in EU's total exports**	**EU sources of imports**	**EU's imports (euro million)**	**% share in EU's total imports**
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 Exports	10,87,692	60.7	Total imports	11,45,392	66.3

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

Also, as the EU is China's largest trading partner, a slowdown in the EU's economy will hamper China's growth and it will be hit by the risk-off sentiment which is apparent from the total trade figures (Table below) wherein trade has become stagnant in the year 2015.

Bilateral trade between United Kingdom and China (USD billion)

Category	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
UK exports to China	6.03	7.58	9.07	8.05	11.29	14.09	15.69	18.12	26.24	27.62
UK 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, compiled from ITC

In a nutshell, India stands at rank 9th in EU's top ten sources of imports, while China is the largest sources of imports for EU and second largest exports destination. Therefore, India's trade may not feel the major impact on account of BREXIT.

6. Conclusions

Global recovery is continuing, but at a slowing and increasingly fragile pace. The slow pace of recovery is coupled with global asset market volatility, upliftment of growth momentum in the advanced economies, and continuing headwinds for emerging market economies and lower-income countries. Therefore, as per IMF7, global growth is projected to remain strong in 2016, at 3.2%, while in advanced and emerging market and developed economies at 1.9% and 4.1% respectively.

India is not only the fastest moving economy but its economic share in the world GDP is also increasing at a significant pace from 1.77% in the year 2005 to 2.86% in the year 2015. Notwithstanding, the slowdown in the world economy; growth in India remained robust, buoyed by strong investor sentiment and a recent fall in international commodity prices. India posted a higher growth of 7.6% in 2015-16 as compared to 7.3% in 2014-15, 6.9% in 2013-14 and 5.1% in 2012-13. Growth in India is expected to remain[8] steady at 8% in 2016-17 on account of continuous pace of economic reforms and a good monsoon scenario.

The long awaited referendum of Britain has stated its results of choosing to opt out of the European Union. Although, the formal process of leaving the European Union is supposed to take two years, but the effect on almost all the sectors of the global economy were and will continue to be envisaged for quite a long-term. Britain's exit from European Union would result in several economic and financial implications not only for European Union or advanced economies, emerging and developing economies but for the entire world economy. The BREXIT has already resulted in financial markets

[7] IMF, World Economic Outlook Database, April 2016
[8] Projections by PHD Research Bureau of PHD Chamber of Commerce and Industry.

volatility across the world and could also spur a number of other risks through various trade, finance and confidence channels.

The weakness in European economy could also hurt world exports as weakening European currencies might put renewed downward pressure on major exporting countries. Therefore, at this juncture, the present World situation will largely depend on the kind of trade deal Britain negotiates with the EU along with no big reductions in its access to the single market.

India's total trade with UK stands at about USD 14,023 million in 2015-16. While, India's total trade with EU stands at about USD 88410.29 million of total trade in 2015-16. There is no significant impact of the BREXIT is seen on any sector of the Indian Economy. Though, lot of diversification has taken place in India's exports from advanced economies of Europe and America towards emerging and developing economies of Asia, Africa and Middle East, EU is still India's significant trade partner and UK and Germany are among the top ten export destinations of India and Germany is also in India's top ten sources of imports.

The pace of India-EU and India-UK exports and imports will continue and achieving new growth trajectories in the coming times. India-EU trade is expected to touch USD 100 billion in the next two years by FY2018 of which India-UK trade would post a USD 20 billion trade trajectory.

Despite adverse international economic developments during the last eight years, India is not only the fastest moving economy but its economic share in the world GDP is also increasing at a significant pace from 1.77% in the year 2005 to 2.86% in the year 2015. Notwithstanding, the slowdown in the world economy; growth in India remained robust, buoyed by strong investor sentiment and a recent fall in international commodity prices. India posted a higher growth of 7.6% in 2015-16 as compared to 7.3% in 2014-15, 6.9% in 2013-14 and 5.1% in 2012-13. Growth in India is expected to remain[9] steady at 8% in 2016-17 on account of continuous pace of economic reforms and a good monsoon scenario.

The top ten exporting items from India to the world are petroleum products, pearl, precious, semi-precious stones, drug formulations, biologicals, gold and other precious metal jewellery, rmg Cotton including accessories, motor vehicle or cars, products of iron and steel, gold and cotton fabrics, madeups etc. In the basket of top ten exporting items, India is exporting all top ten items to UK.

While, with EU, India is exporting all the top ten items with the exception of gold. The top ten items of import for India from world are crude, gold, pearl, precious and semiprecious stones, petroleum products, telecom instruments, coal, coke and briquittes etc, iron and steel, vegetable oils and industrial machinery for dairy, etc. In

[9] Projections by PHD Research Bureau of PHD Chamber of Commerce and Industry.

the basket of top ten importing items, India's importing all top ten items from EU except crude oil. While, with UK, India is importing all top ten items except crude and vegetable oils.

It has been observed that there exist trade complementarities between India-UK and India-Europe. However, volume of trade is low due to slowdown in the EU and diversification of India's trade towards emerging and developing economies.

Though financial markets volatility cannot be ruled out, India's economic resilience has been strengthened on account of big bang economic reforms undertaken by the Government to boost up investment sentiments in the economy.

At investment front, the inward FDI equity inflows from Europe are around 14.1% of India's top ten investing countries in the year 2015-16. The investment inflows from EU to India will remain steady as India's growth trajectory would remain promising in the coming times

At present, India's trade with Britain stands at around US$ 14 billion. Britain's exit could also mean Britain and EU could compete for trading with India and enter into long term relationships with increased growth of trade. Further, it is expected that the EU will take a more favourable look to complete its negotiations with India to conclude the EU-India Bilateral Trade and Investment Agreement (BTIA). With BREXIT, the UK will no longer be obliged to offer quota-based jobs to the citizens of the EU countries. This might open up the market for skilled and semi-skilled labour for Indian migrants, including temporary workers, in the UK.

In response to Brexit's impacts, travelling to the UK will become cheaper, facilitating increase in tourist movements and educational travel with the big drop in the value of the Pound, and then we could see a surge in leisure tourism to Britain, as travelling may become cheaper.

The impact of BREXIT on financial markets was short lived due to strong macroeconomic fundamentals of the Indian economy and markets have regained their stability in due course of time. The fluctuations in currency markets will be for a shorter period on account of India's decent FOREX reserves position and strong policy measures taken by the central bank in the recent times. However, volatility in the currency markets cannot be ruled out as and when the negotiation of the UK breakout from EU progresses.

To sum up, BREXIT will not have much impact on Indian economy primarily because India is run by domestic demand and supply; although a few effects, both positive and negative can be envisaged in some industries individually. Further, the recently announced plethora of economic reforms such as Make in India, digital India and opportunities for start-ups would attract more and more investments, going forward.

Annexure-I

India: Statistical snapshot

Indicators	FY12	FY13	FY14	FY15	FY16	FY17
GDP at FC - Constant prices (Rs cr)	8736039	9226879	9839434	10552151	11350249	-
GDP at FC-Constant prices growth YOY (%)	6.7	5.6	6.6	7.2*	7.6*	-
Agriculture growth	5.0	1.5	4.2	(-)0.2*	1.2*	-
Industry growth	7.8	3.6	5	5.9*	7.4*	-
Services growth	6.6	8.1	7.8	10.3*	8.9*	-
Consumption (% YOY)	8.9	5.2	4.7	-	-	-
Private consumption (% YOY)	9.3	5.5	6.8	6.2	7.4	-
Gross domestic savings as % of GDP	31.4	30.1	30.5	30.6"'	-	-
Gross Fixed Capital Formation as % of GDP	34.3	34.1	33	32.3	31.2	-
Gross fiscal deficit of the Centre as a % GDP	5.7	4.9	4.5	4.1''	3.9	3.5*@
Gross fiscal deficit of the states as a % GDP	1.9	1.9	2.5	2.3''	-	-
Gross fiscal deficit of Centre & states as a % GDP	8.1	7.2	6.7	6.6''	-	-
Merchandise exports (US$Bn)	305.7	300.2	312.35	310.5	261.14	22.1^^^^
Growth in exports	21.9	-1.8	3.98	(-)1.2	(-)15.9	(-)0.79^^^^
Imports (US$Bn)	489.1	490.3	450.94	447.5	379.59	28.4^^^^
Growth in imports (YOY)	32.4	0.2	-8.1	-0.59	(-)15.3	(-)13.2^^^^
Trade deficit (US$Bn)	183.4	190.1	138.6	137	118.46	6.3^^^^
Net invisibles US$Bn	111.6	107.5	115.0	-	107.9^^	-
Current account deficit US$Bn	78.2	88.2	32.4	26.8^^	22.1^^	-
Current account deficit as % of GDP	4.2	4.8	1.7	1.3	1.1^^	-
Net capital account US$Bn	67.8	94.2	33.3^^	11.8	-	-
Overall balance of payments US$Bn	12.8	3.8	15.5^^	6.9	-	-
Foreign exchange reserves US$Bn	294.9	292.04	304.22	316.2	355.56~~	363.2~~~
External debt - Short term US$Bn	78.2	96.7	89.2``	86.4```	83.6&&&	-
External debt - Long term US$Bn	267.5	293.4	351.4``	376.4```	398.6&&&	-
External debt - US$Bn	345.8	392.1	441``	462```	480.18&&&	-
Money supply growth	13.5	13.6	13.2	11.1&&	11.3&&&&	10.4&&&&
Bank credit growth	16.8	13.5	14	8.6	9~~~~	8.4^^^^
WPI inflation	8.9	7.4	5.7#	2.1	(-)0.85^^^	0.79^^^^
CPI inflation	6.0	10.2	9.8	6.4	4.83^^^	5.76^^^^
Exchange rate Rs/US$ annual average	47.9	54.4	60.68	61.14	66.43@@	67.41@@@

Source: PHD Research Bureau compiled from various sources, *Data pertains to Provisional Estimates of National Income 2015-16 from MOSPI, '' Handbook of Statistics of Indian Economy 2014-15 from RBI, ''' Data pertains to Annual Report of RBI 2013-14, *@Data pertains to Budget Estimates of 2016-17, **'' Data pertains to GVA at Basic Prices at constant prices for Q3 2015-16, "'Data pertains to the new Series Estimates from economic survey 2014-15, ** Data pertains to Provisional estimates of National income, 2014-15, MOSPI, ***Data pertains to Q2 2014-15. ^^Data pertains to India's Balance of payment for 2015-16 from RBI, ^^^Data pertains to March 2016, ``India's external debt end Dec 2013 from RBI, ``` Data pertains to end Dec 2014 from RBI, # Data pertains to Mar 2013, ~ Data pertains to 2014-15 from the Economic Survey, ~~Data as on week ending 25th March 2016 from RBI, ~~~ Data as on week ending 10th June 2016 from RBI, ~~~~Data pertains to March 2016 & Projections from RBI for FY2016 from October 2015 RBI Bulletin, && Data pertains to March 2015, &&& External debt at end December 2015 (Quick Estimates), @@ Data pertains to 13th April 2016 from RBI, @@@Data pertains to February 2015, #Data pertains to November 2014, ^^^^Data pertains to May 2016, @@@ Data as on 20th June 2016 from RBI, &&&& Y-o-Y Growth of Money Supply, 2015-16 from RBI,

Key economic and fiscal indicators of select world economies

Country	GDP (Billion)	GDP growth (YOY)	Int Rate (%)	Infl Rate (%)	Jobless rate	Govt. Budget	Debt/GDP	Current Account
United States	17419	2.10%	0.50%	1.00%	4.70%	-2.50%	104.17%	-2.7
Euro Area	13410	1.70%	0.00%	0.10%	10.20%	-2.10%	90.70%	3.7
China	10355	6.70%	4.35%	2.00%	4.04%	-2.30%	43.90%	2.7
Japan	4601	0.10%	-0.10%	-0.30%	3.20%	-6.00%	229.20%	2.9
Germany	3868	1.30%	0.00%	0.30%	6.10%	0.70%	71.20%	8.8
United Kingdom	2989	2.00%	0.50%	0.30%	5.00%	-4.40%	89.20%	-5.2
France	2829	1.30%	0.00%	0.20%	10.20%	-3.60%	96.10%	-1.4
Brazil	2417	-5.40%	14.25%	9.32%	11.20%	-10.30%	66.23%	-3.32
Italy	2141	1.00%	0.00%	-0.40%	11.70%	-2.60%	132.70%	2.2
India	2067	7.90%	6.50%	5.76%	4.90%	-3.90%	67.20%	-1.25
Russia	1861	-1.20%	10.50%	7.30%	5.60%	-2.40%	17.92%	3.1
Canada	1785	1.10%	0.50%	1.50%	6.90%	0.10%	91.50%	-3.3
Australia	1455	3.10%	1.75%	1.30%	5.70%	-2.40%	36.80%	-4.6
South Korea	1410	2.80%	1.25%	0.80%	3.70%	-3.00%	35.12%	7.7
Spain	1381	3.40%	0.00%	-0.80%	21.00%	-5.10%	99.20%	1.5
Mexico	1295	2.60%	3.75%	2.60%	4.00%	-3.50%	43.20%	-2.8
Indonesia	889	4.92%	6.50%	3.33%	5.50%	-2.53%	27.00%	-2.06
Netherlands	870	1.50%	0.00%	0.00%	6.30%	-1.80%	65.10%	9.1
Turkey	798	4.80%	7.50%	6.58%	10.10%	-1.20%	32.90%	-4.5
Saudi Arabia	746	3.60%	2.00%	4.10%	5.60%	-2.30%	1.60%	-8.2
Switzerland	701	0.70%	-0.75%	-0.40%	3.30%	0.00%	34.40%	11
Sweden	571	4.20%	-0.50%	0.60%	7.60%	0.00%	43.40%	5.4
Poland	545	3.00%	1.50%	-0.90%	9.10%	-2.60%	51.30%	-0.2
Belgium	532	1.50%	0.00%	2.16%	8.70%	-2.60%	106.00%	1.6
Taiwan	524	-0.68%	1.38%	1.24%	3.96%	-1.50%	31.70%	14.5
Venezuela	510	-7.10%	21.07%	180.90%	7.30%	-11.50%	49.80%	1.4
Norway	500	0.70%	0.50%	3.40%	4.60%	5.70%	31.70%	9
Austria	436	1.60%	0.00%	0.60%	8.60%	-1.20%	86.20%	2.6
Thailand	405	3.20%	1.50%	0.46%	1.04%	-2.50%	44.40%	3.8
United Arab Emirates	399	3.90%	1.25%	1.60%	4.20%	5.00%	15.68%	5.8
South Africa	350	-0.20%	7.00%	6.10%	26.70%	-4.20%	50.10%	-4.4
Denmark	342	0.30%	-0.65%	0.10%	4.30%	-2.10%	40.20%	7.1
Malaysia	338	4.20%	3.25%	2.00%	3.60%	-3.20%	54.00%	3
Singapore	308	1.80%	0.23%	-1.60%	1.90%	-1.20%	104.70%	19.7
Hong Kong	291	0.80%	0.75%	2.60%	3.40%	1.30%	32.00%	3.1
Finland	272	1.60%	0.00%	0.30%	10.80%	-2.70%	63.10%	0
Ireland	251	9.20%	0.00%	0.00%	7.80%	-2.30%	93.80%	4.9
Greece	236	-1.30%	0.00%	-0.90%	24.14%	-7.20%	176.90%	-1.8
Portugal	230	0.90%	0.00%	0.30%	12.40%	-4.40%	129.00%	0.7

Source: PHD Research Bureau, compiled from various sources. Note: CAB stands for Current Account Balance, Int stands for Interest Rate, Infl stands for Inflation rate, Unemp stands for employment rate

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- Foreign exchange market
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At a Global level we have been working with the Embassies and High Commissions in India to bring in the International Best Practices and Business Opportunities.

Seven Thrust Areas

- Industrial Development
- Infrastructure
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- Health
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- Agriculture and Agribusiness
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