

Britain's exit from European Union (EU) or Brexit has created a vacuum on both side, which can be beneficial for India.

Brexit will be going to resuffle the deep linked economic ties between Britain and European Union with

→ Readjustment of value chains & supply chains.

→ changing tariff structure and rise in protectionist policies.

→ change in visa norms to impact inter-state mobility.

→ will also adjust for leadership role with EU, from Britain to Germany or France.

This, change in ties will push both Britain and India to reengage for better terms such as:-

Britain's interest

(i) New markets - India provides best alternative to Britain because of its large market size.

(ii) Strategic ties - Britain also finds a lapse in its clout within EU. Thus building strategic ties will stabilise its concerns.

(iii) Investment - India is largest source of investment in UK with \$24bn increasing at a rate of 8% CAGR.

→ Indian companies also generate huge jobs in UK.

~~(iv)~~

India's interests

(i) Multilateralism - UK is a friendly ally of India, which also demanded for India's inclusion in G-10 of democracies.

Both country support - human rights and democratic values.

(ii) strategic ties - India needs UK's support in Indian ocean region specially access to UK's military bases in the region.

UK & India both have common interest

vis a vis

- i) perceiving chinese threat
- ii) technological roll out specially 5G for a secured cyber space.

(iii) UK has also shown interest in recent supply chain initiative by India - Japan & Australia.

(iii) cultural ties - being colonial relation, member of commonwealth, India's 1.5mn diaspora & p2p relation can be strengthened.

way forward

- Following challenges need to be addressed.

(i) colonial mindset among Britishers which is similar to racism with Indian diaspora.

(ii) Intervening in political issues - recent petition of UK MPs against FARM laws.

(iii) Dollar rise - will hurt Indian rupee post Brexit.

(iv) smooth competition as India going to replace