Media Monitor

Publication:	Afternoon D&C	
Edition: Mumbai	Date: 14.07.2016	Page No: 25

(L-R) Rupa Naik, Director-World Trade Center Mumbai, Ran Chakrabarti-Partner, IndusLaw, Sajjid Z. Chinoy, Chief India Economist, J P Morgan, Dharamkirti Joshi, Chief Economist, CRISIL Ltd.

Brexit is just a regional idiosyncratic shock

By A Business Reporter

Even as experts undercut the near-term economic impact of Brexit on India as an idiosyncratic regional shock, they sounded caution on the long term growth as the wave of de-globalisation may threaten growth in India's exports.

"The short-term growth impact on India is minimal because of strong macroeconomic fundamentals. We are under-worrying about the medium term impact of BREXIT and over-worrying about its short-term impact," said Sajjid Chinoy, Chief India Economist, JP Morgan at an interactive session on 'Brexit: Impact on Indian Economy' conducted jointly by World Trade Centre Mumbai and All India Association of Industries (AIAI) at WTC Complex recently.

Seconding the argument of Chinoy, Dharmakirti Joshi, Chief Economist at the leading credit rating agency - CRISIL - pointed out that CRISIL has not changed its forecast for India's economic growth for 2016-17 and remains at 7.9%. The impact of Brexit on India would be limited to Indian businesses in auto parts, textile and information technology sector.

"India has a sound macroeconomic background. But our two weak areas are private sector investment (due to weak balance sheet) and the Non-Performing Banking assets," stated Joshi.

"Indian companies that have exposure to UK, volatility in commodity prices, companies that have unhedged overseas borrowing may be hit by currency volatility. There is no single country that can replicate the financial system of UK. Under this situation, if the relationship between UK and EU changes, some firms will have to move their headquarter from UK. So, companies with exposure to UK and EU may face rise in compliance cost and administration cost," Joshi added.

Speaking on the legal impact of Brexit on Indian companies, Ran Chakrabarti, Partner, IndusLaw suggested that companies dealing with the UK firms must include a termination clause that would enable them to end their business with their UK counterpart in case the terms of the UK's exit negotiations would make it their contracts unviable. The most earth shattering consequence of Brexit is that UK would no longer be in the seat to formulate the regulations of financial services sector of the EU, felt Chakrabarti, who also raised a concern of London's premier position as world's biggest financial centre post Brexit.

Media Monitor

Publication:	**Delhi Tribune**	
Edition: New Delhi	**Date: 14.07.2016**	**Page No: 02**

India's strong macro fundamentals will protect itself against any Brexit adverse impact, view economists

By Tilak Tripathi, Mumbai.

Top Indian economists feel that India's strong macro fundamentals will protect itself against any Brexit adverse impact, but the Indian businesses in the UK will feel the heat of the visible changes in several business laws. Brexit is just a regional idiosyncratic shock, they opined at an interactive session on 'Brexit: Impact on Indian Economy' conducted jointly by World Trade Centre, Mumbai and All India Association of Industries (AIAI) at WTC Complex here.

Even as experts undercut the near-term economic impact of Brexit on India as an idiosyncratic regional shock, they sounded caution on the long term growth as the wave of de-globalisation may threaten growth in India's exports.

The short-term growth impact on India is minimal because of strong macroeconomic fundamentals. We are under-worrying about the medium term impact of BREXIT and over-worrying about its short-term impact, said Sajjid Chinoy, Chief India Economist, JP Morgan. Chinoy pointed out that the Brexit was a political event. With many other EU member countries facing election, will they also take the protectionist route is the most pertinent question post-Brexit.

India's strong growth of 8-9 per cent during 2003-09 was led by double digit growth in exports. However, in the last few years, Indian exports have been growing in single digits. The growing voice of de-globalisation post-Brexit referendum may affect India's exports more and therefore Indian policymakers must introduce long term economic reforms to boost domestic consumption, he added.

Chinoy remarked that the benefits of globalisation are distributed unequally among different sections of the population. The middle and lower income people around the world, who are affected adversely by globalisation would influence the pace of globalisation and this would affect India's exports adversely.

Dharmakirti Joshi, Chief Economist at the leading credit rating agency - CRISIL - pointed out that CRISIL has not changed its forecast for India's economic growth for 2016-17 and remains at 7.9 percent. The impact of Brexit on India would be limited to Indian businesses in auto parts, textile and information technology sector.

India has a sound macroeconomic background, Joshi emphasized but pointed out country's two weak areas, Private Sector Investment (due to weak balance sheet) and the Non-Performing Banking assets. Indian companies that have exposure to UK, volatility in commodity prices, companies that have unhedged overseas borrowing may be hit by currency volatility. There is no single country that can replicate the financial system of UK. Under this situation,, if the relationship between UK and EU changes, some firms will have to move their headquarter from UK. So, companies with exposure to UK and EU may face rise in compliance cost and administration cost, Joshi said.

25 per cent of India's total automobile exports go to the EU and 5 per cent to the UK. Similarly, 35 per cent of Indian textile revenue comes from the EU. These two sectors are most exposed to the risks of Brexit, he opined.

Speaking on the legal impact of Brexit on Indian companies, Ran Chakrabarti, Partner, IndusLaw suggested that companies dealing with the UK firms must include a termination clause that would enable them to end their business with their UK counterpart in case the terms of the UK's exit negotiations would make it their contracts unviable.

Legal consequences are going to be critical for companies having business in UK or the EU over the coming years. If no agreement is reached, UK's trade with the EU would come under the rules of WTO. "UK may not have a say in the making of EU laws. Existing consumer protection, financial services, product liability laws of the EU will have bearing on the traders in the UK," Chakrabarti pointed out.

I suspect, UK would have to have bilateral agreement with each member of the EU. But this may trigger reciprocity on the part of other members. UK may treat Eastern European countries' nationals as it treats citizens of India and the USA. Those laws favour professionals over low skilled labour. If UK adopts this measure, this would impact businesses in the UK that relies on low skilled workforce from the eastern European countries, he added. The most earth shattering consequence of Brexit is that UK would no longer be in the seat to formulate the regulations of financial services sector of the EU, felt Chakrabarti, who also raised a concern of London's premier position as world's biggest financial centre post Brexit.

Media Monitor

Publication:	**The Asian Age**	
Edition: Mumbai	**Date: 13.07.2016**	**Page No: 02**

EXPERTS TALK ON BREXIT

Experts have sounded caution on the long term growth as the wave of de-globalisation may threaten growth in India's exports. "We are under-worrying about the medium term impact of Brexit and over-worrying about its short-term impact," said Sajjid Chinoy, chief India economist, JP Morgan at an interactive session on 'Brexit: Impact on Indian Economy' conducted jointly by World Trade Centre Mumbai and All India Association of Industries at WTC Complex.

Media Monitor

Publication:	The Hindu Business Line	
Edition: Mumbai	Date: 15.07.2016	Page No: 04

We see India growth slowing to 7.2% in FY17: JP Morgan's Sajjid Chinoy

'A strong monsoon is important to stoke some rural demand and help cool off food prices'

PRIYA KANSARA

Mumbai, July 15

Despite wide expectations of a global economic slowdown post Brexit, Sajjid Chinoy, Chief India Economist, JP Morgan, sees less scope for monetary stimulus by central banks globally. Domestically nothing much is expected to change and recovery will happen with resolution of non-performing assets and leverage in the corporate sector. Excerpts from an interview:

THE BL INTERVIEW

How do you see India's GDP growth panning out amid global events?

Our growth forecast for FY17 is modestly lower, at 7.2 per cent, from the 7.6 per cent that printed in FY15. We estimate that the positive terms of trade shock from the collapse in oil prices added a full percentage point to growth last year. But that's a temporary one-time windfall, which goes away in FY17. Offsetting that will be higher growth on account of a strong monsoon. We shouldn't expect too much from exports given global growth risks are skewed to the downside after Brexit. All told, we expect a modest slowing in FY17.

Can one be certain that monsoons won't disappoint?

One can never be sure, but so far so good. Both the quantum and the spatial distribution seem to be adequate for now. But July and August are crucial months, so let's keep our fingers crossed. A strong monsoon will be important to stoke some rural demand and should also help cool off food prices later in the year, even though there is no easy correlation between the strength of the monsoon and food inflation. That said, coming on the back of two droughts, good rains and production should have a calming influence on food prices.

When do you see recovery happening in the Indian economy?

I think we have already seen a recovery of sorts last year both in urban consumption and public investment. Consumer durables have done well, as manifested in auto sales and strong credit growth to households.

We have also had some recovery in capital goods production on the back of higher capex spending by both State and Central governments in FY16. But space to expand capex spending further in FY17 may not exist given the Pay Commission liabilities. It is therefore crucial for private investment to pick-up soon.

In the manufacturing sector, this needs stronger demand. In the infrastructure sector, this needs a resolution of corporate leverage and bank NPAs.

I think NPA stress may continue till the end of FY17.

SAJJID CHINOY
Chief India Economist, JP Morgan

Do you think the worst is over on the NPA front?

I think NPA stress may continue till the end of FY17.

A lot will depend on the growth and commodities trajectory, and what happens to stalled projects and implementation bottlenecks on the ground.

It's important we recognize the problem fully and then resolve it as quickly as possible, even if it means taking some hit up-front. Because unless the debt-overhang and perceptions of capital inadequacy are alleviated, it's hard to imagine banks' risk aversion to growing their balance-sheets will abate.

You believe that there is less scope for monetary stimulus by central banks globally. Why?

Despite being on hold yesterday, we expect the Bank of England will cut rates by another 50 basis points in the next few months and initiate quantitative easing later this year.

Bank of Japan may consider helicopter money involving fiscal-monetary combination and European Central Bank will also do more QE.

With the Fed rate hike postponed, other central banks may ease further. But the larger message is that monetary policy appears to have run its course.

With term premia so low around the world, the efficacy of more monetary stimulus is questionable. We need to go back to doing the harder work of structural reform in various countries around the world.

Do you think it will be positive for India?

More monetary stimulus is not necessarily positive for India because we do not want boom-bust volatile capital flows. We need high quality money in terms of foreign direct investment flows. Also, to the extent that more monetary stimulus drives up commodity prices, that's not good for inflation dynamics in India.

What is your view on inflation?

We still expect inflation to be in the 5-5.5 per cent range for FY17.

Much will depend on what happens to food inflation later in the year and whether core inflation softens from the 5.5 per cent level it has been stuck at for the last 18 months. Getting to 5 per cent by March 2017 won't be trivial, but neither is it impossible if we manage our food supplies well.

Media Monitor

Publication:	**Mumbai News Network**	
Edition: Online	**Date: 12.07.2016**	**Page No:**

[Brexit is just a regional idiosyncratic shock]

Top Indian economists feel that India's strong macro fundamentals will protect itself against any Brexit adverse impact, but the Indian businesses in the UK will feel the heat of the visible changes in several business laws

Mumbai, July 11, 2016:

Even as experts undercut the near-term economic impact of Brexit on India as an idiosyncratic regional shock, they sounded caution on the long term growth as the wave of de-globalisation may threaten growth in India's exports.

"The short-term growth impact on India is minimal because of strong macroeconomic fundamentals. We are under-worrying about the medium term impact of BREXIT and over-worrying about its short-term impact," said Sajjid Chinoy, Chief India Economist, JP Morgan at an interactive session on 'Brexit: Impact on Indian Economy' conducted jointly by World Trade Centre Mumbai and All India Association of Industries (AIAI) at WTC Complex today.

Chinoy pointed out that the Brexit was a political event. With many other EU member countries facing election, will they also take the protectionist route is the most pertinent question post-Brexit.

"India's strong growth of 8-9 per cent during 2003-09 was led by double digit growth in exports. However, in the last few years, Indian exports have been growing in single digits. The growing voice of de-globalisation post-Brexit referendum may affect India's exports more and therefore Indian policymakers must introduce long term economic reforms to boost domestic consumption," Chinoy added.

Chinoy remarked that the benefits of globalisation are distributed unequally among different sections of the population. The middle and lower income people around the world who are affected adversely by globalisation would influence the pace of globalisation and this would affect India's exports adversely.

Seconding the argument of Chinoy, Dharmakirti Joshi, Chief Economist at the leading credit rating agency - CRISIL - pointed out that CRISIL has not changed its forecast for India's economic growth for 2016-17 and remains at 7.9 percent. The impact of Brexit on India would be limited to Indian businesses in auto parts, textile and information technology sector.

"India has a sound macroeconomic background. But our two weak areas are private sector investment (due to weak balance sheet) and the Non-Performing Banking assets," stated Joshi.

"Indian companies that have exposure to UK, volatility in commodity prices, companies that have unhedged overseas borrowing may be hit by currency volatility. There is no single country that can replicate the financial system of UK. Under this situation, if the relationship between UK and EU changes, some firms will have to move their headquarter from UK. So, companies with exposure to UK and EU may face rise in compliance cost and administration cost," Joshi added.

25 per cent of India's total automobile exports go to the EU and 5 per cent to the UK. Similarly, 35 per cent of Indian textile revenue comes from the EU. These two sectors are most exposed to the risks of Brexit, he opined.

Speaking on the legal impact of Brexit on Indian companies, Ran Chakrabarti, Partner, IndusLaw suggested that companies dealing with the UK firms must include a termination clause that would enable them to end their business with their UK counterpart in case the terms of the UK's exit negotiations would make it their contracts unviable.

"Legal consequences are going to be critical for companies having business in UK or the EU over the coming years. If no agreement is reached, UK's trade with the EU would come under the rules of WTO. UK may not have a say in the making of EU laws. Existing consumer protection, financial services, product liability laws of the EU will have bearing on the traders in the UK," Chakrabarti pointed out.

"I suspect, UK would have to have bilateral agreement with each member of the EU. But this may trigger reciprocity on the part of other members. UK may treat Eastern European countries' nationals as it treats citizens of India and the USA. Those laws favour professionals over low skilled labour. If UK adopts this measure, this would impact businesses in the UK that relies on low skilled workforce from the eastern European countries," he added.

The most earth shattering consequence of Brexit is that UK would no longer be in the seat to formulate the regulations of financial services sector of the EU, felt Chakrabarti, who also raised a concern of London's premier position as world's biggest financial centre post Brexit.

"How the EU and London work out the legal modalities post Brexit in the next two years will be a game of poker and an interesting one to watch," he concluded.

Media Monitor

Publication:	**APN News**	
Edition: Online	**Date: 12.07.2016**	**Page No:**

Brexit is just a regional idiosyncratic shock

Mumbai :Even as experts undercut the near-term economic impact of Brexit on India as an idiosyncratic regional shock, they sounded caution on the long term growth as the wave of de-globalisation may threaten growth in India's exports.

"The short-term growth impact on India is minimal because of strong macroeconomic fundamentals. We are under-worrying about the medium term impact of BREXIT and over-worrying about its short-term impact," said Sajjid Chinoy, Chief India Economist, JP Morgan at an interactive session on 'Brexit: Impact on Indian Economy' conducted jointly by World Trade Centre Mumbai and All India Association of Industries (AIAI) at WTC Complex today.

Chinoy pointed out that the Brexit was a political event. With many other EU member countries facing election, will they also take the protectionist route is the most pertinent question post-Brexit.

"India's strong growth of 8-9 per cent during 2003-09 was led by double digit growth in exports. However, in the last few years, Indian exports have been growing in single digits. The growing voice of de-globalisation post-Brexit referendum may affect India's exports more and therefore Indian policymakers must introduce long term economic reforms to boost domestic consumption," Chinoy added.

Chinoy remarked that the benefits of globalisation are distributed unequally among different sections of the population. The middle and lower income people around the world who are affected adversely by globalisation would influence the pace of globalisation and this would affect India's exports adversely.

Seconding the argument of Chinoy, Dharmakirti Joshi, Chief Economist at the leading credit rating agency – CRISIL – pointed out that CRISIL has not changed its forecast for India's economic growth for

2016-17 and remains at 7.9 percent. The impact of Brexit on India would be limited to Indian businesses in auto parts, textile and information technology sector.

“India has a sound macroeconomic background. But our two weak areas are private sector investment (due to weak balance sheet) and the Non-Performing Banking assets,” stated Joshi.

“Indian companies that have exposure to UK, volatility in commodity prices, companies that have unhedged overseas borrowing may be hit by currency volatility. There is no single country that can replicate the financial system of UK. Under this situation, if the relationship between UK and EU changes, some firms will have to move their headquarter from UK. So, companies with exposure to UK and EU may face rise in compliance cost and administration cost,” Joshi added.

25 per cent of India’s total automobile exports go to the EU and 5 per cent to the UK. Similarly, 35 per cent of Indian textile revenue comes from the EU. These two sectors are most exposed to the risks of Brexit, he opined.

Speaking on the legal impact of Brexit on Indian companies, Ran Chakrabarti, Partner, IndusLaw suggested that companies dealing with the UK firms must include a termination clause that would enable them to end their business with their UK counterpart in case the terms of the UK’s exit negotiations would make it their contracts unviable.

“Legal consequences are going to be critical for companies having business in UK or the EU over the coming years. If no agreement is reached, UK’s trade with the EU would come under the rules of WTO. UK may not have a say in the making of EU laws. Existing consumer protection, financial services, product liability laws of the EU will have bearing on the traders in the UK,” Chakrabarti pointed out.

“I suspect, UK would have to have bilateral agreement with each member of the EU. But this may trigger reciprocity on the part of other members. UK may treat Eastern European countries’ nationals as it treats citizens of India and the USA. Those laws favour professionals over low skilled labour. If UK adopts this measure, this would impact businesses in the UK that relies on low skilled workforce from the eastern European countries,” he added.

The most earth shattering consequence of Brexit is that UK would no longer be in the seat to formulate the regulations of financial services sector of the EU, felt Chakrabarti, who also raised a concern of London’s premier position as world’s biggest financial centre post Brexit.

“How the EU and London work out the legal modalities post Brexit in the next two years will be a game of poker and an interesting one to watch,” he concluded.

Media Monitor

Publication:	Daily News	
Edition: Online	**Date: 12.07.2016**	**Page No:**

[Brexit is just a regional idiosyncratic shock]()

by Shrutee K/DNS

<u>Mumbai, July 11, 2016:</u> Even as experts undercut the near-term economic impact of Brexit on India as an idiosyncratic regional shock, they sounded caution on the long term growth as the wave of de-globalisation may threaten growth in India's exports.

"The short-term growth impact on India is minimal because of strong macroeconomic fundamentals. We are under-worrying about the medium term impact of BREXIT and over-worrying about its short-term impact," said Sajjid Chinoy, Chief India Economist, JP Morgan at an interactive session on 'Brexit: Impact on Indian Economy' conducted jointly by World Trade Centre Mumbai and All India Association of Industries (AIAI) at WTC Complex today.

Chinoy pointed out that the Brexit was a political event. With many other EU member countries facing election, will they also take the protectionist route is the most pertinent question post-Brexit.

"India's strong growth of 8-9 per cent during 2003-09 was led by double digit growth in exports. However, in the last few years, Indian exports have been growing in single digits. The growing voice of de-globalisation post-Brexit referendum may affect India's exports more and therefore Indian policymakers must introduce long term economic reforms to boost domestic consumption," Chinoy added. Chinoy remarked that the benefits of globalisation are distributed unequally among different sections of the population. The middle and lower income people around the world who are affected adversely by globalisation would influence the pace of globalisation and this would affect India's exports adversely.

Seconding the argument of Chinoy, Dharmakirti Joshi, Chief Economist at the leading credit rating agency - CRISIL - pointed out that CRISIL has not changed its forecast for India's economic growth for 2016-17 and remains at 7.9 percent. The impact of Brexit on India would be limited to Indian businesses in auto parts, textile and information technology sector. "India has a sound macroeconomic background. But our two weak areas are private sector investment (due to weak balance sheet) and the Non-Performing Banking assets," stated Joshi.

"Indian companies that have exposure to UK, volatility in commodity prices, companies that have unhedged overseas borrowing may be hit by currency volatility. There is no single country that can replicate the financial system of UK. Under this situation, if the relationship between UK and EU changes, some firms will have to move their headquarter from UK. So, companies with exposure to UK and EU may face rise in compliance cost and administration cost," Joshi added.

25 per cent of India's total automobile exports go to the EU and 5 per cent to the UK. Similarly, 35 per cent of Indian textile revenue comes from the EU. These two sectors are most exposed to the risks of Brexit, he opined.

Speaking on the legal impact of Brexit on Indian companies, Ran Chakrabarti, Partner, IndusLaw suggested that companies dealing with the UK firms must include a termination clause that would enable them to end their business with their UK counterpart in case the terms of the UK's exit negotiations would make it their contracts unviable.

"Legal consequences are going to be critical for companies having business in UK or the EU over the coming years. If no agreement is reached, UK's trade with the EU would come under the rules of WTO. UK may not have a say in the making of EU laws. Existing consumer protection, financial services, product liability laws of the EU will have bearing on the traders in the UK," Chakrabarti pointed out.

"I suspect, UK would have to have bilateral agreement with each member of the EU. But this may trigger reciprocity on the part of other members. UK may treat Eastern European countries' nationals as it treats citizens of India and the USA. Those laws favour professionals over low skilled labour. If UK adopts this measure, this would impact businesses in the UK that relies on low skilled workforce from the eastern European countries," he added.

The most earth shattering consequence of Brexit is that UK would no longer be in the seat to formulate the regulations of financial services sector of the EU, felt Chakrabarti, who also raised a concern of London's premier position as world's biggest financial centre post Brexit.

"How the EU and London work out the legal modalities post Brexit in the next two years will be a game of poker and an interesting one to watch," he concluded.

Media Monitor

Publication:	**Impress News Syndicate**	
Edition: Online	**Date: 12.07.2016**	**Page No:**

Brexit is just a regional idiosyncratic shock

Top Indian economists feel that India's strong macro fundamentals will protect itself against any Brexit adverse impact, but the Indian businesses in the UK will feel the heat of the visible changes in several business laws

by Prashant Kapadia/INS

Mumbai: Even as experts undercut the near-term economic impact of Brexit on India as an idiosyncratic regional shock, they sounded caution on the long term growth as the wave of de-globalisation may threaten growth in India's exports. "The short-term growth impact on India is minimal because of strong macroeconomic fundamentals. We are under-worrying about the medium term impact of BREXIT and over-worrying about its short-term impact," said Sajjid Chinoy, Chief India Economist, JP Morgan at an interactive session on 'Brexit: Impact on Indian Economy' conducted jointly by World Trade Centre Mumbai and All India Association of Industries (AIAI) at WTC Complex.

Chinoy pointed out that the Brexit was a political event. With many other EU member countries facing election, will they also take the protectionist route is the most pertinent question post-Brexit.

"India's strong growth of 8-9 per cent during 2003-09 was led by double digit growth in exports. However, in the last few years, Indian exports have been growing in single digits. The growing voice of de-globalisation post-Brexit referendum may affect India's exports more and therefore Indian policymakers must introduce long term economic reforms to boost domestic consumption," Chinoy added.

Chinoy remarked that the benefits of globalisation are distributed unequally among different sections of the population. The middle and lower income people around the world who are affected adversely by globalisation would influence the pace of globalisation and this would affect India's exports adversely.

Seconding the argument of Chinoy, Dharmakirti Joshi, Chief Economist at the leading credit rating agency - CRISIL - pointed out that CRISIL has not changed its forecast for India's economic growth for 2016-17 and remains at 7.9 percent. The impact of Brexit on India would be limited to Indian businesses in auto parts, textile and information technology sector.

"India has a sound macroeconomic background. But our two weak areas are private sector investment (due to weak balance sheet) and the Non-Performing Banking assets," stated Joshi.

"Indian companies that have exposure to UK, volatility in commodity prices, companies that have unhedged overseas borrowing may be hit by currency volatility. There is no single country that can replicate the financial system of UK. Under this situation, if the relationship between UK and EU changes, some firms will have to move their headquarter from UK. So, companies with exposure to UK and EU may face rise in compliance cost and administration cost," Joshi added.

25 per cent of India's total automobile exports go to the EU and 5 per cent to the UK. Similarly, 35 per cent of Indian textile revenue comes from the EU. These two sectors are most exposed to the risks of Brexit, he opined.

Speaking on the legal impact of Brexit on Indian companies, Ran Chakrabarti, Partner, IndusLaw suggested that companies dealing with the UK firms must include a termination clause that would enable them to end their business with their UK counterpart in case the terms of the UK's exit negotiations would make it their contracts unaviable.

"Legal consequences are going to be critical for companies having business in UK or the EU over the coming years. If no agreement is reached, UK's trade with the EU would come under the rules of WTO. UK may not have a say in the making of EU laws. Existing consumer protection, financial services, product liability laws of the EU will have bearing on the traders in the UK," Chakrabarti pointed out.

"I suspect, UK would have to have bilateral agreement with each member of the EU. But this may trigger reciprocity on the part of other members. UK may treat Eastern European countries' nationals as it treats citizens of India and the USA. Those laws favour professionals over low skilled labour. If UK adopts this measure, this would impact businesses in the UK that relies on low skilled workforce from the eastern European countries," he added.

The most earth shattering consequence of Brexit is that UK would no longer be in the seat to formulate the regulations of financial services sector of the EU, felt Chakrabarti, who also raised a concern of London's premier position as world's biggest financial centre post Brexit.

"How the EU and London work out the legal modalities post Brexit in the next two years will be a game of poker and an interesting one to watch," he concluded.

Media Monitor		
Publication:	**Brand Turks**	
Edition: Online	**Date: 12.07.2016**	**Page No:**

BRANDTURKS

July 14, 2016

BREXIT IS JUST A REGIONAL IDIOSYNCRATIC SHOCK

Even as experts undercut the near-term economic impact of Brexit on India as an idiosyncratic regional shock, they sounded caution on the long term growth as the wave of de-globalisation may threaten growth in India's exports.

"The short-term growth impact on India is minimal because of strong macroeconomic fundamentals. We

are under-worrying about the medium term impact of BREXIT and over-worrying about its short-term impact," said Sajjid Chinoy, Chief India Economist, JP Morgan at an interactive session on 'Brexit: Impact on Indian Economy' conducted jointly by World Trade Centre Mumbai and All India Association of Industries (AIAI) at WTC Complex today.
Chinoy pointed out that the Brexit was a political event. With many other EU member countries facing election, will they also take the protectionist route is the most pertinent question post-Brexit. "India's strong growth of 8-9 per cent during 2003-09 was led by double digit growth in exports. However, in the last few years, Indian exports have been growing in single digits. The growing voice of de-globalisation post-Brexit referendum may affect India's exports more and therefore Indian policymakers must introduce long term economic reforms to boost domestic consumption," Chinoy added.
Chinoy remarked that the benefits of globalisation are distributed unequally among different sections of the population. The middle and lower income people around the world who are affected adversely by globalisation would influence the pace of globalisation and this would affect India's exports adversely.
Seconding the argument of Chinoy, Dharmakirti Joshi, Chief Economist at the leading credit rating agency – CRISIL – pointed out that CRISIL has not changed its forecast for India's economic growth for 2016-17 and remains at 7.9 percent. The impact of Brexit on India would be limited to Indian businesses in auto parts, textile and information technology sector.

"India has a sound macroeconomic background. But our two weak areas are private sector investment (due to weak balance sheet) and the Non-Performing Banking assets," stated Joshi.

"Indian companies that have exposure to UK, volatility in commodity prices, companies that have unhedged overseas borrowing may be hit by currency volatility. There is no single country that can replicate the financial system of UK. Under this situation, if the relationship between UK and EU changes, some firms will have to move their headquarter from UK. So, companies with exposure to UK and EU may face rise in compliance cost and administration cost," Joshi added.
25 per cent of India's total automobile exports go to the EU and 5 per cent to the UK. Similarly, 35 per cent of Indian textile revenue comes from the EU. These two sectors are most exposed to the risks of Brexit, he opined.

Speaking on the legal impact of Brexit on Indian companies, Ran Chakrabarti, Partner, IndusLaw suggested that companies dealing with the UK firms must include a termination clause that would enable them to end their business with their UK counterpart in case the terms of the UK's exit negotiations would make it their contracts unviable.
"Legal consequences are going to be critical for companies having business in UK or the EU over the coming years. If no agreement is reached, UK's trade with the EU would come under the rules of WTO. UK may not have a say in the making of EU laws. Existing consumer protection, financial services, product liability laws of the EU will have bearing on the traders in the UK," Chakrabarti pointed out.

"I suspect, UK would have to have bilateral agreement with each member of the EU. But this may trigger reciprocity on the part of other members. UK may treat Eastern European countries' nationals as it treats citizens of India and the USA. Those laws favour professionals over low skilled labour. If UK adopts this measure, this would impact businesses in the UK that relies on low skilled workforce from the eastern European countries," he added.

The most earth shattering consequence of Brexit is that UK would no longer be in the seat to formulate the regulations of financial services sector of the EU, felt Chakrabarti, who also raised a concern of London's premier position as world's biggest financial centre post Brexit.
"How the EU and London work out the legal modalities post Brexit in the next two years will be a game of poker and an interesting one to watch," he concluded.

Media Monitor		
Publication: Finance Today		
Edition: Online	**Date: 12.07.2016**	**Page No:**

Brexit is just a regional idiosyncratic shock

Written by FT Bureau, July 12, 2016, 0 Comments

Top Indian economists feel that India's strong macro fundamentals will protect itself against any Brexit adverse impact, but the Indian businesses in the UK will feel the heat of the visible changes in several business laws.

Mumbai, July 11, 2016: Even as experts undercut the near-term economic impact of Brexit on India as an idiosyncratic regional shock, they sounded caution on the long term growth as the wave of de-globalisation may threaten growth in India's exports.

"The short-term growth impact on India is minimal because of strong macroeconomic fundamentals. We are under-worrying about the medium term impact of BREXIT and over-worrying about its short-term impact," said Sajjid Chinoy, Chief India Economist, JP Morgan at an interactive session on 'Brexit: Impact on Indian Economy' conducted jointly by World Trade Centre Mumbai and All India Association of Industries (AIAI) at WTC Complex today.

Chinoy pointed out that the Brexit was a political event. With many other EU member countries facing election, will they also take the protectionist route is the most pertinent question post-Brexit. "India's strong growth of 8-9 per cent during 2003-09 was led by double digit growth in exports. However, in the last few years, Indian exports have been growing in single digits. The growing voice of de-globalisation post-Brexit referendum may affect India's exports more and therefore Indian policymakers must introduce long term economic reforms to boost domestic consumption," Chinoy added.

Chinoy remarked that the benefits of globalisation are distributed unequally among different sections of the population. The middle and lower income people around the world who are affected adversely by

globalisation would influence the pace of globalisation and this would affect India's exports adversely. Seconding the argument of Chinoy, Dharmakirti Joshi, Chief Economist at the leading credit rating agency – CRISIL – pointed out that CRISIL has not changed its forecast for India's economic growth for 2016-17 and remains at 7.9 percent. The impact of Brexit on India would be limited to Indian businesses in auto parts, textile and information technology sector.
"India has a sound macroeconomic background. But our two weak areas are private sector investment (due to weak balance sheet) and the Non-Performing Banking assets," stated Joshi.
"Indian companies that have exposure to UK, volatility in commodity prices, companies that have unhedged overseas borrowing may be hit by currency volatility. There is no single country that can replicate the financial system of UK. Under this situation, if the relationship between UK and EU changes, some firms will have to move their headquarter from UK. So, companies with exposure to UK and EU may face rise in compliance cost and administration cost," Joshi added.
25 per cent of India's total automobile exports go to the EU and 5 per cent to the UK. Similarly, 35 per cent of Indian textile revenue comes from the EU. These two sectors are most exposed to the risks of Brexit, he opined.
Speaking on the legal impact of Brexit on Indian companies, Ran Chakrabarti, Partner, IndusLaw suggested that companies dealing with the UK firms must include a termination clause that would enable them to end their business with their UK counterpart in case the terms of the UK's exit negotiations would make it their contracts unviable.
"Legal consequences are going to be critical for companies having business in UK or the EU over the coming years. If no agreement is reached, UK's trade with the EU would come under the rules of WTO. UK may not have a say in the making of EU laws. Existing consumer protection, financial services, product liability laws of the EU will have bearing on the traders in the UK," Chakrabarti pointed out.
"I suspect, UK would have to have bilateral agreement with each member of the EU. But this may trigger reciprocity on the part of other members. UK may treat Eastern European countries' nationals as it treats citizens of India and the USA. Those laws favour professionals over low skilled labour. If UK adopts this measure, this would impact businesses in the UK that relies on low skilled workforce from the eastern European countries," he added.
The most earth shattering consequence of Brexit is that UK would no longer be in the seat to formulate the regulations of financial services sector of the EU, felt Chakrabarti, who also raised a concern of London's premier position as world's biggest financial centre post Brexit.
"How the EU and London work out the legal modalities post Brexit in the next two years will be a game of poker and an interesting one to watch," he concluded.

Media Monitor

Publication:	**New Delhi Times**	
Edition: Online	**Date: 13.07.2016**	**Page No:**

Brexit is just a regional idiosyncratic shock

Top Indian economists feel that India's strong macro fundamentals will protect itself against any Brexit adverse impact, but the Indian businesses in the UK will feel the heat of the visible changes in several business laws

Mumbai, July 11, 2016:

Even as experts undercut the near-term economic impact of Brexit on India as an idiosyncratic regional shock, they sounded caution on the long term growth as the wave of de-globalisation may threaten growth in India's exports.

"The short-term growth impact on India is minimal because of strong macroeconomic fundamentals. We are under-worrying about the medium term impact of BREXIT and over-worrying about its short-term impact," said Sajjid Chinoy, Chief India Economist, JP Morgan at an interactive session on 'Brexit: Impact on Indian Economy' conducted jointly by World Trade Centre Mumbai and All India Association of Industries (AIAI) at WTC Complex today.

Chinoy pointed out that the Brexit was a political event. With many other EU member countries facing election, will they also take the protectionist route is the most pertinent question post-Brexit.

"India's strong growth of 8-9 per cent during 2003-09 was led by double digit growth in exports. However, in the last few years, Indian exports have been growing in single digits. The growing voice of de-globalisation post-Brexit referendum may affect India's exports more and therefore Indian policymakers must introduce long term economic reforms to boost domestic consumption," Chinoy added.

Chinoy remarked that the benefits of globalisation are distributed unequally among different sections of the population. The middle and lower income people around the world who are affected adversely by globalisation would influence the pace of globalisation and this would affect India's exports adversely.

Seconding the argument of Chinoy, Dharmakirti Joshi, Chief Economist at the leading credit rating agency – CRISI- pointed out that CRISIL has not changed its forecast for India's economic growth for 2016-17 and remains at 7.9 percent. The impact of Brexit on India would be limited to Indian businesses in auto parts, textile and information technology sector.

"India has a sound macroeconomic background. But our two weak areas are private sector investment (due to weak balance sheet) and the Non-Performing Banking assets," stated Joshi. "Indian companies that have exposure to UK, volatility in commodity prices, companies that have unhedged overseas borrowing may be hit by currency volatility.

There is no single country that can replicate the financial system of UK. Under this situation, if the relationship between UK and EU changes, some firms will have to move their headquarter from UK. So, companies with exposure to UK and EU may face rise in compliance cost and administration cost," Joshi added.

25 per cent of India's total automobile exports go to the EU and 5 per cent to the UK. Similarly, 35 per cent of Indian textile revenue comes from the EU. These two sectors are most exposed to the risks of Brexit, he opined.

Speaking on the legal impact of Brexit on Indian companies, Ran Chakrabarti, Partner, IndusLaw suggested that companies dealing with the UK firms must include a termination clause that would enable them to end their business with their UK counterpart in case the terms of the UK's exit negotiations would make it their contracts unviable.

"Legal consequences are going to be critical for companies having business in UK or the EU over the coming years. If no agreement is reached, UK's trade with the EU would come under the rules of WTO. UK may not have a say in the making of EU laws. Existing consumer protection, financial services, product liability laws of the EU will have bearing on the traders in the UK," Chakrabarti pointed out.

"I suspect, UK would have to have bilateral agreement with each member of the EU. But this may trigger reciprocity on the part of other members. UK may treat Eastern European countries' nationals as it treats citizens of India and the USA. Those laws favour professionals over low skilled labour. If UK adopts this measure, this would impact businesses in the UK that relies on low skilled workforce from the eastern European countries," he added.

The most earth shattering consequence of Brexit is that UK would no longer be in the seat to formulate the regulations of financial services sector of the EU, felt Chakrabarti, who also raised a concern of London's premier position as world's biggest financial centre post Brexit.

"How the EU and London work out the legal modalities post Brexit in the next two years will be a game of poker and an interesting one to watch," he concluded.