

India expects increase in export of fruits and vegetables post Brexit

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As the uncertainty about UK's exit from the European Union (EU) on March 29 continues, Brexit related volatility on GBP is likely to have only short term impact on fruits and vegetable exports from India to the UK. The trade is confident that in the long term, Indian fruit and vegetable exports will stand to gain as UK accounts for the largest share of India's export to the EU.

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Indian exporters expect that after Britain leaves EU, they may not have to face competition from southern Europe.

Indian mango season is about to start and the trade expects to export good volumes. UK has the second largest share in India's mango export at 12.5%, accounting for about Rs 48 crore in total annual mango exports of Rs 382 crore in 2017-18.

"The export volumes may not get affected by Brexit as we hope that there will be good Ramadan demand. However, the exchange rate of pound vis-a-vis Indian rupee and air freight rates can affect returns," said Kaushal Khakhar, chief executive officer, Kay Bee Exports.

Grape is the other Indian fruit exported in large volumes. However, as grape export season is at its fag end, it may not get affected by Brexit.





UK is the third largest importer of Indian grapes following the Netherlands and Germany. India has exported 79,867 tonnes of grapes to the EU till March 14 this season against 62,750 tonnes in the corresponding period last year, up by 27%.

A section of the trade believes that the exchange rate of pound could fall below Rs 90 per pound that can affect the returns on exports adversely.

Another factor that may turn favourable for Indian exports is related to the quarantine rules. Traders expect that the UK will not be bound by the very strict quarantine rules of the EU and may draft its own rules as per its requirements.

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