



IN CONFIDENCE

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Dear [REDACTED]

VISIT TO INDIA BY LEADER OF THE OPPOSITION

Summary

1. A successful visit. India impressed the visiting team. They in turn impressed India. Good general messages for strengthening UK/India relations in the 21st century. Full programme, with a lot of public coverage here including (2 speeches). A chance for me to brief them on UK/India in some detail.

Detail

2. David Cameron (Leader of the Opposition) and George Osborne (Shadow Chancellor) accompanied by [REDACTED] ([REDACTED]) and others visited India this week. This was the first major overseas visit for David Cameron, who had deliberately chosen India as a signal of his recognition of the growing importance of India on the global stage, and the importance of India for the UK.
3. Their programme (full details available to the Department) embraced business, media and political leaders. They flew straight to Mumbai and went from there to open a JCB factory (the second) in Pune. This was a good symbol of expanding British investment in India. In Mumbai they met business leaders and David Cameron gave his speech about globalisation (copy attached). They saw some of First World India (TCS' new operation there) and Third World India (a slum visit). Days 3 and 4 were spent in Delhi where they met the Prime Minister for almost 2 hours over lunch (also present were Chief Minister Sheila Dixit; Rahul Gandhi, Scindias) [two young Congress MPs], Anand Sharma (Minister of State, MEA) and the Prime Minister's core team - MK Narayanan, Saran, Sanjay Baru). They called on the Leader of the Opposition Advani and had half an hour with Mrs Sonia Gandhi who was accompanied again by her son Rahul and by Dr Karan Singh (Raja Sabha Congress leader).

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4. With the Prime Minister, discussion ranged wide to include:
 - i) UK/India relationship; very positive message from Manmohan Singh reiterating his call that there should be strengthened high level educational links (I reminded him of the UKIERI success). He was very positive about the relationship;
 - ii) India's economy (Prime Minister was very bullish - all familiar figures);
 - iii) The dangers of international terrorism, with the potential for UK/India cooperation. David Cameron spoke forcefully about the challenge for the UK of maintaining an open and pluralist society while ensuring that single groups did not get disaffected and radicalised. India had something to teach us in how to run a diverse society.
 - iv) With Mrs Gandhi, they discussed internal Indian politics, and prospects for the UP elections, in particular in the uphill struggle that both Congress and the BJP were having in a state that was once Congress' traditional power base. Because of the Muslim vote, this lead to a discussion about handling of Iran nuclear, reported separately by e-gram.
5. The discussion with Advani was largely about the BJP's current fortunes, their search for a successor generation of leadership (Advani gave no hints). This was largely a courtesy call.
6. With Montek, we heard the normal and very fluently presented positive case about India's economy. He described the preparations for the 11th Plan. He kept insisting on infrastructure as the single most important bottleneck that constrained more rapid growth. He saw little prospect for labour market reform with the current political coalition, dependent on the Communists; but he did not think this was such a major constraint on growth. He described the steady progress on liberalisation. David Cameron pressed him to go faster on the key areas of interest to Britain in business (financial services, insurance etc - which would be in India's own interest too). Montek agreed on the need for further liberalisation and insisted that they were going as fast as they could given the political constraints.
7. George Osborne gave a speech to a CII - convened audience of businessmen and press (copy attached) and spoke forcefully in about the need to get the WTO round back on track.



Comment

8. This visit was a great success, and clearly useful to the UK. The Indians were very interested to see the new leadership of the Opposition, and struck, of course, ([REDACTED]) by their relative youth. The visiting team were careful not to make any party political points, in public or in private, and handled this aspect of the visit very professionally, even in the face of questioning. I think it is fair to report that the overall impression made on the Indians that met them - political, media, business - was very positive.
9. The team returned to London yesterday, determined to keep up their links with India. They will do this no doubt through the normal parliamentary channels (All Party Group, Conservative Friends of India). But I suspect they will now also try to reach out more to the UK/Indian business community - having discovered on this trip quite how successful the latter are in the UK economy (David Cameron kept making the point publicly about Indian investment in the UK having now risen to number 3 in the league table).
10. From my point of view, as responsible for the overall UK, and HMG, operation in India, this visit was useful. This helped to reinforce the message that we as a government are pushing hard that India and UK have the potential for a special relationship in the 21st century. I was glad that Messrs Cameron and Osborne recognised the very wide agenda for UK interests that can be developed with India, from CT through investment to poverty reduction [I briefed them on the DFID operation] and education (on which they focussed very sharply). An excellent visit from a bilateral point of view).
11. Please copy further as appropriate.

Yours ever

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cc: [REDACTED]

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