

## Westminster Hall

*Tuesday 12 May 2009*

[**Jim Sheridan** *in the Chair*]

### India

*Motion made, and Question proposed, That the sitting be now adjourned.—(Bill Rammell.)*

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9.30 am

**Mr. David Amess** (Southend, West) (Con): I have been advised, Mr. Sheridan, that this is your debut as Chairman of proceedings in Westminster Hall. As a fellow member of the Chairmen's Panel, I know that I speak for everyone in wishing you well in the post.

I am honoured to be a trustee of the Industry and Parliament Trust. As such, I was fortunate enough to lead a delegation to India. It was a two-centred visit—to Mumbai and Chennai. I shall go into detail about that presently, but I take this opportunity to thank everyone in the trust for the magnificent work that they do in these increasingly turbulent times for Members of Parliament, bringing them up to speed on a number of crucial issues.

I remind the House that the IPT is a registered charity. It was set up to foster understanding between those who create and maintain the industrial wealth of our country—including legislators, who unfortunately might be seen in many quarters as the sales prevention team. I would robustly resist that charge, but some believe that Members of Parliament do not live in the real world and that they have no understanding of what it is like to run a business.

More than 600 parliamentarians have participated in IPT fellowship programmes since the organisation was founded in 1977. I became an advocate of the organisation in the days when I was MP for Basildon; I was given the chance by the Esso organisation, and it was a wonderful opportunity. I am now doing a post-graduate course with Bank America.

The trip to India was the result of recent research undertaken by the IPT with business leaders in the UK, which found that they wished MPs to be more informed about various key issues. More than 66 per cent. of respondents stated that the emerging economies were a priority. The research also revealed that many parliamentarians were thought to lack sufficient understanding of the challenges and opportunities presented by new and developing economies. It is not for me to say how American legislators should pursue matters, but having recently been to China and India, I would say that more American parliamentarians could and should take the opportunity of visiting those two countries and learning at first hand how they are developing.

It was as a direct consequence of the findings of the report that a successful fellowship programme was run to China last year, in particular to Shanghai. I and a number of hon. Members were on that trip, and it was extremely valuable in every sense.

The objective of the IPT India fellowship was to educate parliamentarians on how United Kingdom businesses operate in emerging economies, and to show that Westminster could do more to help. I am pleased to tell the House that the visit provided us with the opportunity to experience India from a strictly business perspective, and to share our experiences and impressions of the challenges and opportunities that are faced by UK companies operating in Chennai and Mumbai. Today's debate has attracted huge interest in various quarters.

I thank the excellent House of Commons Library. Members of Parliament have every cause to be grateful to the Library for its expertise. It has provided us with a magnificent pack on India, which covers every aspect of life there. I shall certainly shall use it as a bible on the subject.

Lionel Altman, who ran my Westminster office from 1984, died earlier this year. He was a serving member of the City of London council at the time, and I am delighted to have been contacted by the lord mayor of London and the corporation's chairman of policy and resources, Stuart Fraser, who are interested in this debate. Indeed, the City of London will shortly be sending people to India to see what further business opportunities there may be there. I congratulate them on that.

The group that visited India included 10 parliamentarians. There is criticism that the House of Commons and the House of Lords do not always work in tandem, but that certainly was not the case for us. We were blessed in every sense that Baroness Coussins and Lord Janvrin were there. Those two individuals brought with them a wealth of talent and experience. As a result, our meetings developed in a way that would not have been possible had it been only Members of Parliament; we would then not have been able to engage in the challenging exchanges that we did.

Of the eight Members of Parliament involved, most are not able to be here this morning. They include the right hon. Member for Makerfield (Mr. McCartney), the hon. Member for Bridgend (Mrs. Moon) and my hon. Friend the Member for Romford (Andrew Rosindell). The hon. Member for Sittingbourne and Sheppey (Derek Wyatt) is here, but he has to operate in a Trappist mode this morning, acting as Parliamentary Private Secretary to the Minister. I will certainly touch on the work of the British Council. My eight colleagues, all very different personalities, were a joy to be with, not only for the quality of the questions that they put to our hosts but in the way that the group gelled together. The IPT is an example of both Houses working together at their best, especially in providing all sorts of opportunities for UK plc.

We saw the demise of the British Raj in 1947, a long time ago. India has a population of 1.3 billion, and it is the world's largest democracy. Poverty is widespread, with 62 per cent. of the population living in slums. Three of the world's 20 mega-cities are in India. India's is a fast growing economy, with a large, skilled work force and a burgeoning urban middle class. As well as Hindi and English, India has 16 other official languages; sadly, none of them has been mastered by the Member of

Parliament for Southend, West. Gross national income per capita is only \$950, which highlights the comparatively low-wage economy that makes India so competitive. India is a young country, with 70 per cent. of the population being 27 and under. By 2050, India will be the second largest economy in the world.

**Bob Spink** (Castle Point) (Ind): I am delighted that the hon. Gentleman mentioned the special relationship between this country and India. Does he agree that the best way in which we can help India is to trade with it? Is he aware that the director-general of the World Trade Organisation said that protectionism in the EU—I do not want to be characterised as a serial EU-basher—is a major problem for our trade with countries such as India? World trade could collapse by 9 per cent. this year. What can we do to ensure that we shift the EU's trade policy away from protectionism?

**Mr. Amess:** I agree absolutely. In fact, shortly I shall enlarge on how we can create better opportunities for trading our goods and services. I shall talk about the British embassy consuls and the British Council. The delegation saw how Indian business women and men are very keen to do business with us; relations, in every sense, could not be better. I probably shall not be tempted to enlarge too much on the EU, but, given his responsibilities, perhaps the Minister will come up with some solutions on trade barriers when he winds up the debate.

The United Kingdom has a long-established and special relationship with India on which we should build. In our time-honoured British tradition, we introduced to India our own language, the art of bureaucracy, parliamentary democracy and cricket—just one of the sports that we invented and at which others occasionally beat us, although our recent performance against the West Indies was splendid. Parliament can greatly assist UK business in further maximising opportunities through forging strong and mutually beneficial relationships.

The fellowship, which met in March, organised some superb seminars bringing together experts able to give parliamentarians an insight into the journey that India has been on, where it is now and where it is likely to go in the future. It proved useful to have those seminars before the trip. Furthermore, I speak for everyone in thanking most warmly Virgin Airlines, which not only took care of our travel, but looked after us throughout our stay. The visit raised our awareness of what more British businesses can, and should, do in India, and how we parliamentarians can assist them. We were briefed by the deputy high commissioner and UK Trade and Investment in Mumbai and Chennai on their work in encouraging UK business to enter the Indian marketplace. In the lobby afterwards, I had a brief word with the Indian Foreign Secretary, and mentioned to him that we had had a very positive trip, because it coincided with some of the commissioners being over. I wanted to pass on our thanks via the Foreign Secretary.

We also gained a great understanding of how Parliament can better highlight India's prospects in encouraging investment in Britain. I wish to make a serious point to the Minister that we picked up during our trip about the visa application process with which Indian business executives must contend in order to visit Britain. Various people said that there is a lack of business experience among the Foreign and Commonwealth people working on the UKTI desk at the Mumbai high commission. I

hope that he will reflect on that point. UKTI and the UK India Business Council have important roles to play, and all their activities need to be closely co-ordinated.

The hon. Member for Sittingbourne and Sheppey provided us with tremendous assistance, and throughout our trip we were delighted with the work of the British Council. It was an education for me. Parliamentarians should be encouraged to take much more advantage of the opportunities that the British Council can provide in business, social activity, leisure and all sorts of other areas. I, for one, was very impressed with the networking skills of the British Council. We do not currently use it to its full potential.

Our visit could not have been better timed, given the recent comment and media coverage in the wake of the film, “Slumdog Millionaire” and its triumph at the Oscars. None of us realised that India was not especially proud of the portrayal of the Mumbai slums. Much more importantly, however, our trip also followed in the wake of the atrocities of the bombing and armed occupation of the Taj Mahal Palace and Tower hotel.

Our comprehensive educational visit involved spending time in a number of locations, attending presentations and visiting industrial sites to gain an insight into various sectors at a grass-roots level. We saw first hand how India has developed its own markets in education, manufacturing, high technology, defence, construction and pharmaceuticals. An additional emphasis was placed on the cultural and creative industries through a visit to Bollywood—this will put colleagues’ noses out of joint, but I was the only hon. Member signed by Bollywood.

**Mr. Virendra Sharma** (Ealing, Southall) (Lab): I have been tempted to my feet by the hon. Gentleman’s comments that he was the only one to get a response from Bollywood. What role will it offer him? Furthermore, what role will he play in encouraging more exchanges between businesses and educationalists in Britain and India? That is very important for building confidence. Not only are British companies going over to India, but Indian companies, such as Tata and others, are coming over here; mutual business exchanges are already taking place. I hope that that will continue.

**Mr. Amess:** I agree absolutely with the hon. Gentleman. On a serious note about Bollywood, however, it is a very successful industry that presents all sorts of opportunities.

Our trip was in no sense a junket, and already action has resulted. Not only are we having this debate, but Baroness Coussins and Lord Janvrin have produced a wonderful report identifying a number of things to do to build on and develop business opportunities and cultural and educational links—I shall come to those shortly. Being accompanied by Members of the House of Lords was a blessing. Members of Parliament tend to come back from such trips full of good intentions, but we are busy people who have to respond to the daily news and so on. We felt that Members of the House of Lords would be less distracted, which has already proved to be the case. Thanks to Baroness Coussins and Lord Janvrin, we will make absolutely sure that the India fellowship, organised by the IPT, and our trip, have a positive outcome.

Throughout the trip, we were indebted to Sally Muggeridge and Sarah Hutchison for their support in, among other things, organising with businesses a wonderful programme of events. They would be the first to say, however, that the trip would not have been such a success without the wonderful team of other IPT employees. I am also indebted to the support of the chairman of the IPT, the hon. Member for Nuneaton (Mr. Oler) and the deputy of the IPT board of trustees. Highlights of our trip to Mumbai included a visit to the Bombay stock exchange, where we were given an excellent insight into Indian capital markets. We get star-struck by Wall street, so we were allowed to sound the gong to open trading, even though no one was actually listening.

That was complemented by a visit to HSBC and KPMG in which we discussed business opportunities in India and those companies' impressive approaches to corporate responsibility and social enterprise. Cadbury showed us its activities in India and told us that chocolate is a great luxury in India. On average, a child consumes just one bar of chocolate a year. Hindustan Unilever outlined its distribution to rural areas and told us how its products encourage economic activity among the very poorest. Tata provided us with the opportunity to learn about the launch of the world's cheapest car, the environmentally efficient Nano car, which is initially aimed at the Indian market.

The Indian economy is enjoying growth of 7 per cent.—albeit from a low base—with unit labour costs much lower than those in most other countries. Through its factory in southern India, the manufacturer Supreme is responsible for producing many of the recycled bags that we see in Boots and a number of other supermarkets and shops on the high street. It provides vital skills and employment opportunities for young women and men, who are often the only wage earner in a family.

A visit was made to a recently established business park to see the new and very high-tech engineering plant of the United Kingdom manufacturer, GKN. We were delighted when our hosts asked us to unveil plaques on trees, and I am told that those trees are still thriving. No visit to Mumbai by parliamentarians would be complete without visiting the high sheriff, who will shortly visit us in Parliament, which shows the hon. Member for Ealing, Southall (Mr. Sharma) that things are happening and that they are being followed up. The high sheriff of Mumbai chairs a leading engineering institution in which one third of the graduates are women. Finally, we explored the burgeoning film industry at Yash Raj Bollywood studios, which was, in every sense, wonderful.

Chennai—or Madras as it was known to the British—on the east coast of India provided us with a contrast and yet another opportunity to see many successful business ventures. While I was out there I visited a school, which, I am delighted to tell the Chamber, will be twinned with Belfairs school in Southend, West. I have to say though that, thanks to the British Council, I was already pushing at an open door.

The highly respected Indian Institute of Technology showed us its leading edge research projects in biotechnology and told us that a high volume of its graduates are employed in blue chip companies every year. BAE Systems has enjoyed successful business activities in India for many years, and, at a reception jointly hosted by the

deputy high commissioner, Mike Connor, it provided us with a presentation of its current initiatives.

Sally Muggeridge and the hon. Member for Sittingbourne and Sheppey visited the Madras cricket club. They stood on the pitch at 8.30 am in 30 degrees of heat. I am informed that, sadly, no one saw a live elephant. Returning to Mumbai, we enjoyed a dinner and presentation given by Shell, which took place at the Taj Mahal Palace and Tower hotel in the very room in which guests had sheltered from terrorists during the siege of the hotel a few months earlier. Shell was an early entrant to the Indian market, starting with oil lubricants and building up a sizable joint venture that now provides leading research into emissions management and climate change controls, which is vital in a country the size and scale of India.

We finished our visit at the Colonial Bombay yacht club with a briefing by Bombay First, which is modelled on our own London First. Standing by the gateway to India, it left us with a fitting memory of how India used to be in colonial times.

In conclusion, I had three aims when I applied for this debate. I wanted my colleagues to give their opinions of the value of the trip and say how, in the months and years head, we intend to follow on the relationships that we formed during the visit. Secondly, in a humble and inarticulate fashion, I wanted to raise the awareness of what more British business can do in India and, thirdly, I wanted to set out how the House can help to build on the expertise. Even in such difficult times, with the state of the British and the world economy, more can be done. Does the Minister think that sufficient assistance is being given to encourage India to invest more in British business?

It was, in every sense, an honour and privilege to have been part of the delegation. We had some fun. Some of us occasionally wandered into the markets in different streets in India, and it is true to say that one or two of us bumped into tailors, and visited silk factories and the like. None the less, throughout the visit, we engaged in hard and constructive relationship-building work. We even managed to cope with the wonderful travails of our bus driver. The members of the delegation owe a huge debt of gratitude to all the businesses that supported us and made the trip possible and, above all, to the staff of the IPT who enabled us to follow such a magnificent educational programme.

**9.57 am**

**Ian Stewart** (Eccles) (Lab): I apologise to the Chamber because I am still suffering from what my wife describes as man flu. [*Interruption.*] My wife has assured me that it is not swine flu. However, she also said that I was a swine with flu.

It is a real pleasure to be involved in this debate and to welcome you, Mr. Sheridan, on your first outing as Chair of a Westminster Hall debate. It is important that life experience and qualifications are taken into account in the chairing of such debates, so my welcome to you is sincerely meant.

First, let me apologise on behalf of my right hon. Friend the Member for Makerfield (Mr. McCartney), who hoped to be here this morning but has been detained on other

business. Later on, I will say something about him and his activities in relation to India, but now I shall try to follow the detailed contribution from the hon. Member for Southend, West (Mr. Amess), who was leader of the delegation.

I support all the hon. Gentleman's comments about the Industry and Parliament Trust and the other bodies and individuals involved in the exercise, and I wish to place on record on behalf of the whole delegation, and of the IPT itself, our appreciation of his leadership. He is variously known as an outspoken and sometime outrageous Member of the House, but I have to say that on this occasion he was outstanding in his leadership. He carried things off with dignity and was a good representative of the House on our visit.

I am a great supporter of the IPT, which, since 1997, has gone through various changes, and I pay tribute to Sally Muggeridge. During her tenure, the organisation has improved and become a major player in the House and between the House and industry more widely. In giving credit to the IPT, I mention specifically Sally Muggeridge and Sarah Hutchison, as the hon. Gentleman did, but they had a big team behind them to make us a real, working delegation that produced positive outcomes, not least this debate.

I also support the hon. Gentleman's comments about Baroness Coussins and Lord Janvrin, who brought their specific life experiences and skills to the trip, which assisted the delegation and raised our awareness and understanding of what was happening. I was impressed that an expert on corporate social responsibility such as Baroness Coussins was prepared to develop her own thinking based on our experiences in India. That is the measure of a real expert: someone who can progress and who is not afraid to admit that they are changing their thinking based on new information.

Lord Janvrin is an old India hand and was able to give us a running commentary and explanation based on his experience as a diplomat in the country. He and Baroness Coussins were significant members of the delegation.

Perhaps it is wrong to point out individuals, but my right hon. Friend the Member for Makerfield was another significant member. The expertise and experience that he gained when carrying out his Government work as a trade Minister were appreciated by every single member of the delegation.

The delegation included the Front-Bench spokespersons for the Conservatives and the Liberal Democrats, which led me to recognise perhaps not a failing of the House, but something that it might develop. It stands to reason that Ministers of any Government will have the opportunity to go abroad to see the implications of Government policy, but there does not seem to be a similar facility for the Opposition.

The IPT and other House bodies, such as the Commonwealth Parliamentary Association and the Inter-Parliamentary Union, give Opposition Front-Bench spokespersons an opportunity to test their policies, ideas and thinking against the actuality throughout the world, which is good for democracy in this country. It was interesting for those of us from the Government party to test our thinking, not only against the Government's ideas, but against those of the Opposition.

The IPT takes a cross-party approach, but the interaction between parties on the delegation—I am sure it happens on every such delegation abroad—was really productive, not only for democracy generally, but in the interests of developing better policy in the House, which is good.

The hon. Member for Southend, West made a detailed contribution on the industry side of the exercise, but I want to concentrate on two aspects in which I have a personal interest: education and what we in this country would call charity. The Indians do not like the concept of charity and prefer the concept of giving back, meaning that what we take out of society we should, in some measure, return to those less fortunate.

On the giving back aspect, I should refer to my right hon. Friend the Member for Makerfield, who not only brought to bear his experience as a trade Minister, but is personally involved in the Women's Interlink Foundation, which is based in Calcutta. The organisation rescues, rehabilitates and educates street children so that they have better prospects in life.

I mention that because my right hon. Friend is a good example of a Member of the House who does things that the public do not get to know about, and his commitment should be applauded. He and his wife, Ann, personally contribute many thousands of pounds from their family resources—not from expenses or anything like that—to the project. In the current climate, all parliamentarians, without exception, are accused of being greedy, but sometimes, somebody needs to stand up and say, “This is what parliamentarians do,” and my right hon. Friend and his wife are just one such example—there are many more in the House, from all parties.

I must declare an interest of my own: I am a trustee of the Kanka-Gajendra Foundation. My old friend and mentor, Professor Gajendra Verma, and his late wife, Kanka, have been quite influential in my life. I have learned a lot from those old Indian friends, who live near my constituency in Greater Manchester. When Kanka Malick died 18 months or so ago, her friends wanted to honour her life and achievements, so the foundation was set up, and I became a governing trustee.

The purpose of the foundation is to help with education and health issues in India and in the UK, and some of the projects have been staggering. They raised my awareness of how wide the gap is between Mumbai, which is an exceptionally developed modern, international city, and some of the rural areas, especially in the north of India, which have fundamental environmental and other problems.

When we, as parliamentarians and British citizens, get involved with charitable bodies—or giving back bodies, as Indians prefer to call them—that is sometimes an exercise in satisfying our own egos. It shows that we are good people doing good things. Parts of India are as developed as anywhere in the UK or America, but the gap between the developed parts and those in need is staggering. It is not uncommon to see a five-star hotel or residence with a piece of tarpaulin against the wall at the end of the garden, under which a whole family live.

We felt quite ill at ease when we saw such poverty cheek by jowl with wealth. When we asked the wealthy owners of the buildings what they felt about the situation, we

were surprised by their attitude. They said, “We live in a democracy. Those people have as much right to put their tarpaulin against the wall at the end of my garden as I had to put my house here.” Poverty is viewed differently in India from the embarrassment that we feel over it in the UK. It is important for us to understand such aspects of different cultures. In turn, it is important for different peoples to understand what makes us tick and why we do things the way we do them.

From my experience of giving back organisations in the UK and India, I believe that such work could be co-ordinated more effectively. There might not be such a role for Government, although there could be one for the Department for International Development, but there might be a role for organisations such as the British Council. They must try not to systematise or control the work, but to ensure that efforts from this country are directed more cohesively. That brings me to education.

My interest is in education, training and skills, or work-based learning as we now call it. I was invited to deliver a paper to an international conference in Kerala and Delhi. I visited Delhi just before I met up with the IPT delegation in Mumbai. I was surprised to find that although thinking on education, training and skills in our country and among our Government is well developed, we have much to learn from India. I was surprised at the co-operation between the Congress Government and the communist-run state of Kerala. We can learn from the ability of autonomous states to run education policy cohesively alongside the national Government.

I found that there is excellent potential not only for UK educational institutions to invest and do work in India, but for us to learn from the experiences in Indian education at federal and state levels. That taught me a wider lesson about industry, which other colleagues might comment on. Although our initial motive was to ensure that we as parliamentarians understood the concerns and aims of British industry in India, it became obvious that we had a responsibility to encourage Indian investment into the UK. Therefore, it is proper for us to look to the interests, needs and requirements of Indian investors, too.

**Mr. Sharma:** I must declare an interest because I am from India originally. I came here more than 40 years ago as a young boy. I still have links with India and a passion for its development. I am pleased to hear about the experiences that hon. Members have had recently and over previous years.

I hope that hon. Members agree that there is a passion for migration among Indians. The passion is now not only for looking for jobs, but for investment, education and the learning of skills. The major bar to that is our immigration rules and taxes, and how officers treat business people and students who apply for visas or other ways of entering the country. Is it not time for us to look at the investment in Britain from the Indian subcontinent and adopt a more relaxed and flexible approach to visas and immigration policy?

**Ian Stewart:** I accept that wholly, but we must understand that there is an onus on the UK Government to act sensibly in relation to immigration. Acting sensibly must include the flexibility that my hon. Friend suggests. We must encourage the maximum number of students possible to come to the UK from, in this case, India. There is not only an educational, but a political imperative for doing so.

I will conclude with this point because other hon. Members wish to speak. It became clear to me, and I am sure to other delegates, that although there is much to blame the UK for in Indian history—we are blamed for certain things—there is much that Indian people love about Britain. The hon. Member for Southend, West mentioned bureaucracy, legal systems and education. In general, there is a special place for the UK in the hearts of Indians.

Education gives not only expertise and skills: the more Indian people who are trained and educated in the UK, the more Indian people will return to India with an enhanced view of the UK and stronger affinity for it. In this day and age, that is important for diplomacy and in sorting out the world's problems. If we influence our friends from other countries positively and understand what they have learned from their experiences, the world can only be a better place.

**10.18 am**

**Mr. Geoffrey Clifton-Brown** (Cotswold) (Con): I am delighted to serve under your chairmanship, Mr. Sheridan. I congratulate you on your participation in the Chairmen's Panel. I believe that this is the first event that you have chaired. It is a delight to follow the hon. Member for Eccles (Ian Stewart). I hope that he will find a way to continue to serve in the House after his seat is abolished at the next election; it would be a great loss to the House if he did not.

I have limited time and will start by describing a conversation I had with an unknown lady on the way to India. She attacked me verbally saying, "Why is this parliamentary delegation going to India? Is it not just a junket and a waste of taxpayers' money?" When I assured her that it was not costing her anything as a taxpayer and that it was absolutely vital for Members of Parliament to get out around the world and interact and network with people in important countries such as India, she started to calm down.

One conclusion that I reached from the visit was that, unlike after my previous visit to India in the early '90s, I have come back as a friend of India and the Indian people. India is a fantastic country. It is huge and diverse, and every statistic about it is mind-boggling, but it is, nevertheless, a fascinating country. One of our interlocutors said to us that it lives in three centuries all at once—the 19th, 20th and 21st. Perhaps that sentiment will have become clear by the end of my remarks.

I must pay tribute to my hon. Friend the Member for Southend, West (Mr. Amess), who led the delegation with great aplomb. He kept us all in order time-wise and in every other way, and he kept the whole programme running very well. I must also pay tribute to the team at the Industry and Parliament Trust—to Sally Muggeridge, the chief executive, to Sarah Hutchison and to all the IPT staff—because the visit was organised fantastically well.

Given my role as Front-Bench spokesman for international trade and international development, I tacked three days on to the end of my trip and went on a Department for International Development visit. I pay great tribute to Emma Spicer, the deputy head of DFID, who organised my trip to Pune, and to Michael Anderson, the head of DFID India, who accompanied me to slums in Kolkata and to Sunderbans—a swampy

area on the Bangladesh-India border. Above all, I pay tribute to the redoubtable Shanatu Das, who turned out to meet me at 11 o'clock on a Saturday evening at the airport and could not have been more helpful throughout the entire three days of my DFID visit.

There are an awful lot of people to whom I need to pay tribute, but suffice it to say that it was great fun to be with my colleagues and particularly to have the benefit of our two peers, as others have said. We had a comprehensive visit, and it is difficult to name and thank everybody, particularly those who briefed us before we went to India and while we were there. Among others, they were Virgin, Reliance Life Sciences, Hindustan Unilever, Yash Raj Studios in Bollywood, which has been mentioned, ALMT Legal, Tata, Bombay Stock Exchange, HSBC, BAE Systems, Shell, KPMG, Cadburys, GKN and Supreme. Now one can begin to see how many visits and what an action-packed programme we had. I must say to the Minister that our high commissions in all three cities that I visited—Chennai, Mumbai and Kolkata—were incredibly helpful.

What have I learned from the visit? I think that people in this country do not realise what a diverse country India is, or how well liked the British are there. I could not get over the fact that, everywhere I went, the people were so friendly towards the British. English is a universally spoken language; it is the language of administration and trade, and I feel that the closeness between our two nations, despite our historical past, is amazing. In every sense, we are fostering links—whether trade, cultural or educational—and we must do much more in that respect. India has 1.2 billion people, which is 17 per cent. of the world's population, and the number is growing. Some 70 per cent. of the population are living on less than \$2 a day, 70 per cent. of the population are under 30 years old, and the average age is getting younger. It is a vibrant nation that is growing at 7 per cent. a year.

India still has huge potential in terms of its needs for education. Some 65 per cent. of the nation are educated, but that includes only a small proportion of people in some states. DFID is taking a very brave decision regarding its expenditure in India. It spends £270 million a year in India, which is more than in any other country in which it operates, and it is going to pull out of West Bengal, where there is 20 per cent. poverty, and concentrate instead on the four states with the greatest needs—Uttar Pradesh, Madhya Pradesh, Orissa and Bihar. Bihar is an incredibly poor state, with over 50 per cent. poverty, and people trapped by the Dalit caste system and the 47 per cent. literacy rate, so there is a huge amount of work to be done there.

What have I learned? On the day that we heard the statistic that British manufacturing has contracted by 0.1 per cent., which is the largest fall in one month since records began in 1948, here we have a country with enormous potential for trade. We learned that India has a highly developed educational system, which is now translating itself into producing some of the best research in the world, and India is applying that research into producing highly innovative goods. However, there are enormous dangers. We visited GKN and found that it was making medium-tech half shafts for cars of the same quality that would be made here but for half the price, and one wonders why GKN would continue to manufacture in this country. That is an enormous danger for us, because how are we going to continue to provide jobs in the future, when a country such as India is as competitive as that? It behoves all those in

Government to think about that very carefully. The answer is that we have to get cleverer and smarter at what we do. We have got to educate our people better; we have to give them better innovative skills and better research; and we have to help our companies to apply that research better, otherwise we are going to sink further and further down on the world stage.

I am marginally critical of the way in which we operate in India regarding trade, and I think we could do a much better job. It has already been pointed out today that not one of our four UK Trade & Investment representatives in Chennai has any business experience. In Pune, where I went, which is the fastest emerging second-tier city—India has 20 second-tier cities with populations of more than 1 million, of which Pune is the fastest growing—we have only one UKTI representative. We need to clarify the role between UKTI and UKIBC—the UK-India Business Council—because there is some muddle as to who does what. There is more scope for clarity in terms of trade, and there are huge opportunities of which we need to take advantage.

This has been a highly informative debate, and I am delighted to see that the right hon. Member for Makerfield (Mr. McCartney) has now joined us. His contribution to the visit was huge, as a former Trade Minister, and we benefited from his knowledge. It is great to see him here, and I shall conclude very rapidly if he wants a couple of minutes in which to speak.

**Mr. Ian McCartney** (Makerfield) (Lab) *indicated assent.*

**Mr. Clifton-Brown:** In conclusion, we had a highly informative visit, for which I am enormously grateful to the IPT and DFID. There is huge scope for increased cultural and educational links with India, and there is even greater scope for us to do more trade with India. It is a fantastic nation, which is emerging very fast. It is beginning to help itself to get out of poverty and all the other deep-seated problems that it has. The more that its finances grow, the more that it will be able to help itself get out of poverty. We have seen some excellent corporate social responsibility work from all the firms that I mentioned, which are doing great things throughout India to help some of the poorest people in the world. Statistics on the average proportion of poor people in a country show that India is still poorer than sub-Saharan Africa. I am grateful to all those who organised the trip, and I now conclude so that the right hon. Gentleman may say a few words.

**Jim Sheridan** (in the Chair): Order. This is breaking with tradition, but if no one else objects, we will allow the right hon. Member a minute to make a contribution.

**10.28 am**

**Mr. Ian McCartney** (Makerfield) (Lab): First, let me apologise to the Chamber. I had intended to come and contribute today. I thought that the concept of the visit, the work that we did there and the follow-up work brought out the best in British parliamentarians. It is crucial that, in the next few years, India is not seen as a partner of the past, but a partner of the future. We are all children of the Commonwealth, not of the empire, and there is a huge emerging nation of technological advances, pharmaceutical industries and other technology industries. It has an ability, within that region, to work with us as a partner on trade, trade investment, education, cultural

issues and its role in the wider world in relation to peacekeeping and the United Nations.

We have a huge agenda. The work we did as a group in India built bridges and contributed towards potential and actual projects. Now we have come back, we must report to the Indian high commissioner on the work that we are doing and the contacts and re-contacts we have made with companies, universities and colleges. The Northwest Regional Development Agency, for example, has already made contact with some of the colleges that we met and has sat down with them to do pro-active partnership working.

Some of the businesses in India have been put in touch with businesses in the United Kingdom to consider how they can work together. As Members of Parliament, we have since made contact as a group with individual organisations to build on what we have seen, particularly in relation to corporate social responsibility. We can learn from the ideas and work that has been done in India in terms of trade and development, education and training, health care and rural communities, and the empowerment of women and children. For me, it was a fantastic opportunity. I am grateful to the group for assisting with the debate, which has allowed us to participate with colleagues of different political persuasions. We may be different politically, but we were at one on the group in relation to the work that we need to do with India across the field.

I apologise again, Mr. Sheridan, for not being able to give a more comprehensive report, but I will put something in writing for you as the Chairman. Colleagues and I also hope to meet the Indian high commissioner soon to take forward the work that we did during our visit. I thank hon. Members for listening.

**10.31 am**

**Jo Swinson** (East Dunbartonshire) (LD): It is a pleasure to serve under your chairmanship, Mr. Sheridan, particularly as it is your debut outing in the role. I am sure that it will be the first of many. I congratulate the hon. Member for Southend, West (Mr. Amess) on not only leading the delegation, but securing the debate and introducing it so comprehensively. However, one and a half hours is a short time to discuss something as huge as India—the world's largest democracy—and I am sure that we could easily have filled three hours, if not more.

I thank all of those who created the opportunity for parliamentarians to visit India and see first hand the experience of British businesses in India and those Indian businesses that are having such an impact on the UK economy. The Industry and Parliament Trust provides a vital link between business and Parliament. It was a fascinating and useful trip that greatly added to my understanding of both business and India.

As mentioned by the hon. Member for Eccles (Ian Stewart), I speak on foreign affairs for the Liberal Democrats and, indeed, this was my first experience of India. I was particularly keen to experience that country to widen my understanding of the foreign affairs role. A little bit of me fell in love with India. I have visited various countries and although India is often compared with China—both countries are talked of in terms of competition and in discussions about growth—I, frankly, found India much

more inspiring. Many of the reasons behind that relate to the fact that India is the world's largest democracy. The biggest difference between experiencing China and experiencing India is the freedom that individuals have. Both countries have huge problems, but the ability of ordinary Indians to be entrepreneurial and dynamic comes across from when one lands at the airport to when one walks down the street. Indeed, that also came across in all the meetings that we held.

In terms of an overall impression, India has obviously grown rapidly—by about 8 or 9 per cent. each year since 2003, although that is slightly dipping now. Wherever one goes in India, it is apparent that it is a country of contrasts: between rural isolation and urban sprawl, lavish riches and people who are literally dirt poor, and an economy driven by a vast array of young people, who also have a huge respect for wisdom and old age. It is a dynamic and bustling country and the sheer energy of it nearly knocks one down. There is a sensory overload of colours, noise and smells— particularly in a city such as Mumbai. Most of all, India comes across as a country that is keen to innovate and has entrepreneurial spirit. That is why it is clear that it is not only a key global power now, but that it will only grow in influence in the years to come.

I want to share what I thought was one of the most inspiring visits, which was when we went to see the sheriff of Mumbai, Dr. Indu Shahani, who is a formidable, forceful and friendly woman. She is very positive and embracing, and is indeed, I suspect, a strong role model for other women in the city. By profession, she is a teacher so we met her at a college. With 50 per cent. of the population under 25, education is vital for India's future development. Dr. Indu Shahani told us about a scholarship scheme that was being set up with the university of Westminster to send four girls to London to study. A delegation of academics from the university of Westminster were in Mumbai on 26 November to discuss the scheme. They were to meet the shortlist of eight girls from which the final four would be chosen. They were near the Taj hotel at about 10 o'clock at night and they heard shots being fired just as they were leaving their meetings. There was obviously a degree of confusion, but most of the delegation of academics was stopped from going back to the Taj hotel where they were booked in to stay. Instead, they were taken to the homes of members of the Indian staff to spend the night. Sadly, two of the academics had gone on ahead and went back into the hotel just at the wrong moment. One of them was shot, although fortunately they recovered and are now fine.

Obviously, for an Indian college trying to put together a scholarship scheme, it was hugely worrying that such an incident would have a negative impact. However—this speaks wonders about the university of Westminster and made me feel quite proud to be British—the university said that, as a gesture of solidarity, it would extend the scholarship scheme to all eight girls on the shortlist, rather than just offer it to four. Indeed, two of those girls came from the slums. That is an example of the type of work going on between India and the UK, and shows that it is perhaps in the most difficult moments that the friendship between the two countries is strongest.

We were obviously in India to visit various businesses. I was struck by the strong commitment to corporate social responsibility that others have mentioned. That concept seems to be much more ingrained in Indian business than it is in many British businesses. Tata was perhaps most impressive in that respect. Its business has a long history of being part of the community, although it has forthcoming challenges in

terms of sustainability issues and climate change. The launch of the Nano will be followed by the Europa, which will be a similar model with lower emissions launched in Europe.

It was hugely helpful to have Baroness Coussins with us because she has a strong background in CSR. When we visited Hindustan Unilever Limited, it told us that its motto was, “Doing well by doing good.” HSBC talked to us about its financial inclusion education programmes, environmental sustainability and how it is training women to be entrepreneurs. It used the words “corporate sustainability”, which might find their way into the UK lexicon in relation to this matter. Corporate sustainability is a different approach. It is not an add-on, a public relations strategy or something that will simply look good in a glossy brochure; it is about the entire way that a business operates its activities.

When on a trip, the most striking things are not always found on the programmed activities; they are often found when one gets away from the scheduled meetings. Some colleagues and I went for a wander around one of the slums in Chennai. Frankly, watching “Slumdog Millionaire” does not prepare one for seeing that level of poverty. Walking past the chop shop where they put different bits of cars together, I thought that if it were in Britain health and safety would have a field day with what was left lying around the road, and, of course, there was no running water or sanitation. However, when we walked down the street, children were excited and talked to us—their basic English was quite good. They have so little, but they are almost unaware that they have so little. It is difficult to go through that experience without feeling a huge sense of guilt. That experience was for me very profound.

Similarly, in Mumbai, we saw places that were basically shacks with no sanitation. However, we then walked down the street and saw that a street party was going on. At such parties, there is a tradition of getting paste and coloured dye and throwing it over everyone with hilarity and joyfulness. There is a challenge in seeing such intense poverty, but it is also inspiring to see the positive attitude that goes alongside that. That is one of the things that will stand India in good stead.

Obviously, the UK has a history of close ties with India. Indeed, that came through in a meeting with Cadbury, which is a historic brand in India. It has a 70 per cent share—most businesses would be chuffed with that—of the chocolate market. I was intrigued to learn that chocolate has to be made to a different formulation in India. A different level of milk fat is required so that chocolate does not melt until it is at 35°, whereas apparently Cadbury chocolate in the UK melts at 28°. That is an interesting fact that stuck in my brain.

The relationship between the UK and India has been important and will be important in the future, but we need to guard against complacency and thinking that we will always be close because of our long history. There are increasingly close ties between the United States and India as more and more young Indians go to US universities to study. Indeed, it is often the older Indians who have a strong attachment to the UK.

History is not enough. We need to encourage more Indians to study here, which is why the activities in India of the British Council, which we met, are so important. Coming back to the purpose of our visit, that is also why the activities of British

businesses working in India and Indian businesses working in the UK are a wonderful way to integrate the two countries for our mutual benefit in the future.

**10.41 am**

**Mr. Keith Simpson** (Mid-Norfolk) (Con): I, too, congratulate you, Mr. Sheridan, on becoming a member of the Chairmen's Panel, and also on having your debut in a relatively quiet and civilised debate.

I also congratulate my hon. Friend the Member for Southend, West (Mr. Amess) on introducing this debate with such panache and on the fact that he obviously was a good leader of the delegation. It is important to emphasise that it was a successful delegation. There is a caricature, certainly among the media, of all parliamentarians as members of what I refer to as the all-party surf and sand group, but it obviously did not apply in this case.

We had a debate in this Chamber about three weeks ago on the Foreign Affairs Committee's report on overseas territories. There is another classic example of the work of a group having a major impact. In fact, the Government of one of our overseas territories were, in effect, suspended as a direct consequence of it. I congratulate all the members of that Committee.

I shall not reprise the comments made by Members who spoke with such enthusiasm about the visit of the Industry and Parliament Trust to India, about what lessons could be learned, and about their hope that Indian friends would look at their work and what they had done. Instead, I shall make two or three general points and perhaps widen the debate.

It is apt that we are having this debate, because India is in the middle of its national elections. Before the first world war, it was common for elections in the United Kingdom to take place over several days, if not weeks, because of the problems with communications. It was possible for our predecessors to fight and lose a seat in, for example, Manchester, and then move on to fight another seat a week later. That is what happened to the British Conservative Prime Minister Arthur Balfour in 1906.

In India, where polling is staggered over five dates, the election is still going on. There are 828,804 polling centres—imagine the sheer size of the challenge. Returning officers have been murdered and voters have been intimidated, but, nevertheless this largest democracy is successfully carrying out a vast national election, and we should celebrate that. It puts into context some of the little local difficulties that we face in some of our elections.

I want to touch on and perhaps expand briefly the comments made by hon. Members and hon. Friends about British-Indian relations. I take the point that the hon. Member for East Dunbartonshire (Jo Swinson) made at the end of her contribution. My friend the right hon. Member for Makerfield (Mr. McCartney) rightly said that we are all children of the Commonwealth now, not children of the British empire, although that lies heavily on my generation. We should reflect on the fact that modern Indian society is global. It looks to the United States of America, to China and to the middle east.

We should not downplay our links with India but we need to take them forward. They are not something to be put in a museum or regarded as a jewel in the crown, if I may use that analogy. We should also recognise the fact that 349,193 visas to visit the UK were issued in 2008, which was more than for any other country. The number of contacts between people is enormous.

The UK and India also have a vital and effective partnership in countering terrorism. What happened in Mumbai had an enormous impact on British public opinion, and the Indians are some of the world's leading fighters against terrorism. We should celebrate our compatibility in economic affairs. Both countries have strong service and knowledge sectors and traditions of democracy, and both uphold the rule of law, which, as all colleagues will recognise, is crucial to business and investment. I was speaking to members of a delegation of visitors from Hong Kong last week who emphasised how important the rule of law is in getting investment in Hong Kong.

I would like to emphasise the fact that India now operates as a global power. It is a member of the G20, the World Trade Organisation, the G-77, and the United Nations Human Rights Council and, of course, it plays a crucial role in the Commonwealth. I see one part of that in that I am one of the two parliamentary representatives on the Commonwealth War Graves Commission. We must remember how important that side of India's history still is to Indian Governments today. I commend the work of the Indian high commissioner and the Indian defence attaché.

Finally, India has a crucial role in helping to resolve major international crises on its borders—not only the ongoing problem with Burma but, of course, the conflict in Sri Lanka. We should recognise that India has provided more than 55,000 military and police personnel to United Nations missions in the past 60 years. In many respects, it has been the unsung hero of the United Nations in resolving some of those issues.

I congratulate my hon. Friend the Member for Southend, West on securing this debate, and all the hon. Members on that visit to India on their obvious enthusiasm for strengthening British-Indian relations.

**The Minister of State, Foreign and Commonwealth Office (Bill Rammell):** It is a pleasure to be here for your first time as Chairman of a Westminster Hall debate, Mr. Sheridan. I assure you that I will refrain totally from any comments about Members of Parliament losing their virginity.

To proceed, I genuinely congratulate the hon. Member for Southend, West (Mr. Amess) on securing valuable parliamentary time for the debate, and I am pleased to have the opportunity to respond to the comments and contributions that have been made. What has come across clearly this morning is a real understanding of the commitment and hard work involved in fostering relations. I noted all the comments about the hon. Gentleman's dignity and leadership skills. I would have expected nothing less from a fellow Essex Member of Parliament. I also take this opportunity to congratulate the IPT on the exceptionally valuable work that it does not only in this area, but in many others.

As many Members have commented, this is an historic moment for India. Tomorrow marks the fifth and final day of voting in its general election. The counting of votes in

the world's biggest democracy will begin on Saturday, and the new Government must be constituted by 2 June.

I question the implicit enthusiasm of the hon. Member for Mid-Norfolk (Mr. Simpson) for elections over five days. I know how exhausted I am knocking up for one day of elections. The thought of five days on the trot beggars belief.

Whatever the outcome of India's elections, I am confident that its commitment to the liberalisation of its economy will continue, because it genuinely understands that opening up its economy will create a quantum leap in its ability to attract foreign investment, accelerate much-needed infrastructure development and drive forward inclusive sustainable growth, which is critical to its meeting its millennium development goals.

We also look at India in the context of the current economic climate. India is not immune to global downturn; it no longer remains on the sidelines of the crisis. Growth is likely to fall to 4.5 per cent. in 2009, from the 8.5 per cent. average of recent years. As a result, it is estimated that there will be an extra 9 million to 12 million Indians living in poverty in 2009. Although 4.5 per cent. might seem a high figure by our standards, for India to achieve its millennium development goals and lift the 456 million Indians who live on less than \$1.25 a day out of poverty, it needs to deliver sustained growth of at least 9 per cent. a year. That is a challenging factor.

Unlike China, India's population is getting younger, but India will be able to reap that demographic dividend only if it makes substantial investments in its physical and social infrastructure. In that regard, UK companies have a lot to offer and a lot to gain.

Since 1991, as many hon. Members have mentioned, India's gradual opening up to international trade has fuelled consistently high economic growth that has made a real and substantial impact on people's lives there. Now India is entering a new phase in moving up the value chain. Whereas the early years of its growth were fuelled by offshoring and low-cost, low-value service provision, the emphasis and focus now—this is the challenge to us that the hon. Member for Cotswold (Mr. Clifton-Brown) underlined—are on value-added, research and development-rich, manufacturing and services, from groundbreaking new oncology treatments in the pharmaceuticals sector to highly sophisticated knowledge process outsourcing and world-class, innovative production in sectors as diverse as nanotechnology, animation and renewable energy.

I would like to respond to some of the points that have been made. I welcome the comments on our high commission in India, which were made by the hon. Member for Southend, West, who led the delegation, and I will ensure that those congratulations are passed back to it. He commented on the fact that the emerging economies have to be a priority for the Government and for this country, and I agree.

In 2006, UK Trade & Investment launched a five-year plan that refocuses more of our resources on the 17 key emerging markets. In India, 86 UKTI staff are working in nine offices, which is an increase of 18 per cent. over the last couple of years. That is exactly the kind of improvement that we need to make.

The hon. Gentleman also talked about India being a young country and about the demographic dividend, but that represents part of the challenge for India, in that it has to upskill and educate that younger generation. He also mentioned the World Trade Organisation overview. The Doha development agenda is important. We need a successful EU-India free trade agreement and a development-friendly conclusion to the DDA, addressing India's concerns on the special safeguard mechanisms in agriculture. That is at the forefront in respect of those issues.

The hon. Gentleman made an important comment on the role of the British Council. In my former role as Minister of State with responsibility for higher education, I was pleased to have the opportunity to lead the UK-India Education and Research Initiative, which, in a practical way, is bringing together UK universities and their counterparts in India for the benefit of both our countries. The British Council has been fundamental and critical in developing that initiative, and I have seen the impact it has had on the ground.

The hon. Member for Castle Point (Bob Spink) intervened on the hon. Member for Southend, West to make a point about so-called EU protectionism. The EU is not protectionist, but we are rightly resisting Indian demands for asymmetry when entering negotiations. That is a sticking point at the moment, but the seventh round of negotiations will resume on 13 July in Brussels and I hope that those issues can be overcome.

The hon. Member for Southend, West also mentioned the role of the British Council in twinning schools in this country and in India. I have seen the real advantages of that and I welcome the fact that he has promoted such an initiative in his constituency, because that broadens the minds of young people in this country at an early stage and builds a relationship and contact that is beneficial on both sides.

The hon. Gentleman also asked whether enough was being done to get Indian inward investment in this country. That is a priority for UKTI. Some 600 Indian companies have a base in the UK, of which approximately two thirds are in the information and communications technology and software sector, with the next significant knowledge sector being pharmaceuticals. Those companies' investment is worth some £9 billion. The UK attracts around 50 per cent. of all Indian investment in Europe. We need to fight to maintain that figure and that position.

The success of Indian entrepreneurs in the UK is well known in India. India has entrepreneurial talent and is a priority market for UKTI's global entrepreneurs programme, which supports links between exceptionally talented entrepreneurs and their counterparts in the UK.

The hon. Gentleman will also be aware that Tata is a much-valued investor in the UK. Its acquisitions of Tetley, Corus and Jaguar Land Rover have helped to secure many jobs in this country. In addition, Tata Consultancy Services is a major employer in Peterborough and elsewhere in the UK, providing more than 4,000 jobs for people locally. We want that kind of relationship to continue.

The hon. Gentleman also raised the question whether the UK Border Agency staff who deal with visa processing are sufficiently aware of business trends and concerns.

I would say that that is so. Training is available for all staff on all aspects of our visa process. Business visitors from India amount to 27 per cent. of the total and the UK Border Agency in India is meeting all its targets at the moment.

As a number of hon. Members mentioned, globally, we are second only to the United States in terms of overseas students, a significant proportion of whom are Indian. That demonstrates the progress that we are making. However, I acknowledge that, as my hon. Friend the Member for Eccles (Ian Stewart) mentioned, there has to be a balance between welcoming genuine visitors to this country and continuing to fight and deter illegal immigration. We have to get that balance right.

My hon. Friend spoke eloquently, revealing his personal commitment to education and training and to the relevance of charitable support—or “giving back”, as he described it—to India. That point needs underlining. Even with the opportunities available and the progress that is being made in India, still a third of all the world’s poor people live there, which is why it is the biggest recipient of funds from the Department for International Development.

The hon. Member for Cotswold raised an important issue about a woman he spoke to at the airport before going out to India. He is right. We have to underline the fact that there is a crucial role for parliamentarians to have international awareness and international access. When I travel abroad as a Foreign Office Minister, I am struck by how such activity is built into the mainstream for parliamentarians in other countries. It is about pursuing the national interest and contacts. We ignore such activity at our peril. I also take on board the hon. Gentleman’s comments about the support that he received from DFID.

The hon. Gentleman made some important points, including about the fact that as India moves up the quality and value-added chain, we need to recognise the fact that, to be able to continue to compete, we need to be smarter and need increased focus on education, training, innovation and research. He also criticised the expertise of UKTI staff, but that was unjust. We have appointed specialists in financial services and aerospace in India, and all senior staff there attend a rolling programme of business developments visits to the UK to develop their expertise in commerce.

My right hon. Friend the Member for Makerfield (Mr. McCartney) made a brief contribution, but demonstrated his real knowledge and experience as a former trade Minister, and his commitment to our relationship with India.

I conclude by echoing the comments made by the hon. Member for East Dunbartonshire (Jo Swinson), who leads for the Liberal Democrats. Our relationship with India is historic and well founded, but within any good relationship we have to keep working at it and prioritising it. The Government are absolutely committed to doing that.