

TRUSS BEATS SUNAK BY 21,000 VOTES

▶ WILL TAKE OATH AS THIRD FEMALE PM TODAY, QUEEN TO MISS CEREMONY

▶ CHALLENGES GALORE AS TRUSS INHERITS WORST RECESSION IN OVER 40 YEARS

▶ PM MODI CONGRATULATES LIZ ON WIN, HOPES TO STRENGTHEN STRATEGIC TIES



BLOOMBERG
5 September

Liz Truss won the bitter race to succeed Boris Johnson as UK prime minister, and will take power with the country facing brutal economic headwinds that threaten to plunge millions of Britons into poverty this winter.

The foreign secretary, 47, emerged victorious on Monday after a two-month Conservative Party leadership contest that started with 11 candidates and concluded with a runoff against former Chancellor of the Exchequer Rishi Sunak. She defeated him by 81,326 votes to 60,399 in a ballot of party members -- a narrower margin than polls had projected, illustrating the challenge she'll face in trying to unite the party — and will now become Britain's third female prime minister.

Truss inherits a forbidding in-tray, with the UK facing surging inflation, a potential recession and a record squeeze on living standards spurred by soaring energy prices. Markets have been flashing red through August, with the pound, gilts and corporate bonds seeing their biggest sell-offs in years.

The foreign secretary enjoyed double-digit leads over Sunak in polls of Tory members. That meant a Truss win has been anticipated for weeks,

with markets reacting to her promise to tackle the cost-of-living crisis through tax cuts, and foreign capitals bracing for her combative brand of diplomacy.

"I campaigned as a Conservative and I will govern as a Conservative," Truss told party leaders in brief remarks after the announcement in London. "We need to show we will deliver over the next two years. I will deliver a bold plan to cut taxes and grow the economy."

The pound held steady at close to the \$1.15 level, close to the lowest since March 2020. UK benchmark 10-year bonds pared some of their slump, with yields at 2.95 per cent as of 1:08 p.m. in London.

Truss's daunting challenges include fixing a National Health Service on its knees after the Covid-19 pandemic, overcoming industrial discontent and strikes in areas such as education and transport, and navigating a fraught relationship with the European Union that could yet descend into a trade war.

Truss's immediate priority will be to quickly flesh out plans to help struggling households cope with soaring domestic energy bills that this winter are set to be triple last year's level. She's pledged an emergency budget in her first month in office, probably before Parliament breaks for recess on Sept. 22.

LIZ TRUSS COMMITTED TO 'SWEET SPOT' OF INDIA TIES

PRESS TRUST OF INDIA
London, 5 September

Newly-elected Conservative Party leader and Prime Minister in waiting Liz Truss is among the senior British politicians known for championing deeper India-UK strategic and economic ties, describing them as a "sweet spot" of global trade dynamics.

After all, it was Truss as International Trade Secretary who signed off on the India-UK Enhanced Trade Partnership (ETP) for the Boris Johnson led government in May last year, which marked the starting point of the ongoing free trade agreement (FTA) negotiations.

The Cabinet minister made visits to India and held virtual talks with Commerce Minister Piyush Goyal, during which she described the country as a "big,

major opportunity". "I see the UK and India in a sweet spot of the trade dynamics that are building up," said Truss soon after signing the ETP.

"We are looking at a comprehensive trade agreement that covers everything, from financial services to legal services to digital and data, as well as goods and agriculture. We think there is strong possibility for us to get an early agreement, where we lower tariffs on both sides and start to see more goods flowing between our two countries," she said.

She also committed herself to getting the India-UK FTA done, preferably by Diwali but "definitely by the end of the year". She has repeatedly flagged enhanced defence and security cooperation with the Indo-Pacific region.



"I WILL DELIVER A BOLD PLAN TO CUT TAXES AND GROW ECONOMY. I WILL DELIVER ON THE ENERGY CRISIS, DEALING WITH PEOPLE'S ENERGY BILLS, BUT ALSO DEALING WITH THE LONG-TERM ISSUES WE HAVE ON ENERGY SUPPLY"



"CONFIDENT THAT UNDER YOUR LEADERSHIP, THE INDIA-UK COMPREHENSIVE STRATEGIC PARTNERSHIP WILL BE FURTHER STRENGTHENED. WISH YOU THE VERY BEST FOR YOUR NEW ROLE AND RESPONSIBILITIES"

NARENDRA MODI
Prime Minister, India



"THE EU AND THE UK ARE PARTNERS. WE FACE MANY CHALLENGES TOGETHER, FROM CLIMATE CHANGE TO RUSSIA'S INVASION OF UKRAINE. I LOOK FORWARD TO A CONSTRUCTIVE RELATIONSHIP, IN FULL RESPECT OF OUR AGREEMENTS"

URSULA VON DER LEYEN
President, European Union



"I'VE SAID THROUGHOUT THAT THE CONSERVATIVES ARE ONE FAMILY. IT'S RIGHT WE NOW UNITE BEHIND THE NEW PM, LIZ TRUSS, AS SHE STEERS THE COUNTRY THROUGH DIFFICULT TIMES"

RISHI SUNAK
Member of Parliament, UK



"I EXPRESS MY HEARTFELT CONGRATULATIONS TO LIZ TRUSS ON HER ELECTION AS THE LEADER OF THE CONSERVATIVES"

FUMIO KISHIDA
Prime Minister, Japan

NEW RESIDENT AT 10 DOWNING: Liz Truss emerged victorious after a two-month Conservative Party leadership contest with a run-off against former Chancellor of the Exchequer Rishi Sunak