



SWING IN FORTUNES: New leader of Britain's Conservative Party Rishi Sunak outside the party's headquarters in London on Monday

PHOTO: REUTERS

Sunak to be UK's first British-Indian PM

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Former British finance minister Rishi Sunak is set to become Britain's next prime minister as his rivals quit the race, which analysts said, relieved some of the nervousness around the outlook for the UK economy, boosting domestic markets.

▶ FTSE100 RISES .6%

The 42-year-old will become the country's third prime minister in less than two months, after his predecessor, Liz Truss, was brought down after just six weeks in office by an economic programme that roiled markets. The former chancellor, who won Tory leadership contest on Monday, is poised to walk through the door of 10 Downing Street in London after an audience with King Charles III in Buckingham Palace, which is likely to be on Tuesday. Turn to Page 3 ▶



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NARENDRA MODI, Prime Minister

Sunak to be UK PM

Prime Minister Narendra Modi on Monday congratulated British Prime Minister-elect Rishi Sunak and said he looked forward to working closely together on global issues and implementing the Roadmap 2030 for bilateral relations. "Warmest congratulations @RishiSunak! As you become UK PM, I look forward to working closely together on global issues, and implementing Roadmap 2030. Special Diwali wishes to the 'living bridge' of UK Indians, as we transform our historic ties into a modern partnership," Modi tweeted.

The Roadmap 2030 for India-UK future relations was launched last year.

Sunak, the country's first Hindu PM and the youngest to the position in 200 years, warned that the UK faces a "profound economic challenge" as he prepares to take power after emerging victorious in the race to succeed Liz Truss as prime minister.

The pound bounced back into positive territory against the dollar, having briefly turned negative, while FTSE 100 rose 0.6 per cent, supported by consumer sectors and industrials, but is underperforming the broader European markets, where the STOXX 600 was up 1.2 per cent. Sterling fell 0.1 per cent against the dollar to \$1.1291, having ricocheted between the day's high of \$1.1402 and the low of \$1.1275 in volatile trading.

In a short address just hours after Penny Mordaunt pulled out of the race for 10 Downing Street leaving the route clear for him, the former Chancellor of the Exchequer, 42, vowed to make it his "utmost priority" to unite both the nation and his warring Conservative Party. "I will work day in and day out to deliver for the British people," he said.

Rishi Sunak called on his warring Conservative Party to unite as the UK's incoming prime minister bids to fix the crisis facing the economy.

Sunak's fate was sealed after his last remaining rival, Penny Mordaunt, pulled out of the race for 10 Downing Street.

"We all owe it to the country, to each other and to Rishi to unite and work together for the good of the nation," Mordaunt said in a statement on Twitter. The ruling Conservative Party confirmed Sunak, who is due to address rank-and-file MPs at 2.30 pm, has been elected leader.

It is a remarkable turnaround in Sunak's political fortunes, after the former Chancellor of the Exchequer quit Boris Johnson's government in July and then lost out to Liz Truss in the last Tory leadership contest over the summer.

But his repeated warnings that her plans would trigger economic chaos proved correct and put him in pole position when Truss's premiership imploded. Even so, Sunak was no shoo-in given the bitterness and division in the Conservative Party. He's still tarnished in the eyes of many Tory MPs for his role in Johnson's downfall.