

David Cameron agrees nuclear deal with India against official advice

David Cameron has agreed to lift a ban on the export of nuclear technology and components to India against official recommendations.

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British companies will be free to strike deals worth billions of pounds under the new regime which will be based on a "presumption" that export licences will be granted for products intended for civilian use unless there are specific concerns about a deal.

The move will be announced today during a three-day trade mission by the **Prime Minister**



David Cameron talks with the Governor of Karnataka Dr Hans Raj Bharadwaj in Bangalore
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(<http://www.telegraph.co.uk/news/newstopics/politics/david-cameron/>) to India, and includes a pledge to share research.

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The last, Labour government had blocked the export of nuclear technology on the grounds that India had refused to sign the international non-proliferation treaty.

There were also concerns that, despite requests from the Americans, India had failed to ensure a proper separation of its civilian and military programmes.

The move is part of a wider push by the Prime Minister to strengthen trade ties and capitalise on India's rapidly growing economy. However his attempts threaten to be undermined by a **row over an immigration cap**

(<http://www.telegraph.co.uk/news/newstoppers/politics/7912959/Conservative-immigration-cap-under-threat-from-Liberal-Democrats.html>)

which threatens to prevent thousands of Indian workers from coming to Britain.

In June, a few weeks after the Coalition came to power, Vince Cable, the Business Secretary, wrote to the entire Cabinet proposing that the restrictions be lifted, on the grounds that the United States had agreed to trade with India two years ago, and British firms were missing out on a multi-billion pound industry.

He suggested that Britain continue to make the case for the Indians to separate their military and civilian nuclear programmes, and under a programme of "assessed risk," deals which raised specific concerns continue to be blocked.

Following the letter, the Prime Minister "held back" relevant ministers after a Cabinet meeting to discuss the matter – and it was agreed that exports would be allowed.

Downing Street confirmed that the decision made despite official advice from both the Foreign Office and Ministry of Defence.

Senior civil servants were said to have urged more "caution," although the previous administration is said to have been "leaning towards" relaxing the export regime.

Rolls Royce and Serco are already said to be in the process of applying for licences.

As well as the business aspect of the policy change, Britain and India will today announce that the UK Engineering and Physical Sciences Research Council will take part in a £2.4 million programme with the Indian Bhabha Atomic Research Centre to develop research. The costs are being shared between the two countries.

Also during the visit by the Prime Minister, and the 60-strong delegation of business leaders he has brought with him, defence firm BAE is expected to sign a deal worth around £500 million to supply India with 57 Hawk jets.

Westland helicopters also hopes to conclude a trade agreement.

Mr Cable said that he had "no qualms" about providing India with such expensive equipment when millions of children were starving, saying that the country was a democracy enjoying rapid economic growth.

Mr Cable said UK firms: "potentially could do a large amount of business in India".

He added: "There are obvious security sensitivities. We are conscious of those, as are the Indians.

"But within those constraints we really want to push ahead with civil nuclear co-operation.

"That would be quite a big sector within which we could really make progress."

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