

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:407
ANSWERED ON:25.02.2000
G -20 SUMMIT HELD AT BERLIN .
RAGHUNANDAN LAL BHATIA

Will the Minister of FINANCE be pleased to state:

- (a) whether India participated in the G -20 Summit held in Berlin in the 3rd week of December, 1999;
- (b) if so, whether measures to help countries in reducing their vulnerability to financial crisis in a bid to achieve a more stable international financial system were discussed; and
- (c) if so, the salient features thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

a) Yes, Sir.

b) & c) The Finance Ministers and Central Bank Governors of the G-20 discussed the ways to address the main vulnerabilities currently facing their respective economies and the global financial system. While recognizing that sound national economic and financial policies are central to building an international financial system, they noted the importance of strengthening national balance sheets to help cushion against unexpected shocks. They encouraged steps to strengthen sovereign debt management and recognized that unsustainable exchange rate regimes are a critical source of vulnerability, and also that a consistent exchange rate and monetary policy is essential. They discussed a range of possible domestic policy responses to the challenges of globalization, and exchanged views on the role of the international community in helping to reduce vulnerability to crises. Besides these they also agreed that the more widespread implementation of international codes and standards in key areas including transparency, data dissemination, and financial sector policy would contribute to more prosperous domestic economies and a more stable international financial system.