

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1353
ANSWERED ON:27.11.2009
G-20 LEADERS' GROWTH PACKAGE
Ponnam Shri Prabhakar

Will the Minister of FINANCE be pleased to state:

(a) whether the G-20 Leaders Summit held in London on 2nd April 2009 had pledged to restore credit growth and jobs in the world economy; and;

(b) if so, the details thereof alongwith the benefits expected to accrue to India as a result thereof?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) Yes madam.

(b) The G-20 Leaders` in their meeting on 2nd April 2009 pledged to do whatever is necessary to:

- # restore confidence, growth, and jobs;
- # repair the financial system to restore tending;
- # strengthen financial regulation to rebuild trust;
- # fund and reform our international financial institutions to overcome this crisis and prevent future ones;
- # promote global trade and investment and reject protectionism, to underpin prosperity; and
- # build an inclusive, green, and sustainable recovery.

The G-20 Leaders also declared their commitment to take all necessary actions to restore the normal flow of credit through the financial system.

The G-20 Leaders also agreed on \$ 1.1 trillion programme of support through International Financial Institutions and Trade Finance to restore credit, growth and jobs in the world economy.

By acting together to fulfil these pledges, together with the measures G-20 member countries have taken nationally, the G-20 Leaders are hoping to bring the world economy out of recession and prevent a crisis from recurring in the future.

The G-20`s economic weight and broad membership gives it a high degree of legitimacy and influence over the management of the global economy and financial system. The intervention is widely perceived to have prevented the current global crisis escalating into another Great Depression and there are signs that due to concerted actions by G-20, the world economy is recovering. Improvements in the global economy would benefit the Indian economy through trade and investment channels, and will mitigate knock on effects of the global economic crisis on the Indian economy.