

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4079

ANSWERED ON:03.12.2010

G-20 SUMMIT

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Will the Minister of FINANCE be pleased to state:

- (a) whether India exhorts the G-20 nations to coordinate policies ;
- (b) if so, the details thereof and response thereto, country-wise ;
- (c) the details of deliberations and decisions arrived at the G-20 summit in Seoul recently; and
- (d) the follow up measures taken or proposed to be taken by the Government of India therefrom?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): No, Sir. G-20 is a premier forum for international economic cooperation among the member countries. India is one of the G-20 members and India's views are well received in the forum. The decisions are taken in G-20 by consensus.

(b): Does not arise.

(c): The details of deliberations and decisions arrived at the G-20 Summit in Seoul recently were:

1. Undertaking macroeconomic policies to strengthen the ongoing recovery and stability of financial markets, in particular moving toward more market determined exchange rate systems, refraining from competitive devaluations, with advanced economies, including those with reserve currencies, remaining vigilant against excess volatility and disorderly movements in exchange rates.

2. Adoption of the Seoul Action Plan, including country specific actions, to move closer to the shared objectives of stronger, sustainable and balanced growth. Leaders have tasked the G 20 Framework Working Group (of which India is a co-chair along with Canada) to develop these guidelines, with technical support of the IMF, for consideration of the G20 Finance Ministers and Central Bank Governors.

3. Adoption of the Seoul Consensus for Development based on 6 principles (Focus on Economic Growth, Global Development Partnership, Global or Regional Systemic Issues, Private Sector Participation, Complementarity and Outcome Orientation) and 9 pillars (Infrastructure, HRD, Trade, Private investment in job creation, Financial Inclusion, Growth with resilience. Food Security, Governance and Knowledge sharing), including a multi-year action plan, and setting up a High Level Panel (HLP) on Infrastructure.

4. Endorsing new instruments of the IMF for Global Financial Safety Nets, and the recent IMF work on improving the global capacity to cope with shocks of a systemic nature, including working with regional financing arrangements (RFAs). It also endorsed, amongst others, the use of macro prudential measures as a response to volatile capital flows.

5. Endorsing the Gyeongju G20 FMs and Central Bank Governors agreement on IMF reforms of a six percent shift in quota in favour of under-represented and emerging market and developing countries (EMDCs), and a comprehensive review of quota formula by 2013 to better reflect the economic weights of EMDCs and completion of the next general review of quotas by January 2014.

6. Endorsing the core elements of the new financial regulatory capital and liquidity framework (Basel III), and for measures to better regulate the SIFIs on which work will continue. It was also agreed to work further on macro prudential policy frameworks, strengthen regulation and oversight of shadow banking, and to regulate commodity derivatives markets.

7. Recommitting to resist all forms of protectionism, while recognizing that 2011 is a critical window of opportunity to intensify engagement to conclude the Doha Development Round.

8. Adopting the G 20 Anti Corruption Action Plan.

Prime Minister, Dr. Manmohan Singh, during his intervention, highlighted the importance of the G 20's new development agenda and the need for infrastructure investment in developing countries. His suggestion that recycling global savings through multilateral development banks would address both the global demand imbalance as well as the global developmental imbalance was well received.

(d) : India will take up measures in the necessary areas in due course.