

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2538  
ANSWERED ON:04.12.2009  
DECISION AT G SUMMIT  
Basavaraj Shri Gangasandra Siddappa

**Will the Minister of FINANCE be pleased to state:**

- (a) The details of the decisions taken by Finance Ministers of G 20 nations in their recent meet in London
- (b) The details of such decisions having a bearing on the economy
- (c) The reaction of the Government thereto
- (d) Whether the Indian Prime Minister had made any suggestions to the participants during the Summit
- (e) If so, the details thereof
- (f) The reactions of the G 20 countries thereto?

**Answer**

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

(a)&(b) The G 20 Finance Ministers who met in London on the 4th and 5th of September reviewed the trends in the Global Economy and decided inter alia:

(i) To continue with the stimulus (fiscal and monetary) until recovery is assured. They also agreed on the need to have a transparent and credible process for withdrawing from the stimulus measures as recovery is secured,

(ii) To work to achieve high, stable and sustainable growth which will require orderly rebalancing in global demand, removal of domestic barriers and efficient functioning global markets.

(iii) To work towards a successful outcome (on climate change) in Copenhagen

(iv) To complete World Bank Reforms by Spring 2010 and IMF quota review by Jan 2011 and to carry out other reforms including merit based selection of management in the International Financial Institutions

(v) To reaffirm the commitment to strengthen the financial system to prevent build up of excessive risk and future crisis and continue to work on specific issues of regulatory reforms.

(c) These decisions reflect the consensus position of the G 20 countries of which India is a part.

(d) Yes Madam ..

(e) The Prime Minister in his remarks in the plenary session at the G 20 Meeting at Pittsburgh (September 25, 2009) focussed on the implications of the complex challenges of revival of the global economy on developing countries. While pointing out the effects that the crisis is having on developing countries on issues such as growth, poverty, ability to invest in rural infrastructure, health and education, the Prime Minister made the following suggestions:

(i) Not to make premature withdrawal from the stimulus.

(ii) To resuscitate growth in developing countries, lost export demand has to be replaced by expanding other components of domestic demand,

(iii) The best option for doing this is to expand investment in infrastructure in developing economies

(iv) The World Bank and other regional development banks can play a major role in financing such investments

(v) To expand the capital base of the World Bank (IBRD), so that it has sufficient resources for such investments

(vi) To resist trade protectionism and address difficult issues on the trade front

(f) The G 20 countries welcomed the suggestions made by the Prime Minister.