

Brazilian President's 'Strong Emerging Countries' Win the Day at G-20 Summit

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Global leaders at the G-20 financial summit in Washington have pledged to work together to restore global growth. They said they were determined to work together to achieve "needed reforms" in the world's financial systems.

US President George W Bush said that finance ministers would now work on detailed reform proposals, and then report back. His successor in the White House, Barack Obama, said in a statement that he was ready to work "together on these challenges" with the G-20 when he takes office in January.

"The president-elect believes that the G-20 summit... is an important opportunity to seek a coordinated response to the global financial crisis," said a statement issued in his name.

The meeting brought together leading industrial powers, such as the US, Japan, Germany and France and also emerging market countries such as China, India, Argentina, Brazil and others - representing 85% of the world economy.

For the leading emerging economies, the significance of this G-20 summit was clear - they now have to be taken into consideration in the management of the global economy.

Brazil's President, Lula da Silva, said: "We are talking about the G-20 because the G-8 doesn't have any more reason to exist."

Key issues agreed by world leaders at this summit included: a) reform of international financial institutions such as the World Bank and the International Monetary Fund;

b) an agreement by the end of 2008, leading to a successful global free-trade deal;

c) improvements to financial market transparency and ensuring complete and accurate disclosure by firms of their financial conditions;

d) making sure banks and financial institutions' incentives "prevent excessive risk taking";

e) asking finance ministers to draw-up a list of financial institutions whose collapse would endanger the global economic system;

f) strengthening countries' financial regulatory regimes;

g) taking a "fresh look" at rules that govern market manipulation and fraud.

In his address at the end of the summit, Mr Bush said there was no doubt that the financial crisis facing the United States and many other countries is a severe one.

He said it had even been conceivable that the US "could go into a depression greater than the Great Depression".

"We are adapting our financial systems to the realities of the 21st century," he said.

Russian President Dmitry Medvedev said the global financial structures created at the end of WWII were now inadequate.

"It will be necessary to rebuild the whole international financial architecture, make it open and fair, effective and legitimate".

The stalled Doha round of global trade talks should be pushed forward so that a basic agreement can be reached before President Bush leaves office in January, said German Chancellor Angela Merkel.

"If there is the political will, it would be good if we could reach an agreement in the Doha round with the present US administration."

In their joint closing statement, leaders said the reforms would only be successful, if they were "grounded in a commitment to free market principles".

G-20 leaders say they will meet again by 30 April, 2009, to review progress.

The next summit looks set to be held in London, with US President-elect Barack Obama attending.

Although no formal decision has been announced, France's President, Nicholas Sarkozy, made it clear that he expects London to be chosen as the venue, particularly because the UK will be presiding over G-20 in 2009.

The G-20 group of countries consists of 19 leading industrialized and developing countries, as well as the European Union. Holland and Spain participated as special guests from the UE presidency currently held by France's Nicolas Sarkozy.

Started in 1999 its standing members are the G-8 (Germany, Canada, France, Italy, US, UK, Japan and Russia) plus Argentina, Brazil, Mexico, China, India, Australia, Indonesia, Saudi Arabia, South Africa, Korea Turkey and the EU.

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