

G20 Economic Summit: Plans for the Second Meeting in April 2009

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Preface

This report on the “G20 Economic Summit: Plans for the Second Meeting” is compiled by the G20 Research Group largely from public sources as an aid to researchers and other stakeholders interested in the G20 leaders’ meetings. It will be updated periodically as plans for the summit evolve. Note that this document refers to the G20 leaders’ meeting (or summit), which took place on November 14-15, 2008, in Washington, DC (as opposed to the G20 finance ministers forum, which was founded in 1999, and other groupings such as the G20 developing countries formed in response to the agricultural negotiations at the World Trade Organization).

1. Introduction: G20 Economic Summit

The Group of Twenty (G20) leaders met for the first time in 2008, first on November 14 for a working dinner and then on November 15 in Washington’s National Building Museum for a working meeting. The official name of the meeting was the “Summit on Financial Markets and the World Economy.” Participants from systematically significant developing and emerging countries gathered to discuss the global economic and financial crisis affecting the world. The G20’s members are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, the United States and the European Union. Spain and the Netherlands also participated in the first meeting under the auspices of the European Union. The second G20 summit is scheduled to take place on April 2, 2009. The United Kingdom will host the meeting in London.

The G20 finance ministers’ and central bank governors’ group first met in 1999. They met for the tenth time on November 8-9 2008, in Sao Paulo, Brazil. Former Canadian prime minister Paul Martin, a founder of the G20 finance forum, had advocated a “Leaders 20” (L20) forum. It appears that with the “special” meeting in Washington in November, his L20 has come to life.

Under the Gleneagles Dialogue, since 2005 a group of 20 ministers in the fields of environment and energy have met, most recently in Japan, to discuss issues associated with global warming. On the margins of the G8 Hokkaido Summit in Japan in July 2008, the 16 Major Economies Meeting (MEM-16) was held at the summit level, following official-level meetings of this forum by the United States in 2007. In both cases, membership largely overlaps that of the G20 finance ministers.¹

¹ The G20 Gleneagles Dialogue is comprised of members from Australia, Brazil, Canada, China, the European Union, France, Germany, India, Indonesia, Italy, Iran, Japan, Mexico, Nigeria, Poland, Russia, South Africa, Spain, the United Kingdom and the United States. The MEM-16 is comprised of members from Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, South Korea, South Africa, the United Kingdom, the United States and the European Union.

2. Agenda

“The primary focus of the G20 summit will be on the economic recovery; it will be on jobs and growth,” UK prime minister Gordon Brown said at the World Economic Forum in Davos. He said the summit on April 2 would also discuss issues such as climate change and global poverty. “We will not solve the problem of climate change without development in Africa ... We have got to act on climate change and we have got to act on poverty at the same time,” he added.² (January 30, 2009, *Reuters News*)

Leaders of the G20 are on track to complete an “ambitious and far-reaching” agreement at their April 2 meeting in London, a UK senior treasury official said. Stephen Timms, financial secretary to the treasury, who has been preparing the groundwork for the London meeting, said there’s still much to be done but there are signs of a broad buy-in to key changes to the way the global financial system is governed. “It’s certainly not true that it’s all been done and dusted yet, but there is a lot of work going on and I think there are very good prospects for ambitious and far-reaching set of agreements to be reached in April,” Timms said. The G20 meeting will be preceded in mid March by a gathering of finance ministers, which will also take place in London. The global nature of the financial crisis and the speed of its spread has left policy makers looking for ways to make the patchwork of national regulators more responsive to the international nature of modern financial markets. This task, of which the UK has been a leading flag waver, was given to the G20 at a meeting of world leaders in Washington in November. This weekend, Timms and other deputy finance ministers will gather to forge ahead with plans for more effective regulation, greater international cooperation between supervisors, and reform of international institutions such as the International Monetary Fund and World Bank. Timms said he believes agreement can be reached on setting up global colleges of supervisors to monitor international banks, expanding the membership and mandate of the Financial Stability Forum and agreeing reform of the IMF both to increase developing countries’ representation on its executive board and to give it the “early warning” role the UK has long called for. At the Washington meeting in November, countries signed up to some 47 initiatives to put the global economy back on its feet. Prime minister Gordon Brown outlined some of the measures he’d like to see at the G20 summit, including plans for a “charter of principles” governing all non-bank institutions and complex new markets and products. He also called for new global best practices standards for financial institutions, governing issues such as compensation, the role of boards and transparency. In recent weeks, Timms has travelled to several G20 countries for discussions on the London meetings and said he believes the G20 process is “on track.” “I’ve been encouraged by the degree of commitment to the process, the sense that the G20 is the right place for these discussions to be taking place,” he said.³ (January 28, 2009, *Dow Jones International News*)

“Look back on speeches I’ve been making for years, asking for that to happen -- a global supervisory and financial structure that allows us to have the information about what’s

² *Reuters News* (January 30, 2009), “UK’s Brown says G20 summit will focus on economy.”

³ *Dow Jones International News* (January 28, 2009), “G20 To Deliver Far Reaching Deal In April – UK Min.”

happening on cross-border flows,” British prime minister Gordon Brown said. “Until we get that I will not be satisfied, and that is something I will be pressing for to come out of the G20 meeting in April.”⁴ (January 19, 2008, *Reuters News*)

European economic powers Germany and Britain expect G20 countries to make significant progress in boosting transparency and tightening supervision in the financial sector when they meet in London in April. Britain is chair of the G20 and prime minister Gordon Brown set out his ideas for the summit, which aims to build on financial reform pledges made in Washington last November. “I believe we can find common ground that will make the agreements in April at the G20 a significant event for the world economy,” said Brown at a joint news conference with German chancellor Angela Merkel after talks. Both leaders emphasized the need for a joint approach with U.S. President-elect Barack Obama and Merkel said she would hold a Berlin meeting of European G20 members in mid or late February to help prepare the ground. G20 members want more disclosure and transparency in the financial sector, said Brown. “We believe that must extend to regulatory and tax havens and what is now called the shadow banking system,” Brown said. The financial crisis required action on impaired assets in the banking system, he added. “It means we will need to have new standards of surveillance and supervision for global financial institutions.” In outlining his plans for the London meeting, Brown said he would talk to the heads of the World Bank, International Monetary Fund and regional development banks to see how they can have a more effective role.⁵ (January 15, 2009, *Reuters News*)

Britain has called for more stringent market regulation, setting out its agenda for April’s G20 summit in London. Leaders agreed, at the November 2008 G20, that urgent action was needed to make significant progress on the macroeconomic, regulatory and institutional reform agendas. As they head towards the summit on 2 April, work is already underway by their officials working closely with experts and representatives of the relevant international institutions. In preparation for the deputies meeting at the end of January Alistair Darling, UK chancellor of the exchequer, sent a letter outlining the objectives of the April G20 to all members of the G20 and the IMF and the World Bank. Given the turmoil in the world’s financial markets and the related macroeconomic challenges that all now face, Darling said he would particularly like to focus on reinforcing international cooperation in the areas of financial market regulation and supervision. All members of the G20 have recognized that the financial system has failed in a number of key respects. Financial markets have been in turmoil globally, in some cases ceasing to function. Individual financial institutions have failed across the world. Other institutions have needed to turn to taxpayers to guarantee their liabilities, to provide liquidity and capital. More importantly, the ability of the financial system to perform its critical role in the economy — allocating capital, managing risk and facilitating transactions — has been badly undermined. Ultimately, markets are no more than a collection of people and confidence in the system is a prerequisite for the operation of financial markets. Darling said the **first objective** should be to return trust and confidence to financial markets. There have been failures of the regulated financial

⁴ *Reuters News* (January 19, 2009), “Highlights-Britain steps in to rescue banks again.”

⁵ *Reuters News* (January 15, 2009), “UK, Germany see G20 progress on financial reforms.”

services institutions and of regulation. Tougher global financial regulation is needed. The aim for the G20 in 2009, he said, will be to work with international partners to address these failures and create a more robust financial architecture for the future. The financial system should fulfill a vital role in the economy. Open, innovative financial markets are critical in driving forward economic growth. The financial system delivers capital — “the life-blood of economic growth” — to the real economy and no other better system has been developed than financial markets for allocating capital or managing risk. The **second objective** must be to retain and build on the benefits that open financial markets bring to the world economy. The key to retaining faith in financial markets is to establish and maintain a consensus within the G20 and elsewhere as to the importance of open capital markets. There needs to be a fuller explanation of the benefits of the financial system, and of financial globalization in particular. He said, “We need to be clear about the role that financial markets will play in tackling some of the other major challenges facing the world: climate change; the retiree boom; and investment in developing countries. But although the focus must be on reforms that will work within the market-based system, that is not a reason for accepting the status quo.” The **third objective** must be to reduce the likelihood of systemic failures in the financial services industry. Governance of financial institutions must be improved with more active, informed and capable boards. He said better due diligence, care of clients’ interests and improved ethics must be demanded. The scope and reach of regulation must be appropriate and offshore jurisdictions should not permit firms to behave in ways that jeopardize financial stability. Firms must not engage in regulatory avoidance that compromises the integrity of the regulatory system. Prudential regulation should allow supervisors to prevent firms using business models or practices which increase systemic risk, even if they might be profitable for the firms themselves. There must be a step change in the way regulators work and, in particular, the way that national regulators cooperate. Information-sharing and cooperation on systemically important, cross-border firms through more effective colleges must become the norm. Darling called for reforms to the Financial Stability Forum to make it more effective and representative and linked macroeconomic and financial surveillance through closer collaboration between International Monetary Fund and FSF. “We must recognise that we neither could nor should operate in a zero failure regime, he said. “This is sensible recognition that regulation will never prevent all failures.” The **fourth objective** should be to prepare better for failure within financial markets ensuring that mechanisms are in place to protect depositors, to ensure the orderly wind-up of failed institutions and to make sure that there are the appropriate international mechanisms to coordinate the management of failed institutions, Darling noted. When problems emerge, better, more reliable arrangements are needed to protect consumers, including a more coordinated approach to compensation arrangements; firms need robust contingency plans. Reducing systemic risks and putting in place systems to address future failures carry inherent risks. For example, in the past there has been heavy-handed regulation that led to sclerosis in financial markets where the ultimate losers are pensioners, savers and businesses in need of access to financial services. The **fifth objective** should be to increase efficiency in the operation of financial markets, so they perform the tasks of capital allocation, risk management and facilitating transactions more efficiently, Darling said.⁶ (January 7, 2009, *Reuters News*)

⁶ *Reuters News* (January 7, 2009), “TEXT-British finance minister ‘s letter to G20 members.”

The next G20 summit is expected to focus on ways of fighting the global financial crisis, Russian foreign minister Sergei Lavrov said. “Much will have to be done to correct the drawbacks of the existing [financial] system. The reform we are talking about should be sufficiently radical and complex, and not just cosmetic. Russia will be among the countries whose role will be reflected in the new architecture,” he said.⁷ (December 11, 2008, *Russia & CIS General Newswire*)

UK prime minister Gordon Brown said the second G20 summit, which he will host in April 2009, “will deal with the major questions of economic actions that are necessary.” It will look specifically at attempts to create colleges of supervisors, which are intended to share information on the world’s largest financial institutions, Brown’s office said. Talks will also examine “the impact of the macroeconomic policy action, both monetary and fiscal, on the economy, and consider what further coordinated steps the G20 countries can take.”⁸ (November 26, 2008, *Associated Press Newswires*)

Many of the world’s largest economies have already announced significant new fiscal stimulus packages. In the U.S., the Federal Reserve and the Treasury said they planned to provide \$800 billion to aid the market for consumer debt and to make mortgage loans cheaper and more available. The European Commission urged EU governments to commit to around \$256 billion in spending and tax cuts to help Europe through the downturn. It said the bulk of money for a two-year “European Economic Recovery Plan” would need to come from the 27 EU governments.⁹ (November 26, 2008, *Associated Press Newswires*)

G20 Charter

“As we move forward to the G20, we’re proposing, if you like, a charter of principles that will govern the individual behaviour of each country, a charter that everyone can subscribe to, including the whole of the European Union. And I believe that the measures that then flow from that, whether in relation to hedge funds or derivatives or other financial products, will be in line with principles of transparency and proper disclosure and people assessing and managing their risks,” British prime minister Gordon Brown and host of the upcoming April G20 summit said.¹⁰ (January 26, 2009, *Reuters News*)

International Cooperation

British prime minister Gordon Brown set out his agenda for the G20 crisis summit in London, saying he would push for a new global financial architecture to prevent future turmoil. Laying out his priorities for the meeting, which is a follow-up to a crisis summit in November, he emphasized the need for beefed-up global institutions and international

⁷ *Russia & CIS General Newswire* (December 11, 2008), “G20 no substitute for G8 but can solve some problems-Lavrov.”

⁸ *Associated Press Newswires* (November 26, 2008), “Britain to host G-20 meeting in April.”

⁹ *Associated Press Newswires* (November 26, 2008), “Britain to host G-20 meeting in April.”

¹⁰ *Reuters News* (January 26, 2009), “Britain’s Brown’s speech on global finance.”

coordination that reflected the interconnected world. “We have a global financial system, but until now no global coordination or supervision, only national supervisors,” he said in a joint press conference with United Nations secretary general Ban Ki-moon. “We have to ensure therefore that all major changes are agreed for our financial system as a matter of urgency over the next few weeks at the G20 summit in April,” Brown added. The priorities would be “an early warning system of risk on any continent in the world economy,” as well as replacing “the patchwork of current regulation.” He said he would also push for an agreement on “international standards of transparency and disclosure” for financial institutions and products. “And we need to reform and strengthen international institutions, giving them power and resources to invest at global level,” he said.¹¹ (January 30, 2009, *Agence France Presse*)

Although UK prime minister Gordon Brown said there was a “great deal” that individual countries can do to help their own domestic problems, he insisted that the only long-term solution was international, with better regulation and coordinated government intervention. “If what happens to a bank in one country can within minutes have devastating effects for banks on a different continent, then only a truly international response of policy and governance can be effective,” he said in a speech. “If we all coordinate our response there will be a quicker global and therefore British recovery,” he added. “We have not yet seen the same protectionism in trade with beggar-thy-neighbour policies of the 1930s and I will fight hard to ensure we do not,” he said, referring to the protectionism amid the Great Depression.¹² (January 26, 2009, *Associated Press Newswires*)

Prime Minister Gordon Brown’s ability to craft his preferred international solution will be tested over the coming weeks, during the build-up to the G20 summit. Brown has already embarked on an intense round of diplomatic activity. “I went to France on Wednesday, Germany on Thursday; I’m talking to all the international leaders over the next few weeks,” he says. “I’m going to be visiting a lot of countries in the next few weeks just to talk to the leaders of these countries about the issues ahead and I feel that it is possible ... to build a global consensus,” he says. Brown’s optimism that deals can be brokered under the UK’s chairmanship of the G20 appears to stem in part from the change in U.S. leadership. While careful not to criticize George W. Bush directly, Brown made it clear that he believes the election of Barack Obama will transform Europe’s relations with America, which he admits suffered a “very difficult period” over Iraq. “The transatlantic relationship is absolutely central. I think it will grow in strength,” the prime minister said. “The scope for co-ordinated international action is greater than before. Europe wants to work with America, America wants to work with Europe — the rest of the world wants to be part of the discussions.”¹³ (January 17, 2009, *Financial Times London*)

The global recession could deepen unless countries unite to try to solve the worst economic crisis in decades and banks resist “financial isolationism,” British prime

¹¹ *Agence France Presse* (January 30, 2009), “Brown lays out agenda for G20 crisis meeting.”

¹² *Associated Press Newswires* (January 26, 2009), “Britain’s Brown urges coordinated economic action.”

¹³ *Financial Times London* (January 17, 2009), “Brown says recovery need global co-operation.”

minister Gordon Brown said. The former finance minister said a joint international effort would provide the key to unlocking the credit markets and kick start the recovery. “The greatest risk after the events of the last few months is a retreat into what I would call financial isolationism,” he said. “A lot will depend on the degree of international cooperation.” Confidence in the credit markets will return only if banks reveal the true scale of their bad assets and avoid the temptation to retreat into their domestic markets, he added. “One of the necessary elements for the next stage is for people to have a clear understanding that bad assets have been written off,” Brown said. “We have got to be clear that where we have got clearly bad assets, I expect them to be dealt with.” Despite a multi-billion pound bank bailout last year and a series of record rate cuts, banks remain unwilling to increase lending as they try to boost their coffers and avoid risk.¹⁴ (January 17, 2009, *Reuters News*)

Bank Supervision

European leaders will discuss their ideas for “bad banks” to absorb toxic assets and take their proposals to the G20 meeting in London in April, European Union economic chief Joaquin Almunia said. “After the European heads of state and government meet, it will be discussed at the next G20 summit.” Almunia, commissioner for monetary and economic affairs said interbank lending has ground to a halt due to distrust over toxic assets and confidence will only return once the illiquid debt is removed from bank balance sheets. “The English, the Dutch, the Germans are discussing this,” he said, earlier. “Probably all of us will end up discussing it, definitely at the level of the European Commission, so that there are no distortions.”¹⁵ (February 2, 2009, *Reuters News*)

“[British finance minister] Alistair Darling and I will be inviting the world’s largest international banks’ chief executive officers, whose activities support growth and jobs in many different countries, to meet us in advance of the G20,” British prime minister Gordon Brown said.¹⁶ (January 26, 2009, *Reuters News*)

With confidence not yet restored to the banking sector, the April G20 Summit in London will be of great importance, Germany’s finance minister Peer Steinbrueck said. “We are concerned over the banking sector as a whole, since confidence has not yet been restored,” he said. Asked whether he would support a eurozone-wide law on debt repayment, Steinbrueck said it was a good idea but that “every country is sovereign.” “I share the assessment that this is one of the worst crises,” Steinbrueck added. “We will not be able to avoid recession but we have to cushion it. We are doing that.”¹⁷ (January 20, 2009, *Market News International*)

The G20 has made hedge funds one of the three items on the regulatory agenda for its meeting in April. The European Commission is drawing plans for tighter controls. And in

¹⁴ *Reuters News* (January 17, 2009), “UK’s Brown calls for world action on credit crisis.”

¹⁵ *Reuters News* (February 2, 2009), “Europe leaders to discuss bad banks for G20-Almunia.”

¹⁶ *Reuters News* (January 26, 2009), “Britain’s Brown’s speech on global finance.”

¹⁷ *Market News International* (January 20, 2009), “German Finmin: April London G-20 Meeting Of Great Importance.”

Washington, expectations are growing that hedge funds could be brought into the regulatory net under a widely predicted shake-up. The question politicians and central bankers are now addressing is not whether to regulate hedge funds, but how. There are three main options. First, regulating funds indirectly through their banks, the prime brokers who provide loans and facilitate short-selling to profit from price falls. This approach, combined with voluntary codes of practice, emerged as the winner last year. But it is unlikely to satisfy those worried about the fragile financial system. Second, regulating the managers of the funds, about three quarters of which are based in London, New York, or Greenwich, Connecticut. This is relatively easy, but does not touch the actual pool of money, which is typically in an offshore tax haven. The third approach is the most interventionist: that favoured by many in Europe, of directly regulating the funds, much as mutual funds are controlled.¹⁸ (January 19, 2009, *Financial Times London*)

Asked about possible new measures to help the banking system, UK prime minister Gordon Brown said: “As far as British banks are concerned the greatest problem that we have is international. It is the exposure of British banks to international losses that is the biggest problem that we face. So what we need is an international solution.” Brown said he had been talking to other leaders and expected further discussions in the coming days. “They will lead up to decisions that I believe that the international community has got to modernise and change and reform and get to the roots of the problem that make us angry about the way that the system is operating,” he said. Brown told British banks they must own up to the extent of their bad assets amid more reports his government could launch a fresh bailout of the struggling sector. He did not rule out the possibility that banks could get a further injection of taxpayers’ money.¹⁹ (January 18, 2009, *Agence France Presse*)

The need for tighter regulatory structures is expected to feature high on the agenda when Britain hosts the G20 summit in April. Britain used to boast about its “light touch” approach to regulation but recently policymakers have taken a harder line. “As the international community moves from crisis management to longer-term reform, the International Centre for Financial Regulation will help governments, regulators and firms across the world to learn from recent experience and build a stronger regulatory framework,” said Prime Minister Gordon Brown. The centre’s aim is to promote international debate on regulatory matters. It will also offer training on topics such as risk management and compliance.²⁰ (January 13, 2009, *Reuters News*)

Regional Reserve Currencies

The consolidation of the world financial system stability through the creation of regional reserve currencies will be one of the problems to be discussed at G20 summit, Russian foreign minister Sergei Lavrov said. “Russian president Dmitry Medvedev and Venezuelan president Hugo Chavez discussed at their meeting the measures, developing the G20 principles approved in Washington, which are to be discussed at the next G20

¹⁸ *Financial Times London* (January 19, 2009), “Hedge funds move to limit rules burden.”

¹⁹ *Agence France Presse* (January 18, 2009), “Britain planning new bid to shore up banking system.”

²⁰ *Reuters News* (January 13, 2009), “UK launches body to boost financial regulation.”

summit. One of the problems to be discussed is the consolidation of the stability of the international financial system by creating regional reserve currencies,” he said. “This measure is a necessity, not an invention. The rouble and the yuan are objectively becoming centres of such regional currency support structures. The euro is already in existence. The dollar will not cease to exist in the foreseeable future. A possibility of creating special currency in the Arab world is being discussed,” Lavrov continued. He noted that at an extraordinary summit of the Bolivarian Alternative for Latin America (ALBA) held on November 26 it had been agreed that a regional accounting unit, initially called a “sukre,” could be created. “They agreed to assign the experts to analyse ways of using it not as real currency so far, but as accounting unit in trade and financial operations in general,” Lavrov said.²¹ (November 28, 2008, *ITAR-TASS World Service*)

Credit Markets

To prevent a potentially devastating credit crunch in the developing world, the G20 should consider establishing a temporary Global Expenditure Support Fund, first proposed by Indonesian president Susilo Bambang Yudhoyono at the G20 summit in Washington last November. This fund would support budget and project financing in countries that traditionally rely on market sources for their financing requirements but are facing harsh difficulties due to the breakdown and disruption of financial markets. G20 members would contribute to the fund, and countries with a good track record on fiscal sustainability and a demonstrated commitment to economic development and poverty reduction would be eligible to access the funds over the next two to three years. The funds could be disbursed by the World Bank and the regional development banks.²² (February 2, 2009, *The Wall Street Journal Asia*)

Credit Cards

British prime minister Gordon Brown said there needed to be “proper measures to regulate the” credit card industry. He said that one of the issues on the agenda for a meeting between UK business secretary Peter Mandelson and credit card firms was to look at “excessive interest rates that are being charged.” The meeting is being attended by representatives from the Association for Payment Clearing Services (APACS) (the United Kingdom payments association) and about a dozen credit card companies.²³ (November 26, 2008, *Dow Jones News Service*)

Oil Prices and Energy

Russian president Dmitry Medvedev has called for forging new international documents to regulate ways to ensure energy security. Medvedev said after an international conference on ways to ensure gas transit in Moscow that he would raise this issue at a

²¹ *ITAR-TASS World Service* (November 28, 2008), “G20 to discuss creation of regional reserve currencies.”

²² *The Wall Street Journal Asia* (February 2, 2009), “Sovereign Debt Safety Net.”

²³ *Dow Jones News Service* (November 26, 2008), UK Brown: Obama To Attend G20 London Meeting.”

G20 summit in London in April and at the next G8 summit.²⁴ (January 17, 2009, *Interfax: Russia & CIS Business and Financial Newswire*)

British prime minister Gordon Brown said it is “imperative that when the oil prices come down, that companies are as quick to put prices down as they were” to lift prices as the price of oil climbed.²⁵ (November 26, 2008, *Dow Jones News Service*)

Unemployment

The financial crisis will turn into a social time-bomb unless the G20 takes immediate and radical action to save and create jobs, trade union leaders said at the World Economic Forum in Davos. Representatives of organized labour said there was a growing risk of a return to the deflationary environment of the 1930s as businesses sought to cut costs, and urged governments to act together to produce a reflationary package. In an 11-point recovery plan, unions said there was a need for a “Green new deal” that would channel higher state spending into climate-friendly investment and jobs. They also urged more generous unemployment benefits, spending on schools and hospitals, and an increase in foreign aid. “We warned business and politicians at Davos last year of dangerous instability in the global economy, but most were more than happy to continue to reap the short-term benefits of the failing model of deregulation and speculation,” said Guy Ryder of the International Trade Union Confederation. “Businesses and governments created this crisis on their own, but they won’t be able to solve it unless they work with unions to stop the global jobs hemorrhage, kick-start the world economy and put a proper regulatory framework in place.” Unions called for further cuts in interest rates, particularly in Europe, together with higher borrowing to allow governments to boost spending. Any tax cuts should be concentrated on those with the lowest incomes. John Evans, the general secretary of the Trade Union Advisory Committee to the Organisation for Economic Co-operation and Development, said there were now three crises feeding off each other: a housing crisis marked by falling prices, a financial crisis in which banks were seeing huge capital losses and an unemployment crisis. “The unemployment crisis,” said Evans, “is feeding back into asset prices and a continuing financial crisis.”²⁶ (January 29, 2009, *Guardian Unlimited*)

During his address to the summit in November, Australian prime minister Kevin Rudd predicted unemployment would be the biggest problem facing leaders when they next met. “When unemployment hits, it goes up like an elevator — very sharply — and it comes down like an escalator — very slow,” he said. “It is essential to grasp that this crisis is continuing and there is no alternative but to stimulate our economies now and at a scale to prevent a large rise in global unemployment.” Failure to act could condemn the globe to the next Great Depression that many fear. “If the world fails on this challenge of

²⁴ *Interfax: Russia & CIS Business and Financial Newswire* (January 17, 2009), “Medvedev to call for forging new energy security mechanism at G20, G8 Summits.”

²⁵ *Dow Jones News Service* (November 26, 2008), UK Brown: Obama To Attend G20 London Meeting.”

²⁶ *Guardian Unlimited* (January 29, 2009), “Global labour leaders demand action from G20 to save jobs.”

large scale stimulus we will turn a significant global recession into something worse,” Rudd said.²⁷ (November 16, 2008, *Australian Associated Press General News*)

Reform of the International Financial Institutions

At the coming G20 summit in London, India and the UK will press for reforms in the World Bank and International Monetary Fund to strengthen the new global financial systems. At the CII Partnership Summit, Indian external affairs minister Pranab Mukherjee and UK secretary of state for business, enterprise and regulatory reform Peter Mandelson underscored the need for proactive and ambitious agenda for the G20 Summit in April. “India must be a part of the solution and need to have a greater role in the global financial architecture,” Mukherjee said, adding the “archaic” institutions created to rebuild economies after World War II need reform. He said emerging economies such as India should have a greater role and say in the global financial matters to “reflect contemporary realities.” Mandelson said the highlight of November G20 Summit in Washington was the participation by India and China, which the U.S. and Europe thought may change global “political subtext.” “At the London summit in April, we want to win agreement on the principles, priorities and process for an ambitious agenda to strengthen the global financial system, reform the World Bank and the IMF, and ensure that the global trading system remains open.”²⁸ (January 19, 2009, *The Press Trust of India Limited*)

Russian president Dmitry Medvedev hopes that the G20 will make concrete proposals on a reform of financial institutions by the next G20 summit in April 2009. “The plan, which we adopted, envisages the reconfiguration of the leading financial institutions,” he said. “I hope that these proposals will be made by our next meeting.” The current system of financial institutions “is not ideal,” Medvedev believes. “Some of them should certainly remain, it is certainly the International Monetary Fund,” he acknowledged. “However, almost all countries proceed from the fact that the IMF does not play that role, which it should have played in averting the crisis.”²⁹ (November 24, 2008, *ITAR-TASS World Service*)

Trade

Trade ministers meeting at the World Economic Forum will target the April G20 summit to advance their plans to liberalize world trade through the Doha round of talks, according to Australian trade minister Simon Crean. “What has emerged from today is a new resolve to find a mechanism, before the G20, to have input to the G20 meeting,” he said. Against a deteriorating global economic outlook, there was a sense of urgency at the trade ministers’ meeting to move forward the Doha agenda that aims to increase access to

²⁷ *Australian Associated Press General News* (November 16, 2008), “US: Rudd puts world leaders on notice to act on jobs crisis.”

²⁸ *The Press Trust of India Limited* (January 19, 2009), “UK supports India’s demand for reforms in WB, IMF.”

²⁹ *ITAR-TASS World Service* (November 24, 2008), “Medvedev hopes for G-20 concrete offers on financial institutions reform.”

global markets, said Crean. The G20 meeting in London will be significant in shaping the future of the trade agenda, he added. Trade ministers should be included. “It can’t just be just Finance Ministers injecting into that equation,” said Crean, adding that he is hopeful the Doha Round can be concluded.³⁰ (February 1, 2009, *Dow Jones International News*)

Energy

The G20 leaders are expected to ensure that their fiscal stimulus measures to address the global financial crisis will also lead to the creation of a low-carbon world economy, according to a senior British official. The G20 leaders are also expected to reaffirm their commitment to advance trade liberalization to ward off protectionism, said Simon Fraser, director general for Europe and Globalization at Britain’s Foreign and Commonwealth Office. “We must make sure that the actions that we take in dealing with this crisis help to equip us in the long-term for a low-carbon, more effective, cleaner global economy going to the future,” Fraser said. He was referring to a “Green new deal” to address the financial crisis and climate change simultaneously, a plan to spur green technology investment and generate jobs advocated by U.S. president Barack Obama, United Nations secretary general Ban Ki Moon and other world leaders. “If we are pumping money out now as governments, then let’s make sure that that money is going to be used in ways that promote long-term sustainable growth,” Fraser said, urging the G20 to boost spending on environmentally friendly initiatives such as energy efficiency and clean technologies. Fraser suggested such policy coordination among the group will spark UN negotiations for a new carbon-capping pact to be adopted at key UN climate talks in Copenhagen in December. At the London Summit, the G20 economies are expected to review their fiscal and monetary policy actions since the first summit last November in Washington and to study whether they are adequate and effective in bolstering the financial system and global growth. “We need to ... make sure that we are coordinating [measures] most effectively to deal with the consequences of the crisis and make sure that the measures taken in one country do not damage the interests of another country, for example,” he said. Fraser said the leaders are also likely to discuss measures to strengthen the international financial system, such as an improved early warning system and macro-financial surveillance by the International Monetary Fund to identify risks in the global economy and enable governments to respond with better coordinated action.³¹ (January 25, 2009, *Kyodo News*)

Working Groups

After the November G20 meeting in Washington, four working groups were established. **Working Group 1, Enhancing Sound Regulation and Strengthening Transparency**, co-chaired by Rakesh Mohan, deputy governor of the Reserve Bank of India, and Tiff Macklem, associate deputy minister, Canada’s Ministry of Finance, monitors the implementation of actions already identified and makes recommendations to strengthen

³⁰ *Dow Jones International News* (February 1, 2009), “Australian Min: Trade Ministers Target G20 April Meet on Doha.”

³¹ *Kyodo News* (January 25, 2009), G-20 to eye creation of low-carbon economy at April summit.”

international standards in accounting and disclosure, prudential oversight and risk management. It will also develop policy recommendations to dampen cyclical forces in the financial system and to address issues relating to the scope and consistency of regulatory regimes. **Working Group 2, Reinforcing International Cooperation and Promoting Integrity in Financial Markets**, co-chaired by Alejandro Werner, Mexico's deputy minister of finance, and Jorg Asmussen, state secretary in the German Federal Ministry of Finance, monitors actions and develops proposals to enhance international cooperation in the regulation and oversight of international institutions and financial markets, strengthens the management and resolution of cross-border financial crises, protects the global financial system from illicit activities and non-cooperative jurisdictions, strengthens collaboration between international bodies and monitors expansion of their membership. **Working Group 3, Reforming the International Monetary Fund**, co-chaired by Lesetja Kganyago, director general of the South African National Treasury, and Mike Callaghan, Australia's special envoy on the international economy, looks at the institution's role, governance and resource requirements, will review the appropriateness of its lending instruments and the effectiveness of its surveillance function, and will consider the sufficiency of its resources and its general arrangements and accountability; it will also look at the issue of reform of the governance structure in order to reflect changing economic weights in the world economy. **Working Group 4, The World Bank and Other Multilateral Development Banks**, co-chaired by Anggito Abimanyu, head of fiscal policy at the Indonesian Ministry of Finance, and Benoit Coeure, head of multilateral affairs and development policy at the France's Ministry of Finance, considers the mandates, governance, resourcing and policy instruments of the MDBs in light of the needs of their members and the pressures resulting from the impact of the downturn on developing countries. It will also look at the issue of reform of the governance structures so that they more adequately reflect changing economic weights in the world economy. The working groups will report to finance ministers and central bank governors when they meet on March 14 in the UK. In addition, G20 finance ministry and central bank deputies have agreed to take forward the work of establishing closer macroeconomic cooperation to restore growth in a broad range of countries, while avoiding negative spillovers.³² (February 9, 2009, *G20 Official Website*)

The International Monetary Fund will contribute to working groups set up by the G20 for developing proposals on a range of issues, including how to enhance sound regulation and strengthening transparency, reinforce international cooperation and promote the integrity of financial markets, and reform international financial institutions.³³ (December 20, 2008, *Economic Times*)

To further develop and review the ideas put forth at the G20 summit in November, a working group was established under the G20 umbrella. The leaders will discuss its

³² *G20 Website* (Accessed February 9, 2009), "G20 Working Groups," Available from: <www.g20.org/about_working_groups.aspx>

³³ *The Economic Times* (December 20, 2008), "Financial crisis shapes IMF work priorities."

recommendations on various issues at their next meeting.³⁴ (November 16, 2008, *Yonhap English News*)

3. Participants

Chinese premier Wen Jiabao told the meeting of business and political leaders at the World Economic Forum in Switzerland that China was ready to cooperate with other countries on finding ways to tackle the financial crisis ahead of the G20 summit of nations in London on April 2. China will look to represent the interests of developing countries at the G20, said several Chinese analysts who attended the World Economic Forum.³⁵ (February 1, 2009, *Reuters News*)

Spanish diplomats are attempting to ensure prime minister José Luis Rodríguez Zapatero has a seat at the G20 meeting in London in April after winning a hard-fought place at the gathering in Washington in November to discuss the international financial crisis. Sources say they are focusing on British prime minister Gordon Brown, who will host the April 2 summit, and German chancellor Angela Merkel, who will organize a preparatory meeting of European Union states in March. Having struggled to obtain a seat for the Washington meeting, diplomats say things should be easier this time around. “It was hard to get in but now we’re in it will be hard to get thrown out,” one source says. Spain is not a member of the G20 group of major developed and developing countries, but claims it should be in attendance because it has the eighth largest economy in the world and a famously solid financial sector. At Washington, Zapatero was “lent” a seat by French president Nicolas Sarkozy, who was representing both his country and the European Union. If Zapatero will also be present in London, other G20 countries will have to create a new place for him, given that the EU’s seat will be taken by the bloc’s current term spresident, the Czech Republic.³⁶ (January 30, 2009, *El Paris-English Edition*)

Switzerland wants to take part in the next G20 summit in April on the global economic crisis, economy minister Doris Leuthard said. “I hope we can be present” at the April 2, 2009, meeting in London, Leuthard said, adding “we would not just be extras.” While Switzerland does not figure among the world’s top 20 economic powers, it makes the rankings as a financial centre, Leuthard said. She predicted that the country would not escape a recession in technical terms — two consecutive quarters of negative gross domestic product — and forecast growth of well below 1 percent in 2009 with deep cuts in exports. However Switzerland should not experience a major recession accompanied by soaring unemployment and a collapse in demand, Leuthard said.³⁷ (December 6, 2008, *Agence France Presse*)

The British prime minister’s office said that the meeting on April 2 would likely include just members of the G20, unlike the Washington talks, which offered seats to Spain and four international organizations. “I have spoken to the incoming U.S. administration and

³⁴ *Yonhap English News* (November 16, 2008), “Full text of Lee’s keynote speech at G-20 summit.”

³⁵ *Reuters News* (February 1, 2009), “DAVOS-ANALYSIS-China looks to broker gradual finance reform.”

³⁶ *El Paris-English Edition* (January 30, 2009), “Spain seeks G20 seat at London financial summit.”

³⁷ *Agence France Presse* (December 6, 2008), “Switzerland wants seat at next G20 summit: minister.”

President-Elect Obama expects to come to Britain at that time.”³⁸ (November 26, 2008, *Associated Press Newswires*)

Russian president Dmitry Medvedev will take part in a G20 summit in London on April 2. “We welcome the decision to hold the summit not later than April 2009, as the leaders agreed at the first G20 summit, and in London, which was discussed at a meeting between Dmitry Medvedev and Gordon Brown in Washington,” Russian sherpa Arkady Dvorkovich said. “The Russian president plans to take part in the summit.”³⁹ (November 26, 2008, *RIA Novosti*)

Egyptian finance minister Youssef Boutros-Ghali sought to quell a spat with Saudi Arabia, saying that the kingdom was a voice for the region in meetings of the G20. Last week Boutros-Ghali, asked whether he was satisfied with Saudi Arabia’s presence at the G20 meetings, said: “I think representation should be through a country that understands the various issues being faced by a specific group of nations.” He went on to say it would be preferable to be represented by “a state that shares the same issues as yours and that shares the ... challenges you are faced with.” Boutros-Ghali’s comments prompted a Saudi rebuke, with Saudi finance minister Ibrahim al-Assaf saying: “If there’s a country that understands better than anyone the issue of developing nations, it’s Saudi Arabia.” “Traditionally we have always reflected the interest and the concerns of developing nations in general and of Arab nations in particular.” But in a statement later on, Boutros-Ghali said his remarks had been misinterpreted and “affirmed that the presence of the Kingdom in the G20 guarantees that the voice of the Arab countries will be heard in this important international forum.” He said that Saudi Arabia “completely understood” the problems of the Arab countries, and had contributed repeatedly in solving many of those problems.⁴⁰ (November 26, 2008, *Reuters News*)

Prime minister Han Seung-soo says Korea should prepare itself to speak for emerging economies in the next G20 summit slated for April. He made the comment in an economic policy meeting, noting that President Lee Myung-bak received a positive response in the current G20 summit in Washington by urging emerging economies to help reform the world financial system.⁴¹ (November 16, 2008, *KBS World News*)

Sideline Meetings

Japan is planning a first summit with U.S. president Barack Obama before April to show the strength of the two countries’ alliance, the Japanese foreign ministry said. Prime Minister Taro Aso and Obama are expected to take part in the London G20 Summit on April 2. But Japan hopes to secure a meeting between the two leaders before that, foreign ministry press secretary Kazuo Kodama said, adding it would most likely take place in the United States. “Both Japan and the United States are coordinating to find a suitable

³⁸ *Associated Press Newswires* (November 26, 2008), “Britain to host G-20 meeting in April.”

³⁹ *RIA Novosti* (November 26, 2008), “Medvedev to take part in G20 summit in April.”

⁴⁰ *Reuters News* (November 26, 2008), “Egypt supports Saudi presence in G-20-minister.”

⁴¹ *KBS World News – English Edition* (November 16, 2008), “Korea to Represent Emerging Economies at G20.”

date before the April G20 meeting,” Kodama said. Obama spoke with Aso by telephone and said he “looked forward to an early meeting with the Japanese prime minister,” White House press secretary Robert Gibbs said.⁴² (January 30, 2009, *Agence France Presse*)

Russian and U.S. presidents Dmitry Medvedev and Barack Obama may hold a bilateral meeting on the sidelines of the G20 summit in London on 2 April, Russian foreign minister Sergey Lavrov has said. “They both will be in London. I am confident that they will find an opportunity to have direct contact,” he said. Lavrov added that his meeting with U.S. secretary of state Hillary Clinton should take place before then. “During our conversation with Hillary Clinton we agreed that we should meet before then,” he said. Lavrov said that Medvedev and Obama had a telephone conversation on 26 January. “The presidents confirmed the importance of overcoming differences which remain in some areas. The mood for constructive work was shown by both sides,” Lavrov said. He went on to add that both Moscow and Washington were interested in restoring full-fledged cooperation. “Both sides confirmed their interest in re-launching Russian-U.S. relations to focus efforts on the most topical problems,” Lavrov said. He went on to say that these problems included strategic stability, nonproliferation of weapons of mass destruction and international terrorism.⁴³ (January 27, 2009, *BBC Monitoring Newsfile*)

U.S. president Barack Obama could visit Moscow in April. A source said Obama could fly to Moscow after the G20 and NATO summits. The previous U.S. president George Bush flew to Russia’s Black Sea resort of Sochi after last year’s NATO summit in Bucharest. He added that U.S. secretary of state Hillary Clinton was likely to visit Russia in March before Obama’s trip to Moscow. The Russian foreign ministry said the date of Clinton’s visit had not yet been agreed on. President Dmitry Medvedev earlier said he hoped the United States would develop constructive relations with Moscow under Obama. “We want to cooperate with them where we can, and there are a whole host of areas particularly around nonproliferation of weapons and terrorism where we can cooperate, but we also have to send a clear message that they have to act in ways that are not bullying their neighbors,” Obama said in December. “They’re increasingly assertive. And when it comes to Georgia and their threats against their neighboring countries, I think they have been acting in a way that is contrary to international norms,” he added.⁴⁴ (January 22, 2009, *RIA Novosti*)

Moscow and Tokyo are considering the possibility of arranging a bilateral meeting of Russian president Dmitry Medvedev and Japanese prime minister Taro Aso on the sidelines of a G20 summit in London in April, minister of the Japanese embassy in Moscow Akira Imamura said. “The parties agreed to study the possibility of holding a summit on the sidelines of a G20 meeting in London in April,” he added.⁴⁵ (January 21, 2009, *Interfax: Russia & CIS General Newswire*)

⁴² *Agence France Presse* (January 30, 2009), “Japan planning Obama summit by April: spokesman.”

⁴³ *BBC Monitoring Newsfile* (January 27, 2009), “Russia, US foreign ministers to meet before leaders’ meeting in April.”

⁴⁴ *RIA Novosti* (January 22, 2009), “Barack Obama could visit Russia in April-paper.”

⁴⁵ *Interfax: Russia & CIS General Newswire* (January 21, 2009), “Russian, Japanese leaders could meet in April-Japanese diplomat.”

South Korea is seeking a summit meeting between President Lee Myung-bak and U.S. president Barack Obama at the G20 gathering in London, a senior official said. The official, who did not want to be identified, said that Seoul has directly and indirectly stated its desire for a summit on the sidelines of the gathering slated for early April. “The G20 summit meeting will be held on April 2, while a dinner for the leaders is planned for the day before,” he said, hinting that it would be desirable to hold a separate summit of the two leaders around that time. The policymaker, however, said that because the G20 meeting will only last two days and other leaders have all requested talks with Obama, a one-on-one summit may not take place at all. He said Washington has not revealed its position on individual summit meetings in London.⁴⁶ (January 21, 2009, *Yonhap English News*)

South Korean president Lee Myung-bak is expected to hold his first meeting with Barack Obama in London in early April on the sidelines of the G20 economic summit, the South Korean foreign minister said. “We need to consult with the U.S. on the issue, but President-Elect Obama will likely focus on domestic issues, including the economic crisis, rather than foreign affairs once he takes office,” Yu Myung-hwan said. The minister declined to predict when he would meet with Hillary Clinton, nominated to be Obama’s secretary of state, citing Washington’s schedule for confirmation hearings. Yu added that he would soon be heading to southeast Asia with a planned stop in Indonesia, saying it is time to pay more attention to the region as he spent much of last year travelling to the four major regional powers — the U.S., China, Russia, and Japan. He did not give a date. In his New Year’s message to ministry officials earlier in the day, Yu asked for stepped up efforts to help boost the slumping economy. “All advanced nations are projected to record minus growth amid the economic recession following the financial crisis,” he said. “Our ministry should make utmost efforts to support the pan-governmental campaign to revive the economy.”⁴⁷ (January 2, 2009, *Yonhap English News*)

4. Implementation and Preparations

Implementation

Leaders of the G20 are on track to complete an “ambitious and far-reaching” agreement on changes to the regulation of the global financial system, a senior UK treasury official said. Stephen Timms said that he believes agreement can be reached on reforms the UK has promoted. These include setting up global colleges of supervisors to monitor international banks, expanding the membership and mandate of the Financial Stability Forum and reforming the International Monetary Fund to increase developing countries’ representation on its executive board. Timms and other deputy finance ministers will

⁴⁶ *Yonhap English News* (January 21, 2009), “S. Korea seeks Lee-Obama summit at G20.”

⁴⁷ *Yonhap English News* (January 2, 2009), “Lee, Obama meeting likely at April G-20: minister.”

gather to discuss the plans. “We certainly don’t see any backing off from commitment to the process,” he said.⁴⁸ (January 29, 2009, *The Wall Street Journal*)

Some G20 countries are seeking a relaxation of commitments they made at a summit last November in response to the global financial crisis, Russia’s G8 deputy sherpa said. G20 leaders pledged at a crisis summit in November to do all they could to limit the broader economic damage from the worst financial crisis since the 1930s and to resist any temptation to resort to protectionism. The commitments, in a joint communiqué, included reform of financial regulation and supervision, pledges to keep the International Monetary Fund sufficiently funded to help troubled countries and a pledge to refrain from raising any new barriers to trade and investment for a year as a sign of determination to reject protectionism. Some of the issues are posing problems as the economic slowdown deepens and politicians focus on defending their own economies. Russia introduced levies on imports of used foreign cars this year, while the European Union has decided to offer subsidies to dairy products exported by its members. “There is discussion over how feasible it is for all the countries to fulfill the Washington obligations, and whether it makes sense to refer to the worsening of the situation and to say ‘sorry guys, in the near future we are simply not able to’,” said Andrei Bokarev, deputy head of the finance ministry’s debt and foreign relations department. “There are discussions but it is not possible to say as yet how they will finish,” he added. In a sign that the economic slowdown could also lead to countries tightening their purse strings, Bokarev said Russia would stick by current G8 commitments on issues such as health care and energy in developing countries, but any new schemes would now be decided on case by case. “The crisis will affect the ability and the willingness of our country and other countries to realise programmes and initiatives,” said Bokarev. He also said Russia wanted the G20 to discuss the need for world diversification from one reserve currency, and to propose that major economies adopt principles of best practice on issues such as maximum budget deficits and debt levels.⁴⁹ (January 28, 2009, *Reuters News*)

International Monetary Fund chief Dominique Strauss-Kahn said that G20 has made little progress in fighting the global financial crisis since the November meeting. “We gathered here in Washington and said we would recapitalize banks, disclose their losses, implement stimulus packages,” Strauss-Kahn said. “Very little has been done. I don’t say nothing has been done, but it’s moving very, very slowly,” he said. The G20 called for a range of new regulations of financial institutions. It also insisted that large developing economies such as Brazil and China be given more say in the operation of global finance institutions such as the IMF, which have been dominated by industrial countries. “We at the IMF have the experience of 22 banking crises in the world,” said Strauss-Kahn. Until the banks reveal all the losses and clean them up “you can’t find a way out.” Strauss-Kahn praised central banks’ handling of the financial crisis. “What has been well managed, I think, at the global level is the liquidity issue, with the global coordination between central banks,” he said. He cautioned against protectionism, citing Ireland’s decision in late September to grant unlimited guarantee of bank deposits, a move that angered European neighbours. “A country was acting to protect its own citizens, which is

⁴⁸ *The Wall Street Journal* (January 29, 2009), “G-20 On Track for Changes in Financial Regulation.”

⁴⁹ *Reuters News* (January 28, 2009), “Some in G20 urge relaxation of crisis pact-Russia.”

politically understandable, but obviously is not helping to solve the crisis — for instance by protecting deposits,” he said. “Remember what happened with the Irish a few months ago: this kind of policy is exactly the contrary of what we need. So, it’s not exact to say that cooperation and coordination are at their best.”⁵⁰ (January 26, 2009, *Agence France Presse*)

Japan believes Russia’s decision to raise the import duties on foreign cars “violates the agreements reached by the G20 leaders at the November summit. These agreements state that no new trade barriers can be created,” said Akira Imamura, minister of the Japanese embassy in Moscow. “It is our policy that it does not serve the interests of free open trade in the spirit of the WTO [World Trade Organization], which Russia plans to enter,” the diplomat said. Japan has more than once made diplomatic demarches when Russia first planned such a move, he said. Russian deputy foreign minister Alexei Borodavkin said the increase of the duties is not aimed against Japan. “The new customs duties are not targeted against Japanese producers, they are aimed at ensuring the development of the Russian car manufacturing industry and preserving jobs in this industry,” he said. In this connection, the production of foreign cars in Russia becomes especially important, said Borodavkin. “Japanese companies are doing the right thing when they try not only to expand export of products to Russia, but also launch production in Russia,” said the Russian diplomat.⁵¹ (January 21, 2009, *Interfax: Russia & CIS Business and Financial Newswire*)

The EU Commission is launching a wide-ranging consultation on hedge funds. It will focus on overcoming the current economic crisis and ensuring future financial stability. Key themes include role of regulators, transparency, short selling, capital requirements and risk management. The findings will be discussed in February 2009 before final proposals are decided. Speaking to the European Parliament’s Economic and Monetary Committee (ECON) earlier this month, Charlie McCreevy, EU commissioner for the Internal Market and Services, announced a wide-ranging consultation on hedge funds. The initiative follows an agreement of G20 leaders last month that all financial markets should be regulated “as appropriate to their circumstances,” and that all those developing best practices for hedge funds should bring forward proposals for a unified set of best practices by March 2009. McCreevy was also responding to a recent report by the ECON committee calling for a new regulatory framework for hedge funds and private equity, authored by MEP and former Danish prime minister Poul Nyrup Rasmussen. The report calls for measures to be taken in several areas including financial stability, transparency, excessive debt and conflicts of interest, although it watered down earlier proposals that would have required disclosure of remuneration of directors, corporate earnings and bonuses, and relationships with prime brokers. Announcing the consultation, which will run until February next year, McCreevy said the commission’s work would “inevitably lead to a new architecture for financial markets.” The consultation will focus on two core issues: how to overcome the current economic crisis and how to ensure the financial system is never threatened again to the extent, says McCreevy, “that it almost caused the

⁵⁰ *Agence France Presse* (January 26, 2009), “IMF chief deplores lack of G20 progress against financial crisis.”

⁵¹ *Interfax: Russia & CIS Business and Financial Newswire* (January 21, 2009), “Japanese diplomat accuses Russia of violating agreements reach by G20 leaders.”

meltdown of the world financial system.” It will consider who should regulate hedge funds and whether hedge funds should be regulated by financial regulators or central banks or both. It will also consider whether hedge funds be required to be more transparent to regulators, or to the market as well as whether short selling be banned. McCreevy says that his “instinct” is that short selling is a “positive element” as it “alerts” the market about companies making poor investment choices. With regard to capital requirements, the consultation will cover whether hedge funds or the banks that lend them should be subject to stricter capital requirements. On risk management the issue is whether regulatory intervention or “dissemination of sound principles” is the best approach. Following the consultation, a conference will take place in February to discuss the findings, after which the commission will decide on the measures to be taken.⁵² (January 18, 2009, *Mondaq Business Briefing*)

Four working groups will present interim reports on reform of the International Monetary Fund and the World Bank and financial regulation to the meeting of G20 deputies at the end of January, a G20 government source said. “The UK presidency of G20 established four working groups to take forward the work that Group of 20 Leaders mandated to Finance Ministers in Washington,” a source involved in one working group said. Each working group has two chairs, one from an emerging country and the other from an industrialized country, the source said. The working group on IMF reform is led by officials from South Africa and Australia, while Indonesia and France are chairing the one dealing with the reform of the World Bank and the multilateral development banks. India and Canada are leading the group on enhancing regulation and transparency, while Mexico and Germany are chairing the group on international cooperation in regulation and oversight of financial markets. Every G20 country can have only one representative in each group and IMF is also represented in the group dealing with its reform. “Every group will submit an interim report to G20 Finance Deputies at the next meeting at the end of January,” the source said. Final reports will be ready for ministers to discuss on March 14 and will form the basis of summit discussions on April 2. The UK host has underlined the need for tougher global financial regulation in a letter sent to G20 colleagues by finance minister Alistair Darling.⁵³ (January 9, 2009, *Reuters News*)

IMF head Dominique Strauss-Kahn warned that the measures by the G20 countries in November in Washington may not be enough to kick-start the global economy. Strauss-Kahn added that the IMF may revise its economic growth forecasts for 2009 down again next month.⁵⁴ (December 22, 2008, *Citywire*)

“The International Monetary and Financial Committee and the G20 leaders have emphasized the central role of the Fund as a crisis responder and a developer of ideas,” IMF managing director Dominique Strauss-Kahn said. “We will take this mandate

⁵² *Mondaq Business Briefing* (January 18, 2009), “EU Commissioner McCreevy Launches Consultation On Hedge Fund Regulation.”

⁵³ *Reuters News* (January 9, 2009), “G20 preparing reports on IMF, other reforms-source.”

⁵⁴ *Citywire* (December 22, 2008), “Bank of England needs new weapon to fight bad lending, says deputy.”

forward to help restore global financial stability and stimulate sustained economic growth.”⁵⁵ (December 18, 2008, *Dow Jones International News*)

“I am happy to report that the FSF is working at record speed on a proposal for expanded membership,” U.S. under secretary for international affairs David McCormick said.⁵⁶ (December 16, 2008, *Agence France Presse*)

The World Trade Organization dropped plans to seek a breakthrough for a new trade deal this year, risking an increase in protectionism as the world economy suffers. Key members voiced disappointment at the decision, but vowed to push on with the negotiations next year, when economic conditions will be harder and the new administration of Barack Obama will have taken office in the United States. WTO director-general Pascal Lamy told members he had decided against calling trade ministers to Geneva in December to push for a deal in the WTO’s seven-year-old Doha round, because they were not showing enough political will to narrow differences. A meeting of key ambassadors on December 16 and 17 is supposed to plot out the next steps for Doha, Lamy said.⁵⁷ (December 12, 2008, *Reuters News*)

The largest economies in the world will embark on a new attempt to rescue the Doha round of World Trade Organization talks, in mid December. According to sources in Geneva and Brussels, WTO director general Pascal Lamy will soon publicly convene trade ministers to an informal meeting starting on December 12, with the hope of achieving a breakthrough in the multilateral talks launched in 2001 in Qatar. Following the call made by G20 leaders during the Washington Summit, on 15 November, senior officials from the key players of the round have stepped up their efforts in view of resurrecting the negotiations that collapsed last July. Revised compromise texts, reflecting some progress achieved since July, will be presented by the chairs of the WTO negotiating groups by the weekend. Although several players have sent positive signals, no breakthrough has been achieved on the most contentious issues, such as agriculture or industrial products. While the most optimistic believe that the financial crisis offers an unprecedented opportunity to conclude the round, countries such as India and France are likely to strongly stick to their positions. “We should not fool ourselves, however great the political and economic momentum, this is no done deal,” warned European Union trade commissioner Catherine Ashton, on December 2.⁵⁸ (December 4, 2008, *Europolitics*)

Doha Development Round trade negotiators will step up work for a new global pact following a call from the G20 summit in November. World Trade Organization director-general Pascal Lamy set a December 10 date for a mini-ministerial meeting in Geneva to seek a breakthrough. Leaders of the G20 agreed to approve the outlines of a new accord in the Doha round by the end of the year as part of efforts to deal with the financial crisis.

⁵⁵ *Dow Jones International News* (December 18, 2008), “IMF To Continue Focus on Crisis Aid, Global Financial Reform.”

⁵⁶ *Agence France Presse* (December 16, 2008), “Global financial forum set to include emerging economies.”

⁵⁷ *Reuters News* (December 12, 2008), “WTO drops plans for year-end Doha meeting.”

⁵⁸ *Europolitics* (December 4, 2008), “Doha – Again.”

At stake is a deal that could send a signal of confidence to businesses battered by the global credit crunch, by improving market access on goods and in services. A recent study by the International Food Policy Research Institute said failure to complete the round could put more than \$1 trillion in world trade at risk. But significant challenges remain. Indian trade minister Kamal Nath said his country would not compromise on sensitive issues like farm safeguards. Faizel Ismail, who heads the South African WTO delegation, said developed countries would have to budge from what they were willing to offer and what they were demanding from emerging countries to secure a deal. “We are willing to work for it provided the developed countries translate the political signals in Washington into some concrete flexibilities,” Ismail said. But other developing countries were more confident that the outlines of a deal could be reached. Mexican WTO ambassador Fernando de Mateo y Venturini said there was an opportunity to clinch a deal and that he was optimistic that the modalities would be finalized by year end. The coming talks will focus on the core areas of farm and industrial goods. The outlines of a deal on services were completed in July although a deadline for final offers had not been agreed. Before the December 10 meeting, WTO mediators would need to update the negotiating texts they issued in July, as the basis for a deal.⁵⁹ (December 1, 2008, *Business Day*)

Preparatory Meetings

- Jan 30-Feb 1: G20 Deputies Meetings (London)
- March 14-15: G20 Deputies Meetings (London – to be confirmed)
- March: G20 Finance Ministers and Central Bank Governors Meeting (to be confirmed)
- April 2: G20 Leaders Meeting (somewhere in UK – to be confirmed)

Preparations

Germany’s chancellor Angela Merkel will meet fellow European leaders of the G20 in Berlin on February 22, government spokesperson Thomas Steg said. The countries are working on measures to help prevent any financial crisis similar to the current one.⁶⁰ (February 2, 2009, *Dow Jones News Service*)

U.S. treasury secretary Timothy Geithner called his European and Asian counterparts to discuss the deepening global economic crisis and need for reforms, his office said. With French economy minister Christine Lagarde, Geithner spoke about France’s plans to build a new financial architecture and the progress of working groups on financial sector reforms on the G20 emerging and rich nations. Geithner and German finance minister Peer Steinbrueck discussed fiscal stimulus efforts in both countries and stressed the importance of close cooperation leading up to the summit in April, the statement said. Geithner and his Russian counterpart, Alexey Kudrin, “discussed the state of the global economy and their desire to work together and cooperate to find solutions to the current crisis.” The importance of unlocking credit markets was a key topic between U.S.

⁵⁹ *Business Day* (December 1, 2008), “Trade Beat.”

⁶⁰ *Dow Jones News Service* (February 2, 2009), “Germany To Host Meeting Of European G20 Leaders on Feb 22.”

treasury chief and British chancellor of the exchequer Alistair Darling. They agreed that significant international action is necessary for global growth to regain its footing for the statement. Britain will host the next G20 summit in London in April aimed at building a new global financial architecture in the face of the economic crisis.⁶¹ (February 2, 2009, *Thai News Service*)

U.S. president Barack Obama wants all countries including India, to act in unison in dealing with the current global economic crisis, according to the White House. Obama is expected to come up with a more specific plan in this regard in the run up to the next G20 summit in London in April, White House spokesperson Robert Gibbs said. Responding to a comment that the G20 is not moving anywhere and that several countries are complaining that Brazil, Russia, India and China have not been included in the Financial Stability Forum, Gibbs said “India is a member of the G20.” He added, “The President talked about this when he was a mere senator and a candidate: if one entity takes steps and it’s not followed by other countries taking steps — be it regulation, stability or stimulus — you’re most likely to see capital flows, change all around the world ... The President talked about [these countries working together] back in September ... You’ll hear more about some of those specific plans as we get closer to April and going into the second round of this in Europe,” he said.⁶² (February 2, 2009, *Thai News Service*)

German chancellor Angela Merkel will call a meeting of the European members of the G20 in Berlin later in February to discuss a joint strategy before the April summit in London. Merkel is seeking to improve controls over global financial markets as part of efforts to prevent a future economic crisis. She has long championed measures to ensure increased transparency and more strict regulations for global finance. Merkel announced plans in her weekend video address to meet with international economic organizations and call a meeting of the European G20 members later in February. She did not announce the exact date.⁶³ (February 1, 2009, *Associated Press Newswires*)

French finance minister Christine Lagarde said the world was “working against the clock to get proposals ready for the G20 summit in London.”⁶⁴ (January 31, 2009, *Agence France Presse*)

Chinese premier Wen Jiabao is scheduled to visit London. British prime minister Brown said he would discuss the global financial crisis with Wen during his visit, noting that it would be “vital” for Britain and China, two of the world’s leading economies, to work together to tackle the issue. “Economic and financial ties between our countries have never been stronger,” said the British head of government, mentioning the fact that Britain is the European Union’s largest investor in China and more than 380 Chinese companies operate in Britain. Brown said that China and other major emerging

⁶¹ *Thai News Service* (February 2, 2009), “US Treasury Secretary calls on Asia and Europe to discuss global economic crisis.”

⁶² *Thai News Service* (February 2, 2009), “United States: Obama wants countries to act on economic crisis, says White House.”

⁶³ *Associated Press Newswires* (February 1, 2009), “Germany’s Merkel to call meeting of EU’s G20 members, pushes to up market controls.”

⁶⁴ *Agence France Presse* (January 31, 2009), “Crisis summit signals era of big government.”

economies would play an “integral role” at the April G20 summit in “identifying the actions that will resolve the global crisis and lay the foundations for stable growth for the 21st century.” He said, “We must work together to strengthen our financial sectors and international institutions to respond to this crisis and prevent future ones.” Brown also urged the world to support free trade, noting “maintaining support for open markets will be vital to restoring the health of the world economy.” He warned that protectionism is the “wrong response to the current crisis; turning inwards will harm our economies and delay the global return to higher growth.” He said, “Open markets are in all our interests, including the EU’s and China’s. We must stay dedicated to them.”⁶⁵ (January 31, 2009, *Xinhua’s China Economic Information Service*)

Chinese president Hu Jintao held a telephone conversation with his U.S. counterpart Barack Obama on bilateral ties, with both sides expressing the willingness to further the ties. Hu said China will join hands with the United States to work toward fruitful achievements in April’s G20 summit in London and promote healthy and stable development of the world economy and finance. Obama said it is crucial for the United States and China, the two most important economies, to enhance cooperation. Both sides exchanged visit invitations.⁶⁶ (January 30, 2009, *Xinhua News Agency*)

U.S. president Barack Obama spoke to South Africa’s president Kgalema Motlanthe and gave a clear indication he plans to attend the G20 summit in London in April. White House spokesman Robert Gibbs said the two leaders also talked about “shared concerns” over the political crisis in Zimbabwe. “The President also said that he is looking forward to working with President Motlanthe to address global financial issues at the upcoming G-20 summit in London in April.” Obama has been working through a list of calls to foreign leaders since his inauguration as president last week.⁶⁷ (January 28, 2009, *Agence France Presse*)

Japanese finance minister Shoichi Nakagawa and U.S. treasury secretary Timothy Geithner confirmed that the two countries will continue cooperating in dealing with the deepening global financial crisis. The ministers, holding the first telephone talks since Geithner took office, also agreed that the two countries will take stimulus measures actively to prevent a further economic downturn. Nakagawa said Japan will act quickly to stimulate its economy. Geithner said that he expects the U.S. Congress to pass an economic package totalling \$825 billion. The ministers also confirmed that they will hold talks on the sidelines of a meeting of the G7 finance ministers and central bank chiefs in Rome in February. The ministers did not discuss foreign exchange rates, Japanese officials said.⁶⁸ (January 28, 2009, *Jiji Press English News Service*)

French president Nicolas Sarkozy invited Indian prime minister Manmohan Singh to visit France before the next G20 Summit and the coming general elections in India. “I am

⁶⁵ *Xinhua’s China Economic Information Service* (January 31, 2009), “Interview: Britain-China ties never been better: British PM.”

⁶⁶ *Xinhua News Agency* (January 30, 2009), “China’s Hu holds phone talks with Obama over ties.”

⁶⁷ *Agence France Presse* (January 28, 2009), “Obama give G-20 hint to South African leader.”

⁶⁸ *Jiji Press English News Service* (January 28, 2009), “Japan, U.S. Confirm Cooperation to Deal with Financial Crisis.”

aware of your important commitments in the spring, with the Indian general elections, but if it seems possible to you, I would be very happy to welcome you to Paris before the London G20 summit,” Sarkozy said in a message to Singh. He said that such a meeting would allow them to strengthen the common approach of the two countries on subjects at the heart of the major multilateral events in 2009 including the G20, the G13/G14 at La Maddalena and the Copenhagen Conference of Parties to the United Nations Framework Convention on Climate Change. The French president wrote to the prime minister extending his greetings on India’s Republic Day.⁶⁹ (January 27, 2009, *United News of India*)

The Czech Republic, which holds the presidency of the European Union, is considering holding a joint meeting of EU finance and development ministers on the sidelines of an Ecofin Council meeting to prepare for the G20 in London on April 2, so that development concerns are at the heart of the overhaul of the world financial system. Jan Kohout, deputy prime minister and deputy foreign minister with responsibility for development, made the suggestion to the European Parliament development committee.⁷⁰ (January 27, 2009, *Agence Europe*)

U.S. president Barack Obama invited his Brazilian counterpart Luiz Inacio Lula da Silva to come to Washington in March on an official visit, government officials said. During the 25-minute telephone call between the presidents, Lula invited Obama to visit Brazil “whenever you want” and he reiterated Brazil’s main priorities in its relationship with the United States. Lula emphasized, among other things, the improvement of U.S. relations with Latin America, the emphasis on biofuels and the importance of concluding the World Trade Organization’s Doha Development Round of negotiations. According to Lula’s spokesperson, Obama expressed interest in “moving forward” with the Doha Round negotiations due to the “importance” of increasing the flow of world trade to get out of the current international economic crisis.⁷¹ (January 27, 2009, *EFE News Service*)

A Brazilian official says U.S. president Barack Obama wants to work together with Latin America’s largest country to combat the financial crisis. Marcelo Baumbach, spokesman for Brazilian president Lula, says Obama called the Brazilian leader to say he wants to create partnerships to “strengthen economic relations between the countries.” Baumbach says Obama has asked his economic team to coordinate joint measures with Brazil before the countries meet at the G20 summit in April in London. The spokesman says they talked for 25 minutes.⁷² (January 26, 2009, *Associated Press Newswires*)

UK prime minister Gordon Brown will meet leaders from China, South Korea and Japan and heads of global institutions such as the World Bank in February as he seeks to build a consensus for the G20 summit on how to tackle the financial crisis and to prevent a

⁶⁹ *United News of India* (January 27, 2009), “SARKOZY INVITES PM TO VISIT FRANCE BEFORE APRIL.”

⁷⁰ *Agence Europe* (January 27, 2009), “Jan Kohout suggests joint meeting of Finance and Development Ministers to prepare for G20.”

⁷¹ *EFE News Service* (January 27, 2009), “Obama invites Lula to meet in March in Washington.”

⁷² *Associated Press Newswires* (January 26, 2009), “Silva’s spokesman says Obama wants to strengthen economic relations with Brazil.”

recurrence. He has already spoken to U.S. president Barack Obama and the World Economic Forum in Davos presented another chance to get policymakers onto the same page. “We could allow this crisis to start a retreat from globalisation,” he said, “or we could view the threats and challenges we face today as the difficult birth pangs of a new global order.”⁷³ (January 26, 2009, *Reuters News*)

White House press secretary Robert Gibbs said U.S. president Barack Obama spoke with British prime minister Gordon Brown, Canadian prime minister Stephen Harper and Saudi Arabian king Abdullah, along with United Nations secretary general Ban Ki-moon. Obama and Brown discussed their countries’ relationship, the need to confront the global economic crisis and political and military situations in Gaza and Afghanistan. Obama also told Brown he hopes to attend April’s G20 Summit in London, the White House said. “The tone of the conversation was friendly and substantive,” Brown’s Downing Street office said. Obama and Harper also talked about their countries’ friendship and economies, Afghanistan and climate change, the White House said. “They had an initial discussion on the agenda which will include the economic situation globally, in our two countries and specifically in the auto sector. They also discussed the importance of the environment and energy as well as international issues including Afghanistan,” said Dimitri Soudas, a Harper spokesman. Another Harper spokesman, Kory Teneycke, said the call lasted 15 minutes. Obama plans to make his first international trip as president to Canada, keeping the tradition of U.S. presidents making Canada their first stop. The White House also said Obama spoke about the U.S.-Saudi relationship during their call. Obama also asked the Saudis to support an effort to stop weapons from being smuggled into Gaza, weeks after Israel curtailed its military offensive against the Palestinian territory. Earlier, Obama talked with Israeli, Palestinian, Egyptian and Jordanian leaders about the cease-fire between Israel and Hamas in Gaza.⁷⁴ (January 23, 2009, *Associated Press Newswires*)

World leaders and policymakers will gather in record numbers at the annual World Economic Forum at Davos to discuss how to overcome the worst global economic crisis in 80 years, organizers said. More than 40 heads of state and government will be accompanied by 36 finance ministers and central bankers, including all the central bank chiefs of the G8 countries except the U.S. federal reserve chair. Davos will allow world leaders to confer on neutral ground as they struggle to craft their response to the crisis ahead of a G20 summit in April and a G8 summit in July. Russian prime minister Vladimir Putin will open the Davos meeting on January 28. Also present will be Chinese premier Wen Jiabao, German chancellor Angela Merkel, Japanese prime minister Taro Aso and British prime minister Gordon Brown, who chairs the G20. U.S. president Barack Obama is sending his national economic council director Larry Summers and national security adviser General James Jones. It is still unclear whether Obama’s nominee for Treasury Secretary, Timothy Geithner, facing a Senate confirmation hearing, will attend. The 2009 meeting, dubbed “Shaping the Post-Crisis World,” aims to understand how to get out of the most severe economic crisis since the 1930s. “This crisis has shown that the world is not capable any more to cope with the complexity of today,”

⁷³ *Reuters News* (January 26, 2009), “Brown urges against financial protectionism.”

⁷⁴ *Associated Press Newswires* (January 23, 2009), “Obama phone British, Canadian and Saudi leaders.”

said the forum's founder and chair, Klaus Schwab. One aim of this year's meeting is to allow business leaders and stakeholders such as trade unionists and non-governmental organizations to contribute to the G20's goals of reforming the world's financial architecture and relaunching the global economy before its April summit, Schwab said. Around 20 trade ministers will meet on the sidelines of the forum to discuss the prospects for a deal in the long-running Doha round talks to open up commerce, and other measures to ward off protectionism and bolster cooperation.⁷⁵ (January 22, 2009, *Latvian News Agency*)

Russian president Dmitry Medvedev and British prime minister Gordon Brown discussed the G20 in London to consider ways of managing the global financial crisis.⁷⁶ (January 16, 2009, *Interfax: Russia & CIS Energy Newswire*)

Donald Kaberuka, president of the African Development Bank (AfDB), is participating in a meeting of the Committee of Ten African finance ministers and central bank governors, in Cape Town, South Africa. The committee meets to discuss the current global financial crisis and its impact on Africa. It will address priority issues for the continent and develop a forward work program, which will be presented to Heads of State at the African Heads of State Summit in Addis Ababa in early February 2009. The Committee of Ten was convened by the heads of the AfDB, African Union Commission and United Nations Economic Commission for Africa, following a meeting of African finance ministers and central bank governors in November 2008 in Tunis. The meeting agreed upon the establishment of a committee to develop an African response to the global financial crisis and issues on the G20 agenda. Serving on the committee are finance ministers from South Africa, Nigeria, Egypt, Cameroon and Tanzania, as well as central bank governors representing Botswana, Kenya, Algeria, West African states and Central African states. South Africa serves as chair of the first meeting of the committee this year.⁷⁷ (January 16, 2009, *All Africa*)

South Korea will set up a new government committee to help arrange upcoming G20 financial summit meetings, a presidential official said. South Korea co-chairs the international forum this year along with Britain and Brazil under a troika system that includes the past and future chairs of the 20-member body. "Our country is set to take on a significant role within the G20 forum, along with the other nations of the troika," an official at the presidential office Cheong Wa Dae said. The new panel, dubbed the G20 Coordination Committee, will be tasked with working with the two other chairs of the forum to set agendas for future meetings, the official noted. The South Korean committee is expected to be headed by Sakong Il, the special economic advisor to President Lee Myung-bak.⁷⁸ (January 16, 2009, *Yonhap English News*)

British prime minister Gordon Brown is preparing to host the second crisis summit of the G20 nations in London in April which he hopes will agree a fresh series of coordinated

⁷⁵ *Latvian News Agency* (January 22, 2009), "World leaders ready for crisis forum in Davos."

⁷⁶ *Interfax: Russia & CIS Energy Newswire* (January 16, 2009), "Medvedev, Brown discuss gas issue, planned G20 forum."

⁷⁷ *All Africa* (January 16, 2009), "AfDB: African Response to the Global Financial Crisis."

⁷⁸ *Yonhap English News* (January 16, 2009), "Seoul to set up committee for G-20 summit."

measures. He discussed the situation with the head of the U.S. Federal Reserve chair Ben Bernanke, a week ahead of Barack Obama's inauguration as president. Asked recently whether he believed experts were right to predict the downturn could last two years, Brown said: "I think that does depend on the level of international cooperation. You see, if we did something in Britain its effect could be magnified twice over if other countries did it alongside us."⁷⁹ (January 13, 2009, *Press Association National Newswire*)

Finance ministers and central bankers from the G7 will meet in Rome for their regular meeting on February 13 and 14 as the world suffers its worst financial crisis in living memory. Their discussions are likely to reflect on the upcoming G20 meeting in London.⁸⁰ (January 13, 2009, *Reuters News*)

British prime minister Gordon Brown is to visit Berlin for talks on the world economic crisis with German chancellor Angela Merkel, her office said. Merkel's office said the talks were a part of consultations in advance of the next meeting of the G20 nations on April 2 in London. A preparatory meeting for that top-level conference on ways to prevent a repeat of the world financial crisis is expected in March.⁸¹ (January 12, 2009, *Trend News Agency*)

British prime minister Gordon Brown and French president Nicolas Sarkozy will hold talks in Paris on the global economic crisis and the forthcoming G20 meeting, Brown's spokesman said. Brown will then travel on to Berlin for similar talks with German chancellor Angela Merkel, the spokesman added. "Part of the purpose of the meetings with Chancellor Merkel and President Sarkozy will be not only to discuss the European response (to the financial crisis) but also to discuss preparations for the G20 meeting in April." Brown also has talks with U.S. Federal Reserve chief Ben Bernanke. With Britain chairing the G20 group of big industrialized and emerging economies this year, Brown and finance minister Alistair Darling will step up discussions with other countries in the coming weeks "on the next steps forward" in tackling the financial crisis, Brown's office said. Brown will host a G20 summit in April to assess pledges to assist the world economy made at a Washington summit last November. "We are seeing a more coordinated response across Europe to the economic crisis. There is debate taking place in Germany at the moment on a second fiscal stimulus package, but it's clearly for them to make any announcements on that," Brown's spokesman said.⁸² (January 12, 2009, *Reuters News*)

UK prime minister Gordon Brown will travel to Berlin on January 14 to meet with German chancellor Angela Merkel, his office said. The meeting is the first bilateral between the ministers since last month's spat over UK fiscal policy. German finance minister Peer Steinbrück accused the UK government of pursuing "crass Keynesianism" in efforts to stymie the economic downturn. The UK responded by saying the comments were driven by domestic German coalition politics rather than economic analysis.

⁷⁹ *Press Association National Newswire* (January 13, 2009), "Brown to Hold Talks on Economy with Sarkozy."

⁸⁰ *Reuters News* (January 13, 2009), "G7 finance ministers to meet in Rome Feb13-14."

⁸¹ *Trend News Agency* (January 12, 2009), "Britain's Prime Minister to meet German Chancellor."

⁸² *Reuters News* (January 12, 2009), "UK's Brown to Meet Sarkozy in Paris on Wednesday."

Steinbrück is a Social Democrat whereas Merkel is a member of the centre-right Christian Democrat party. The prime minister's office said Brown will also meet with Federal Reserve chair Ben Bernanke during his UK visit.⁸³ (January 8, 2009, *Dow Jones International News*)

European leaders from G20 will meet in Berlin in the coming weeks to draw up a joint approach ahead of a full G20 summit on the financial crisis in April, French president Nicolas Sarkozy said. The G20 summit he will be held in London in April and will assess pledges to assist the world economy made at a summit in Washington last year. Sarkozy, speaking following talks with German chancellor Angela Merkel, said France and Germany had also agreed to work together to see how they could help their struggling car sectors.⁸⁴ (January 8, 2009, *Reuters News*)

French president Nicolas Sarkozy said that rebuilding the global financial system must be a joint effort by all countries and not dictated by the U.S. alone. "In the 21st century, one nation alone can't say what has to be done," he said at the start of a global conference on new capitalism in Paris. The next G20 meeting will be crucial for speeding up the reform of international capitalism, Sarkozy said, adding that Brazil and China must have their say, as well as African countries. He also said the UK plays a major role in European efforts to change the international financial system, adding that without Europe's insistence November's G20 financial crisis meeting wouldn't be taking place. Sarkozy said the financial crisis has put governments back in the driver's seat of the economy and a new balance needs to be struck between public powers and market participants. The current crisis applies to financial capitalism not capitalism as a whole, and the solution is not to reject capitalism but to inject moral values into it. Sarkozy said the current international financial system thrives on imbalances, adding that from now on, it must serve the real economy. He also said bankers must face their responsibilities, hinting that banks should focus on increasing credit to support economic activity rather than pay dividends. "Now is not the time to thank shareholders," Sarkozy said.⁸⁵ (January 8, 2009, *Dow Jones International News*)

U.S. president-elect Barack Obama said that the new administration will have presented an approach on financial regulation by the time the G20 meets in April. He also said that there is "going to be a substantial overhaul" in U.S. financial market regulation and that Wall Street and the current regulatory system has not worked as it is supposed to.⁸⁶ (January 7, 2009, *Reuters News*)

The European Union will push for new financial market rules in April at the G20 meeting, European Commission president Jose Manuel Barroso said. EU governments say weak rules and lax oversight, particularly in the U.S., are the cause of the current financial crisis. French president Nicolas Sarkozy has called for "re-founding capitalism," but so far, the EU hasn't pushed this agenda at international meetings. Barroso said EU

⁸³ *Dow Jones International News* (January 8, 2009), "UK PM Brown To Meet Germany's Merkel Jan 14."

⁸⁴ *Reuters News* (January 8, 2009), "European G20 leaders to meet ahead of London summit."

⁸⁵ *Dow Jones International News* (January 8, 2009), "Sarkozy: Rebuilding Fincl System Must Be Intl Effort."

⁸⁶ *Reuters News* (January 7, 2009), "Obama sees financial regulation plan by April-CNBC."

leaders will use a summit in Brussels March 19 and 20 to forge a common stance ahead of the April G20 meeting. “It is important that the European Union is united,” Barroso said.⁸⁷ (January 7, 2009, *Dow Jones International News*)

Over and above a mere updating of a strategic partnership launched last year, the aim of the second EU-Brazil summit, held on December 22, 2008, in Rio de Janeiro was to confirm their “very large convergence of views” to add to their clout at the G20 summit on April 2 in London. “We decided, with President Lula, to use our influence to get things to change and to change deeply. We decided to bring our positions closer together and to go to London with a shared vision of the future role of the IMF, the system of financial institutions,” Sarkozy commented, adding that the EU and Brazil would “work relentlessly” from now to 2 April. “We cannot allow a single financial institution not to be supervised,” he said. “We decided to join our efforts to lay down the foundations of a more balanced monetary system structured on the world’s main currencies. We also want to discuss and set up the bases of economic coordination and to put in place a recovery scheme similar to what Europe has done,” he continued.⁸⁸ (January 7, 2009, *Europolitics*)

Russia expects the G20 summit in London to help build a new financial architecture, deputy foreign minister Andrei Denisov said. “Russia’s foreign ministry is acting by political means under the circumstances of the world financial crisis to create more favourable conditions for the activity of banking structures. “We hope the G20 summit in London to help take measures to build a new financial architecture,” the Russian diplomat said.⁸⁹ (December 29, 2008, *ITAR-TASS World Service*)

Speaking at a business summit on the sidelines of the EU-Brazil summit on 22 December, French president Sarkozy urged U.S. president-elect Barack Obama to take action when he takes office on 20 January to get the Doha trade round rolling again.⁹⁰ (December 24, 2008, *Agence Europe*)

Russian president Medvedev has invited the leaders of Tajikistan, Armenia, Kazakhstan and Kyrgyzstan to coordinate positions so that Russia could represent the collective interest of its partners at the G20 summit. “Certain results will be summed up in late March and early April, and a [G20] meeting in London will be held in early April. I would like us to compare notes so that Russia, which will take part in this G20 meeting, could in fact represent our collective interests, because only collective actions can be a response to the current crisis,” Medvedev said. “We should coordinate our actions in this situation. I will tell you about the events that have happened of late and in which I have taken part — I mean the meeting of the Group of 20 major economies in Washington,” he said.⁹¹ (December 22, 2008, *Interfax: Kazakhstan General Newswire*)

⁸⁷ *Dow Jones International News* (January 7, 2009), “EU Barroso: Bloc To Push For New Fincl Mkt Rules At April G20.”

⁸⁸ *Europolitics* (January 7, 2009), “EU/Brazil: Common Will to Reform Global Financial System.”

⁸⁹ *ITAR-TASS World Service* (December 29, 2008), “RF expects G-20 summit to help build new financial architecture-FM.”

⁹⁰ *Agence Europe* (December 24, 2008), “Nicolas Sarkozy urges Barack Obama to take action.”

⁹¹ *Interfax: Kazakhstan General Newswire* (December 22, 2008), “Russia may represent interests of CIS partners at G20 summit in London – Medvedev.”

French president Nicolas Sarkozy and Brazilian president Luis da Silva vowed to work together to counter the effects of the world crisis by promoting trade. The European Union and Brazil said the two sides “will work all out” to prepare their positions for an April 2 summit by the G20. “Europe and Brazil must speak with the same voice to obtain fundamental changes in the global financial system and in world governance,” Sarkozy said. “We have decided, with President Lula, to push for things to change, for them to change profoundly. We have decided to align our positions and to arrive in London with a joint vision on the future role of the IMF, the system of financial institution oversight,” he said.⁹² (December 22, 2008, *Agence France Presse*)

At an informal meeting of European Union economic and finance ministers in Paris on 19 December, French finance minister Christine Lagarde and her counterparts assessed the situation mid-way between the Washington G20 summit of 15 November and the G20 summit in London on 2 April 2009. Lagarde explained that the finance ministers of Germany, the United Kingdom, Luxembourg and the Czech Republic [which holds the EU presidency as of 1 January 2009) did not attend the meeting because they were otherwise engaged. The participants examined three specific issues, focusing on the fight against non-cooperative centres (tax havens). They also examined various ways of increasing the coffers of the International Monetary Fund. They had explored all options and mentioned the issuing of bonds. The ministers also worked on the setting up of an early warning system.⁹³ (December 20, 2008, *Agence Europe*)

Among the issues on the agenda of the European Union-Brazil summit on December 22 are discussions on the reform of international financial architecture ahead of the G20 summit in London. Both the Brazilians and Europeans will repeat the need for a global, coordinated approach. They will stress the need to reject protectionism and increased customs tariffs in this time of great economic uncertainty. They will also take stock of the World Trade Organization multilateral trade talks, after the recent failure to convene a ministerial meeting in Geneva before the end of the year.⁹⁴ (December 20, 2008, *Agence Europe*)

Ahead of the next G20 summit, French president Nicolas Sarkozy and European Union president José Manuel Barroso are trying to rally as much political support as possible in favour of an ambitious reform agenda. The engagement of emerging countries, such as Brazil, is seen as critical by the EU in order to achieve meaningful results. In order to convince Brazil to join in their efforts, Europe will support its demands for a radical shakeup of the global architecture that would lead to a greater say for emerging powers in international affairs. Brazil, like China, India and other large developing countries, wants more posts and influence within international organizations, such as the IMF. In return, Europe also hopes to see some positive Brazilian steps on climate change that could help

⁹² *Agence France Europe* (December 22, 2008), “EU, Brazil vow to press for IMF overhaul at London G20 meeting.”

⁹³ *Agence Europe* (December 20, 2008), “European economics and finance ministers take stock midway between Washington and London summits.”

⁹⁴ *Agence Europe* (December 20, 2008), “Financial crisis and climate change on agenda of second EU-Brazil Summit.”

to convince other emerging economies, such as India or China, to move in 2009.⁹⁵ (December 19, 2008, *Europolitics*)

European Union finance officials discussed ways of preventing financial crises of the kind that have tipped much of the world into recession. “We have decided to explore all options,” French economic minister Christine Lagarde said of the search for IMF funding. European Central Bank president Jean-Claude Trichet attended the talks, as did Dominique Strauss-Kahn, managing director of the IMF, which is busy bailing out economies such as Iceland, Hungary and Latvia. “We are in the last steps of negotiations but we are not yet there. I hope it will finish as soon as possible,” said European economic and monetary affairs commissioner Joaquin Almunia.⁹⁶ (December 18, 2008, *Reuters News*)

German finance minister Peer Steinbruek, Britain’s Alistair Darling, Jean-Claude Juncker of Luxembourg, who serves as chairman of the euro currency zone and the Czech finance minister were all absent from the European Union finance ministers meeting in Paris on December 18. Steinbruek and Darling were kept away by budget discussions back home, French economic minister Christine Lagarde said.⁹⁷ (December 18, 2008, *Reuters News*)

Mexican president Felipe Calderon said that Mexico would join with Brazil and Argentina to submit concrete proposals to tackle the current financial crisis, to the G20. Before submitting the proposals, there will be a meeting of the president, he confirmed.⁹⁸ (December 17, 2008, *Xinhua News Agency*)

Many invitees of the French-planned meeting of European finance ministers were planning to not show up to on December 18. “I don’t know why this meeting is taking place. No one really feels like going and talking about this at this stage. It is a completely redundant meeting,” one of those invited said. Among those not going is Luxembourg’s Jean-Claude Juncker, who chairs regular talks among euro zone finance ministers. Those who had not yet decided include European Central Bank president Jean-Claude Trichet and the finance ministers of Italy, Spain, the Netherlands, Poland, Romania and Latvia. Those who had already confirmed their attendance were ministers from Ireland, Sweden, Austria, Portugal, Estonia, Slovakia and Cyprus.⁹⁹ (December 16, 2008, *AFX Asia*)

France has invited finance ministers from the European Union to attend a meeting in Paris on December 18 to prepare for the next G20 summit, officials said. “Invitations have been sent and Paris is still waiting to receive confirmation that France’s partners will attend,” a French economy ministry official said. The meeting will take place at 5:30pm on the eighteenth with a dinner at 7:30pm. The discussions will focus on world financial issues and IMF managing director Dominique Strauss-Kahn was expected to attend.¹⁰⁰ (December 12, 2008, *AFX Asia*)

⁹⁵ *Europolitics* (December 19, 2008), “EU/Brazil: Rio Summit to focus on economic crisis and energy.”

⁹⁶ *Reuters News* (December 18, 2008), “EU ministers discuss financial crises prevention.”

⁹⁷ *Reuters News* (December 18, 2008), “EU ministers discuss financial crises prevention.”

⁹⁸ *Xinhua News Agency* (December 17, 2008), “Mexico, Brazil and Argentina to present proposals to G20.”

⁹⁹ *AFX Asia* (December 16, 2008), “Many EU finmins to shun extra talks on stimulus, G20.”

¹⁰⁰ *AFX Asia* (December 12, 2008), “France says EU finmin invited to meet Dec. 18.”

Russia and Brazil will coordinate their efforts to tackle the international financial crisis, Russian president Dmitry Medvedev said. “We have agreed to coordinate our efforts both in overcoming the effects of the international financial crisis and in creating a modern international financial system,” Medvedev said after Russian-Brazilian high-level talks. At the talks the parties agreed that their countries’ finance ministers will discuss these issues in the near future and that both countries will make sure they have coordinated their positions by the time the G20 meet in London in April 2009, he said.¹⁰¹ (November 26, 2008, *Russia & CIS General Newswire*)

French president Nicolas Sarkozy went home after the November 14-15 G20 summit and announced that he would hold his own summit meeting in Paris on January 8-9, 2009, on the same topic. That has raised hackles in diplomatic circles, not just because the meeting appears to compete with a planned gathering of 20 world leaders next April. Sarkozy’s aggressive statements have put American officials on edge, with some saying that he seems determined to turn the global crisis into a referendum on the ills of untrammelled capitalism. Simon Johnson, a former chief economist of the International Monetary Fund, said that Sarkozy “said the U.S. had agreed to a whole range of negotiations on regulations. But he didn’t actually come in and negotiate any of these things.” Sarkozy said nothing about his plans to convene a meeting to U.S. president George Bush or the other leaders while he was here. French officials said the gathering is to be co-hosted by former British Prime Minister Tony Blair and is merely a conference intended to bring together political leaders and prominent thinkers to discuss issues such as globalization and the values of capitalism. The timing has ruffled feathers, even more than its agenda has, because the G20 set out a detailed process to tackle regulatory reform. Sarkozy’s aides emphasized that the January “informal gathering” is not connected to the G20: “It’s a joint idea of Tony Blair and Nicolas Sarkozy; they have had it on their minds for a while,” said a French official, who spoke on condition of anonymity because he was not authorized to speak publicly. Sarkozy proposed the November 15 meeting, though Bush rejected his idea to hold the talks in New York. American officials said it was Bush’s idea to expand the guest list to 20 countries, rather than the usual gathering of 7 or 8.¹⁰² (November 20, 2008, *The New York Times*)

French president Nicolas Sarkozy and former British prime minister Tony Blair will host a meeting in Paris in January to look at concrete ways to respond to the economic crisis, the French presidency said. The meeting on January 8 and 9, 2009, will be held ahead of a second G20 meeting scheduled for early next year in London to agree on a response to the finance crisis that has since spilled over into the broader economy. “This is a crucial period for our economies and our social organisations,” Sarkozy said. “Now more than ever, we need to show that we can propose concrete solutions to the challenges that we are facing.” Blair said the conference, to be called “A New World: Values, Development and Regulation,” would make a vital contribution to efforts to come to grips with the economic downturn. The G20 leaders agreed at a summit in Washington in November to

¹⁰¹ *Russia & CIS General Newswire* (November 26, 2008), “Russia, Brazil will coordinate positions ahead of next G20 summit – Medvedev.”

¹⁰² *The New York Times* (November 20, 2008), “Sarkozy’s Fiscal Meeting Raises Diplomatic Hackles.”

join forces to galvanize growth and overhaul the world's financial architecture.¹⁰³ (November 20, 2008, *Agence France Presse*)

Site

British prime minister Gordon Brown confirmed on November 26, 2008, that the United Kingdom will chair the second G20 financial summit in 2009. "I can tell the House today that we've agreed with our international partners, and particularly with Japan, which is current president of the G8, and Premier Aso, that the next meeting of the G20 will be held in London. It will be held in London on 2 April. It will deal with the major questions of economic action that are necessary," Brown said to the British parliament. Brown also confirmed that president-elect of the United States, Barack Obama, is expected to attend the summit following his inauguration in January.¹⁰⁴ (November 26, 2008, *Number10*)

The next G20 financial summit will most likely take place in London, Russian presidential aide Arkady Dvorkovich said. A place for the summit and further anti-crisis policy steps must be determined before April 30 next year. Another contender to host the second anti-crisis summit is Japan, but London is the most probable, he said. When asked what steps Russia should take to implement the Washington summit decisions, Dvorkovich answered that no special decisions would be needed, but legislation correction would continue.¹⁰⁵ (November 16, 2008, *ITAR-TASS World Service*)

British prime minister Gordon Brown said that the location of the next G20 summit would be revealed at a later date, declining to confirm London as the host city. "An announcement about location will come within the next 10 days," he said. He said Britain as chair of the G20 would "lead the way with Brazil and South Korea to form the agenda" for the next gathering scheduled before April 30, 2009. French president Nicolas Sarkozy proposed earlier that the next G20 summit be held in London. A senior U.S. official, who asked not to be named, said a number of countries had expressed interest in hosting the gathering. "The leaders did not have a discussion about the location of the next summit," said the official. "They agreed on when it would be held, it was not really discussed where it would be held." The official added: "But a number of countries expressed interest in hosting and those countries who have expressed an interest in hosting were talking among themselves to try and work out where the next one will be."¹⁰⁶ (November 15, 2008, *Agence France Presse*)

¹⁰³ *Agence France Presse* (November 20, 2008), "Sarkozy, Blair to host Paris meeting on world economy."

¹⁰⁴ *Number10* (November 26, 2008), "UK to host G20 financial summit."

¹⁰⁵ *ITAR-TASS World Service* (November 16, 2008), "Next G20 summit most likely to take place in London."

¹⁰⁶ *Agence France Presse* (November 15, 2008), "Location for next summit to be announced shortly: Brown."

5. Future Meetings

G8 host Italy will consider expanding July's G8 leaders' meeting into a G20, if a follow-up is needed to an April G20 summit on the global financial crisis in London. "If after the G20 summit in London there is a need to talk about financial matters in the same format, we don't exclude making space for it at La Maddalena," said Italy's G8 sherpa Giampiero Massolo. "We are not asking for this but we are prepared to dedicate part of the summit to such a meeting," said Massolo. "It depends how London goes and how the crisis develops between April and July," he said earlier this week. "There is no competition between the formats ... The G8 has the advantage of being a like-minded group but it is today less representative. The G20 summit is a promising format for resolving the global financial crisis."¹⁰⁷ (January 28, 2009, *Reuters News*)

Speaking at a joint meeting of Italy's parliamentary foreign committees, Italian foreign minister Franco Frattini said the G8 model "should enlarge itself in a flexible manner, involving economic and political players and coordinating with the G20 on economic and financial themes in order to have a complete spectrum" of analysis on global issues. The G20 countries are to meet on the third day of Italy's 2009 G8 summit.¹⁰⁸ (December 5, 2008, *Thai News Service*)

6. G20-G8 Relationship

The global financial crisis has undermined confidence in the world financial institutions, Russian foreign minister Sergei Lavrov said. "The global economic crisis makes all focus attention on the vital issues, not on virtual projects," the Russian foreign minister is certain. "It is also important that the crisis literally is pushing us all to collective actions, and the factual reforming of the financial Group of Seven into the financial Group of Twenty as this happened at a Washington summit in November 2008, points to this, in particular," he said.¹⁰⁹ (January 16, 2009, *ITAR-TASS World Service*)

Italy, seeing its presidency of the G8 become a sideshow as Britain makes the G20 the focus for fixing the global financial crisis, hopes to make its mark by changing the G8's image as a club for rich western nations. The financial crisis has elevated the G20 to a forum of leaders rather than just economy officials and Gordon Brown's G20 summit in April in London promises to steal the thunder from Silvio Berlusconi's G8 summit in July. The remit of the G8 is to tackle global challenges from the economy to the environment. But it is viewed increasingly as an exclusive and unrepresentative forum. "Ten years ago the G7 represented 80 percent of world GDP, was united around one currency, the dollar, and embodied the predominant democratic values," Italian economy minister Giulio Tremonti said. "Now the G8 equals only half of world GDP and is no longer representative of the world in which we live," he said. Furthermore the G20 has the arguably more urgent task of reviving global growth and reforming the financial

¹⁰⁷ *Reuters News* (January 28, 2009), "Italy may expand G8 summit to G20 crisis talks."

¹⁰⁸ *Thai News Service* (December 5, 2008), "Italy: Italian FM voices G8 presidency priority next year."

¹⁰⁹ *ITAR-TASS World Service* (January 16, 2009), "Need of reforming G7 into G20 is obvious-Lavrov."

sector and oversight bodies. In the heat of financial crisis, the G20 called a summit last November in Washington and a second this April in London. More are on the cards as global recession and banks' toxic assets mean the problem is unlikely to disappear soon. "In the latest crisis the G20 has taken the lead because the United States sees it as a better forum for taking decisions," said former Italian prime minister Massimo D'Alema. "The world has changed and you cannot run it with outdated instruments." Brown hopes the London summit, which will mark U.S. president-elect Barack Obama's first trip to Europe, will burnish his credentials as a world statesman. Berlusconi has portrayed the G20 as too unwieldy to take decisions, calling it "just a roundtable with each leader almost always reading a prepared speech." Instead, he promotes the idea of expanding the G8 to include major developing-world powers. The G8 now routinely meets the G5 (China, India, Brazil, South Africa and Mexico) and others like Australia, Indonesia and South Korea. Foreign minister Franco Frattini sees Italy's presidency expanding the G8 "in a flexible manner" to give the emerging powers more clout, creating a "new global governance." G8 diplomats say there is broad support for giving emerging economic powers like the G5 "more substantive" input, but there is not consensus on Berlusconi's suggestions that the G8 could become a G13 or G14, depending on which countries are invited. But Italy's G8 presidency can rest assured that Brown's G20 agenda is focused on the financial crisis and not straying off into issues like climate change, leaving Rome scope to make its mark and delete the memory of its last G8 summit in Genoa in 2001, remembered for violent protests and police brutality.¹¹⁰ (January 15, 2009, *Reuters News*)

Russian foreign minister Sergei Lavrov said, "I don't think the G20 will ever replace the G8. The G8 will not lose its ability to generate new ideas but those ideas will be discussed in a broader format."¹¹¹ (December 11, 2008, *Russia & CIS General Newswire*)

Canadian ambassador to Japan, Jonathan Fried, said he believes that the G20 will not replace the G8 as a key global forum. "The G-8 and the G-20 have coexisted successfully among finance ministers since 1999," Fried said.¹¹² (December 8, 2008, *Kyodo News*)

U.S. treasury assistant secretary for international affairs Clay Lowery said the next president would have to weigh the importance of the G7 as a policy-making mechanism. Lowery's comment came in the context of a question about why the G20 was recently used for a summit and not the G7 or G8. He said that group had been chosen for its breadth of economies and representation of nations. A meeting of G7 leaders would have been too limited, he said. At the same time, "there will be a lot of questions" for the next U.S. administration what should be done with the G7.¹¹³ (November 25, *Dow Jones Chinese Financial Wire*)

Indian finance minister P. Chidambaram said that the G20 will be the top economic forum for the future but he is concerned that no mechanism exists to oversee an economic

¹¹⁰ *Reuters News* (January 15, 2009), "Italy revamps G8 as UK makes financial crisis focus."

¹¹¹ *Russia & CIS General Newswire* (December 11, 2008), "G20 no substitute for G8 but can solve some problems-Lavrov."

¹¹² *Kyodo News* (December 8, 2008), "Canadian envoy does not foresee G-20 replacing G-8 as major forum."

¹¹³ *Dow Jones Chinese Financial Wire* (November 25, 2008), "Next Administration to Mull Import Of G7."

action plan agreed by world leaders on November 15. The minister added it was not quite clear to India whether the incoming U.S. administration was wholly on board with what the George Bush team had agreed at the meeting. Therefore, a clear statement would be reassuring. “Otherwise, I think it’s a good beginning, we are happy, the emerging economies are happy,” he said. The minister expressed hope that President-Elect Barack Obama, who has a larger world-view than current president Bush, would be on board with the action plan. “The G20 has come to stay as the single most important forum to address the financial and economic issues of the world,” Chidambaram, said.¹¹⁴ (November 19, 2008, *The Economic Times*)

7. Civil Society

Anti-globalization activists meeting at the World Social Forum in Brazil said they are organizing international protests against a G20 meeting in London on March 28 that is meant to find solutions to the economic crisis. Unions and other leftwing groups taking part said they questioned the legitimacy of the G20 to set policies. They were pushing for a wider body, such as a reformed United Nations, to tackle the issue, the activists said. “We are in a context of an extremely deep global crisis and today the world is expecting us, the anti-globalization movements, to come up with strong, joint proposals,” said Jean Merkart of the CCFD, a French Catholic development charity.¹¹⁵ (February 1, 2009, *Agence France Presse*)

¹¹⁴ *The Economic Times* (November 19, 2008), “G-20 will be top economic forum: FM.”

¹¹⁵ *Agence France Presse* (February 1, 2009), “Anti-globalizationists plan protest against G20.”

7. Appendices

G20 Leaders' Experience for the April Summit

| Country | Leader | Years in office | # of G8 summits attended | # of G20 summit attended |
|----------------|----------------------------------|----------------------------|--------------------------|--------------------------|
| Argentina | Cristina Fernández de Kirchner | 1 year, 5 months | 0 | 1 |
| Australia | Kevin Rudd | 1 year, 5 months | 1 | 1 |
| Brazil | Luiz Inácio Lula da Silva | 6 years, 4 months | 5 | 1 |
| Canada | Stephen Harper | 3 years, 4 months | 3 | 1 |
| China | Hu Jintao | 6 years, 1 month | 5 | 1 |
| France | Nicolas Sarkozy | 1 year, 11 months | 2 | 1 |
| Germany | Angela Merkel | 3 years, 5 months | 3 | 1 |
| India | Manmohan Singh | 4 years, 11 months | 4 | 1 |
| Indonesia | Susilo Bambang Yudhoyono | 4 years, 6 months | 1 | 1 |
| Italy | Silvio Berlusconi | 1 year ¹¹⁶ | 11 | 1 |
| Japan | Taro Aso | 7 months | 0 | 1 |
| Korea | Lee Myung-bak | 1 year, 2 months | 1 | 1 |
| Mexico | Felipe de Jesús Calderón Hinjosa | 2 years, 4 months | 2 | 1 |
| Russia | Dmitry Medvedev | 11 months | 1 | 1 |
| Saudi Arabia | Adbullah bin Abdul Aziz Al Saud | 3 years, 8 months | 0 | 1 |
| South Africa | Petrus Kgalema Motlanthe | 7 months | 0 | 1 |
| Turkey | Tayyip Erdoğan | 6 years | 0 | 1 |
| United Kingdom | Gordon Brown | 1 year, 10 months | 1 | 1 |
| United States | Barack Obama | 3 months | 0 | 0 |
| European Union | José Manuel Barroso | 4 years, 5 months | 4 | 1 |
| Average | | Approx. 2 years, 10 months | 1.7 | 0.95 |

¹¹⁶ Includes present term only. Berlusconi was also prime minister of Italy from 17 April 1994 to 17 January 1995 and from 11 June 2001 to 17 May 2006. He attended G7/8 summits in 1994, 2001, 2002, 2003, 2004 and 2005 as well as 2008 (which is indicated in the table above).

Members of G20, Gleneagles Dialogue and Major Economies Meeting

| G20 Leaders/Finance | Gleneagles Dialogue | Major Economies Meeting |
|---------------------|---------------------|-------------------------|
| Argentina | Australia | Australia |
| Australia | | |
| Brazil | Brazil | Brazil |
| Canada | Canada | Canada |
| China | China | China |
| France | France | France |
| Germany | Germany | Germany |
| India | India | India |
| Indonesia | Indonesia | Indonesia |
| Italy | Italy | Italy |
| | Iran | |
| Japan | Japan | Japan |
| Mexico | Mexico | Mexico |
| | Nigeria | |
| | Poland | |
| Russia | Russia | Russia |
| Saudi Arabia | | |
| South Africa | South Africa | South Africa |
| South Korea | | South Korea |
| | Spain | |
| Turkey | | |
| United Kingdom | United Kingdom | United Kingdom |
| United States | United States | United States |
| European Union | European Union | European Union |

The managing director of the International Monetary Fund and the president of the World Bank also participate. The chairs of the International Monetary and Financial Committee and Development Committee of the IMF and World Bank also participate on an ex-officio basis.

G20 Leaders' Biographies

Argentina's Cristina Fernández de Kirchner became president on December 10, 2007, after winning the general election. She replaced her husband, Néstor Kirchner, who was president from May 2003 to December 2007. She is Argentina's second female president, but the first to be elected. Prior to her current position, she was a senator for Buenos Aires province and Santa Cruz province. She was first elected to the Senate in 1995 and in 1997 to the Chamber of Deputies. In 2001 she won a seat in the Senate again. Born February 19, 1954, in La Plata, Buenos Aires, Kirchner studied law at the National University of La Plata. The minister of finance is Carlos Fernández.

Australia's Kevin M. Rudd became prime minister on December 3, 2007, replacing John Howard who had held the position since March 1996. Before entering into politics, Rudd worked for the Department of Foreign Affairs where he held posts in Stockholm, Sweden and China. He also spent time as a political staffer, and held positions that included chief of staff for the premier of Queensland and director general of the office of the Queensland cabinet. Rudd first ran for office in 1996, but was not successfully elected until 1998. Since that time he has served in various positions including shadow minister

of foreign affairs and leader of the opposition. He was born in Nambour, Queensland, on September 21, 1957. He received his degree in Asian studies from Australian National University where he focused on Chinese language and history. He is married to Thérèse Rein.

Brazil's Luiz Inácio Lula da Silva first assumed the office of the president on January 1, 2003, after being successfully elected in October 2002. He was re-elected in October 2006, extending his term until January 2011. Lula first ran for office in 1982 in the state of Sao Paulo, but it was not until 1986 that he was first elected to Congress. He did not run for re-election in 1990 but became more involved in the Workers' Party, where he continued to run for the office of the president. He was born in Caetés, Pernambuco, Brazil, on October 27, 1945. He received no formal education and began working in a copper pressing factory at the age of 14. He became heavily involved in the workers unions at a young age. He is married to Marisa Letícia.

Canada's Stephen Harper was first elected prime minister in January 2006, replacing Paul Martin, and led a minority government until winning a second election and a stronger minority in October 2008. Before entering politics he served as a policy advisor to Reform Party. Harper first ran for a seat in 1988, but was not successfully elected to the House of Commons until 1993. He served as leader of the opposition for several years before becoming prime minister. He was born in Toronto, Ontario, on April 30, 1959. He began his academic studies at the University of Toronto and completed a bachelor's degree in economics at the University of Calgary in 1985. In 1991, he received a master's in economics from the University of Calgary. He is married to Laureen Teskey Harper.

China's Hu Jintao has been president since March 15, 2003, replacing Jiang Zemin who had held the position since 1989. He also currently serves as general secretary of the Communist Party of China's (CPC) Central Committee and chair of the Central Military Commission (CMC). Before entering into politics Hu worked as an engineer. He joined the CPC in April 1964, and began working with the party in 1968. In 1992, he was elected member of the Standing Committee of the Political Bureau of the CPC Central and re-elected in 1997. He became vice-president of China in March 1998 and vice-chair of the CMC in 1999. In 2002, Hu was elected general secretary of the CPC Central Committee. He was born in Jiangyan, Jiangsu, China, on December 21, 1942. In 1965 he received his engineering degree from Tsinghua University. He is married to Lui Yongqing.

France's Nicolas Sarkozy became president on May 16, 2007, taking over from Jacques Chirac, who had held the position since 1995. France holds the presidency of the European Council from July 1 to December 31, 2008. Sarkozy worked as a lawyer while he pursued politics. From 1983 to 2002, he was mayor of Neuilly-sur-Seine. He has been president of the Union pour un Mouvement Populaire (UMP) since 2004. During his time in parliament he held a number of cabinet portfolios including minister of state of economy, finance and industry, minister of the budget and minister of the interior. He was born in Paris on January 28, 1955. In 1978, he received his degree in law from the University of Paris. He is married to Carla Bruni.

Germany's Angela Merkel became chancellor on November 22, 2005, replacing Gerhard Schröder, who had been in power since 1998. She is the first female chancellor of Germany. Before entering into politics she worked as a researcher and physicist. Merkel was first elected to the Bundestag in 1990. She held the cabinet portfolios of women and youth minister and environment, nature conservation and nuclear safety minister. She was born in Hamburg, Germany, on July 17, 1956. In 1978, she received her doctorate in physics from the University of Leipzig. She has also received honorary doctorates from the University of Technology in Poland, Leipzig University and the Hebrew University of Jerusalem. She is married to Joachim Sauer.

India's Manmohan Singh became prime minister on May 22, 2004, replacing Atal Bihari Vajpayee, who held the position from 1998 to 2004 and in 1996. Before entering into politics, Singh worked as an economist, including for the International Monetary Fund. He was governor of the Reserve Bank of India from 1982 to 1985. He was first elected to the upper house of Indian parliament in 1995 and re-elected in 2001 and 2007. He held cabinet positions including minister of finance and minister for external affairs. He was born in Gah, Punjab (now known as Chakwal district, Pakistan), on September 26, 1932. He received his bachelor's and master's degrees from Punjab University in 1952 and 1954, an additional undergraduate degree from Cambridge University in 1957 and a PhD from Oxford University in 1962. He is married to Gursharan Kaur.

Indonesia's Susilo Bambang Yudhoyono became president on October 20, 2004, replacing the incumbent Megawato Sukarnoputri. Before entering into politics, he served as a lecture and a military general. His first experience in politics came when he was appointed minister of mines and energy in 1999. He later served as coordinating minister for politics and security. He was born on September 9, 1949, in Pacitan, East Java. He received his PhD in agricultural economics from the Bogor Institute of Agriculture in 2004. He is married to Kristiani Herawati.

Italy's Silvio Berlusconi was elected prime minister for the third time on April 29, 2008. He occupied the position previously from 1996 to 2001 and 1994 to 1995. Before entering into politics he worked in business, including construction, telecommunications and media. During his time in politics he has held a number of cabinet portfolios including minister of foreign affairs, minister of economy and finance, and minister of health. He is scheduled to chair the 2009 G8 Summit. Berlusconi was born in Milan, Italy, on September 29, 1936. In 1961, he received his degree in law from the University of Milan. He is married to Veronica Lario.

Japan's Taro Aso became prime minister on September 24, 2008, replacing Yasuo Fukuda, who had held the position since September 2007. Before entering into politics Aso worked in mining. He was first elected to the House of Representatives in 1979 and has been re-elected eight times. He served in a variety of positions in government including minister of foreign affairs and minister of international affairs and communications. He was born in Iizuka in Fukuoka prefecture on September 20, 1940. Aso studied politics and economics at Gakushuin University and went on to Stanford

University and the London School of Economics. He was also a member of the Japanese shooting team that competed at the 1976 Olympics. He is married to Chikako Aso.

Korea's Lee Myung-bak became president on February 25, 2008, replacing Roh Moo-hyun, who had occupied the position since 2003. He worked in the business sector, moving up the ranks of Hyundai and becoming the youngest-ever chief executive officer before entering into politics. Lee was first elected into the Korean National assembly in 1992. He served as mayor of Seoul from 2002 to 2006. Lee was born in Kirano, Japan, on December 19, 1941. He received a degree in business administration from Korea University in 1965. Lee is married to Kim Yun-ok.

Mexico's Felipe de Jesús Calderón Hinojosa became president on December 1, 2006, replacing Vicente Fox, who held the position since 2000. Calderón was president of the National Action Party's (PAN) youth movement in his early twenties. He served as a local representative in the legislative assembly in the federal chamber of deputies. In 1995 he ran for governor of Michoacán. He served as secretary of energy from 2003 to 2004. He was born in Morelia, Mexico, on August 18, 1962. He received his bachelor's degree in law from Escuela Libre de Derecho in Mexico City and a master's degree in economics from the Instituto Tecnológico Autónomo de México as well as a master's in public administration from Harvard University. He is married to Margarita Zavala.

Russia's Dmitry Medvedev became president on May 7, 2008, replacing Vladimir Putin, whose term in office had expired. Before entering politics, he worked as a legal expert and a lawyer. He was officially endorsed as a candidate for the presidency on December 17, 2007, by Russia's largest political party, United Russia, and by then Putin as well. He served as deputy prime minister of Russia from 2005 to 2008. He was born in Leningrad (now St. Petersburg) on September 14, 1965. He earned a degree in law in 1987 and a PhD in private law in 1990 from Leningrad State University. He is married to Svetlana Medvedeva.

Saudi Arabia's King Abdullah bin Abdul Aziz Al Saud has been in power since August 1, 2005. He replaced Fahd bin Abdul Aziz Al Saud, who had reigned since June 1982. Crown prince since 1987, he had previously acted as de facto regent and thus ruler of Saudi Arabia since January 1, 1996, when Fahd was debilitated by a stroke. He was formally enthroned on August 3, 2005. He also serves as prime minister of Saudi Arabia and commander of the National Guard. Abdullah is chair of the supreme economic council, president of the high council for petroleum and minerals, president of the King Abdulaziz centre for national dialogue, chair of the council of civil service and head of the military service council. He was born August 1, 1924, in Riyadh, Saudi Arabia. He has a number of wives.

South Africa's Petrus Kgalema Motlanthe became president on September 25, 2008, after the resignation of Thabo Mbeki, who had held the position since 1999. In the 1970s Motlanthe worked for Johannesburg's city council and served as secretary general of the National Union of Mineworkers. He became secretary general of the African National Congress in 1997 and elected deputy president in December 2007. He became a member

of parliament in May 2008 and in July was appointed to cabinet without a portfolio. He was born on July 19, 1949, in Alexandra, Johannesburg, South Africa. He is married.

Turkey's Recep Tayyip Erdoğan became prime minister on March 14, 2003, replacing Abdullah Gül, who had occupied the office since November 2002. Before becoming prime minister Erdoğan was mayor of Istanbul from 1994 to 1998. He was born on February 26, 1954, in Rize, Turkey. He studied management at Marmara University's faculty of economics and administrative sciences. He is married to Emine Erdoğan.

The **United Kingdom's Gordon Brown** became prime minister on June 27, 2007, three days after becoming leader of the Labour Party. He was first elected to parliament in 1983 as representative for Dunfermline East. Since 2005 he has been the representative for Kirkcaldy and Cowdenbeath in Scotland. Before entering politics he worked as a lecturer and journalist. He served as chancellor of the exchequer from 1997 to 2007 and he accompanied Prime Minister Tony Blair to G8 summits as finance minister. He was born in Govan, Scotland, on February 20, 1951. He studied history at the University of Edinburgh and completed his PhD in 1982. He is married to Sarah Brown.

The **United States' Barack Obama** became president-elect on November 4, 2008, and was inaugurated as president on January 20, 2009. Obama was elected to the U.S. Senate in 2005. He worked as a community organizer, a civil rights lawyer and a state legislator for Illinois. The first black president, he was born on August 4, 1961, in Honolulu, Hawaii, to a Kenyan father and American mother. He received his bachelor's degree from Columbia University in 1983 and a law degree from Harvard University in 1991. He is married to Michelle Obama.

The **European Commission's José Manuel Barroso** became president on November 23, 2004. Prior to that he was prime minister of Portugal from 2002 to 2004. Before entering into politics he worked as an academic. He graduated law from the University of Lisbon and has a master's in economics and social sciences from the University of Geneva. He received his PhD from Georgetown University in 1998. He also received an honorary degree from Liverpool University in 2008. He is married to Maria Margarida Pinto Ribeiro de Sousa Uva.

The **Czech Republic's Mirek Topolánek** became prime minister in August 2006. He took over the presidency of the European Council on January 1, 2009, from France's Sarkozy. He will remain in the position until June 2009, when Sweden will take over. He was a member of the Czech Senate from 1996 to 2004 and its deputy chair from 2002 to 2004. Since June 2006 he has been a member of the Chamber of Deputies. Born in 1956, he studied at Brno University of Technology where he received a degree in mechanical engineering.

Statistical Profiles

Argentina

Polity

| | |
|-----------------------|---|
| Political party: | Justicialist Party |
| Most recent election: | 28 Oct 2007 |
| Next: | 2011 |
| Government: | Lower House – Majority Upper House – Majority |
| Political system: | Presidential |
| Legislature: | Bicameral, elected Chamber of Deputies, elected Senate |
| Capital: | Buenos Aires |
| Official language: | Spanish |

Economy

| | |
|--|--|
| <i>Currency:</i> | Peso (P) |
| <i>GDP (PPP):</i> | \$526.4 B (07 est.) |
| (Official exchange rate): | \$260.0 B (07 est.) |
| (real growth rate): | 8.7% (07 est.) |
| (per capita [PPP]): | \$13,100 (07 est.) |
| (composition by sector): | 9.5%-Agriculture 34.0%-Industry 56.5%-Services (07 est.) |
| <i>Household income or consumption by % share:</i> | 1.0%-lowest 10% 35.0%-highest 10% (Jan.-Mar. 07) |
| Distribution of family income- <i>Gini index:</i> | 49.0 (06) |
| <i>Inflation rate</i> (consumer prices): | 8.8% (07 est.) [actual rate may be double artificial rate] |
| <i>Investment</i> (gross fixed): | 24.2% of GDP (07 est.) |
| <i>Current account balance:</i> | \$7.438 B (07 est.) |
| <i>Budget:</i> | \$48.99 B-revenues \$61.23 B-expenditures (07 est.) |
| <i>Public debt:</i> | 56.1% of GDP (07 est.) |
| <i>Exchange rates</i> (per U.S. dollar): | 3.1105 (07) 3.0543 (06) |
| <i>Economic aid</i> -recipient: | \$99.66 M (05) |
| <i>Reserves</i> of foreign exchange and gold: | \$46.12 B (31 Dec. 07 est.) |
| <i>Debt-external:</i> | \$135.86 B (31 Dec. 07) |
| <i>Stock</i> of direct foreign investment: | \$65.31 B-at home (07 est.) \$26.26 B-abroad (07 est.) |
| <i>Market value</i> of publicly traded shares: | \$79.73 B (06) |

Unemployment rate: 8.5% (07 est.)

Trade

Trade balance: 15.9 (latest year, Sep. 08)

Trade to GDP ratio: 44.3 (04–06)

Exports: \$55.78 B f.o.b. (07 est.)

top partners: Brazil (17.1%); China (9.7%); U.S. (7.4%); Chile (6.7%); Spain (4.1%) (07)

Imports: \$42.53 B f.o.b. (07 est.)

top partners: Brazil (32.5%); U.S. (14.2%); China (8.7%); Germany (5.7%) (07)

Energy

Energy production: 85.4 (M TOE)

Oil: 730,000 bbl/day (07 est.)

Natural gas: 43.76 B cu m (05 est.)

Electricity: 101.1 B kWh (05)

Energy consumption: 63.7 (M TOE)

Oil: 480,000 bbl/day (05 est.)

Natural gas: 38.79 B cu m (05 est.)

Electricity: 88.98 B kWh (05)

Australia

Polity

Political party: Labour Party

Most recent election: 24 Nov 2007

Next: On or by 16 Apr 2011

Government: Lower House – Majority
Upper House – Minority

Political system: Parliamentary

Legislature: Bicameral, elected House of Representatives,
elected Senate

Capital: Canberra

Official language: English

Economy

Currency: Australian dollar (A\$)

GDP (PPP): \$773.0 B (07 est.)

(Official exchange rate): \$908.8 B (07 est.)

(real growth rate): 4.3% (07 est.)

(per capita [PPP]): \$37,300 (07 est.)

(composition by sector): 3.0%-Agriculture

26.4%-Industry

70.6%-Services (07 est.)

Household income or 2.0%-lowest 10%

| | |
|--|----------------------------------|
| consumption by % share: | 25.4%-highest 10% (94) |
| Distribution of family income- <i>Gini index</i> : | 30.5 (06) |
| <i>Inflation rate</i> | |
| (consumer prices): | 2.3% (07 est.) |
| <i>Investment</i> (gross fixed): | 27.3% of GDP (07 est.) |
| <i>Current account balance</i> : | -\$56.78 B (07 est.) |
| <i>Budget</i> : | \$321.9 B-revenues |
| | \$315.8 B-expenditures (07 est.) |
| <i>Public debt</i> : | 15.6% of GDP (07 est.) |
| <i>Exchange rates</i> | 1.2137 (07) |
| (per U.S. dollar): | 1.3285 (06) |
| <i>Economic aid</i> -donor (ODA): | \$2.123 B (06) |
| <i>Reserves</i> of foreign exchange and gold: | \$26.91 B (31 Dec. 07 est.) |
| <i>Debt-external</i> : | \$826.4 B (31 Dec. 07) |
| <i>Stock</i> of direct foreign investment: | \$315.0 B-at home (07 est.) |
| | \$280.6 B-abroad (07 est.) |
| <i>Market value</i> of publicly traded shares: | \$804.1 B (05) |
| <i>Unemployment rate</i> : | 4.4% (07 est.) |

Trade

| | |
|---------------------|--|
| Trade balance: | -15.6 (latest year, Aug. 08) |
| Trade to GDP ratio: | 62.7 (04–06) |
| <i>Exports</i> : | \$142.1 B (07 est.) |
| top partners: | Japan (19.1%); China (14.7%); South Korea (8.0%); India (5.9%); U.S. (5.8%); NZ (5.2%) (07) |
| <i>Imports</i> : | \$160.0 B (07 est.) |
| top partners: | China (14.3%); U.S. (12.9%); Japan (9.6%); Singapore (6.1%), Germany (5.2%); UK (4.4%); Thailand (4.0%) (07) |

Energy

| | |
|---------------------|---------------------------|
| Energy production: | 261.8 (M TOE) |
| Oil: | 540,000 bbl/day (07 est.) |
| Natural gas: | 38.62 B cu m (05 est.) |
| Electricity: | 236.7 B kWh (05) |
| Energy consumption: | 115.8 (M TOE) |
| Oil: | 903,200 bbl/day (05 est.) |
| Natural gas: | 25.72 B cu m (05 est.) |
| Electricity: | 219.8 B kWh (05) |

Brazil

Polity

| | |
|------------------|---------------------|
| Political party: | Workers' Party (PT) |
|------------------|---------------------|

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|-----------------------|---|
| Most recent election: | 29 Oct 2006 |
| Next: | 3 Oct 2010 |
| Government: | Lower House – Minority Upper House – Minority |
| Political system: | Presidential |
| Legislature: | Bicameral, elected Chamber of Deputies, elected Senate |
| Capital: | Brasilia |
| Official language: | Portuguese |

Economy

| | |
|--|--|
| <i>Currency:</i> | Real (R) |
| <i>GDP (PPP):</i> | \$1.849 T (07 est.) |
| (Official exchange rate): | \$1.314 T (07 est.) |
| (real growth rate): | 5.4% (07 est.) |
| (per capita [PPP]): | \$9,500 (07 est.) |
| (composition by sector): | 5.5%-Agriculture 28.7%-Industry 65.8%-Services (07 est.) |
| <i>Household income or consumption by % share:</i> | 0.9%-lowest 10% 44.8%-highest 10% (04) |
| Distribution of family income- <i>Gini index:</i> | 56.7 (05) |
| <i>Inflation rate</i> (consumer prices): | 3.6% (07 est.) |
| <i>Investment</i> (gross fixed): | 17.6% of GDP (07 est.) |
| <i>Current account balance:</i> | \$1.712 B (07 est.) |
| <i>Budget:</i> | \$244.0 B-revenues \$219.9 B-expenditures (FY07) |
| <i>Public debt:</i> | 45.1% of GDP (07 est.) |
| <i>Exchange rates</i> (per U.S. dollar): | 1.85 (07 est.) 2.1761 (06) |
| <i>Economic aid-recipient:</i> | \$191.9 M (05) |
| <i>Reserves of foreign exchange and gold:</i> | \$180.3 B (31 Dec. 07) |
| <i>Debt-external:</i> | \$229.4 B (31 Dec. 07) |
| <i>Stock of direct foreign investment:</i> | \$248.9 B-at home (07 est.) \$107.1 B-abroad (07 est.) |
| <i>Market value of publicly traded shares:</i> | \$711.1 B (06) |
| <i>Unemployment rate:</i> | 9.3% (07 est.) |

Trade

| | |
|---------------------|-----------------------------|
| Trade balance: | 28.8 (latest year, Sep. 08) |
| Trade to GDP ratio: | 26.4 (04–06) |
| <i>Exports:</i> | \$160.6 B f.o.b. (07 est.) |

top partners: U.S. (14.1%); China (9.5%); Argentina (8.3%); Germany (4.4%); Netherlands (4.3%) (07)

Imports: \$120.6 B f.o.b. (07 est.)

top partners: U.S. (19.9%); China (9.2%); Argentina (8.1%); Germany (7.6%) (07)

Energy

Energy production: 176.3 (M TOE)

Oil: 1.797 M bbl/day (07 est.)

Natural gas: 9.37 B cu m (05 est.)

Electricity: 396.4 B kWh (05)

Energy consumption: 204.8 (M TOE)

Oil: 2.1 M bbl/day (06 est.)

Natural gas: 17.85 B cu m (05 est.)

Electricity: 368.5 B kWh (05)

Canada

Polity

Political party: Conservative Party

Most recent election: 14 Oct 2008

Next: On or by 15 Oct 2012

Government: Lower House – Minority
Upper House – Minority

Political system: Parliamentary

Legislature: Bicameral, elected House of Representatives,
appointed Senate

Capital: Ottawa

Official language: English, French

Economy

Currency: Canadian dollar (C\$)

GDP (PPP): \$1.271 T (07 est.)

(Official exchange rate): \$1.432 T (07 est.)

(real growth rate): 2.7% (07 est.)

(per capita [PPP]): \$38,600 (07 est.)

(composition by sector): 2.1%-Agriculture
28.8%-Industry
69.1%-Services (07 est.)

Household income or consumption by % share: 2.6%-lowest 10%
24.8%-highest 10% (00)

Distribution of family income-*Gini index:* 32.1 (05)

Inflation rate (consumer prices): 2.1% (07 est.)

Investment (gross fixed): 22.6% of GDP (07 est.)

Current account balance: \$12.67 B (07 est.)
Budget: \$569.3 B-revenues
 \$556.2 B-expenditures (07 est.)
Public debt: 64.2% of GDP (07 est.)
Exchange rates 1.0724(07)
 (per U.S. dollar): 1.1334 (06)
Economic aid-donor (ODA): \$3.9 B (07)
Reserves of foreign
exchange and gold: \$41.08 B (07 est.)
Debt-external: \$758.6 B (30 Jun. 07)
Stock of direct foreign
investment: \$527.4 B-at home (07 est.)
 \$514.7 B-abroad (07 est.)
Market value of publicly
traded shares: \$1.481 T (05)
Unemployment rate: 6.0% (07 est.)

Trade

Trade balance: 50.8 (latest year, Aug. 08)
 Trade to GDP ratio: 72.3 (04–06)
Exports: \$431.1 B f.o.b. (07 est.)
 top partners: U.S. (79.3%); UK (2.8%); China (2.1%) (07)
Imports: \$386.4 B f.o.b. (07 est.)
 top partners: U.S. (54.4%); China (9.4%); Mexico (4.2%) (07)

Energy

Energy production: 397.5 (M TOE)
 Oil: 3.31 M bbl/day (07 est.)
 Natural gas: 178.2 B cu m (1 Jan. 06 est.)
 Electricity: 609.6 B kWh (05)
 Energy consumption: 269.0 (M TOE)
 Oil: 2.29 M bbl/day (05)
 Natural gas: 92.76 B cu m (05 est.)
 Electricity: 540.2 B kWh (05)

China

Polity

Political party: Communist Party of China
 Most recent election: 15 Mar 2008
 Next: 2013
 Government: Single House – Majority
 Political system: One-party rule
 Legislature: Unicameral, elected National Congress
 Capital: Beijing
 Official language: Mandarin

Economy

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|--|--|
| <i>Currency:</i> | Yuan (¥) |
| <i>GDP (PPP):</i> | \$7.099 T (07 est.) |
| (Official exchange rate): | \$3.251 T (07 est.) |
| (real growth rate): | 11.9% (07 est.) |
| (per capita [PPP]): | \$5,400 (07 est.) |
| (composition by sector): | 11.3%-Agriculture 48.6%-Industry 40.1%-Services (07 est.) |
| <i>Household income or consumption by % share:</i> | 1.6%-lowest 10% 34.9%-highest 10% (04) |
| Distribution of family income- <i>Gini index:</i> | 47.0 (07) |
| <i>Inflation rate</i> (consumer prices): | 4.8% (07 est.) |
| <i>Investment</i> (gross fixed): | 42.7% of GDP (07 est.) |
| <i>Current account balance:</i> | \$371.8 B (07 est.) |
| <i>Budget:</i> | \$674.3 B-revenues \$651.6 B-expenditures (07 est.) |
| <i>Public debt:</i> | 18.4% of GDP (07 est.) |
| <i>Exchange rates</i> (per U.S. dollar): | 7.61 (07) 7.97 (06) |
| <i>Economic aid-recipient:</i> | \$1.641 B (FY07) |
| <i>Reserves of foreign exchange and gold:</i> | \$1.534 T (31 Dec. 07 est.) |
| <i>Debt-external:</i> | \$363.0 B (31 Dec. 07 est.) |
| <i>Stock of direct foreign investment:</i> | \$758.9 B-at home (07 est.) \$93.75 B-abroad (07 est.) |
| <i>Market value of publicly traded shares:</i> | \$4.477 T (31 Dec. 07 est.) |
| <i>Unemployment rate:</i> | 4.0% (07 est.) [in urban areas; substantial unemployment/underemployment in rural areas] |

Trade

| | |
|---------------------|--|
| Trade balance: | 258.0 (latest year, Sep. 08) |
| Trade to GDP ratio: | 69.0 (04-06) |
| <i>Exports:</i> | \$1.22 T f.o.b. (07 est.) |
| top partners: | U.S. (19.1%); Hong Kong (15.1%); Japan (8.4%); South Korea (4.6%); Germany (4.0%) (07) |
| <i>Imports:</i> | \$904.6 B f.o.b. (07 est.) |
| top partners: | Japan (14.0%); South Korea (10.9%); Taiwan (10.5%); U.S. (7.3%); Germany (4.7%) (07) |

Energy

| | |
|--------------------|---------------------------|
| Energy production: | 1,536.8 (M TOE) |
| Oil: | 3.725 M bbl/day (07 est.) |

| | |
|---------------------|--------------------------|
| Natural gas: | 58.6 B cu m (06 est.) |
| Electricity: | 3.256 T kWh (07) |
| Energy consumption: | 1,609.3 (M TOE) |
| Oil: | 6.93 M bbl/day (07 est.) |
| Natural gas: | 55.6 B cu m (06 est.) |
| Electricity: | 2.859 T kWh (06) |

France

Polity

| | |
|-----------------------|---|
| Political party: | Union for a Popular Movement (UMP) |
| Most recent election: | 22 Apr and 6 May 2007 |
| Next: | 2012 |
| Government: | Lower House – Majority Upper House – Majority |
| Political system: | Semi-presidential |
| Legislature: | Bicameral, elected National Assembly, elected Senate |
| Capital: | Paris |
| Official language: | French |

Economy

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|--|--|
| <i>Currency:</i> | Euro (€) |
| <i>GDP (PPP):</i> | \$2.075 T (07 est.) |
| (Official exchange rate): | \$2.56 T (07 est.) |
| (real growth rate): | 2.1% (07 est.) |
| (per capita [PPP]): | \$32,600 (07 est.) |
| (composition by sector): | 2.2%-Agriculture 20.6%-Industry 77.2%-Services (07 est.) |
| <i>Household income or consumption by % share:</i> | 3.0%-lowest 10% 24.8%-highest 10% (04) |
| Distribution of family income- <i>Gini index:</i> | 28.0 (05) |
| <i>Inflation rate</i> | |
| (consumer prices): | 1.5% (07 est.) |
| <i>Investment (gross fixed):</i> | 21.5% of GDP (07 est.) |
| <i>Current account balance:</i> | -\$31.25 B (07 est.) |
| <i>Budget:</i> | \$1.287 T-revenues \$1.356 T-expenditures (07 est.) |
| <i>Public debt:</i> | 63.9% of GDP (07 est.) |
| <i>Exchange rates</i> | 0.7345 (07) |
| (per U.S. dollar): | 0.7964 (06) |
| <i>Economic aid-donor (ODA):</i> | \$10.6 B (06) |
| <i>Reserves of foreign exchange and gold:</i> | \$115.7 B (06 est.) |

| | |
|--|---|
| <i>Debt-external:</i> | \$4.396 T (30 Jun. 07) |
| <i>Stock of direct foreign investment:</i> | \$942.3 B-at home (07 est.) \$1.307 T-abroad (07 est.) |
| <i>Market value of publicly traded shares:</i> | \$1.71 T (05) |
| <i>Unemployment rate:</i> | 7.9% (07 est.) |

Trade

| | |
|---------------------|---|
| Trade balance: | -76.9 (latest year, Aug. 08) |
| Trade to GDP ratio: | 53.2 (04–06) |
| <i>Exports:</i> | \$546.0 B f.o.b. (07 est.) |
| top partners: | Germany (14.9%); Spain (9.3%); Italy (8.9%); UK (8.1%); Belgium (7.3%); U.S. (6.1%); Netherlands (4.1%) (07) |
| <i>Imports:</i> | \$600.9 B f.o.b. (07 est.) |
| top partners: | Germany (18.9%); Belgium (11.4%); Italy (8.4%); Spain (7.1%); Netherlands (7.0%); UK (5.6%); U.S. (4.4%); China (4.0%) (07) |

Energy

| | |
|---------------------|---------------------------|
| Energy production: | 137.4 (M TOE) |
| Oil: | 73,180 bbl/day (05 est.) |
| Natural gas: | 1.4 B cu m (04 est.) |
| Electricity: | 543.6 B kWh (05) |
| Energy consumption: | 275.2 (M TOE) |
| Oil: | 1.999 M bbl/day (05 est.) |
| Natural gas: | 47.26 B cu m (05 est.) |
| Electricity: | 451.5 B kWh (05) |

Germany

Polity

| | |
|-----------------------|--|
| Political party: | Christian Democratic Union (CDU-CSU) |
| Most recent election: | 18 Sep 2005 |
| Next: | 27 Sep 2009 |
| Government: | Lower House – Majority (coalition) Upper House – Majority (coalition) |
| Political system: | Parliamentary |
| Legislature: | Bicameral, elected Federal Assembly, elected Federal Council |
| Capital: | Berlin |
| Official language: | German |

Economy

| | |
|---------------------------|---------------------|
| <i>Currency:</i> | Euro (€) |
| <i>GDP (PPP):</i> | \$2.807 T (07 est.) |
| (Official exchange rate): | \$3.322 T (07 est.) |

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|-----------------------------------|--|
| (real growth rate): | 2.5% (07 est.) |
| (per capita [PPP]): | \$34,100 (07 est.) |
| (composition by sector): | 0.9%-Agriculture |
| | 30.1%-Industry |
| | 69.0%-Services (07 est.) |
| <i>Household income</i> or | 3.2%-lowest 10% |
| consumption by % share: | 22.1%-highest 10% (00) |
| Distribution of family | |
| income- <i>Gini index</i> : | 28.0 (05) |
| <i>Inflation rate</i> | |
| (consumer prices): | 2.3% (07 est.) |
| <i>Investment</i> (gross fixed): | 18.5% of GDP (07 est.) |
| <i>Current account balance</i> : | \$254.5 B (07 est.) |
| <i>Budget</i> : | \$1.454 T-revenues |
| | \$1.453 T-expenditures (07 est.) |
| <i>Public debt</i> : | 64.9% of GDP (07 est.) |
| <i>Exchange rates</i> | 0.7345 (07) |
| (per U.S. dollar): | 0.7964 (06) |
| <i>Economic aid</i> -donor (ODA): | \$10.44 B (06) |
| <i>Reserves</i> of foreign | |
| exchange and gold: | \$136.2 B (31 Dec. 07 est.) |
| <i>Debt-external</i> : | \$4.489 T (30 Jun. 07) |
| <i>Stock</i> of direct foreign | \$855.8 B-at home (07 est.) |
| investment: | \$1.218 T-abroad (07 est.) |
| <i>Market value</i> of publicly | |
| traded shares: | \$1.221 T (05) |
| <i>Unemployment</i> rate: | 9.0% (07 est.) [ILO; Germany's Federal Employment Office estimated a seasonally adjusted rate of 10.8%] |

Trade

| | |
|---------------------|--|
| Trade balance: | 279.8 (latest year, Aug. 08) |
| Trade to GDP ratio: | 77.0 (04–06) |
| <i>Exports</i> : | \$1.354 T f.o.b. (07 est.) |
| top partners: | France (9.7%); U.S. (7.5%); UK (7.3%); Italy (6.7%); Netherlands (6.4%); Austria (5.4%); Belgium (5.3%); Spain (5.0%) (07) |
| <i>Imports</i> : | \$1.075 T f.o.b. (07 est.) |
| top partners: | Netherlands (12.0%); France (8.6%); Belgium (7.8%); China (6.2%); Italy (5.8%); UK (5.6%); U.S.(4.5%); Austria (4.4%) (07) |

Energy

| | |
|--------------------|-----------------------|
| Energy production: | 136.0 (M TOE) |
| Oil: | 141,700 bbl/day (05) |
| Natural gas: | 19.9 B cu m (05 est.) |
| Electricity: | 579.4 B kWh (05) |

| | |
|---------------------|---------------------------|
| Energy consumption: | 348.0 (M TOE) |
| Oil: | 2.618 M bbl/day (05 est.) |
| Natural gas: | 96.84 B cu m (05 est.) |
| Electricity: | 545.5 B kWh (05) |

India

Polity

| | |
|-----------------------|--|
| Political party: | Indian National Congress |
| Most recent election: | 2004 |
| Next: | By May 2009 |
| Government: | Lower House – Majority (coalition) Upper House – Majority |
| Political system: | Parliamentary |
| Legislature: | Bicameral, elected Assembly, indirectly elected Council of States |
| Capital: | Delhi |
| Official language: | Hindi |

Economy

| | |
|--|---|
| <i>Currency:</i> | Indian rupee (Rs) |
| <i>GDP (PPP):</i> | \$2.966 T (07 est.) |
| (Official exchange rate): | \$1.099 T (07 est.) |
| (real growth rate): | 9.0% (07 est.) |
| (per capita [PPP]): | \$2,600 (07 est.) |
| (composition by sector): | 17.8%-Agriculture 29.4%-Industry 52.8%-Services (07 est.) |
| <i>Household income or consumption by % share:</i> | 3.6%-lowest 10% 31.1%-highest 10% (04) |
| Distribution of family income- <i>Gini index:</i> | 36.8 (04) |
| <i>Inflation rate</i> (consumer prices): | 6.4% (07 est.) |
| <i>Investment</i> (gross fixed): | 33.9% of GDP (07 est.) |
| <i>Current account balance:</i> | -\$12.11 B (07 est.) |
| <i>Budget:</i> | \$141.2 B-revenues \$172.6 B-expenditures (07 est.) |
| <i>Public debt:</i> | 58.2% of GDP (07 est.) [federal and state combined] |
| <i>Exchange rates</i> (per U.S. dollar): | 41.487 (07) 45.3 (06) |
| <i>Economic aid</i> -recipient: | \$1.724 B (05) |
| <i>Reserves</i> of foreign exchange and gold: | \$275.0 B (31 Dec. 07 est.) |
| <i>Debt-external:</i> | \$149.2 B (31 Dec. 07) |
| <i>Stock</i> of direct foreign | \$95.96 B-at home (07 est.) |

investment: \$37.5 B-abroad (07 est.)
Market value of publicly
traded shares: \$818.9 B (06)
Unemployment rate: 7.2% (07 est.)

Trade

Trade balance: -100.3 (latest year, Aug. 08)
Trade to GDP ratio: 42.2 (04–06)
Exports: \$151.3 B f.o.b. (07 est.)
 top partners: U.S. (15.0%); China (8.8%); UAE (8.7%); UK (4.4%) (07)
Imports: \$230.5 B (07 est.)
 top partners: China (10.7%); U.S. (7.8%); Germany (4.5%); Singapore
 (4.4%) (07)

Energy

Energy production: 466.9 (M TOE)
 Oil: 810,000 bbl/day (07 est.)
 Natural gas: 28.68 B cu m (05 est.)
 Electricity: 661.6 B kWh (05)
Energy consumption: 572.9 (M TOE)
 Oil: 2.438 M bbl/day (05 est.)
 Natural gas: 34.47 B cu m (05 est.)
 Electricity: 488.5 B kWh (05)

Indonesia

Polity

Political party: Democratic Party
Most recent election: 20 Sep 2004
 Next: 2009
Government: Lower House – Minority
 Upper House – None
Political system: Presidential
Legislature: Bicameral, elected House of People’s Representatives,
 elected House of Regional Representatives
Capital: Jakarta
Official language: Indonesian

Economy

Currency: Rupiah (Rp)
GDP (PPP): \$843.7 B (07 est.)
(Official exchange rate): \$432.9 B (07 est.)
(real growth rate): 6.3% (07 est.)
(per capita [PPP]): \$3,600 (07 est.)
(composition by sector): 13.8%-Agriculture
46.7%-Industry

| | |
|--|-----------------------------|
| 39.4%-Services (07 est.) | |
| <i>Household income or consumption by % share:</i> | 3.6%-lowest 10% |
| <i>Distribution of family income-Gini index:</i> | 28.5%-highest 10% (02) |
| <i>Inflation rate</i> | |
| (consumer prices): | 36.3 (05) |
| <i>Investment</i> (gross fixed): | 6.3% (07 est.) |
| <i>Current account balance:</i> | 24.9% of GDP (07 est.) |
| <i>Budget:</i> | \$11.01 B (07 est.) |
| \$84.87 B-expenditures (07 est.) | \$79.56 B-revenues |
| <i>Public debt:</i> | 34.0% of GDP (07 est.) |
| <i>Exchange rates</i> | 9,056.0 (07 est.) |
| (per U.S. dollar): | 9,159.3 (06) |
| <i>Economic aid-recipient:</i> | \$2.524 B (06 est.) |
| <i>Reserves of foreign exchange and gold:</i> | \$56.92 B (31 Dec. 07 est.) |
| <i>Debt-external:</i> | \$140.0 B (31 Dec. 07) |
| <i>Stock of direct foreign investment:</i> | \$57.6 B-at home (07 est.) |
| | \$9.225 B-abroad (06 est.) |
| <i>Market value of publicly traded shares:</i> | \$138.9 B (06) |
| <i>Unemployment rate:</i> | 9.1% (07 est.) |

Trade

| | |
|---------------------|--|
| Trade balance: | 19.0 (latest year, Sep. 08) |
| Trade to GDP ratio: | 60.3 (01–03) |
| <i>Exports:</i> | \$118.0 B f.o.b. (07 est.) |
| top partners: | Japan (18.4%); U.S. (10.7%); Singapore (10.3%); China (8.7%); South Korea (6.8%); Malaysia (4.4%); Taiwan (4.3%) (07) |
| <i>Imports:</i> | \$84.93 B f.o.b. (07 est.) |
| top partners: | Singapore (28.2%); China (12.1%); Japan (8.7%); South Korea (5.5%); Malaysia (5.0%); Thailand (4.6%); U.S. (4.1%) (07) |

Energy

| | |
|---------------------|---------------------------|
| Energy production: | 258.0 (M TOE) |
| Oil: | 837,500 bbl/day (07 est.) |
| Natural gas: | 74.0 B cu m (06 est.) |
| Electricity: | 125.9 B kWh (06 est.) |
| Energy consumption: | 174.0 (M TOE) |
| Oil: | 1.1 M bbl/day (06 est.) |
| Natural gas: | 37.5 B cu m (06 est.) |
| Electricity: | 108.0 B kWh (06 est.) |

Italy

Polity

| | |
|-----------------------|--|
| Political party: | People of Freedom (coalition) |
| Most recent election: | 13-14 Apr 2008 |
| Next: | Variable |
| Government: | Lower House – Majority (coalition) Upper House – Majority (coalition) |
| Political system: | Parliamentary |
| Legislature: | Bicameral, elected Chamber of Deputies, elected Senate |
| Capital: | Rome |
| Official language: | Italian |

Economy

| | |
|--|--|
| <i>Currency:</i> | Euro (€) |
| <i>GDP (PPP):</i> | \$1.8 T (07 est.) |
| (Official exchange rate): | \$2.105 T (07 est.) |
| (real growth rate): | 1.4% (07 est.) |
| (per capita [PPP]): | \$30,900 (07 est.) |
| (composition by sector): | 2.0%-Agriculture 27.0%-Industry 70.9%-Services (07 est.) |
| <i>Household income or consumption by % share:</i> | 2.3%-lowest 10% 26.8%-highest 10% (00) |
| Distribution of family income- <i>Gini index:</i> | 33.0 (05) |
| <i>Inflation rate</i> (consumer prices): | 1.8% (07 est.) |
| <i>Investment</i> (gross fixed): | 21.0% of GDP (07 est.) |
| <i>Current account balance:</i> | -\$51.03 B (07 est.) |
| <i>Budget:</i> | \$991.2 B-revenues \$1.031 T-expenditures (07 est.) |
| <i>Public debt:</i> | 104% of GDP (07 est.) |
| <i>Exchange rates</i> (per U.S. dollar): | 0.7345 (07) 0.7964 (06) |
| <i>Economic aid</i> -donor (ODA): | \$3.641 B (06) |
| <i>Reserves of foreign exchange and gold:</i> | \$94.33 B (31 Dec. 07 est.) |
| <i>Debt-external:</i> | \$996.3 B (31 Dec. 07) |
| <i>Stock of direct foreign investment:</i> | \$364.8 B-at home (07 est.) \$520.1 B-abroad (07 est.) |
| <i>Market value of publicly traded shares:</i> | \$798.2 B (05) |
| <i>Unemployment rate:</i> | 6.2% (07 est.) |

Trade

| | |
|---------------------|---|
| Trade balance: | -15.4 (latest year, Aug. 08) |
| Trade to GDP ratio: | 50.8 (04–06) |
| <i>Exports:</i> | \$502.4 B f.o.b. (07 est.) |
| top partners: | Germany (12.9%); France (11.4%); Spain (7.4%); U.S. (6.8%); UK (5.8%) (07) |
| <i>Imports:</i> | \$498.1 B f.o.b. (07 est.) |
| top partners: | Germany (16.9%); France (9.0%); China (5.9%); Netherlands (5.5%); Belgium (4.3%); Spain (4.2%) (07) |

Energy

| | |
|---------------------|---------------------------|
| Energy production: | 30.1 (M TOE) |
| Oil: | 164,800 bbl/day (05 est.) |
| Natural gas: | 11.49 B cu m (05 est.) |
| Electricity: | 278.5 B kWh (05) |
| Energy consumption: | 184.5 (M TOE) |
| Oil: | 1.732 M bbl/day (05 est.) |
| Natural gas: | 82.64 B cu m (05 est.) |
| Electricity: | 307.1 B kWh (05) |

Japan

Polity

| | |
|-----------------------|---|
| Political party: | Liberal Democratic Party |
| Most recent election: | 11 Sep 2005 |
| Next: | Nov 2008 |
| Government: | Lower House – Majority (coalition) Upper House – Minority (coalition) |
| Political system: | Parliamentary |
| Legislature: | Bicameral, elected House of Representatives, elected House of Councilors |
| Capital: | Tokyo |
| Official language: | Japanese |

Economy

| | |
|--|--|
| <i>Currency:</i> | Yen (¥) |
| <i>GDP (PPP):</i> | \$4.272 T (07 est.) |
| (Official exchange rate): | \$4.384 T (07 est.) |
| (real growth rate): | 2.0% (07 est.) |
| (per capita [PPP]): | \$33,500 (07 est.) |
| (composition by sector): | 1.4%-Agriculture 26.5%-Industry 72.0%-Services (07 est.) |
| <i>Household income or consumption by % share:</i> | 4.8%-lowest 10% 21.7%-highest 10% (93) |
| Distribution of family income- <i>Gini index:</i> | 38.1 (02) |

| | |
|-----------------------------------|----------------------------------|
| <i>Inflation rate</i> | |
| (consumer prices): | 0.1% (07 est.) |
| <i>Investment</i> (gross fixed): | 23.2% of GDP (07 est.) |
| <i>Current account balance</i> : | \$210.5 B (07 est.) |
| <i>Budget</i> : | \$1.462 T-revenues |
| | \$1.567 T-expenditures (07 est.) |
| <i>Public debt</i> : | 170.0% of GDP (07 est.) |
| <i>Exchange rates</i> | 117.99 (07) |
| (per U.S. dollar): | 116.18 (06) |
| <i>Economic aid</i> -donor (ODA): | \$11.19 B (06) |
| <i>Reserves of foreign</i> | |
| exchange and gold: | \$954.1 B (31 Dec. 07 est.) |
| <i>Debt-external</i> : | \$1.492 T (30 Jun. 07) |
| <i>Stock of direct foreign</i> | \$110.8 B-at home (07 est.) |
| investment: | \$533.1 B-abroad (07 est.) |
| <i>Market value of publicly</i> | |
| traded shares: | \$4.737 T (05) |
| <i>Unemployment rate</i> : | 3.8% (07 est.) |

Trade

| | |
|---------------------|---|
| Trade balance: | 77.9 (latest year, Aug. 08) |
| Trade to GDP ratio: | 28.8 (04–06) |
| <i>Exports</i> : | \$678.1 B f.o.b. (07 est.) |
| top partners: | U.S. (20.4%); China (15.3%); South Korea (7.6%); Taiwan (6.3%); Hong Kong (5.4%) (07) |
| <i>Imports</i> : | \$573.3 B f.o.b. (07 est.) |
| top partners: | China (20.5%); U.S. (11.6%); Saudi Arabia (5.7%); UAE (5.2%); Australia (5.0%); South Korea (4.4%); Indonesia (4.2%) (07) |

Energy

| | |
|---------------------|------------------------|
| Energy production: | 96.8 (M TOE) |
| Oil: | 125,000 bbl/day (06) |
| Natural gas: | 4.85 B cu m (05 est.) |
| Electricity: | 1.025 T kWh (05) |
| Energy consumption: | 533.2 (M TOE) |
| Oil: | 5.353 M bbl/day (05) |
| Natural gas: | 83.67 B cu m (05 est.) |
| Electricity: | 974.2 B kWh (05) |

Korea

Polity

| | |
|-----------------------|----------------------|
| Political party: | Grand National Party |
| Most recent election: | 19 Dec 2007 |
| Next: | 2012 |

| | |
|--------------------|---------------------------------------|
| Government: | Single House—Majority |
| Political system: | Presidential |
| Legislature: | Unicameral, elected National Assembly |
| Capital: | Seoul |
| Official language: | Korean |

Economy

| | |
|---|--|
| <i>Currency</i> : | Won (W) |
| <i>GDP</i> (PPP): | \$1.206 T (07 est.) |
| (Official exchange rate): | \$957.1 B (07 est.) |
| (real growth rate): | 5.0% (07 est.) |
| (per capita [PPP]): | \$25,000 (07 est.) |
| (composition by sector): | 3.0%-Agriculture 39.4%-Industry 57.6%-Services (07 est.) |
| <i>Household income</i> or consumption by % share: | 2.9%-lowest 10% 25.0%-highest 10% (05 est.) |
| Distribution of family income- <i>Gini index</i> : | 35.1 (06) |
| <i>Inflation rate</i> (consumer prices): | 2.5% (07 est.) |
| <i>Investment</i> (gross fixed): | 28.8% of GDP (07 est.) |
| <i>Current account balance</i> : | \$5.954 B (07 est.) |
| <i>Budget</i> : | \$262.2 B-revenues \$225.8 B-expenditures (07 est.) |
| <i>Public debt</i> : | 28.2% of GDP (07 est.) |
| <i>Exchange rates</i> (per U.S. dollar): | 929.2 (07) 954.8 (06) |
| <i>Economic aid</i> -donor (ODA): | \$455.3 M (06) |
| <i>Reserves of foreign</i> exchange and gold: | \$262.2 B (31 Dec. 07) |
| <i>Debt-external</i> : | \$220.1 B (31 Dec. 07) |
| <i>Stock of direct foreign</i> investment: | \$119.6 B-at home (07 est.) \$82.1 B-abroad (06) |
| <i>Market value</i> of publicly traded shares: | \$1.051 T (07) |
| <i>Unemployment rate</i> : | 3.3% (07 est.) |

Trade

| | |
|---------------------|---|
| Trade balance: | -11.7 (latest year, Sep. 08) |
| Trade to GDP ratio: | 83.5 (04–06) |
| <i>Exports</i> : | \$379.0 B f.o.b. (07 est.) |
| top partners: | China (26.2%); U.S. (12.4%); Japan (6.9%); Taiwan (4.1%) (07) |
| <i>Imports</i> : | \$349.6 B f.o.b. (07 est.) |
| top partners: | China (16.9%); Japan (16.3%); U.S. (10.4%); Saudi Arabia (6.2%) (07) |

Energy

| | |
|---------------------|---------------------|
| Energy production: | 38.0 (M TOE) |
| Oil: | 17,050 bbl/day (05) |
| Natural gas: | 1.66 B cu m (06) |
| Electricity: | 403.2 B kWh (07) |
| Energy consumption: | 213.0 (M TOE) |
| Oil: | 2.13 M bbl/day (06) |
| Natural gas: | 34.2 B cu m (06) |
| Electricity: | 368.6 B kWh (07) |

Mexico

Polity

| | |
|-----------------------|---|
| Political party: | National Action Party |
| Most recent election: | 2 July 2006 |
| Next: | 2012 |
| Government: | Lower House – Minority Upper House – Minority |
| Political system: | Presidential |
| Legislature: | Bicameral, elected Federal Chamber of Deputies, elected Senate |
| Capital: | Mexico City |
| Official language: | Spanish |

Economy

| | |
|--|--|
| <i>Currency:</i> | Mexican peso (PS) |
| <i>GDP (PPP):</i> | \$1.353 T (07 est.) |
| (Official exchange rate): | \$893.4 B (07 est.) |
| (real growth rate): | 3.2% (07 est.) |
| (per capita [PPP]): | \$12,400 (07 est.) |
| (composition by sector): | 4.0%-Agriculture 26.6%-Industry 69.5%-Services (07 est.) |
| <i>Household income or consumption by % share:</i> | 1.2%-lowest 10% 37.0%-highest 10% (06) |
| Distribution of family income- <i>Gini index:</i> | 50.9 (05) |
| <i>Inflation rate</i> (consumer prices): | 4.0% (07 est.) |
| <i>Investment</i> (gross fixed): | 20.8% of GDP (07 est.) |
| <i>Current account balance:</i> | -\$5.525 B (07 est.) |
| <i>Budget:</i> | \$227.5 B-revenues \$227.2 B-expenditures (07 est.) |
| <i>Public debt:</i> | 22.8% of GDP (07 est.) |
| <i>Exchange rates</i> | 10.8 (07) |

| | |
|--|---|
| (per U.S. dollar): | 10.899 (06) |
| <i>Economic aid-recipient:</i> | \$189.4 M (05) |
| <i>Reserves of foreign exchange and gold:</i> | \$87.19 B (31 Dec. 07 est.) |
| <i>Debt-external:</i> | \$179.8 B (31 Dec. 07) |
| <i>Stock of direct foreign investment:</i> | \$260.9 B-at home (07 est.) \$39.01 B-abroad (07 est.) |
| <i>Market value of publicly traded shares:</i> | \$348.3 B (06) |
| <i>Unemployment rate:</i> | 3.7% (07 est.) |

Trade

| | |
|---------------------|---|
| Trade balance: | -11.3 (latest year, Sep. 08) |
| Trade to GDP ratio: | 62.7 (04–06) |
| <i>Exports:</i> | \$271.9 B f.o.b. (07 est.) |
| top partners: | U.S. (75.9%); Canada (6.3%); Germany (1.7%) (07) |
| <i>Imports:</i> | \$281.9 B (07 est.) |
| top partners: | U.S. (55.9%); South Korea (5.4%); China (4.8%); Japan (4.2%) (07) |

Energy

| | |
|---------------------|---------------------------|
| Energy production: | 253.9 (M TOE) |
| Oil: | 3.083 M bbl/day (07 est.) |
| Natural gas: | 41.37 B cu m (05 est.) |
| Electricity: | 222.4 B kWh (05) |
| Energy consumption: | 165.5 (M TOE) |
| Oil: | 2.078 M bbl/day (05 est.) |
| Natural gas: | 47.5 B cu m (05 est.) |
| Electricity: | 183.3 B kWh (05) |

Russia

Polity

| | |
|-----------------------|--|
| Political party: | United Russia |
| Most recent election: | 2 Mar 2008 |
| Next: | 2012 |
| Government: | Lower House – Majority Upper House – None |
| Political system: | Semi-presidential |
| Legislature: | Bicameral, elected Duma, appointed Federation Council |
| Capital: | Moscow |
| Official language: | Russian |

Economy

| | |
|------------------|-------------|
| <i>Currency:</i> | Rouble (Rb) |
|------------------|-------------|

| | |
|----------------------------------|--|
| <i>GDP</i> (PPP): | \$2.097 T (07 est.) |
| (Official exchange rate): | \$1.29 T (07 est.) |
| (real growth rate): | 8.1% (07 est.) |
| (per capita [PPP]): | \$14,800 (07 est.) |
| (composition by sector): | 4.7%-Agriculture |
| | 39.1%-Industry |
| | 56.2%-Services (07 est.) |
| <i>Household income</i> or | 1.9%-lowest 10% |
| consumption by % share: | 30.4%-highest 10% (Sep. 07) |
| Distribution of family | |
| income- <i>Gini index</i> : | 41.3 (Sep. 07) |
| <i>Inflation rate</i> | |
| (consumer prices): | 12.0% (year end 07 est.) [9.0% annual average] |
| <i>Investment</i> (gross fixed): | 21.0% of GDP (07 est.) |
| <i>Current account balance</i> : | \$78.31 B (07 est.) |
| <i>Budget</i> : | \$299.0 B-revenues |
| | \$262.0 B-expenditures (07 est.) |
| <i>Public debt</i> : | 5.9% of GDP (07 est.) |
| <i>Exchange rates</i> | 25.659 (07) |
| (per U.S. dollar): | 27.19 (06) |
| <i>Economic aid</i> -recipient: | \$982.7 M in (FY06) [from U.S.] |
| <i>Reserves</i> of foreign | |
| exchange and gold: | \$476.4 B (31 Dec. 07 est.) |
| <i>Debt-external</i> : | \$356.5 B (31 Dec. 07) |
| <i>Stock</i> of direct foreign | \$271.6 B-at home (06) |
| investment: | \$209.6 B-abroad (06) |
| <i>Market value</i> of publicly | |
| traded shares: | \$1.322 T (06) |
| <i>Unemployment rate</i> : | 6.2% (07 est.) |

Trade

| | |
|---------------------|---|
| Trade balance: | 200.3 (latest year, Aug. 08) |
| Trade to GDP ratio: | 55.8 (04–06) |
| <i>Exports</i> : | \$355.5 B (07 est.) |
| top partners: | Germany (9.5%); Netherlands (7.5%); Turkey (6.0%); Italy (5.6%); China (5.1%); Ukraine (5.0%); U.S. (4.8%); Belarus (4.6%); Switzerland (4.0%) (07) |
| <i>Imports</i> : | \$223.4 B (07 est.) |
| top partners: | Germany (16.2%); China (12.7%); Italy (5.5%); Ukraine (5.1%); Japan (4.8%) (07) |

Energy

| | |
|--------------------|------------------------|
| Energy production: | 1,158.5 (M TOE) |
| Oil: | 9.87 M bbl/day (07) |
| Natural gas: | 656.2 B cu m (07 est.) |
| Electricity: | 1.0 T kWh (07 est.) |

| | |
|---------------------|------------------------|
| Energy consumption: | 115.8 (m TOE) |
| Oil: | 2.916 M bbl/day (06) |
| Natural gas: | 610.0 B cu m (07 est.) |
| Electricity: | 985.2 B kWh (07 est.) |

Saudi Arabia

Polity

| | |
|-----------------------|-------------------|
| Political party: | None |
| Most recent election: | None |
| Next: | None |
| Government: | Absolute Monarchy |
| Political system: | Monarchy |
| Legislature: | None |
| Capital: | Riyadh |
| Official language: | Arabic |

Economy

| | |
|--|----------------------------------|
| <i>Currency:</i> | Riyal (SR) |
| <i>GDP (PPP):</i> | \$546.0 B (07 est.) |
| (Official exchange rate): | \$376.0 B (07 est.) |
| (real growth rate): | 3.5% (07 est.) |
| (per capita [PPP]): | \$19,800 (07 est.) |
| (composition by sector): | 3.0%-Agriculture |
| | 63.7%-Industry |
| | 33.3%-Services (07 est.) |
| <i>Household income or consumption by % share:</i> | NA-lowest 10% |
| | NA-highest 10% |
| Distribution of family income- <i>Gini index:</i> | NA |
| <i>Inflation rate</i> | |
| (consumer prices): | 4.1% (07 est.) |
| <i>Investment (gross fixed):</i> | 20.0% of GDP (07 est.) |
| <i>Current account balance:</i> | \$86.62 B (07 est.) |
| <i>Budget:</i> | \$163.0 B-revenues |
| | \$118.3 B-expenditures (07 est.) |
| <i>Public debt:</i> | 24.3% of GDP (07 est.) |
| <i>Exchange rates</i> | 3.745 (07) |
| (per U.S. dollar): | 3.745 (06) |
| <i>Economic aid-recipient:</i> | \$26.29 M (05) |
| <i>Reserves of foreign exchange and gold:</i> | \$34.01 B (31 Dec. 07 est.) |
| <i>Debt-external:</i> | \$58.6 B (31 Dec. 07 est.) |
| <i>Stock of direct foreign investment:</i> | NA |
| <i>Market value of publicly</i> | |

traded shares: \$326.9 B (06)
Unemployment rate: 13.0% (04 est.) [among Saudi males only; some estimates are as high as 25.0%]

Trade

Trade balance: 150.8 (latest year, 07)
Trade to GDP ratio: 75.0 (04–06)
Exports: \$226.7 B f.o.b. (07 est.)
 top partners: U.S. (16.9%); Japan (16.1%); South Korea (10.3%); China (8.0%); Taiwan (4.8%) (07)
Imports: \$82.64 B f.o.b. (07 est.)
 top partners: U.S. (12.6%); China (9.4%); Germany (8.8%); Japan (8.1%); Italy (5.0%); UK (4.5%); South Korea (4.1%) (07)

Energy

Energy production: 556.2 (M TOE)
 Oil: 11.0 M bbl/day (07 est.)
 Natural gas: 68.32 B cu m (05 est.)
 Electricity: 165.6 B kWh (05)
Energy consumption: 140.4 (M TOE)
 Oil: 2.0 M bbl/day (05)
 Natural gas: 68.32 B cu m (05 est.)
 Electricity: 146.9 B kWh (05)

South Africa

Polity

Political party: African National Congress
Most recent election: 14 Apr 2004
 Next: 2009
Government: Lower House – Majority
 Upper House – Majority
Political system: Parliamentary
Legislature: Bicameral, elected National Assembly,
 elected National Council of Provinces
Capital: Pretoria
Official language: Afrikaans, English

Economy

Currency: Rand (R)
GDP (PPP): \$467.8 B (07 est.)
(Official exchange rate): \$282.6 B (07 est.)
(real growth rate): 5.1% (07 est.)
(per capita [PPP]): \$9,700 (07 est.)
(composition by sector): 3.2%-Agriculture
31.3%-Industry

| | |
|--|----------------------------------|
| 65.5%-Services (07 est.) | |
| <i>Household income or consumption by % share:</i> | 1.4%-lowest 10% |
| | 44.7%-highest 10% (00) |
| <i>Distribution of family income-Gini index:</i> | 65.0 (05) |
| <i>Inflation rate</i> | |
| (consumer prices): | 6.5% (07 est.) |
| <i>Investment (gross fixed):</i> | 20.6% of GDP (07 est.) |
| <i>Current account balance:</i> | -\$20.63 B (07 est.) |
| <i>Budget:</i> | \$83.47 B-revenues |
| | \$82.02 B-expenditures (07 est.) |
| <i>Public debt:</i> | 31.3% of GDP (07 est.) |
| <i>Exchange rates</i> | 7.05 (07) |
| (per U.S. dollar): | 6.7649 (06) |
| <i>Economic aid-recipient:</i> | \$700.0 M (05) |
| <i>Reserves of foreign exchange and gold:</i> | \$32.94 B (31 Dec. 07) |
| <i>Debt-external:</i> | \$39.78 B (31 Dec. 07) |
| <i>Stock of direct foreign investment:</i> | \$93.51 B-at home (07 est.) |
| | \$53.98 B-abroad (07 est.) |
| <i>Market value of publicly traded shares:</i> | \$842.0 B (Jan. 08) |
| <i>Unemployment rate:</i> | 24.3% (07 est.) |

Trade

| | |
|---------------------|--|
| Trade balance: | -10.3 (latest year, Aug. 08) |
| Trade to GDP ratio: | 57.5 (01-03) |
| <i>Exports:</i> | \$76.19 B f.o.b. (07 est.) |
| top partners: | U.S. (11.9%); Japan (11.1%); Germany (8.0%); UK (7.7%); China (6.6%); Netherlands (4.5%) (07) |
| <i>Imports:</i> | \$81.89 B f.o.b. (07 est.) |
| top partners: | Germany (10.9%); China (10.0%); Spain (8.2%); U.S. (7.2%); Japan (6.1%); UK (4.5%); Saudi Arabia (4.2%) (07) |

Energy

| | |
|---------------------|---------------------------|
| Energy production: | 156.0 (M TOE) |
| Oil: | 200,000 bbl/day (06 est.) |
| Natural gas: | 2.11 B cu m (05 est.) |
| Electricity: | 264.0 B kWh (07) |
| Energy consumption: | 131.1 (M TOE) |
| Oil: | 519,000 bbl/day (06 est.) |
| Natural gas: | 2.11 B cu m (05 est.) |
| Electricity: | 241.4 B kWh (07) |

Turkey

Polity

| | |
|-----------------------|---|
| Political party: | Justice and Development Party (AKP) |
| Most recent election: | 22 Jul 2007 |
| Next: | Variable |
| Government: | Single House – Majority |
| Political system: | Parliamentary |
| Legislature: | Unicameral, elected Grand National Assembly |
| Capital: | Ankara |
| Official language: | Turkish |

Economy

| | |
|---|--|
| <i>Currency</i> : | Turkish lira (YTL) |
| <i>GDP (PPP)</i> : | \$853.9 B (07 est.) |
| (Official exchange rate): | \$663.4 B (07 est.) |
| (real growth rate): | 4.5% (07 est.) |
| (per capita [PPP]): | \$12,000 (07 est.) |
| (composition by sector): | 8.9%-Agriculture 28.3%-Industry 62.8%-Services (07 est.) |
| <i>Household income</i> or consumption by % share: | 2.0%-lowest 10% 34.1%-highest 10% (03) |
| Distribution of family income- <i>Gini index</i> : | 43.6 (03) |
| <i>Inflation rate</i> (consumer prices): | 8.7% (07 est.) |
| <i>Investment</i> (gross fixed): | 21.5% of GDP (07 est.) |
| <i>Current account balance</i> : | -\$37.58 B (07 est.) |
| <i>Budget</i> : | \$145.5 B-revenues \$156.1 B-expenditures (07 est.) |
| <i>Public debt</i> : | 38.9% of GDP (07 est.) |
| <i>Exchange rates</i> (per U.S. dollar): | 1.319 (07) 1.4286 (06) |
| <i>Economic aid</i> -recipient: | \$464.0 M (05) |
| <i>Reserves</i> of foreign exchange and gold: | \$76.51 B (31 Dec. 07 est.) |
| <i>Debt-external</i> : | \$247.1 B (31 Dec. 07) |
| <i>Stock</i> of direct foreign investment: | \$106.4 B-at home (07 est.) \$11.35 B-abroad (07 est.) |
| <i>Market value</i> of publicly traded shares: | \$162.4 B (06) |
| <i>Unemployment rate</i> : | 9.9% (07 est.) |

Trade

| | |
|---------------------|------------------------------|
| Trade balance: | -76.0 (latest year, Aug. 08) |
| Trade to GDP ratio: | 63.0 (04–06) |

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| <i>Exports:</i> | \$115.3 B f.o.b. (07 est.) |
| top partners: | Germany (11.2%); UK (8.1%); Italy (7.0%); France (5.6%); Russia (4.4%); Spain (4.3%) (07) |
| <i>Imports:</i> | \$162.0 B f.o.b. (07 est.) |
| top partners: | Russia (13.8%); Germany (10.3%); China (7.8%); Italy (5.9%); U.S. (4.8%); France (4.6%) (07) |

Energy

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|---------------------|---------------------------|
| Energy production: | 24.1 (M TOE) |
| Oil: | 45,460 bbl/day (05 est.) |
| Natural gas: | 860.3 M cu m (05 est.) |
| Electricity: | 154.2 B kWh (05) |
| Energy consumption: | 81.9 (M TOE) |
| Oil: | 660,800 bbl/day (05 est.) |
| Natural gas: | 26.25 B cu m (05 est.) |
| Electricity: | 129.0 B kWh (05) |

United Kingdom

Polity

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|-----------------------|--|
| Political party: | Labour Party |
| Most recent election: | 5 May 2005 |
| Next: | On or by 3 Jun 2010 |
| Government: | Lower House – Majority Upper House – Minority |
| Political system: | Parliamentary |
| Legislature: | Bicameral, elected House of Commons, appointed House of Lords |
| Capital: | London |
| Official language: | English |

Economy

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| <i>Currency:</i> | British pound (£) |
| <i>GDP (PPP):</i> | \$2.13 T (07 est.) |
| (Official exchange rate): | \$2.773 T (07 est.) |
| (real growth rate): | 3.1% (07 est.) |
| (per capita [PPP]): | \$35,000 (07 est.) |
| (composition by sector): | 0.9%-Agriculture 23.4%-Industry 75.7%-Services (07 est.) |
| <i>Household income or consumption by % share:</i> | 2.1%-lowest 10% 28.5%-highest 10% (99) |
| Distribution of family income- <i>Gini index:</i> | 34.0 (05) |
| <i>Inflation rate</i> (consumer prices): | 2.3% (07 est.) |

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|-----------------------------------|----------------------------------|
| <i>Investment</i> (gross fixed): | 18.2% of GDP (07 est.) |
| <i>Current account balance</i> : | -\$119.2 B (07 est.) |
| <i>Budget</i> : | \$1.154 T-revenues |
| | \$1.239 T-expenditures (07 est.) |
| <i>Public debt</i> : | 43.6% of GDP (07 est.) |
| <i>Exchange rates</i> | 0.4993 (07) |
| (per U.S. dollar): | 0.5418 (06) |
| <i>Economic aid</i> -donor (ODA): | \$12.46 B (06) |
| <i>Reserves of foreign</i> | |
| exchange and gold: | \$57.3 B (31 Dec. 07 est.) |
| <i>Debt-external</i> : | \$10.45 T (30 Jun. 07) |
| <i>Stock of direct foreign</i> | \$1.288 T-at home (07 est.) |
| investment: | \$1.707 T-abroad (07 est.) |
| <i>Market value of publicly</i> | |
| traded shares: | \$3.058 T (05) |
| <i>Unemployment rate</i> : | 5.3% (07 est.) |

Trade

| | |
|---------------------|---|
| Trade balance: | -188.9 (latest year, Aug. 08) |
| Trade to GDP ratio: | 57.6 (04–06) |
| <i>Exports</i> : | \$442.2 B f.o.b. (07 est.) |
| top partners: | U.S. (14.2%); Germany (11.1%); France (8.1%); Ireland (8.0%); Netherlands (6.8%); Belgium (5.3%); Spain (4.5%); Italy (4.1%) (07) |
| <i>Imports</i> : | \$621.4 B f.o.b. (07 est.) |
| top partners: | Germany (14.2%); U.S. (8.7%); China (7.3%); Netherlands (7.3%); France (6.9%); Belgium (4.7%); Norway (4.7%); Italy (4.2%) (07) |

Energy

| | |
|---------------------|---------------------------|
| Energy production: | 225.2 (M TOE) |
| Oil: | 1.636 M bbl/day (07 est.) |
| Natural gas: | 84.16 B cu m (05 est.) |
| Electricity: | 372.6 B kWh (05) |
| Energy consumption: | 233.7 (M TOE) |
| Oil: | 1.82 M bbl/day (05 est.) |
| Natural gas: | 91.16 B cu m (05 est.) |
| Electricity: | 348.7 B kWh (05) |

United States

Polity

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|-----------------------|------------------|
| Political party: | Republican Party |
| Most recent election: | 2 Nov 2004 |
| Next: | 4 Nov 2008 |

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| Government: | Lower House – Minority Upper House – Minority |
| Political system: | Presidential |
| Legislature: | Bicameral, elected House of Representatives, elected Senate |
| Capital: | Washington DC |
| Official language: | English |

Economy

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|--|--|
| <i>Currency:</i> | US dollar (\$) |
| <i>GDP (PPP):</i> | \$13.78 T (07 est.) |
| (Official exchange rate): | \$13.84 T (07 est.) |
| (real growth rate): | 2.0% (07 est.) |
| (per capita [PPP]): | \$45,800 (07 est.) |
| (composition by sector): | 1.2%-Agriculture 19.8%-Industry 79.0%-Services (07 est.) |
| <i>Household income or consumption by % share:</i> | 2.0%-lowest 10% 30.0%-highest 10% (07 est.) |
| Distribution of family income- <i>Gini index:</i> | 45.0 (07) |
| <i>Inflation rate</i> (consumer prices): | 2.9% (07 est.) |
| <i>Investment</i> (gross fixed): | 15.5% of GDP (07 est.) |
| <i>Current account balance:</i> | -\$731.2 B (07 est.) |
| <i>Budget:</i> | \$2.568 T-revenues \$2.73 T-expenditures (07 est.) |
| <i>Public debt:</i> | 60.8% of GDP (07 est.) |
| <i>Exchange rates</i> (per U.S. dollar): | NA |
| <i>Economic aid</i> -donor (ODA): | \$23.53 B (06) |
| <i>Reserves of foreign exchange and gold:</i> | \$70.57 B (31 Dec. 07 est.) |
| <i>Debt-external:</i> | \$12.25 T (30 Jun. 07) |
| <i>Stock of direct foreign investment:</i> | \$2.093 T-at home (07 est.) \$2.791 T-abroad (07 est.) |
| <i>Market value of publicly traded shares:</i> | \$17.0 T (05) |
| <i>Unemployment rate:</i> | 4.6% (07 est.) |
| | |
| Trade | |
| Trade balance: | -848.0 (latest year, Aug. 08) |
| Trade to GDP ratio: | 44.3 (04–06) |
| <i>Exports:</i> | \$1.148 T f.o.b. (07 est.) |
| top partners: | Canada (21.4%); Mexico (11.7%); China (5.6%); Japan (5.4%); UK (4.3%); Germany (4.3%) (07) |
| <i>Imports:</i> | \$1.968 B (07 est.) |

top partners: China (16.9%); Canada (15.7%); Mexico (10.6%); Japan (7.4%); Germany (4.8%) (07)

Energy

Energy production: 1,641.0 (M TOE)
Oil: 7.46 M bbl/day (07 est.)
Natural gas: 490.8 B cu m (05 est.)
Electricity: 4.062 T kWh (05)
Energy consumption: 2,325.9 (M TOE)
Oil: 20.8 M bbl/day (05 est.)
Natural gas: 604.0 B cu m (05 est.)
Electricity: 3.816 T kWh (05)

European Union

Polity

Political party: European People's Party – European Democrats
Most recent election: 10-13 Jun 2004
Next: 4-7 Jun 2009
Government: Lower House – Minority
Upper House – None
Political system: Parliamentary
Legislature: Bicameral, elected Parliament,
indirectly elected Council
Capital: None
Official language: Bulgarian, Czech, Danish, Dutch, English, Estonian,
Finnish, French, German, Greek, Hungarian, Irish, Italian,
Latvian, Lithuanian, Maltese, Polish, Portuguese,
Romanian, Slovak, Slovene, Spanish, Swedish

Economy

Currency: Euro (€)
GDP (PPP): \$14.43 T (07 est.)
(Official exchange rate): \$16.62 T (07 est.)
(real growth rate): 3.0% (07 est.)
(per capita [PPP]): \$32,700 (07 est.)
(composition by sector): 2.1%-Agriculture
27.1%-Industry
70.7%-Services (06 est.)
Household income or 2.8%-lowest 10%
consumption by % share: 25.2%-highest 10% (01 est.)
Distribution of family
income-*Gini index*: 30.7 (03 est.)
Inflation rate
(consumer prices): 1.8% (06 est.)
Investment (gross fixed): 21.5% of GDP (06 est.)

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|--|----------------|
| <i>Current account balance:</i> | NA |
| <i>Budget:</i> | NA |
| <i>Public debt:</i> | NA |
| <i>Exchange rates</i> | 0.7345 (07) |
| (per U.S. dollar): | 0.7964 (06) |
| <i>Economic aid-donor (ODA):</i> | NA |
| <i>Reserves of foreign exchange and gold:</i> | NA |
| <i>Debt-external:</i> | NA |
| <i>Stock of direct foreign investment:</i> | NA |
| <i>Market value of publicly traded shares:</i> | \$11.64 T (06) |
| <i>Unemployment rate:</i> | 8.5% (06 est.) |

Trade

| | |
|---------------------|--|
| Trade balance: | -26.4 (latest year, Aug. 08) |
| Trade to GDP ratio: | 26.4 (04–06) |
| <i>Exports:</i> | \$1.33 T (05) [external, excluding intra-EU trade] |
| top partners: | U.S. (23.3%); Switzerland (7.6%); Russia (5.2%); China (4.8%) (06) |
| <i>Imports:</i> | \$1.466 T (05) [external, excluding intra-EU trade] |
| top partners: | U.S. (13.8%); China (13.4%); Russia (8.2%); Japan (6.2%) (06) |

Energy

| | |
|---------------------|------------------------|
| Energy production: | 462.9 (M TOE) |
| Oil: | 2.615 M bbl/day (04) |
| Natural gas: | 215.4 B cu m (05 est.) |
| Electricity: | 3.02 T kWh (04 est.) |
| Energy consumption: | 1,245.1 (M TOE) |
| Oil: | 14.55 M bbl/day (04) |
| Natural gas: | 496.1 B cu m (05 est.) |
| Electricity: | 2.82 T kWh (04 est.) |

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