

Plans for the London G20 Summit 2009

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Preface	2	8. Appendices	62
1. Introduction	2	G20 Leaders' Experience for the April Summit	62
2. Agenda and Priorities	3	Members of G20, Gleneagles Dialogue and Major	
Stimulus and/or Regulation	8	Economies Meeting	63
G20 Charter of Principles	10	G20 Leaders' Biographies	63
International Cooperation	10	Statistical Profiles	68
Tax Havens	12	Argentina	68
Bank Supervision	14	Australia	69
Hedge Funds	16	Brazil	70
Currencies	17	Canada	71
Export Credit	17	China	73
Unemployment	18	France	74
Reform of the International Financial Institutions	19	Germany	75
Trade	22	India	76
Climate Change	25	Indonesia	78
Oil Prices and Energy	26	Italy	79
Developing Countries	27	Japan	80
Working Groups	28	Mexico	81
3. Participants	30	Russia	83
Sideline Meetings	33	Saudi Arabia	84
4. Implementation and Preparations	36	South Africa	85
Implementation	36	South Korea	86
Economic Performance	40	Turkey	87
Preparatory Meetings	40	United Kingdom	89
Preparations	40	United States	90
Site	56	European Union	91
5. Future Meetings	56		
6. G20-G8 Relationship	57		
7. Civil Society	58		
Activities	61		

Preface

This report on the “London 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 meetings of G20 leaders and their invited guests. It will be updated periodically as plans for the summit evolve. Note that this document refers to the first 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). This edition only includes material since January 1, 2009. All material from before January 1, 2009, can be found in on the G20 Information Centre website under “Earlier Versions.” New additions appear in bold.

1. Introduction

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 for a working meeting in Washington’s National Building Museum. 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 as part of the French delegation, under the auspices of the European Union. The second 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. With the “special” meeting in Washington in November, this L20 came 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 started 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

2. Agenda and Priorities

British prime minister Gordon Brown has called for a reform of international financial institutions to provide “global solutions to global problems.” He said, “First of all, we have to deal with the restructuring of our banking and financial systems. I believe we will show that the world can come together to agree on common rules for the future.” Brown hinted at expanded roles for the International Monetary Fund (IMF) and the World Bank. The IMF could have a “more active” role as the overseer of the world economy and provide “early warnings” of impending international crises in the financial sector. The World Bank could turn its attention to environmental and development issues. Over the past 20 years, the world has changed drastically with the global flow of goods and finance, according to Brown. He said, “We’ve seen how a bad bank somewhere can affect good banks anywhere.” The answer “is to have cross-border supervisory arrangements that are satisfactory to all countries.” Brown also thinks there will be agreement on “measures that will help rebuild [their] banking and financial systems ... [and] agreement on measures to stimulate trade and growth.” Discussions will also cover how to deal with offshore tax havens, financial rewards for executives and how the crisis is affecting the world’s poor.² (March 24, 2009, *The Globe and Mail*)

A report from an advisory group of the G20 countries is recommending broad reforms of the global and financial systems, including tighter regulations of hedge funds and rating agencies as well as higher capital requirements for banks. The report attempts to set more specific goals for leaders. It recommends, for example, that each country require hedge funds to register and report regularly on their size, investment style, borrowing levels and performance. It calls for a new college of supervisors at the Financial Stability Forum that would allow regulators from various countries to compare notes on banks with a global reach, helping them identify systemic risks to the world financial system. The report also calls for establishing more uniform accounting standards that would compel banks to maintain more capital after the economic crisis passes.³ (March 20, 2009, *The Washington Post*)

At their March 13-14 meeting, the G20 finance ministers and central bank governors came up with an eight-point plan. In their communiqué they said they were “prepared to take whatever action is necessary until growth is restored.” The key priority was to restore lending by banks by continuing to support them with capital injections and helping them deal with the toxic assets on their books. The G20 also committed to a “substantial” increase in resources to the International Monetary Fund and to fighting all forms of protectionism while continuing to put in place stimulatory measures to kick start economic growth. There was a commitment from certain European countries, Australia, China and the United States on fiscal stimulus. All are putting significant packages

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 *The Globe and Mail* (March 25, 2009), “In a crisis, Gordon Brown sees two opportunities.”

³ *The Washington Post* (March 20, 2009), “G20 Urged to Tighten Financial Oversight; Report Also Calls for Higher Bank Capital Requirements.”

together according to Australian treasurer Swan. The G20 also agreed that central banks should continue cutting interest rates when necessary and consider other measures, such as quantitative easing—i.e., printing more money.⁴ (March 15, 2009, *Australian Associated Press General News*)

The British government has set out what the G20 leaders should focus on when they meet in April. They must reaffirm their determination to stabilize, bolster and reform the financial system, reduce the severity of the global recession and speed up the economic recovery. More action is required to avoid a protracted downturn, guard against deflation, strengthen the financial sector, mitigate against a withdrawal of bank lending and to steer clear of protectionism. They will need to look at how effected stimulus measures have been and consider implications for the future so that any further action can be balanced with long-term fiscal prudence. International Monetary Fund (IMF) resources should be increased. Financial regulation must be reformed to improve corporate governance, risk management and the coordination of rules and oversight across global markets. An early warning system, with a bigger role for the IMF, needs to be created. International financial systems need to be reformed. The Doha round needs to be concluded. And developed countries should keep their aid commitments to developing countries.⁵ (February 18, 2009, *Reuters News*)

British ambassador to Russia Anne Pringle spoke of the G20 summit's agenda as follows: "The key themes will be focusing on how we stimulate growth again in the world economy and how we create jobs. We'll be following up the Washington summit in November in trying to improve regulations of financial market and better performance and regulation of international financial institutions, generally." She said, "The other big themes are going to be how we pay attention to the needs of emerging economies and how we ensure that countries do not fall back into protectionism." The last set of themes is called "greening the growth," said Pringle. "We mean we have an opportunity out of the crisis to live again at low carbon growth, as we call it."⁶ (February 12, 2009, *Interfax: Russia & CIS General Newswire*)

British prime minister Gordon Brown has outlined some issues on the agenda of the April G20 summit. On fiscal policy he said, "We have put monetary policy to its toughest test. Because the monetary mechanism is impaired, the fiscal policy is absolutely essential." On financial regulation, in regard to bank bonuses, he stated, "We are leading the way ... in sweeping aside the old short-term bonus culture of the past and replacing it first of all with a determination that there are no rewards for failure and secondly that there are rewards only for long-term success." On reforming the International Monetary Fund and the World Bank, he said, "These institutions were built for a world of local capital flows, not global capital flows. The institutions we have inherited are not equipped for the tasks we have to deal with in the future. I believe the IMF and World Bank will have to change their role quite fundamentally. The regional development banks will have to be brought

⁴ *Australian Associated Press General News* (March 15, 2009), "UK: Aust backs G20 global recovery plan."

⁵ *Reuters News* (February 18, 2009), "Factbox-Britain's G20 plan for recovery."

⁶ *Interfax: Russia & CIS General Newswire* (February 12, 2009), "Brown wants results from G20 in London — British ambassador to Russia."

into play as well.” He went on to say, “I see a big argument about how the IMF and the World Bank are to be financed for the future, one that will require us to talk about the reserves in different countries, talk about what sort of loan or bond facility we can develop, perhaps with the Arab states, perhaps even with Sovereign Wealth Funds ... The world lacks a proper early warning system ... no regulators or politicians, governments or central banks of the world have that at the moment. We’ve never given anybody sufficient teeth that their views are treated seriously, that people have to act when those warnings are given.” On trade and investment, he said, “The fourth thing we have got to do is obviously move the economy forward and in our case that will be export-led and investment-led growth for the future.”⁷ (February 9, 2009, *Reuters News*)

Governments need to agree coordinated monetary and fiscal stimulus measures to “take the world out of depression,” British prime minister Gordon Brown said. He also underlined the need for a rapid agreement on the World Trade Organization’s (WTO) Doha round of trade liberalization talks. “The biggest danger that the world faces is a retreat into protectionism,” he told lawmakers at his weekly question session in the House of Commons. “It’s all the more reason why first of all we should sign the Doha agreement ... and secondly we should make sure that every country is analyzed for what it is doing by the World Trade Organization to prevent protectionism.” Although he usually uses the words recession or slowdown, he added, “It also is absolutely clear that we should agree as a world on a monetary and fiscal stimulus that will take the world out of depression.” The main focus of the G20 summit in the British capital on April 2 will be on reforming international finance rules in the wake of the worst crisis since the 1930s.⁸ (February 4, 2009, *Agence France Presse*)

“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.⁹ (January 30, 2009, *Reuters News*)

As of January 30, leaders of the G20 were 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 is 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

⁷ *Reuters News* (February 9, 2009), “UK PM Brown outlines agenda for G20 summit.”

⁸ *Agence France Presse* (February 4, 2009), “Stimulus needed to ‘take world out of depression.’: British PM.”

⁹ *Reuters News* (January 30, 2009), “UK’s Brown says G20 summit will focus on economy.”

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. Timms has recently 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.¹⁰ (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 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."¹¹ (January 19, 2009, *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 at the summit said, "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." 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.¹² (January 15, 2009, *Reuters News*)

¹⁰ *Dow Jones International News* (January 28, 2009), "G20 To Deliver Far Reaching Deal In April — UK Min."

¹¹ *Reuters News* (January 19, 2009), "Highlights-Britain steps in to rescue banks again."

¹² *Reuters News* (January 15, 2009), "UK, Germany see G20 progress on financial reforms."

Britain has called for more stringent market regulation in 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.¹³ (January 7, 2009, *Reuters News*)

Darling said the first objective should be to return trust and confidence to financial markets. There have been failures of the regulated financial services institutions and of regulation. Tougher global financial regulation is needed. The aim for the G20 in 2009 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.¹⁴ (January 7, 2009, *Reuters News*)

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.”¹⁵ (January 7, 2009, *Reuters News*)

¹³ *Reuters News* (January 7, 2009), “TEXT-British finance minister's letter to G20 members.”

¹⁴ *Reuters News* (January 7, 2009), “TEXT-British finance minister's letter to G20 members.”

¹⁵ *Reuters News* (January 7, 2009), “TEXT-British finance minister's letter to G20 members.”

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 (FSF) to make it more effective and representative and linked macroeconomic and financial surveillance through closer collaboration between the International Monetary Fund (IMF) 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."¹⁶ (January 7, 2009, *Reuters News*)

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. 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.¹⁷ (January 7, 2009, *Reuters News*)

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.¹⁸ (January 7, 2009, *Reuters News*)

Stimulus and/or Regulation

German chancellor Angela Merkel has rejected the extra fiscal stimulus package advocated by British prime minister Gordon Brown and U.S. president Barack Obama. Merkel insisted that the focus of any global recovery plan should be on reining in the markets.¹⁹ (March 20, 2009, *The Guardian*)

¹⁶ *Reuters News* (January 7, 2009), "TEXT-British finance minister's letter to G20 members."

¹⁷ *Reuters News* (January 7, 2009), "TEXT-British finance minister's letter to G20 members."

¹⁸ *Reuters News* (January 7, 2009), "TEXT-British finance minister's letter to G20 members."

¹⁹ *The Guardian* (March 20, 2009), "Brown's plan for recovery rejected by Germany: Germany rejects Brown recovery plan."

European Union members should spend more on stimulus measures if they can, European Commission president Jose Manuel Barroso said. “If member states are in a position to do more, they should do more.” He also stressed that stimulus packages already announced must be carried out. Barroso, however, rejected the claim that the EU has not spent enough. “We are doing more than anyone in the world on that matter,” he said, adding that the EU’s heavy spending on unemployment and other welfare benefits should be considered. “Others should increase their effort in that way as well — that would be a good contribution for the global recovery.”²⁰ (March 18, 2009, *Xinhua News Agency*)

The G20 should commit to more stimulus spending and stabilize members’ banking systems when they meet in London on April 2, said Mervyn King, governor of the Bank of England. “The immediate need is to deal with the extraordinarily steep and simultaneous downturn in so many economies around the world, and to stabilise the banking system in those countries where it has failed,” he said. “That should be the main priority at the forthcoming G20 summit.”²¹ (March 17, 2009, *Agence France Presse*)

The G20 have minimized the split over fiscal stimulus and international regulatory policies. The G20 process now has a twin-track plan for immediate economic stimulus financial system repair alongside medium-term ideas for tougher financial regulation. French finance minister Christine Lagarde said, “I don’t think we should ever consider that April 2 is the end of the road. It is the step on the road for which we are delivering the platform.” On fiscal stimulus she said, “You know it was an area for debate between those who wanted more stimulus and commitment to a third, fourth, fifth plan and those who said the stimulus is already under way, let’s put it in place ... We reached a good balance.” On financial regulation, the G20 finance ministers and central bank governors agreed a set of principles to deal with distressed banks which British treasurer Darling said was deliberately “flexible” to encompass a range of solutions in different countries.²² (March 15, 2009, *Financial Times*)

U.S. president Barack Obama said the notion that the U.S. and Europe are taking sides, with America pushing for more stimulus spending and the European nations favouring tighter regulation of the financial industry, was a “phony debate.” “I can’t be clearer in saying that there are no sides,” Obama said. Financial regulation “is front and center” among the issues he wants to deal with.²³ (March 14, 2009, *Associated Press Newswires*)

The U.S. government will emphasize the need for fiscal stimulus and other measures to fight the recession at the London Summit, but will also pursue financial reforms to prevent future crises. “It is not either-or. It’s both,” a treasury official said.²⁴ (March 9, 2009, *Reuters News*)

²⁰ *Xinhua News Agency* (March 18, 2009), “Barroso urges EU members to increase stimulus spending if they can.”

²¹ *Agence France Presse* (March 17, 2009), “Britain’s central banker urges stimulus at G20.”

²² *Financial Times* (March 15, 2009), “G20 pledges to restore global growth.”

²³ *Associated Press Newswires* (March 14, 2009), “G20 pledge sustained action non financial crisis.”

²⁴ *Reuters News* (March 9, 2009), “US Treasury wants both stimulus, reforms at G20.”

The U.S. wants to use the April 2 summit to press for a boost in global stimulus, a move that could slow the revamping of financial regulations and cause a rift with Europe. The Europeans believe that lax regulation was a major cause of the financial crisis and think the focus of the summit should remain on tightening their grip on hedge funds and private equity firms. Germany is especially reluctant to expand fiscal stimulus. U.S. officials say they are committed to finding a workable solution but are worried that a regulation-first approach is not the right approach.²⁵ (March 9, 2009, *The Wall Street Journal Europe*)

G20 Charter of Principles

“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,” Brown said.²⁶ (January 26, 2009, *Reuters News*)

International Cooperation

The U.S. plans to push for an increase in emergency spending at the London Summit. The U.S.’s priorities, however, are opposite of the European members, who want the summit to focus on rewriting rules of governing financial markets. The Europeans believe that bad regulation was a major cause of the crisis and want to tighten their watch over hedge funds and private equity firms. The U.S. believes that additional government spending is needed to reduce the depth and length of the downturn. A split in priorities could further harm markets. U.S. officials say they are committed to finding a workable solution but worry that a regulation-first approach would backfire.²⁷ (March 9, 2009, *The Globe and Mail*)

Global policymakers must agree to take more action to support the world economy and fix its financial system at the London Summit, said British prime minister Gordon Brown. “Some may have to do more on interest rates, some may have to do more on fiscal stimulus ... The whole point of the G20 is that the whole world must take action to deal with a global problem.” He added: “We are fashioning for the future a global deal, a grand bargain, where each continent accepts its responsibilities and its obligations to act to deal with what is a global problem that can only be solved with a global solution.”²⁸ (February 18, 2009, *Reuters News*)

In late January, 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

²⁵ *Wall Street Journal Europe* (March 9, 2009), “U.S. and Europe in conflict over stimulus---Germnay and France favor toughening financial regulations.”

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

²⁷ *The Globe and Mail* (March 9, 2009), “U.S. to push for more stimulus at G20.”

²⁸ *Reuters News* (February 18, 2009), “UK’s Brown calls for more global stimulus measures.”

prevent future turmoil. Laying out his priorities for the meeting, he emphasized the need for beefed-up global institutions and international 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.²⁹ (January 30, 2009, *Agence France Presse*)

Although 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. “If we all coordinate our response there will be a quicker global and therefore British recovery.” “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.”³⁰ (January 26, 2009, *Associated Press Newswires*)

Brown’s ability to craft his preferred international solution will be tested, 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.” “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.” 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 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.”³¹ (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,” Brown said. The former finance minister said a joint international effort would provide the key to

²⁹ *Agence France Presse* (January 30, 2009), “Brown lays out agenda for G20 crisis meeting.”

³⁰ *Associated Press Newswires* (January 26, 2009), “Britain’s Brown urges coordinated economic action.”

³¹ *Financial Times London* (January 17, 2009), “Brown says recovery need global co-operation.”

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.” “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.” “One of the necessary elements for the next stage is for people to have a clear understanding that bad assets have been written off.” “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 in 2008 and a series of record rate cuts, banks remain unwilling to increase lending as they try to boost their coffers and avoid risk.³² (January 17, 2009, *Reuters News*)

Tax Havens

Countries that recently pledged to weaken their bank secrecy laws won’t escape a list of alleged tax havens being compiled for the upcoming G20 summit, according to Angel Gurría, secretary general of the Organisation for Economic Co-operation and Development (OECD). He said the OECD would note the recent pledges of increased openness by banking centres such as Switzerland, Lichtenstein and Monaco. While Gurría considered those pledges to be significant, he said the composition of the list of non-cooperative tax jurisdictions wouldn’t change. “From now on, every day is April 2.” While the latest initiative to crack down on alleged tax havens comes primarily from countries such as the U.S., Germany and France, the OECD sets international standards for bank secrecy and monitors compliance. Gurría said the OECD will report on compliance in July, if asked — this time to a meeting of the G8. “This will be a very public process.”³³ (March 18, 2009, *The Wall Street Journal Europe*)

Monaco has said it will adopt the Organisation for Economic Co-operation and Development’s norms on tax evasion so as to get off a blacklist by the group at a key G20 summit next month. Switzerland, Luxembourg and Austria followed Belgium, Liechtenstein and Andorra in saying they would relax their bank secrecy laws amid growing international pressure to stamp out tax havens.³⁴ (March 17, 2009, *Agence France Presse*)

Hans-Rudolf Merz, Switzerland’s finance minister, said that he “put the question of this famous blacklist to [UK prime minister] Gordon Brown and he told me that he shared my concern and that everything had to be down to avoid such a situation.” The two spoke on the sidelines of an informal meeting of the International Monetary and Financial Committee in London. Brown said that his government would support Switzerland’s stance. The G20 will examine a proposal to blacklist Switzerland and other countries at a meeting in London at the beginning of April.³⁵ (March 16, 2009, *BBC Monitoring European*)

³² *Reuters News* (January 17, 2009), “UK’s Brown calls for world action on credit crisis.”

³³ *Wall Street Journal Europe* (March 18, 2009), “OECD compiles list of alleged tax havens for G20.”

³⁴ *Agence France Presse* (March 17, 2009), “Monaco pledges to meet OECD norms on tax info.”

³⁵ *BBC Monitoring European* (March 16, 2009), “Swiss finance minister confident of avoiding tax haven blacklist.”

German finance minister Peer Steinbrück said he was satisfied that pressure was building against tax havens and countries that practise banking secrecy such as Switzerland. He said that he took “great interest” in the fact that the G20 would discuss a blacklist of uncooperative tax havens. Finance chiefs from Switzerland, Luxembourg and Austria have been fighting off growing pressure to include their countries on the tax haven blacklist, demanding a say in the talks on the issue ahead of the G20.³⁶ (March 9, 2009, *Agence France Presse*)

British prime minister Gordon Brown has taken aim at tax havens, suggesting they should be outlawed. “You are also restructuring your banks. So are we,” he said to the U.S. Congress. “But how much safer would everybody’s savings be if the whole world finally came together to outlaw shadow banking systems and outlaw offshore tax havens?” The issue of tax havens, which often allow the world’s wealthiest to hide money from governments and tax authorities, will be on the agenda for the London Summit on April 2. “So that the whole of our worldwide banking system serves our prosperity rather than risks it,” said Brown, “let us agree in our G20 summit in London in April rules and standards for proper accountability, transparency, and reward that will mean an end to the excesses and will apply to every bank, everywhere, all the time.” Alastair Darling, chancellor of the Exchequer, said, “I think it’s important there is transparency. ... Indeed, half the many problems we have got now is because people didn’t know what was going on.” He added that the “secrecy that allows people to shelter their wealth from tax that’s properly paid” cannot be tolerated. At a meeting in Berlin the leaders of Britain, France, Germany, Italy, Spain and the Netherlands agreed that “all financial markets, products and participants — including hedge funds and other private pools of capital which may pose a systemic risk — must be subjected to appropriate oversight or regulation.” France’s president Nicolas Sarkozy has suggested that Switzerland could be put on a planned G20 blacklist of tax havens, igniting anger from Swiss authorities.³⁷ (March 4, 2009, *Agence France Presse*)

Offshore havens that refuse to hand over information on tax dodgers could face an unprecedented campaign of economic sanctions by the G20. The campaign could see Britain targeting some of its own overseas territories, including the Cayman Islands and the British Virgin Islands, where British banks and corporations use scores of subsidiaries to avoid tax. Following the G20 preparatory summit in Berlin, officials are preparing a new blacklist of uncooperative havens. Other leading centres of secretive offshore activity such as Liechtenstein and Panama are among more than 30 countries that have failed to sign agreements to share information about corporations and individuals who take advantage of their secrecy and their low taxes. Earlier lists prepared by the Organisation for Economic Co-operation and Development, only “named and shamed.” The G20 plans to promote sanctions designed to deprive such entities of billions of dollars of business, such as refusing to allow payments to a blacklisted haven to be deducted from taxable income, which would affect royalty payments, management fees, dividends and insurance premiums. Officials are working on a plan for international

³⁶ *Agence France Presse* (March 9, 2009), “Germany welcomes growing pressure on tax havens.”

³⁷ *Agence France Presse* (March 4, 2009), “British PM suggests ban on tax havens.”

financial institutions to pull their investments out of the blacklisted havens. The G20 will likely create a blacklist from three overlapping groups of havens: those with no double taxation conventions, which allow countries to share information on taxpayers in each other's jurisdiction; those that have refused to accept the new Tax Information Exchange Agreements (TIEAs), which allow one country to require another to find extra information on a suspect; and those that have agreed in principle to TIEAs but have failed to sign them.³⁸ (March 2, 2009, *The Guardian*)

Bank Supervision

Greater oversight of the shadow banking system is expected to be a major topic of discussion when the G20 meet. It isn't clear what agency would be granted the power over financial institutions, although Ben Bernanke, chair of the U.S. Federal Reserve, has suggested it should be his institution. The Federal Deposit Insurance Corporation now fills that role for banks. The agency has used its authority during the crisis to shut down Washington Mutual and a number of other small institutions. The U.S. government also used similar powers to seize mortgage lenders Fannie Mae and Freddie Mac.³⁹ (March 25, 2009, *The Globe and Mail*)

The United Kingdom's Financial Services Authority (FSA) is expected to roll out a blueprint for the most radical rethink of financial rules in more than a decade. Prime minister Gordon Brown paved the way for tighter rules and closer scrutiny of the Britain's large financial sector. He said he wished he had pushed for more responsible regulation following the Asian financial crisis of 10 years ago. "Laissez-faire has had its day," Brown said. FSA chair Adair Turner is scheduled to indicate how a new regulatory regime would look in a report that will recommend how to regulate the amount of capital banks should put aside to cover losses and the cash they need to run day-to-day operations. The FSA is keen, for instance, that UK banks adopt countercyclical capital requirements, in which they build up more substantial capital buffers in good times so that they can let them run down in bad times. Turner's review also is expected to look at whether the UK needs tougher domestic rules in such areas as loan-to-value limits on consumer-mortgage lending. The report will touch on many topics high on the agenda for the G20 meeting on April 2. These include the need for regulators to more closely monitor global economic and financial trends, such as the global financial imbalances that the FSA believes caused the current financial crises.⁴⁰ (March 18, 2009, *The Wall Street Journal Europe*)

Global financial officials will recommend that limits be placed on bankers' bonuses and other compensation that might encourage excessive risk taking. The Financial Stability Forum (FSF) will make its recommendations over the next month to the G20 in a bid to prevent the risk taking that led to the U.S. subprime mortgage crisis. The FSF has been crafting recommendations ahead of the G20 finance ministers' mid-March meeting. If the G20 leaders agree to the guiding principles set forth by the FSF, individual countries

³⁸ *The Guardian* (March 2, 2009), "Tax havens may face sanctions for not giving data on evaders."

³⁹ *The Globe and Mail* (March 25, 2009), "Oversight to be discussed at G20 meeting."

⁴⁰ *Wall Street Journal Europe* (March 18, 2009), "U.K. prepares outline for new finance rules."

would come up with their own ways of implementing it. British prime minister Gordon Brown said that the G20 should agree to principles that build bankers' rewards on long-term sustainable results and end what he called "that short-term banking bonus culture."⁴¹ (March 6, 2009, *Reuters News*)

As of February 11, G20 countries planned to increase capital requirements for banks and take a tough stance against tax havens. According to unnamed sources, the G20 countries were discussing a model whereby banks would be required to boost their capital in good economic times to ensure they had a cushion during the bad times. In addition, plans were under way to increase the number of international bodies responsible for overseeing big financial institutions — or so-called "colleges of supervisors" — to 35 from an originally planned 20. The G20 had agreed that countries with secretive bank rules, which in the past have acted as tax havens, would face collective sanctions designed to force them into more transparency. A broadening of the Financial Stability Forum, a grouping of top bank regulators who evaluate banking and market risk, to include more G20 emerging countries is also under discussion.⁴² (February 11, 2009, *Reuters News*)

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." "Probably all of us will end up discussing it, definitely at the level of the European Commission, so that there are no distortions."⁴³ (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.⁴⁴ (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." 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." "We will not be able to avoid recession but we have to cushion it. We are doing that."⁴⁵ (January 20, 2009, *Market News International*)

⁴¹ *Reuters News* (March 6, 2009), "G20 to look at compensation caps to cut bank risks."

⁴² *Reuters News* (February 11, 2009), "G20 nears deal on bank capital, tax havens-report."

⁴³ *Reuters News* (February 2, 2009), "Europe leaders to discuss bad banks for G20-Almunia."

⁴⁴ *Reuters News* (January 26, 2009), "Britain's Brown's speech on global finance."

⁴⁵ *Market News International* (January 20, 2009), "German Finmin: April London G20 Meeting Of Great Importance."

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.” 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.⁴⁶ (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 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.⁴⁷ (January 13, 2009, *Reuters News*)

Hedge Funds

British prime minister Gordon Brown has said that large-scale changes will take place in the regulation of financial markets, specifically hedge funds and other areas which currently lack strict regulation. The United States has not disclosed details of plans to remove distressed assets from banks, which is crucial in order to stimulate the economy, but pledged to do so in the coming weeks.⁴⁸ (March 17, 2009, *SKRIN Newswire*)

The G20 finance ministers agreed to require regulation of hedge funds and their managers. U.S. and European officials have agreed that tougher oversight is necessary for any hedge fund that is big enough or complex enough to destabilize the financial system. The finance ministers are trying to put together a list of recommendations for next months meeting of their leaders.⁴⁹ (March 16, 2009, *The Wall Street Journal Europe*)

British prime minister Gordon Brown has called for greater regulation on hedge funds. “Together we will support oversight of under-regulated sectors and I also support proper disclosure and transparency of hedge funds,” he said after meeting with Italian prime minister and G8 host Silvio Berlusconi.⁵⁰ (February 19, 2009, *Reuters News*)

⁴⁶ *Agence France Presse* (January 18, 2009), “Britain planning new bid to shore up banking system.”

⁴⁷ *Reuters News* (January 13, 2009), “UK launches body to boost financial regulation.”

⁴⁸ *SKRIN Newswire* (March 17, 2009), “G20 to allocate funds to troubled EM economies.”

⁴⁹ *Wall Street Journal Europe* (March 16, 2009), “Officials back hedge-fund oversight — Before G20 meeting, concerns remain over regulation levels.”

⁵⁰ *Reuters News* (February 19, 2009), “UK’s Brown wants more scrutiny of hedge funds.”

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. In Washington, expectations are growing that hedge funds could be brought into the regulatory net under a widely predicted shake-up. The question that 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 in 2008. 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 CT. This is relatively easy, but does not touch the actual pool of money, which is typically in an offshore tax haven. The third approach favoured by many in Europe is the most interventionist, directly regulating the funds, much as mutual funds are controlled.⁵¹ (January 19, 2009, *Financial Times London*)

Currencies

Russia is proposing that discussions into the possibility of creating a new world reserve currency are initiated at the upcoming G20 summit in London. “We fully agree that this is not the issue that would enable us to get out of the crisis and cut costs,” said a government source. “The main idea is to initiate discussions on this issue.” Russia earlier put forward a suggestion to the G20 summit for the International Monetary Fund (IMF) to examine possibilities for creating a supra-national reserve currency and also force national banks and international financial institutions to diversify their foreign currency reserves. The proposal says “it is necessary to consider the IMF’s role in this process and also define the possibility and the need to adopt measures allowing for Special Drawing Rights (SDRs) to become an internationally recognized super-reserve currency.”⁵² (March 18, 2009, *RIA Novosti*)

South Korea’s finance minister, Yoon Jeung-hyun, recently raised the issue of expanding currency swap lines with the United States Federal Reserve. South Korea’s central bank has lent \$16 billion out of a \$30 billion currency swap facility with the Federal Reserve so far. The issue was raised by Yoon when he met U.S. treasury secretary Timothy Geithner at the G20 ministerial meeting in March.⁵³ (March 16, 2009, *Reuters News*)

Export Credit

British prime minister Gordon Brown is consulting multilateral lenders on ways to open credit for the developing world. “I have already started talks with the International Monetary Fund, the World Bank and other organisations to draw up proposals that, if

⁵¹ *Financial Times London* (January 19, 2009), “Hedge funds move to limit rules burden.”

⁵² *RIA Novosti* (March 18, 2009), “Russia wants to start debate on new reserve currency at G20.”

⁵³ *Reuters News* (March 16, 2009), “S.Korea says raised US swap extension during G20.”

accepted by the G20, could inject billions of dollars into the economies of developing countries.”⁵⁴ (February 18, 2009, *Reuters News*)

The G20 will focus discussions on how to revive foreign trade lines to emerging markets, Brazil’s Central Bank president Henrique Meirelles said. The turmoil in financial markets has drastically reduced the volume of credit around the world, and has hit emerging markets particularly hard as investors drew funds away from riskier assets. “Just as the United States begins to look for a way out [of the crisis], the big issue that will remain at the G20 meeting in April will be that of credit lines for imports and exports in emerging and developing countries,” said Meirelles. “Brazil has international reserves to make up for those lines, but many emerging market countries don’t.” “This is an essential liquidity tool.”⁵⁵ (February 13, 2009, *Reuters News*)

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.⁵⁶ (February 2, 2009, *The Wall Street Journal Asia*)

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

⁵⁴ *Reuters News* (February 18, 2009), “Britain’s Brown in credit talks for developing world.

⁵⁵ *Reuters News* (February 13, 2009), “G20 to discuss foreign trade lines in April-Brazil.”

⁵⁶ *Wall Street Journal Asia* (February 2, 2009), “Sovereign Debt Safety Net.”

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.”⁵⁷ (January 29, 2009, *Guardian Unlimited*)

Reform of the International Financial Institutions

European Union leaders have agreed to seek a doubling of resources for the International Monetary Fund (IMF) to enable it to help countries in the global economic downturn. EU officials said the bloc would contribute \$75 billion, but wanted to consult with the other G20 countries first. They will also push for IMF reform so that the institution “reflects more adequately relative economic weights in the world.”⁵⁸ (March 20, 2009, *Reuters News*)

One of the results of the G20 finance ministers and central bank governors meeting on March 13-14 was that all G20 countries are now members of the Financial Stability Forum.⁵⁹ (March 15, 2009, *ITAR-TASS World Service*)

The finance ministers of Brazil, Russia, India and China (the BRICs) met on the sidelines of the G20 finance ministers and central bank governors meeting and called for greater voting rights for developing countries within international financial organizations. The BRIC countries made it clear that reforming international financial organizations should be put on the must-do list when the G20 leaders meet on April 2.⁶⁰ (March 15, 2009, *BBC Monitoring Asia Pacific*)

Although the G20 finance ministers and central bank governors agreed that resources for the International Monetary Fund should be increased, they left the specific amount and who would contribute what, to be taken up when their leaders meet in April.⁶¹ (March 14, 2009, *Associated Press Newswires*)

The G20 will likely double the resources of the International Monetary Fund (IMF) at the April 2 summit. The G20 appear to be committed to bringing the IMF’s rescue fund to at least \$500 billion, up from the current \$250 billion. According to British officials, \$500 billion is the “minimum needed” to reassure markets that the world’s leading economies were taking action to counter the global crisis. Although the G20 appears to have

⁵⁷ *Guardian Unlimited* (January 29, 2009), “Global labour leaders demand action from G20 to save jobs.”

⁵⁸ *Reuters News* (March 20, 2009), “EU seeks doubling of IMF funds – final draft.”

⁵⁹ *ITAR-TASS World Service* (March 15, 2009), “G20 finance ministers work out anti-crisis measures.”

⁶⁰ *BBC Monitoring Asia Pacific* (March 15, 2009), “G20 urged to give developing countries greater roles in world financial bodies.”

⁶¹ *Associated Press Newswires* (March 14, 2009), “G20 pledge sustained action non financial crisis.”

accepted the need to increase the IMF resources, individual countries' commitments have not yet been established.⁶² (March 9, 2009, *Dow Jones Chinese Financial Wire*)

There appears to be no unanimity of views of key issues such as changing the basic structure of global institutions and the role for India and China in a new system, Indian envoy Shyam Saran said. "There seems to be a tension between those who look upon what has happened as a dislocation ... On the other hand you have countries, and this includes developed countries who see something wrong with the very structure itself." Saran said France is talking about the need for global regulatory and global surveillance mechanism, which the United Kingdom or other western countries do not feel very comfortable with. "Unless you also fashioned some kind of an agreed plan in order to move towards a new global equilibrium," he said, "perhaps the confidence you need to instill in the global economy may not be possible."⁶³ (March 1, 2009, *BBC Monitoring South Asia*)

British prime minister Gordon Brown and Australian prime minister Kevin Rudd want to increase funding of the International Monetary Fund (IMF), speed up a review to give China and India clearer voting rights and give the fund powers to direct nation-states to respond to its surveillance reports. Brown also wants to give the G20 a permanent secretariat. He wants to expand the IMF's existing line of credit to give emerging markets an opportunity to contribute. Brown and Rudd want to allocate additional special drawing rights (SDRs) to the IMF's newest members to give them access to foreign exchange. Brown also wants to give the IMF a strengthened mandate to provide early warning of weaknesses and advice on remedial policies, similar to those provided by a central bank.⁶⁴ (February 17, 2009, *The Guardian*)

Russia cannot become a member of the Financial Stability Forum (FSF) until the G20 summit in London, Russian vice premier and finance minister Alexei Kudrin said, because of the reorganization of the forum's work in connection with planned admittance of new members, such as Russia, India, China and Brazil. At the same time, the key members and organizations of the FSF, including Italy and Britain who are presiding over the G8 and G20 respectively, do not object to admittance of new members. Proposals for joining the organization most likely will be ready by April 2, but the process is likely to take place after the London meeting. Nevertheless, it will not prevent Russia from participating in the preparation and working out of proposals for new world financial architecture formation that are being prepared for the April G20 summit.⁶⁵ (February 14, 2009, *ITAR-TASS World Service*)

⁶² *Dow Jones Chinese Financial Wire* (March 9, 2009), "UK: G20 Likely to Double IMF Crisis Rescue Fund."

⁶³ *BBC Monitoring South Asia* (March 1, 2009), "No unanimity of role of India, China — envoy says before G20 meet."

⁶⁴ *The Guardian* (February 17, 2009), "Brown seeks sweeping reforms to give IMF global 'surveillance role': PM wants G20 summit to be economic turning point Emerging countries would be given greater role."

⁶⁵ *ITAR-TASS World Service* (February 14, 2009), "Russia not to join Fin Stability Forum until G20 summit — Kudrin."

The current financial crisis has exposed inadequacies in the International Monetary Fund's (IMF) structure and operations, said Australian prime minister Kevin Rudd. The IMF not only failed to foresee this crisis, but its resources and governance structure have also proved inadequate to deal with it. At the G20 summit in April, IMF members have the chance to work toward meaningful, lasting reform to ensure the IMF is never again caught flat-footed. Australia, co-chairing the G20 working group on IMF reform, believes that to respond effectively to this crisis, IMF members need to act quickly to reform the Fund's governance, increase its resourcing and adapt its lending instruments and other procedures to respond to the current situation.⁶⁶ (February 11, 2009, *The Wall Street Journal Asia*)

On February 9 UK prime minister Gordon Brown said the International Monetary Fund (IMF) and the World Bank need major overhauls because they are not equipped to deal with the global recession in their current forms. Setting out the aims of the G20 summit in London to a group of economists and academics yesterday, Brown said leaders should use the event in April as an opportunity to reform the institutions. "I believe the IMF and World Bank will have to change their role quite dramatically," said Brown. "These institutions were built for a world of local capital flows, not global capital flows. The institutions we have inherited are not equipped for the tasks we have to deal with in the future." He said bold solutions were needed to avert future crises and suggested that changes are needed to the way the institutions are funded: "I see a big argument about how the IMF and the World Bank are to be financed, one that will require us to talk about the reserves in different countries, talk about what sort of loan or bond facility we can develop, perhaps with the Arab states, even sovereign wealth funds." Dominique Strauss-Kahn, IMF managing director, warned over the weekend that the IMF could run out of money to fight the financial crisis in as little as six months. Brown said the world required an authoritative early-warning system to spot future problems. "We've never given anybody sufficient teeth that their views are treated seriously, that people have to act when those warnings are given." He added the IMF should act as a more sophisticated surveillance system, while the World Bank should increase its resources and play a greater role in environmental development.⁶⁷ (February 10, 2009, *The Daily Telegraph*)

British prime minister Gordon Brown indicated that he hoped to reach an agreement on boosting funding for the International Monetary Fund (IMF) and World Bank by the April 2 meeting. "I see a big argument about how the IMF and the World Bank are to be financed for the future, one that will require us talk about the reserves in different countries, talk about what sort of loan or bond facility we can develop, perhaps with the Arab states, perhaps even with sovereign wealth funds." Adding "that thinking has got to move forward very quickly as we move towards April 2," Brown said that he saw a need for the World Bank and the IMF to change their roles "quite fundamentally" to adapt to a more open world economy and financial system. The IMF should work closely with the Financial Stability Forum (FSF), developing its surveillance function to give early warnings, and becoming "rather like an independent central bank, rather than a political committee." He said, "We should be thinking at the moment of a loan facility or a trust

⁶⁶ *Wall Street Journal Asia* (February 10, 2009), "Renewing the IMF."

⁶⁷ *Daily Telegraph* (February 10, 2009), "Brown calls for World Bank and IMF reform."

fund or a new injection of special drawing rights to put the IMF ... in a position to help recapitalize banks in the emerging markets and in a position to speed up the funding that is necessary for these banks to be able to deliver to the economies of these countries.” He added that he expected the World Bank to take a similar role. Brown also said the global recapitalization of the banking system represented only the first step in rescuing the financial system. “We have put monetary policy to its toughest test,” he stated. “Because the monetary mechanism is impaired, the fiscal policy is absolutely essential.”⁶⁸ (February 9, 2009, *Dow Jones International News*)

At the 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[s] 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.”⁶⁹ (January 19, 2009, *The Press Trust of India Limited*)

Trade

Business leaders from the G20 pushed for a successful conclusion of world trade talks and to commit to fighting protectionism. “We feel the Doha Round would be a terrific, visible step and it’s worth a lot of money,” said Martin Broughton, president of the Confederation of British Industry (CBI). He estimates a deal could be worth \$170 billion annually. “Before Doha is done, the G20 could sign up to a legally binding agreement to maintain tariffs at a maximum of their current rates,” Broughton said. Britain hosted the CBI and business lobby groups from other G20 countries as part of preparations for a summit of world leaders on the financial crisis in London on April 2. Broughton said there was “good rhetoric” from the G20 on protectionism, but this was too often compromised by their actions. “We would like to see an urgent action task force to assess protectionist activity,” he said, adding this could be done by the World Trade Organization (WTO), or a combination of the WTO, the International Monetary Fund and World Bank.⁷⁰ (March 18, 2009, *Reuters News*)

⁶⁸ *Dow Jones International News* (February 9, 2009), “UK PM: Need to Push IMF, World Bk Funding Before G20.”

⁶⁹ *The Press Trust of India Limited* (January 19, 2009), “UK supports India’s demand for reforms in WB, IMF.”

⁷⁰ *Reuters News* (March 18, 2009), “Business leaders tell G20 to act on protectionism.”

The G20 finance ministers pledged not to resort to protectionism and take whatever action is necessary to end the global recession. The finance ministers made it clear [at their March 13-14 meeting] that raising barriers to trade and free movement of workers would not resolve the crisis, promising to “fight all forms of protectionism.”⁷¹ (March 15, 2009, *Press Trust of India*)

Officials agree that the G20 should focus on fighting protectionism at the April summit, but there has yet to be an effective mechanism proposed. Officials will likely ask the World Trade Organization (WTO) to monitor the G20’s behaviour more closely and publish the results, in the hope that the publicity will act as a deterrent, but such “name and shame” efforts are often weak because international organizations are reluctant to embarrass their members. The WTO also does not have the staff to monitor global behaviour rigorously. The World Bank and the Organisation for Economic Co-operation and Development could help the WTO, but there may not be enough time to put measures in place before turf battles erupt.⁷² (March 9, 2009, *The Wall Street Journal Europe*)

“It is a real litmus test of the effectiveness of this summit that there is a really strong commitment against protectionism,” said British foreign minister Mark Malloch Brown. He called for “some way of monitoring the trade performance of countries, to make sure there isn’t backsliding.” He said, “We have to make this a much more politically central issue and raise the price of transgression.” In a speech to a joint session of the U.S. Congress, British prime minister Gordon Brown urged lawmakers to reject an extension of “Buy America” policies and warned against the dangers of imposing restrictions on international trade. Global leaders must understand that the impact of their domestic economic policies are felt all over the world, Brown told legislators. “Since [the November meeting], this crisis has tipped dramatically into the real economy, touching on the pocketbooks of families everywhere,” said Malloch Brown.⁷³ (March 6, 2009, *Associated Press Newswires*)

Thai prime minister Abhisit Vejjajiva, who chairs the Association of Southeast Asian Nations (ASEAN) said its member countries had agreed to stay clear of trade protectionist measures and to boost cooperation in free trade agreements and support for the World Trade Organization’s Doha development round. “We will declare our views at the G20 meeting on the impact of the global financial crisis on the region’s exports and tourism,” he said. “Nations have high expectations of the G20 to help tackle the global economic recession. The meeting could mark the creation of new global financial architecture in the long term.”⁷⁴ (March 2, 2009, *Bangkok Post*)

The British government wants to tighten the G20’s commitment not to restrict trade at its summit in London, said Stephen Timms, financial secretary to the British Treasury. At the Washington meeting in November, the G20 agreed that for the next year its members

⁷¹ *The Press Trust of India Limited* (March 15, 2009), “G20 pledges to avoid protectionism.”

⁷² *Wall Street Journal Europe* (March 9, 2009), “U.S. and Europe in conflict over stimulus---Germany and France favor toughening financial regulations.”

⁷³ *Associated Press Newswires* (March 6, 2009), “Britain: G2- must monitor anti-protectionism vows.”

⁷⁴ *Bangkok Post* (March 2, 2009), “Leaders sign free trade accord.”

would refrain from raising barriers to trade, imposing new export commitments and introducing measures that run against World Trade Organization rules. But there have been several breaches of that agreement, leading to growing concern about protectionism. “At the summit, we need leaders to strengthen commitments not to restrict or distort trade,” said Timms.⁷⁵ (February 24, 2009, *Dow Jones Asian Equities Report*)

The G20 meeting in April must come out with a very strong statement against protectionism, British finance minister Alistair Darling said. Darling said the world was still far from emerging from the economic crisis and it was vital that the G20 summit in London sent a strong signal that authorities were cooperating. “We’re hoping to get declarations of principle from governments on regulation, trade and tax.” “But what really counts is to be very tough on protectionism. It was disastrous in the 1930s. It would be disastrous today.” At the London Summit, G20 leaders will meet to agree on reforms to the global financial system, amid increasing concern over a resurgence in protectionism as governments have looked to help local industries. Despite the recent slide in the pound against the euro, Darling dismissed any suggestion that Britain might join the single currency, adding: “Frankly there are much more important subjects at the moment.”⁷⁶ (February 11, 2009, *Reuters News*)

The UK government will be pressing for as strong a commitment against protectionism as it can muster at the London summit in April. Foreign and Commonwealth Office minister Lord Malloch Brown, at the United Nations in New York, said that the fight against protectionism would be central to the April meeting, in which the G20 will gather to discuss common approaches to combating the global economic crisis. He likened the British prime minister to Adam Smith, the 18th-century free trade advocate. The government is particularly keen to ensure that any hint of protectionism is kept out of the London summit. “As we move towards a deepening of this crisis towards a more apocalyptic view of it, it is the dark clouds of protectionism that worry the commentators and indeed politicians most,” said Malloch Brown. “It will be a real challenge for this summit to be relevant and not to be seen as a redundant talking shop as jobs and growth burn up.” Malloch Brown has ministerial responsibility for Africa and Asia, and liaison with the UN, where he was deputy secretary general in 2006. Malloch Brown said the Obama administration would be central to the London gathering, the US president’s first attendance at an international summit. “In some ways this is the Obama plan writ global.” The UK will press at the summit for new mechanisms to open up financial tools for combating the global recession to poorer countries, as part of its ongoing support for the developing world. Poorer nations are already struggling as a result of cutbacks in aid from rich countries in the wake of the crisis.⁷⁷ (February 10, 2009, *Guardian Unlimited*)

The trade positions of India and the U.S. have been key stumbling blocks to the conclusion of the current round of Doha negotiations, but both have shown signs of flexibility, UK prime minister Gordon Brown said. He expressed cautious optimism that

⁷⁵ *Dow Jones Asian Equities Report* (February 24, 2009), “UK Treasury: Want G20 Summit To Tighten Trade Commitment.”

⁷⁶ *Reuters News* (February 11, 2009), “UK wants strong G20 anti-protectionism statement.”

⁷⁷ *Guardian Unlimited* (February 10, 2009), “Gordon Brown will champion free trade at G20 London Summit.”

the current round of Doha trade negotiations could be concluded as part of the upcoming G20, set to take place in April in London. “The biggest danger the world faces is a retreat into protectionism,” Brown told Parliament, adding, “We should sign the Doha agreement.” He said Doha “will feature on the G20 agenda” and “there are actually only two issues that are left to decide.” The two issues are the terms of a safeguard clause, which covers a surge in imports into any “poor” country, and the second is on the detail of tariff terms for different industrial sectors. “It is now up to President Obama and the Indian Prime Minister to say that they can now accept the terms of this agreement,” he declared. “If that were to be so we would have a conclusion of this first round of the Doha negotiations.” Brown also said G20 countries “should agree as a world on a monetary and fiscal stimulus that will take the world out of recession.”⁷⁸ (February 4, 2009, *Market News International*)

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.” 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 global markets, said Crean. The G20 meeting in London will be significant in shaping the future of the trade agenda. 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.⁷⁹ (February 1, 2009, *Dow Jones International News*)

Climate Change

Danish prime minister Anders Rasmussen urged countries to keep the environment in mind at the London Summit. “It might facilitate the process towards Copenhagen in December if ‘green’ aspects could be an element at the G20 meeting,” he said. “I think it would be beneficial if the G20 could send a clear signal that there is no contradiction between addressing the financial crisis and addressing climate change.” But Rasmussen said the G20 was not the right place to outline an agreement on climate change. “I think it would be too complicated to discuss climate change at length at the G20 meeting. Also the G20 ... does not comprise all key players concerning the climate change agenda.” He did, however, encourage countries to make sure that “future stimulus packages have a strong ‘green’ element.”⁸⁰ (February 18, 2009, *Reuters News*)

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,

⁷⁸ *Market News International* (February 4, 2009), “UK Brown: Sees Chance Of Concluding Doha Round at G20.”

⁷⁹ *Dow Jones International News* (February 1, 2009), “Australian Min: Trade Ministers Target G20 April Meet on Doha.”

⁸⁰ *Reuters News* (February 18, 2009), “G20 should send clear signal on climate change-Denmark.”

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." 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 would 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." 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 IMF to identify risks in the global economy and enable governments to respond with better coordinated action.⁸¹ (January 25, 2009, *Kyodo News*)

Oil Prices and Energy

The Organization of Petroleum Exporting Countries (OPEC) may cut oil output again if the G20 fail to take measures to stop demand falling, according to Chakib Khelil, Algeria's energy minister. However, he said that he assumed "the G20 will come up with a good package." If that is the case, "we should see \$60 [a barrel] by the end of the year."⁸² (March 17, 2009, *Dow Jones Energy Service*)

Russian president Dmitry Medvedev plans to bring proposals on a new energy charter to the G20 summit. "The cabinet and our major companies draft proposals on a new Energy Charter. I'm sure to bring it and to give our partners, maybe in London or maybe in Italy (G8 summit in summer), but I hope in London. This will be an additional contribution of Russia to ensuring European energy security." In Medvedev's opinion, the document "should not be unilaterally aimed in favour of consumers."⁸³ (March 1, 2009, *Interfax: Russia & CIS General Newswire*)

Russian president Dmitry Medvedev has called for forging new international documents to regulate ways to ensure energy security. After an international conference on gas

⁸¹ *Kyodo News* (January 25, 2009), G20 to eye creation of low-carbon economy at April summit."

⁸² *Dow Jones Energy Service* (March 17, 2009), "Algeria Min: New OPEC Cut If G20 Fails To Boost Demand."

⁸³ *Interfax: Russia & CIS General Newswire* (March 1, 2009), "Medvedev hopes G20 will take effective steps to form new global financial system."

transit in Moscow, Medvedev said he would raise this issue at a G20 summit in London in April and at the next G8 summit.⁸⁴ (January 17, 2009, *Interfax: Russia & CIS Business and Financial Newswire*)

Developing Countries

British prime minister Gordon Brown has told a group of African leaders that their continent will not be left out of plans to revive the world's economy. He told representatives from 11 African countries that they would also play a role in charting a way out from the slump in economies around the world.⁸⁵ (March 16, 2009, *Associated Press Newswires*)

African countries petitioned the G20 for an increase in funding and easier access to international financing to help them through the global financial crisis. More than 20 African leaders and ministers met British prime minister Gordon Brown to present a joint African position before the G20 summit. African countries want additional funds and ease of access to those funds to be addressed. They want somewhere around US\$50 billion. "There are bound to be various means of funding and various means of disbursing those funds. We have discussed those with the prime minister and I believe we have agreed on the fundamentals of all of this," Ethiopian prime minister Meles Zenawi said. Leaders from Tanzania, Botswana and Kenya and finance ministers from Nigeria and Rwanda were in attendance. Brown said he hoped the result of the G20 summit would be that every continent, including Africa, "has its fair share of support over the next few months and equally every continent feels that it can play a part in drawing up the plan for recovery." "In the case of Africa, people are going to die. We are talking about lives, not just somebody who will have to drive a smaller car." Egyptian finance minister Youssef Boutros-Ghali said.⁸⁶ (March 16, 2009, *Reuters News*)

G20 finance ministers said they would help emerging and developing countries to cope with the reversal in capital flows and would mobilize international financial resources to help them. In their communiqué they stated, "We are committed to helping emerging and developing economies to cope with the reversal in international capital flows. We recognise the urgent need to pursue all options for mobilising International Financial Institutions (IFI) resources and liquidity to finance countercyclical spending, bank recapitalization, infrastructure, trade finance, rollover risk and social support."⁸⁷ (March 15, 2009, *All Africa*)

British prime minister Gordon Brown has called for a special international fund to support poor countries through the recession. He insisted that it was essential that the developing world was not forgotten during the downturn but regarded as central to efforts to restore global economic growth. "I want us all to affirm that we cannot solve the

⁸⁴ *Interfax: Russia & CIS Business and Financial Newswire* (January 17, 2009), "Medvedev to call for forging new energy security mechanism at G20, G8 Summits."

⁸⁵ *Associated Press Newswires* (March 16, 2009), "UK tells African leaders they will get support."

⁸⁶ *Reuters News* (March 16, 2009), "African leaders petition G20 for more funds."

⁸⁷ *All Africa* (March 15, 2009), "Finance Ministers Make Promises to Developing Countries."

economic challenges of globalisation without involving Africa and the developing countries,” said Brown. He set out his ambition for a “global new deal” to be agreed at the London Summit, which would include a new fund for developing countries as cash flows to them are hit by the recession. “This new fund will be targeted at the very poorest,” he said, “helping to keep girls in school, keep food on the table and keep poverty from the door, so that when growth returns people are in a position to contribute to the economy once more.”⁸⁸ (March 9, 2009, *Press Association National Newswire*)

On March 16, British prime minister Gordon Brown will meet with African leaders to discuss how to best address the impact of the crisis on the continent. According to a World Bank report, 129 developing countries are facing a financial shortfall between \$270 billion and \$700 billion this year. The report, prepared for the G20 finance ministers meeting on March 13-14, says that only one quarter of the most vulnerable countries have the resources to prevent a rise in poverty. World Bank president Robert Zoellick said, “We need to react in real time to a growing crisis that is hurting people in developing countries. This global crisis needs a global solution and preventing an economic catastrophe in developing countries is important to overcome this crisis. We need investments in safety nets, infrastructure and small and medium-sized companies to create jobs and to avoid social unrest.”⁸⁹ (March 9, 2009, *The Guardian*)

Mark Malloch-Brown, British prime minister Gordon Brown’s envoy to the G20, said that “it is certainly our hope that, at the summit, there will be a very strong rescue plan, if you like, for developing countries — both middle-income and poor.” The plan would use international financial institutions, such as the IMF and World Bank, to substitute for countries’ lost access to commercial credit markets because of the credit crunch. The aim would be to meet these countries’ basic social needs and secure investment in public infrastructure and other job creating mechanisms, he said.⁹⁰ (February 17, 2009, *Reuters News*)

Working Groups

According to Rakesh Mohan, deputy governor, Reserve Bank of India and co-chair of Working Group 1, the G20 working groups recognize that emerging economies need a greater voice globally. “Emerging market economies need better representation in standard setting bodies such as the World Bank and the International Monetary Fund,” he said.⁹¹ (February 22, 2009, *Indian Express*)

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

⁸⁸ *Press Association National Newswire* (March 9, 2009), “International Fund Needed to Aid Poorer Nations.”

⁸⁹ *The Guardian* (March 9, 2009), “Downturn will ‘set back Millennium Goals by three years’:

Government predicts 90m people falling into poverty Developing countries ‘face shortfalls up to \$700bn.”

⁹⁰ *Reuters News* (February 17, 2009), “UK wants G20 ‘rescue plan’ for poorer nations.”

⁹¹ *Indian Express* (February 22, 2009), “Emerging markets need greater voice, Mohan group to tell G2-.”

implementation of actions already identified and makes recommendations to strengthen 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.⁹² (February 9, 2009, *G20 Official Website*)

Working Group 1 will suggest to the G20 finance ministers and central bank governors in mid-March the ways to improve regulations and transparency in the financial sector. A report will be prepared for the March meeting.⁹³ (February 21, 2009, *The Press Trust of India Limited*)

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.⁹⁴ (February 9, 2009, *G20 Official Website*)

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.⁹⁵ (February 9, 2009, *G20 Official Website*)

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

⁹² *G20 Website* (Accessed February 9, 2009), "G20 Working Groups," Available from: <www.g20.org/about_working_groups.aspx>

⁹³ *The Press Trust of India Limited* (February 21, 2009), "Rakesh Mohan group to submit report to G2- by mid-March."

⁹⁴ *G20 Website* (Accessed February 9, 2009), "G20 Working Groups," Available from: <www.g20.org/about_working_groups.aspx>

⁹⁵ *G20 Website* (Accessed February 9, 2009), "G20 Working Groups," Available from: <www.g20.org/about_working_groups.aspx>

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.⁹⁶ (February 9, 2009, *G20 Official Website*)

3. Participants

World Trade Organization (WTO) director general Pascal Lamy will attend the G20 summit in London. “He’s been asked by Prime Minister [Gordon] Brown to come — trade is on the agenda,” a WTO spokesman said. Lamy did not attend the previous G20 summit in Washington in November, which called on leaders to seek a deal in the WTO’s long-running Doha round of trade liberalization talks by the end of the 2008. The meeting also called on countries not to raise trade barriers that could exacerbate the crisis.⁹⁷ (March 17, 2009, *Reuters News*)

Surin Pitsuwan, secretary general of the Association of Southeast Asian Nations (ASEAN), will attend the G20 summit on April 2. He will join Thai prime minister Abhisit Vejjajiva, who has been invited as ASEAN chair. At the recently concluded 14th ASEAN summit in Thailand, the leaders agreed to work in tandem with the G20, particularly on the reform of the international financial institutions and markets.⁹⁸ (March 9, 2009, *Asia Pulse*)

Spain has been invited to participate in the London summit. Spanish prime minister José Zapatero said that “Spain, as the eighth economic power in the world and with a very solid banking system, involved in all the important groups since many years, has to be present in this process of reforms.” He will be accompanied by his economy finance minister, Pedro Solbes.⁹⁹ (February 20, 2009, *Agence France Presse*)

British prime minister Gordon Brown has issued formal invitations to leaders to attend the London Summit. He has invited the heads of state from Argentina, Australia, Brazil, Canada, China, European Union president Czech Republic, France, Germany, India, Indonesia, Italy, Japan, Mexico, the Netherlands, South Korea, Russia, Saudi Arabia, South Africa, Spain, Turkey, and the United States. To ensure balanced regional representation the chair of the New Partnership for Africa’s Development (NEPAD), the chair of the Association of South East Asian Nations (ASEAN) and the president of the EU Commission are also invited. The African Union chair will also attend. In addition, the heads of a number of global institutions are also being invited to contribute to specific parts of the agenda. Brown said that “the global economic challenges we face need to be met with decisive action if we are to secure jobs, restore confidence and reinvigorate growth. To be effective in addressing this global crisis we have to bring in partners from across the world ... Having the world’s poorest countries represented by NEPAD,

⁹⁶ *G20 Website* (Accessed February 9, 2009), “G20 Working Groups,” Available from: <www.g20.org/about_working_groups.aspx>

⁹⁷ *Reuters News* (March 17, 2009), “WTO’s Lamy to attend G20 London summit.”

⁹⁸ *Asia Pulse* (March 9, 2009), “ASEAN Sec-Gen to Attend G20 Summit in London.”

⁹⁹ *Agence France Presse* (February 20, 2009), “Spain to attend G20 summit in London: Madrid.”

ASEAN and the African Union will ensure their interests are not forgotten and their voices are heard. Having this mix of countries and international organisations present not only reflects the new reality of the global economy but will also make any action we take more effective.”¹⁰⁰ (February 20, 2009, *The London Summit 2009*)

Spanish leader José Zapatero has been invited to attend the London Summit in April. British prime minister Gordon Brown did not say why he extended the invitation to Zapatero, but he did attend the previous summit in Washington in November as French president Nicolas Sarkozy’s guest. Zapatero’s wife was also invited, although no spousal program was outlined for the event.¹⁰¹ (February 20, 2009, *El Pais – English Edition*)

Argentinean president Cristina Kirchner acknowledged British prime minister Gordon Brown’s invitation to the London Summit. “We’ve just received the invitation from the prime minister ... to be in London April 1 and 2 for the G20 meeting,” Kirchner said.¹⁰² (February 17, 2009, *BBC Monitoring Newsfile*)

Abhisit Vejjajiva, prime minister of Thailand, is planning to attend the G20 summit to clarify Thailand’s economic stimulus package aimed at reversing the local economic crisis. He will ask that protectionism, particularly in trade and investment, not be implemented by major global economies.¹⁰³ (February 17, 2009, *Thai News Service*)

U.S. vice-president Joe Biden said that President Barack Obama will attend the G20 summit in London on April 2. Biden said that “to the greatest extent possible, we must cooperate, make sure that our actions are complementary, and do our utmost to combat this global (financial) crisis.”¹⁰⁴ (February 7, 2009, *Agence France Presse*)

Poland may join the G20 at the summit in London in April. “British diplomats are not ruling out Poland’s participation in G20’s April summit devoted to the financial crisis,” according to the Polish daily *Rzeczpospolita*. An unnamed British diplomat said that Poland could be an important participant of the meeting in London, since it turned out to be better prepared than other countries to tackle the global financial crisis. “The Polish experience is very interesting to us,” said the diplomat. “Even if Poland doesn’t show up, for sure we will want to have broad consultations with Poland before the summit.” The Polish foreign ministry has recently been instructed to seek a permanent place for Poland in the G20.¹⁰⁵ (February 5, 2009, *Interfax: Poland Business Newswire*)

German chancellor Angela Merkel said she wanted international financial institutions to be present at the G20 meeting in London. “We want closer cooperation [of these institutions] in the G20 process,” Merkel said at a joint news conference with the heads of

¹⁰⁰ *The London Summit 2009*, (February 20, 2009), “Invitations to World Leaders.” Accessed 1 March 2009. Available from: <<http://ow.ly/q2e>>.

¹⁰¹ *El Pais — English Edition* (February 20, 2009), “Zapatero invited to London G20 Summit.”

¹⁰² *BBC Monitoring Newsfile* (February 17, 2009), “Russian, French presidents say G20 summit should help prevent future crisis.”

¹⁰³ *Thai News Service* (February 17, 2009), “Thailand: Thai PM to attend G2- summit in April.”

¹⁰⁴ *Agence France Presse* (February 7, 2009), “Obama to attend G20 summit in London in April: Biden.”

¹⁰⁵ *Interfax: Poland Business Newswire* (February 5, 2009), “Poland may join G20 group at London summit in April.”

the International Monetary Fund, the World Trade Organization, the World Bank, the Organisation for Economic Co-operation and Development and the International Labour Organization. Merkel said she would see whether UK prime minister Gordon Brown was open to the possibility of the bodies participating in the G20 meeting in London.¹⁰⁶ (February 5, 2009, *Reuters News*)

The G20 summit on the global financial crisis “has not been prepared to the end,” Russian president Dmitry Medvedev said. “There is no sense in travelling to London just to meet and talk,” he said. “If the decision is made to go, then a document must be signed. No common position has been formed on ways to overcome the financial crisis thus far. A great deal of work is still to be done ... The discussion has been slow-moving, which is very alarming.”¹⁰⁷ (February 4, 2009, *Interfax: Russia & CIS Business and Financial Newswire*)

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. China will look to represent the interests of developing countries at the G20, said several Chinese analysts who attended the World Economic Forum.¹⁰⁸ (February 1, 2009, *Reuters News*)

Spanish finance minister Pedro Solbes and UK chancellor of the exchequer Alistair Darling are meeting to discuss the G20. Spain expects to be at the April 2 meeting although it isn't a G20 member, the spokesperson said. “We've been invited to the Berlin preparatory meeting, so, yes, we expect to be present at the London event,” she said.¹⁰⁹ (February 5, 2009, *Dow Jones International 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

¹⁰⁶ *Reuters News* (February 5, 2009), “Germany’s Merkel wants int’l bodies at G20.”

¹⁰⁷ *Interfax: Russia & CIS Business and Financial Newswire* (February 4, 2009), “G20 remains undecided on ways to overcome financial crisis — Medvedev.”

¹⁰⁸ *Reuters News* (February 1, 2009), “DAVOS-ANALYSIS-China looks to broker gradual finance reform.”

¹⁰⁹ *Dow Jones International News* (February 5, 2009), “Spain Solbes, UK Darling To Discuss London G20 Mtg.”

a new place for him, given that the EU's seat will be taken by the bloc's current term as president, the Czech Republic.¹¹⁰ (January 30, 2009, *El Paris-English Edition*)

Sideline Meetings

U.S. president Barack Obama and his wife will visit Queen Elizabeth II at Buckingham Palace on April 1 when they are in London for the G20. The monarch, Prince Philip and other members of the royal family including Prince Charles will also host a reception at the palace on the same day for other G20 world leaders.¹¹¹ (March 20, 2009, *Agence France Presse*)

Japanese prime minister Taro Aso said that he will likely hold bilateral talks with South Korean president Lee Myung-bak on the sidelines of the upcoming G20 summit. "There is a great possibility for our talks," Aso said. "I would like to discuss with the president bilateral cooperation on the abduction issue if the meeting is realized."¹¹² (March 19, 2009, *Xinhua News Agency*)

Indian prime minister Manmohan Singh is expected to meet U.S. president Obama on the sidelines of the London summit.¹¹³ (March 16, 2009, *Thai News Service*)

U.S. president Barack Obama plans to meet Chinese president Hu Jintao on the sidelines of the London Summit, said U.S. secretary of state Hillary Clinton said. "President Obama looks forward to seeing President Hu in London around the G20 summit." Clinton said the U.S. and China must work together on major global economic problems such as the economy and climate change.¹¹⁴ (February 20, 2009, *Agence France Presse*)

South Korean president Lee Myung-bak and U.S. president Barack Obama are planning to meet on the sidelines of the London Summit.¹¹⁵ (February 17, 2009, *Yonhap English News*)

It is likely that the first meeting between the Russian and the U.S. presidents will take place in London, at the G20 summit on April 2, Russian foreign minister Sergey Lavrov said. "Medvedev and Obama have already spoken by phone twice. What is more, it was not just an exchange of pleasantries. They talked about the substance of our relations. Both sides restated that relations should be normalized. As President Obama said, the 'reset' button should be pressed. President Medvedev also underlined the desire to 'start from scratch.'"¹¹⁶ (February 14, 2009, *BBC Monitoring Newsfile*)

¹¹⁰ *El Paris-English Edition* (January 30, 2009), "Spain seeks G20 seat at London financial summit."

¹¹¹ *Agence France Presse* (March 20, 2009), "Queen to host Obama before G20 London Summit."

¹¹² *Xinhua News Agency* (March 19, 2009), "Japanese PM likely to hold talks with S. Korean president at G20 summit."

¹¹³ *Thai News Service* (March 16, 2009), "India: Indian prime minister conducts pre-G20 summit consultation."

¹¹⁴ *Agence France Presse* (February 20, 2009), "Obama plans to meet Hu in London during G20 summit: Clinton."

¹¹⁵ *Yonhap English News* (February 17, 2009), "Lee, Obama likely to hold first meeting in London."

¹¹⁶ *BBC Monitoring Newsfile* (February 14, 2009), "Russian, US leaders likely to meet at G20 London forum — Foreign Minister Lavrov."

British ambassador to Russia Anne Pringle has not ruled out that British prime minister Gordon Brown and Russian president Dmitry Medvedev could meet on the sidelines of the G20 summit in April. “They’ll certainly meet and the agenda for the summit is obviously going to be tight because although G20 is the core, other people will be there, so it will be a very busy day,” Pringle said in an interview with Interfax. “I hope there will be a bilateral but I can only hope and press, there are only 24 hours in a day. So we’ll see.”¹¹⁷ (February 12, 2009, *Interfax: Russia & CIS General Newswire*)

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 date before the April G20 meeting.” 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.¹¹⁸ (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.” 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.” 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.” He added 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.” These problems included strategic stability, nonproliferation of weapons of mass destruction and international terrorism.¹¹⁹ (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. 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

¹¹⁷ *Interfax: Russia & CIS General Newswire* (February 12, 2009), “UK ambassador to Russia hopes Brown, Medvedev will meet in London in April.”

¹¹⁸ *Agence France Presse* (January 30, 2009), “Japan planning Obama summit by April: spokesman.”

¹¹⁹ *BBC Monitoring Newsfile* (January 27, 2009), “Russia, US foreign ministers to meet before leaders’ meeting in April.”

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.¹²⁰ (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.”¹²¹ (January 21, 2009, *Interfax: Russia & CIS General Newswire*)

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 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.¹²² (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.” “Our ministry should make utmost efforts to support the pan-governmental campaign to revive the economy.”¹²³ (January 2, 2009, *Yonhap English News*)

¹²⁰ *RIA Novosti* (January 22, 2009), “Barack Obama could visit Russia in April-paper.”

¹²¹ *Interfax: Russia & CIS General Newswire* (January 21, 2009), “Russian, Japanese leaders could meet in April-Japanese diplomat.”

¹²² *Yonhap English News* (January 21, 2009), “S. Korea seeks Lee-Obama summit at G20.”

¹²³ *Yonhap English News* (January 2, 2009), “Lee, Obama meeting likely at April G20: minister.”

4. Implementation and Preparations

Implementation

Of the G20 members, 17 have introduced restrictive trade practices since pledging not to do so at the November summit in Washington. World Bank officials say that officials have proposed or implemented 78 trade measures since the start of the financial crisis, including 47 policies in the past four months that restrict trade at the expense of another country. Tariff increases comprised about one third of the anti-trade measures and export subsidies were “particularly egregious.” Examples include Russia’s increased tariffs on used automobiles, China’s import bank on Irish pork and Indonesia’s requirement that five categories of products be permitted in just five ports and airports. Subsidies for the auto industry have increased to approximately \$48 billion worldwide. The United States gave \$17.8 billion in aid to car companies, and Canada, France, Germany, Britain, China, Argentina and Italy have also given “direct or indirect” subsidies.¹²⁴ (March 18, 2009, *Globe and Mail*)

“I am preparing to go to London on 2 April where there will be a meeting where we will of course discuss how to overcome the crisis,” Russian president Dmitri Medvedev said. “We have already done some work on this and there is more to do. It is difficult work. I can tell you frankly: I am still not quite satisfied with the results because we have not yet created a framework that could serve as the basis for the development of the financial system in the years ahead. But I hope that soon we will all be able to get on with actually creating such documents. Accordingly we will be talking about the most difficult issues that now concern all countries, including the world’s twenty largest economies.”¹²⁵ (February 10, 2009, *ITAR-TASS World Service*)

The remaining time before the London G20 summit should be used to implement the philosophy of the November Washington summit, Russian foreign minister Sergei Lavrov said. “We then came to an understanding that much should be changed and there should be joint action taken in a somewhat different way than under the old rules so far.” “It was agreed to consider how the mechanisms of the world finance function and how various measures of regulation, of control are applied,” he said. “Work is under way, above all, along the lines of the finance ministers ... It will be sad if all this remains on paper and the London meeting ends up as an attempt not to change anything and by means of some cosmetic nuances to leave everything as it is.” He added, “I believe this will be a time bomb, as matters of reform of the world financial system will still have to be tackled in a more complicated situation.” The minister stressed that “Russia is for specific measures, collectively coordinated and implemented.”¹²⁶ (February 10, 2009, *ITAR-TASS World Service*)

¹²⁴ *The Globe and Mail* (March 18, 2009), “World Bank warns of G20 protectionism.”

¹²⁵ *ITAR-TASS World Service* (February 10, 2009), “RF FM for implementing philosophy of Washington summit.”

¹²⁶ *ITAR-TASS World Service* (February 10, 2009), “RF FM for implementing philosophy of Washington summit.”

“While policymakers across advanced and emerging economies have adopted extraordinary policy measures, further policy actions are needed to resolve the crisis and establish a durable turnaround in global activity,” according to a report by the International Monetary Fund (IMF) presented to G20 deputy finance ministers at a preparatory meeting last weekend. For growth, the IMF reiterated that fiscal stimulus amounting to 2% of the world’s GDP would be needed. It estimated that stimulus plans already in place or in the works average about 0.5% of a country’s GDP in 2008, 1.4% this year, and 1.3% in 2010. While that falls short of the target, the measures should have a “considerable impact” on G20 economies, adding between 0.5 to 1.25 percentage point of growth. “Time will tell whether this is enough,” said a senior IMF official on a conference call to discuss the report. “It is certainly a good start, and we will keep monitoring things.” The report said that “restoring financial health will require dealing aggressively with distressed assets and the recapitalization of banks ... Limiting the fall in demand will require using the full range of macroeconomic policies.”¹²⁷ (February 5, 2009, *Dow Jones Capital Markets Report*)

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 FSF and reforming the IMF to increase developing countries’ representation on its executive board. Timms and other deputy finance ministers will gather to discuss the plans. “We certainly don’t see any backing off from commitment to the process.”¹²⁸ (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 in late January. 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 (IMF) 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

¹²⁷ *Dow Jones Capital Markets Report* (February 5, 2009), “IMF Urges G20 To Revive Fincl System, Econ Growth”

¹²⁸ *Wall Street Journal* (January 29, 2009), “G20 On Track for Changes in Financial Regulation.”

finish.” 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.” 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.¹²⁹ (January 28, 2009, *Reuters News*)

In late January Dominique Strauss-Kahn, managing director of the International Monetary Fund (IMF), 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.” He said, “Very little has been done. I don’t say nothing has been done, but it’s moving very, very slowly.” 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 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 politically understandable, but obviously is not helping to solve the crisis — for instance by protecting deposits.” He added, “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.”¹³⁰ (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. 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.” 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

¹²⁹ *Reuters News* (January 28, 2009), “Some in G20 urge relaxation of crisis pact-Russia.”

¹³⁰ *Agence France Presse* (January 26, 2009), “IMF chief deplors lack of G20 progress against financial crisis.”

expand export of products to Russia, but also launch production in Russia.”¹³¹ (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 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 “that it almost caused the 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 should 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.¹³² (January 18, 2009, *Mondaq Business Briefing*)

Four working groups will present interim reports on reform of the International Monetary Fund (IMF) 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

¹³¹ *Interfax: Russia & CIS Business and Financial Newswire* (January 21, 2009), “Japanese diplomat accuses Russia of violating agreements reach by G20 leaders.”

¹³² *Mondaq Business Briefing* (January 18, 2009), “EU Commissioner McCreevy Launches Consultation On Hedge Fund Regulation.”

from an industrialized country. 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.” 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.¹³³ (January 9, 2009, *Reuters News*)

Economic Performance

The International Monetary Fund (IMF) expects the Korean economy to be the worst performer in the G20 in 2009 because of the country’s sensitivity to export demand. “The [prediction of a] 4% contraction is quite shocking, but we have to pay attention to the possibility of the world’s fastest recovery next year,” said vice finance minister Hur Kyung-wook. “The government will make all-out effort including fiscal spending and liquidity injection to boost the domestic demand.”¹³⁴ (February 4, 2009, *The Korea Herald*)

Preparatory Meetings

- Jan 30-Feb 1: G20 Deputies Meetings (London)
- March 14-15: G20 Deputies Meetings (London)
- March 14-15: G20 Finance Ministers and Central Bank Governors Meeting
- April 1-2: G20 Leaders Meeting (London)

Preparations

European Union leaders agreed on their position heading into the G20 summit. They will call on the G20 to coordinate fiscal stimulus measures and implement them quickly; reverse stimuli once the recovery takes hold; restore credit flows; ensure fiscal measures help longer-term objectives such as improving productivity; avoid protectionism; reach a Doha trade deal; include small and medium-sized enterprises in aid schemes, in both the developed and developing world; and support a multilateral initiative on trade finance. They will call on the International Monetary Fund to monitor and promote the Action Plan adopted at the G20 Washington Summit, double resources so its members can handle balance of payment problems, and reform decision procedures and management selection to

¹³³ *Reuters News* (January 9, 2009), “G20 preparing reports on IMF, other reforms-source.”

¹³⁴ *The Korea Herald* (February 4, 2009), “Korea will be worst performer among G20: IMF.”

reflect better the economic weight of member states (the same call goes to the World Bank). They will suggest the G20 strengthen transparency and accountability in the financial sector oversight; ensure appropriate regulation or oversight on all financial markets, products and participants that may present a systemic risk, notably private pools of capital, hedge funds and alternative investment vehicles; better regulate credit rating agencies; make credit derivatives markets more transparent; fight tax evasion, financial crime, money laundering and terrorism financing; ensure better cooperation from tax havens; adopt sound principles on corporate governance and wages to prevent excessive risk taking; improve supervisory cooperation, in particular through the establishing colleges of supervisors for all major cross-border financial institutions before the end of 2009; improve regulation relating to banks' capital, to ensure banks build additional buffers of resources in good times, so that they are better equipped to face bad times; and improve prudential rules and accounting standards. They will also suggest the G20 promote global development; honour commitments to increase development aid; reaffirm commitments to deliver on the Millennium Development Goals; meet aid-for-trade pledges and give duty-free and quota-free access to least developed countries; use other official sources of financing, such as export credits, investment guarantees and development-oriented support in research and technology, peace and security, migration and climate change; and enable multilateral development banks to help counter the effects of the crisis in developing countries.¹³⁵ (March 20, 2009, *Reuters News*)

In preparation for the meeting of global business leaders in London, the Confederation of British Industry (CBI) is urging the G20 to focus its efforts on rebuilding the fractured financial system and protect open markets when leaders meet in April. The CBI is jointly hosting a special summit of business leaders representing the G20 countries with the government, which British prime minister Gordon Brown will attend. Brown will feed the points raised from the Business Summit into the London Summit of G20 leaders on April 2. The Business Summit will be chaired by CBI president Martin Broughton, who is also chair of British Airways.¹³⁶ (March 17, 2009, *Waterford Observer*)

Australian prime minister Kevin Rudd will meet a number of key economic officials in the United States. The talks in Washington will act as a preparation for the G20 summit of leading economies in London. While in the U.S., Rudd said he would meet with treasury secretary Timothy Geithner, Federal Reserve chair Ben Bernanke and secretary of state Hillary Clinton. When Rudd is in London for the G20 summit, he will meet with British prime minister Gordon Brown as well as with Conservative opposition leader David Cameron, and also chancellor of the exchequer Alistair Darling and foreign minister David Miliband.¹³⁷ (March 17, 2009, *Australian Associated Press General News*)

¹³⁵ *Reuters News* (March 20, 2009), "EU leaders' messages to G20 summit on April 2."

¹³⁶ *Waterford Observer* (March 17, 2009), "CBI urges G20 to rebuild financial stability."

¹³⁷ *Australian Associated Press General News* (March 17, 2009), "Fed: Rudd to meet Obama, Clinton, Bernanke and Geithner next week."

Botswana president Seretse Khama Ian Khama will be among the five African leaders attending the G20 consultative meeting in London. Other expected to attend are Tanzanian president Jakaya Kikwete, Kenyan president Mwai Kibaki, Liberian president Ellen Johnson-Sirleaf and Ethiopian prime minister Meles Zenawi. The meeting is an opportunity for Africa to examine its framework in the wake of the global economy. The meeting will call for developed countries to inject more funds into the International Monetary the Fund, World Bank and the African Development Bank. Without a stimulus package, African countries will not meet their Millennium Development Goals.¹³⁸ (March 16, 2009, *BBC Monitoring Africa*)

Tanzanian president Jakaya Kikwete attended a special meeting in Britain to discuss the current financial crisis. Kikwete was planning to present resolutions to put forward at a two-day meeting between Africa and the International Monetary Fund.¹³⁹ (March 16, 2009, *BBC Monitoring Newsfile*)

Ethiopian prime minister Meles Zenawi participated in a meeting with British prime minister Gordon Brown ahead of the G20 summit to explore ways on how best to drive home Africa's interests. Meles will also take part in the G20 summit as the current chairman of the New Partnership for Africa's Development (NEPAD). Meles has emphasized that Africa should be given a real voice in international financial dealings and that the international financial institutions limit or put an end to conditionalities on Africa in resource flow. Meles also noted the need for Africa to press for a situation where development aid to Africa would not diminish amidst the current crisis.¹⁴⁰ (March 15, 2009, *BBC Monitoring Africa*)

Kenyan prime minister Raila Odinga will participate in a meeting ahead of the G20 summit. The pre-G20 conference will discuss the impact of the global financial crisis on Africa and necessary interventions. Odinga is one of only two African leaders invited to represent the continent at the conference. The other is Meles Zenawi, the prime minister of Ethiopia, who is the chair of the New Partnership for Africa's Development (NEPAD).¹⁴¹ (March 15, 2009, *BBC Monitoring Africa*)

The Economic and Financial Affairs Council is meeting in Brussels on March 10. The Financial Stability Forum (FSF) meets in London on March 12-13. On March 19-20 the European Union Heads of State will meet.¹⁴² (March 12, 2009, *London Summit 2009 website*)

Chief executives of leading Japanese, European and U.S. banks will meet in London to discuss the future of the financial system. The British government will host the meeting on March 24. Invitations to the meeting of bankers had been sent to leading institutions

¹³⁸ *BBC Monitoring Africa* (March 16, 2009), "Botswana: President Khama among African leaders attending G20 summit in London."

¹³⁹ *BBC Monitoring Newsfile* (March 16, 2009), "Tanzanian president in UK for pre-G20 summit."

¹⁴⁰ *BBC Monitoring Africa* (March 15, 2009), "Ethiopian premier leaves for consultation in UK on G20 summit."

¹⁴¹ *BBC Monitoring Africa* (March 15, 2009), "Kenyan premier off to UK for G20 summit."

¹⁴² *The London Summit 2009* (March 12, 2009). "Timeline of key events." Available from: <<http://www.londonsummit.gov.uk/en/summit-aims/timeline-events/>>

including JPMorgan Chase and HSBC. Mitsubishi UFJ Financial Group president will attend the meeting, where the attendees are to discuss regulations to prevent further crises similar to the meltdown of the subprime mortgage market.¹⁴³ (March 7, 2009, *Reuters News*)

The Ecofin Council will agree on “terms of reference” ahead of the meeting of G20 finance ministers and central bank governors. This suggests a joint European position, the main thrust of which was already set by the European members of the G20 at their meeting in Berlin at the end of February. There are four priorities in international coordination of macroeconomic policies, namely restoring a properly functioning credit market and facilitating lending in the real economy, keeping markets open, a multilateral trade finance initiative and continuing international coordination of budget measures.¹⁴⁴ (March 7, 2009, *Agence Europe*)

United States president Barack Obama and Brazil’s Luiz Inacio Lula da Silva will discuss the upcoming G20 summit and its role in the global financial crisis when they meet on March 14. Obama “looks forward to consulting with President Lula on effective measures to respond to the global financial crisis during the upcoming G20 meeting.”¹⁴⁵ (March 6, 2009, *Agence France Presse*)

U.S. president Barack Obama and British prime minister Gordon Brown renewed their commitment to a broad overhaul of the financial regulatory system after their meeting in Washington, but gave few clues on the framework they expect to emerge from next month’s G20 Summit. The leaders said they would cooperate to stimulate stagnant global growth and prevent a repeat of the problems jamming financial markets. Brown has called for a “global new deal” to reform outdated financial regulation, promote free trade and prod economic growth. Such a deal is possible in the next few months, he said. “There’s got to be deep regulatory change,” Brown said. “You’ve got an international financial system that we’ve now got to show can be brought to work in the public interest.” It is unclear, however, if Obama shares Brown’s vision for the global new deal. “One of the things that Prime Minister Brown and I talked about is how can we coordinate so that all the G20 countries, all the major countries around the world, in a coordinated fashion, are stimulating their economies; how can we make sure that there are a common set of principles, in terms of how we’re approaching banking, so that problems that exist in emerging markets like Hungary or the Ukraine don’t have these enormous ripple effects that wash back onto our shores, and we’re providing them with some help in a coordinated international fashion, as well,” Obama said. The president has blamed lax regulations in part for the financial sector’s meltdown, saying oversight was “gutted” for the sake of quick profits. “Many of the challenges that we face are challenges that they and many of the European countries face, and I think that’s going to be part of the continued discussion,” White House spokesman Robert Gibbs said.¹⁴⁶ (March 3, 2009, *Dow Jones International News*)

¹⁴³ *Reuters News* (March 7, 2009), “World’s biggest banks to meet in London — Nikkei.”

¹⁴⁴ *Agence Europe* (March 7, 2009), “Prospects of joint European message at G20.”

¹⁴⁵ *Agence France Presse* (March 6, 2009), “US, Brazil leaders to discuss global issues next week.”

¹⁴⁶ *Dow Jones International News* (March 3, 2009), “Obama, Brown Lay Groundwork for Regulatory Revamp Ahead of G20.”

Russian president Dimitry Medvedev and Spanish prime minister Jose Luis Zapatero are meeting to prepare for the upcoming G20 and discuss other issues of common concern, such as reforms of the United Nations and the European Union ahead of the forthcoming Spanish presidency of the European Union, which begins on January 1, 2010.¹⁴⁷ (March 2, 2009, *Xinhua News Agency*)

Latin American finance ministers met in Portugal to prepare for the G20 summit, where they are expected to push for a bigger say in how the international financial system is run. The finance ministers and central bank governors from 19 Latin American countries joined their counterparts from Spain and Portugal for a day of talks in Porto, Portugal. The Ibero-American countries want to ensure their “active participation ... in the new international architecture.” Latin American leaders are expected to speak out against the threat of protectionism in wealthier countries, which provide their continent’s main export markets.¹⁴⁸ (March 1, 2009, *Associated Press Newswires*)

European leaders of the G20 agreed that all financial markets, products and participants including hedge funds must be regulated and any measures that might distort competition must be minimized. “A clear message and concrete actions are necessary to engender new confidence in the markets and to put the world back on a path towards more growth and employment,” according to the chair’s statement issued after a meeting of European G20 leaders. They agreed that “banks ought to create additional buffers of resources in good times, so that they are better equipped for any bad times the future may bring. They refrained from taking any protectionist measures and pledged to revive World Trade Organization negotiations to lower custom rights. The leaders also supported a global charter for sustainable economic activity at the London Summit that is “based on market forces, but prevent excess, and which ultimately leads to the establishment of a global governance structure.” They agreed resources to the International Monetary Fund needed to be doubled. The leaders also said they “want to devise sanctions to safeguard ourselves better against dangers emanating from uncooperative jurisdictions including tax havens.”¹⁴⁹ (February 22, 2009, *Dow Jones International News*)

British prime minister Gordon Brown will visit U.S. president Barack Obama on March 3 in Washington. The two will discuss the global financial crisis and the April summit.¹⁵⁰ (February 21, 2009, *Agence France Presse*)

Thai prime minister Abhisit Vejjajiva visited Indonesia on February 20-21. The two leaders were to discuss the G20 meeting. The Thai prime minister has been invited to represent the Association of South East Asian Nations (ASEAN).¹⁵¹ (February 20, 2009, *Asia Pulse*)

¹⁴⁷ *Xinhua News Agency* (March 2, 2009), “Spanish PM, Russian president to discuss financial crisis.”

¹⁴⁸ *Associated Press Newswires* (March 1, 2009), “Latin American officials meet in Portugal to marshal their forces for the G2- summit.”

¹⁴⁹ *Dow Jones International News* (February 22, 2009), “EU G20 Summit: Mkts Must Be Regulated- Chair’s Summary.”

¹⁵⁰ *Agence France Presse* (February 21, 2009), “British PM to visit Obama March 3: White House.”

¹⁵¹ *Asia Pulse* (February 20, 2009), “ASEAN, G2- Focus as Thai PM visits Indonesia.”

Russian president Dmitri Medvedev and Italian prime minister Silvio Berlusconi have discussed proposal for the London Summit. Both agree that more preparation is needed and that specific proposals for the meeting are important.¹⁵² (February 17, 2009, *ANSA – English Media Service*)

U.S. secretary of state Hillary Clinton is travelling to Japan, Indonesia, South Korea and China where she will be discussing the London Summit. “I will be discussing with them the approaches that each are taking, explaining what we have just done with the passage of our stimulus bill, and seeking greater cooperation about how together we’re going to work out way through these very difficult economic times,” Clinton said.¹⁵³ (February 16, 2009, *The Press Trust of India Limited*)

Russian president Dmitri Medvedev and German chancellor Angela Merkel have called for preparations for the G20 to be “stepped up.” They stressed the need for the “dynamics of this work to be increased.” Russia will soon hand over its proposals for the summit to Germany.¹⁵⁴ (February 16, 2009, *BBC Monitoring Former Soviet Union*)

Gordon Brown, prime minister of Britain, will hold talks with Dominique Strauss-Kahn, managing director of the International Monetary Fund (IMF), and Robert Zoellick, president of the World Bank, in London in preparation for the April summit. “We will be setting out further details of our proposals for the issues that should be discussed and considered at the G20,” a representative for Brown said. Brown has also recently talked with Russian president Dmitri Medvedev. “The discussions were very warm and action-oriented.” Brown plans to meet with Danish prime minister Anders Fogh Rasmussen and Italian prime minister Italian Berlusconi. He also is scheduled to meet with Pope Benedict at Vatican City and will attend a meeting of European members of the G20 in Berlin, chaired by German chancellor Angela Merkel.¹⁵⁵ (February 16, 2009, *Reuters News*)

In February, Chinese vice premier Wang Qishan met with Mervyn Davies, special envoy of British prime minister Gordon Brown. The two urged the international community to collaborate on overcoming the financial crisis so as to restore market and public confidence. “International society should enhance cooperation and send positive signals to fight the financial crisis and economic decline,” Wang said to Davies, the minister of state for trade and investment. Davies came to China for discussions with the government on the G20 financial summit. During the summit, participants should devote attention to the issues of global development, ways to combat trade protectionism, supervision of the financial markets and reform of the international financial system, Wang said. He urged all countries involved to do their best to achieve a consensus and results during the

¹⁵² *ANSA – English Media Service* (February 17, 2009), “Medvedev and Berlusconi Discuss Agenda for G20.”

¹⁵³ *The Press Trust of India Limited* (February 16, 2009), “G2- issues to figure up during Clinton Asia tour.”

¹⁵⁴ *BBC Monitoring Former Soviet Union* (February 16, 2009), “Russian, German leaders discuss preparations for G20 summit.”

¹⁵⁵ *Reuters News* (February 16, 2009), “UK’s Brown to meet IMF, World Bank heads on G20.”

summit. Wang also briefed Davies on China's measures to tackle the crisis. He stressed that China being able to maintain fast, stable economic growth would be the "biggest contribution" to international efforts against the financial crisis. Davies said that the United Kingdom supported China's membership in the Financial Stability Forum, an advisory body of the G7, and hoped to work with China to achieve concrete results during the summit.¹⁵⁶ (February 13, 2009, *Xinhua News Agency*)

Russian president Dmitry Medvedev said he was "not very happy" with preparations for an April economic crisis summit in London, but said there was still time to make up lost ground. "Work has been done, and is being done now. It's not easy. I can tell you openly that I am not very happy with the results so far," declared Medvedev. "We have not yet created the framework which could form the basis for development of the financial system in the years ahead." He added, "However, I hope that we will be able to draw up such documents soon."¹⁵⁷ (February 13, 2009, *Agence France Presse*)

The European Union has said that it will hold no fewer than three economic summits to iron out national differences that threaten to hamper its efforts at tackling the recession. The move came after France and others questioned the ability of the Czech Republic — the state currently holding the EU's rotating presidency — to chart a path out of the worst financial debacle in the bloc's 50-year history. Czech prime minister Mirek Topolanek vowed to end a public row over protectionism with French president Nicolas Sarkozy that has added to the image of European disunity, but said differences among capitals were inevitable. "We have to realise that the individual member states have different approaches to solving this issue," Topolanek said after talks with European Commission president Jose Manuel Barroso. "My goal is to hold a political debate at the highest level in order to strengthen EU cooperation in countering the crisis." Aside from a long-scheduled March 19-20 summit in Brussels, Topolanek called a special one-day meeting of EU leaders on March 1 to discuss efforts to stabilize the financial sector, and a further summit in May to address employment. These are on top of the myriad of meetings in preparation for summits of the G8 and the G20. The 27-state bloc wants to present a united front at the April G20 summit in London but splits exist between the richer, western states that can afford to spend their way out of the slowdown and those, often eastern states, who cannot.¹⁵⁸ (February 11, 2009, *Reuters News*)

The European Union will hold a special summit in February to better coordinate plans to counter the economic crisis and contain a creeping spirit of protectionism. "The situation really is serious. It is getting worse in some countries by the week or day and we had to respond," said Mirek Topolanek. Topolanek referred to "really selective protectionist steps and declarations, among others by [French] President Sarkozy, which led me to calling the extraordinary summit." The letter sent to Topolanek said that "solutions can vary from country to country" but "the principles have to be approved together" so all 27 countries can cooperate on the measures they take. The exact date and location for the meeting has not been set but will precede a regular spring economic EU summit in

¹⁵⁶ *Xinhua News Agency* (February 13, 2009), "China, Britain call for int'l collaboration ahead of G20 London summit."

¹⁵⁷ *Agence France Presse* (February 13, 2009), "Medvedev says 'not happy' with G20 preparation."

¹⁵⁸ *Reuters News* (February 11, 2009), "EU sets triple-summit bid to tackle slowdown."

Brussels on March 19-20. The key issues will be keeping international markets open and countering any trends toward protectionism, European Commission spokesman Johannes Laitenberger said. The new summit will take place during the week following the February 22 summit for the G20.¹⁵⁹ (February 9, 2009, *Associated Press Newswires*)

European countries must arrive at the April 2 G20 summit with a common position on reform of the financial system, French president Nicolas Sarkozy said. He said a February 22 meeting between the six European members of the G20 would be crucial for finding a single line on regulations, tax havens, traders' pay, bad banks and the role of the International Monetary Fund (IMF). "Europe must have a common position on the summit of the G20," he said. "And on such a subject we need European coordination. On Saturday I will be in Germany ... and we will talk about that." Sarkozy said he wanted foreign exchange to be discussed at the G20.¹⁶⁰ (February 5, 2009, *Reuters News*)

German chancellor Angela Merkel will meet the heads of five leading international organizations to discuss better ways to cooperate against the global economic downturn. The talks are part of an initiative launched by the chancellor to drum up support for a new international regulatory system for financial markets, aimed at preventing a repeat of the current crisis. Set to take part in the talks are Pascal Lamy, director general of the World Trade Organization, World Bank president Robert Zoellick and International Monetary Fund managing director Dominique Strauss-Kahn. Also expected to attend are Angel Gurría, director general of the Organisation for Economic Co-operation and Development and Juan Somavia, secretary general of the International Labour Organization.¹⁶¹ (February 5, 2009, *Trend News Agency*)

Alexei Kudrin, Russian deputy prime minister and finance minister, will take part in the first Russian-British Economic Dialogue forum under the auspices of UK chancellor of the exchequer Alistair Darling. The forum will touch upon matters related to creating a new world financial architecture, also to be discussed at the G20 summit in London on April 2. It will "be an exchange of information about the latest steps and measures the British and Russian authorities have been taking, as well as their effectiveness in combating the world financial and economic crisis" and will focus on a new financial architecture." A source speculated that according to preliminary information, Britain will support Russia's admission to the Financial Stability Forum. For its part, Russia is hoping that a decision in favor of its membership of that organization will be made before or at the G20 forum due on April 2.¹⁶² (February 4, 2009, *ITAR-TASS World Service*)

"A meeting is planned with the chancellor of the exchequer Alistair Darling and also participation in a conference on financial services in Russia in the City," a statement by the Russian embassy in London said. "Financial dialogue is a new form of cooperation.

¹⁵⁹ *Associated Press Newswire* (February 9, 2009), "EU leaders to hold special economy summit."

¹⁶⁰ *Reuters News* (February 5, 2009), "Sarkozy wants European position ahead of G20."

¹⁶¹ *Trend News Agency* (February 5, 2009), "German chancellor hosts top-level meeting on financial crisis."

¹⁶² *ITAR-TASS World Service* (February 4, 2009), "London to host first-ever Russian-British Economic Dialogue Forum."

Both sides are interested in discussing questions, which are on the agenda of the G20 and G8 meetings,” a source in the delegation said.¹⁶³ (February 4, 2009, *RIA Novosti*)

American president Barack Obama and South Korean president Lee Myung-bak “agreed to work together, including at the G20 summit in London, to stabilize the global economy, to spur growth, and to get credit markets flowing.” Obama warned against the temptation toward protectionist trade policies, and Lee agreed. “We should keep in mind the lesson from the Great Depression that a return to protectionism will delay an economic recovery,” said Lee. Obama said Hillary Clinton will visit Seoul in February for consultations on pending issues between the two allies, the Korean presidential spokesman said. The U.S. leader also said he expects to meet Lee at the G20 summit in April. It was the second telephone talk between the two leaders. On November 7, Lee congratulated Obama on his election.¹⁶⁴ (February 4, 2009, *The Korea Herald*)

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.”¹⁶⁵ (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. 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. 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. 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.¹⁶⁶ (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. 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

¹⁶³ *RIA Novosti* (February 4, 2009), “Russia’s Kudrin heads for renewed financial talks in London.”

¹⁶⁴ *The Korea Herald* (February 4, 2009), “Lee, Obama warn against protectionism.”

¹⁶⁵ *Dow Jones News Service* (February 2, 2009), “Germany To Host Meeting Of European G20 Leaders on Feb 22.”

¹⁶⁶ *Thai News Service* (February 2, 2009), “US Treasury Secretary calls on Asia and Europe to discuss global economic crisis.”

“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.¹⁶⁷ (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.¹⁶⁸ (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.”¹⁶⁹ (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 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.” “Open markets are in all our interests, including the EU’s and China’s. We must stay dedicated to them.”¹⁷⁰ (January 31, 2009, *Xinhua’s China Economic Information Service*)

¹⁶⁷ *Thai News Service* (February 2, 2009), “United States: Obama wants countries to act on economic crisis, says White House.”

¹⁶⁸ *Associated Press Newswires* (February 1, 2009), “Germany’s Merkel to call meeting of EU’s G20 members, pushes to up market controls.”

¹⁶⁹ *Agence France Presse* (January 31, 2009), “Crisis summit signals era of big government.”

¹⁷⁰ *Xinhua’s China Economic Information Service* (January 31, 2009), “Interview: Britain-China ties never been better: British PM.”

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.¹⁷¹ (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 G20 summit in London in April." Obama has been working through a list of calls to foreign leaders since his inauguration as president last week.¹⁷² (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.¹⁷³ (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 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." 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.¹⁷⁴ (January 27, 2009, *United News of India*)

The Czech Republic 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

¹⁷¹ *Xinhua News Agency* (January 30, 2009), "China's Hu holds phone talks with Obama over ties."

¹⁷² *Agence France Presse* (January 28, 2009), "Obama give G20 hint to South African leader."

¹⁷³ *Jiji Press English News Service* (January 28, 2009), "Japan, U.S. Confirm Cooperation to Deal with Financial Crisis."

¹⁷⁴ *United News of India* (January 27, 2009), "Sarkozy Invites PM to Visit France Before April."

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.¹⁷⁵ (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 WTO’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.¹⁷⁶ (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.¹⁷⁷ (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 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.”¹⁷⁸ (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

¹⁷⁵ *Agence Europe* (January 27, 2009), “Jan Kohout suggests joint meeting of Finance and Development Ministers to prepare for G20.”

¹⁷⁶ *EFE News Service* (January 27, 2009), “Obama invites Lula to meet in March in Washington.”

¹⁷⁷ *Associated Press Newswires* (January 26, 2009), “Silva’s spokesman says Obama wants to strengthen economic relations with Brazil.”

¹⁷⁸ *Reuters News* (January 26, 2009), “Brown urges against financial protectionism.”

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.¹⁷⁹ (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. 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,” 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.¹⁸⁰ (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.¹⁸¹ (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,

¹⁷⁹ *Associated Press Newswires* (January 23, 2009), “Obama phone British, Canadian and Saudi leaders.”

¹⁸⁰ *Latvian News Agency* (January 22, 2009), “World leaders ready for crisis forum in Davos.”

¹⁸¹ *Interfax: Russia & CIS Energy Newswire* (January 16, 2009), “Medvedev, Brown discuss gas issue, planned G20 forum.”

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.¹⁸² (January 16, 2009, *All Africa*)

South Korea will set up a new government committee to help arrange upcoming G20 financial summit meetings. 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.¹⁸³ (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 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."¹⁸⁴ (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.¹⁸⁵ (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

¹⁸² *All Africa* (January 16, 2009), "AfDB: African Response to the Global Financial Crisis."

¹⁸³ *Yonhap English News* (January 16, 2009), "Seoul to set up committee for G20 summit."

¹⁸⁴ *Press Association National Newswire* (January 13, 2009), "Brown to Hold Talks on Economy with Sarkozy."

¹⁸⁵ *Reuters News* (January 13, 2009), "G7 finance ministers to meet in Rome Feb13-14."

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.¹⁸⁶ (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.¹⁸⁷ (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. 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.¹⁸⁸ (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.¹⁸⁹ (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

¹⁸⁶ *Trend News Agency* (January 12, 2009), "Britain's Prime Minister to meet German Chancellor."

¹⁸⁷ *Reuters News* (January 12, 2009), "UK's Brown to Meet Sarkozy in Paris on Wednesday."

¹⁸⁸ *Dow Jones International News* (January 8, 2009), "UK PM Brown To Meet Germany's Merkel Jan 14."

¹⁸⁹ *Reuters News* (January 8, 2009), "European G20 leaders to meet ahead of London summit."

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.¹⁹⁰ (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.¹⁹¹ (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 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.¹⁹² (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

¹⁹⁰ *Dow Jones International News* (January 8, 2009), "Sarkozy: Rebuilding Fincl System Must Be Intl Effort."

¹⁹¹ *Reuters News* (January 7, 2009), "Obama sees financial regulation plan by April-CNBC."

¹⁹² *Dow Jones International News* (January 7, 2009), "EU Barroso: Bloc To Push For New Fincl Mkt Rules At April G20."

scheme similar to what Europe has done,” he continued.¹⁹³ (January 7, 2009, *Europolitics*)

Site

The planned protests against the summit have prompted police to create a contingency plan to move the entire G20 event and the leaders to an undisclosed venue. The cost of the summit is already estimated at \$50 million, not including the cost of disruption to businesses. The London Chamber of Commerce estimates that at a further \$12 million per day.¹⁹⁴ (March 16, 2009, *The Advertiser*)

The G20 summit will be held at a conference centre in east London, Britain’s foreign office said. A foreign office spokeswoman said the ExCel centre, close to the Canary Wharf financial district, had been selected as the venue for the London Summit 2009. Security will be intense for the gathering of world leaders, the biggest in Britain since the 2005 G8 summit.¹⁹⁵ (February 6, 2009, *Reuters News*)

5. Future Meetings

Turkish prime minister Recep Tayyip Erdogan said that Turkey could host the third G20 summit.¹⁹⁶ (March 21, 2009, *Trend News Agency*)

French finance minister Christine Lagarde said, “I don’t think we should ever consider that April 2 is the end of the road. It is the step on the road for which we are delivering the platform.” European officials say France wants to host a G20 summit.¹⁹⁷ (March 15, 2009, *Financial Times*)

Prime minister Silvio Berlusconi said that Italy would host leaders of the G20 at the end of the G8 summit in July and that the focus of talks would be on new rules for the financial system.¹⁹⁸ (March 9, 2009, *Reuters News*)

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

¹⁹³ *Europolitics* (January 7, 2009), “EU/Brazil: Common Will to Reform Global Financial System.”

¹⁹⁴ *The Advertiser* (March 16, 2009), “Protesters pledge G20 mayhem in heart of London.”

¹⁹⁵ *Reuters News* (February 6, 2009), “London’s ExCel centre chosen as venue for G20 summit.”

¹⁹⁶ *Trend News Agency* (March 21, 2009), “Prime minister says Turkey may host 3rd G20 summit.”

¹⁹⁷ *Financial Times* (March 15, 2009), “G20 pledges to restore global growth.”

¹⁹⁸ *Reuters News* (March 9, 2009), “PM says Italy to host G20 leaders at July G8 summit.”

group but it is today less representative. The G20 summit is a promising format for resolving the global financial crisis.”¹⁹⁹ (January 28, 2009, *Reuters News*)

6. G20-G8 Relationship

Prime minister Silvio Berlusconi said that Italy would host leaders of the G20 at the end of the G8 summit in July and that the focus of talks would be on new rules for the financial system. “We will have the G20 as well on the third day of talks at La Maddalena [in Sardinia],” he said. “On this occasion we will prepare a legal system, new rules to stop the phenomenon of excessive securitisation in the financial system, the use of derivatives that led to this crisis.”²⁰⁰ (March 9, 2009, *Reuters News*)

Coordinating the efforts of the G8 and G20 to combat the global recession was at the centre of talks between UK prime minister Gordon Brown and Italian prime minister Silvio Berlusconi in Italy. They said they were in “total agreement” on the nature of the global crisis and the way it needed to be tackled. “We have the same opinions and this is a comfort for us who have the responsibility of the G20, in Gordon Brown’s case, and the G8, in my case,” Berlusconi said.²⁰¹ (February 19, 2009, *ANSA – English Media Service*)

Italian finance minister Giulio Tremonti said that the work carried out by the G8 finance ministers would be passed on to the G20, which is meeting in London in April. “The Italian presidency is not so much interested in formats like the G7, G8, G20 — but especially in the contents” of the meetings, Tremonti said at the end of a two-day meeting of G8 finance ministers.²⁰² (February 14, 2009, *Dow Jones International News*)

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.” He said, “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.”²⁰³ (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

¹⁹⁹ *Reuters News* (January 28, 2009), “Italy may expand G8 summit to G20 crisis talks.”

²⁰⁰ *Reuters News* (March 9, 2009), “PM says Italy to host G20 leaders at July G8 summit.”

²⁰¹ *ANSA — English Media Service* (February 19, 2009), “Berlusconi and Brown Focus on G8 and G20 Crisis Coordination.”

²⁰² *Dow Jones International News* (February 14, 2009), “G7: Italy Fin Min:G8 Work Will Be Passed On To G20.”

²⁰³ *ITAR-TASS World Service* (January 16, 2009), “Need of reforming G7 into G20 is obvious-Lavrov.”

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.” Furthermore the G20 has the arguably more urgent task of reviving global growth and reforming the financial 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.²⁰⁴ (January 15, 2009, *Reuters News*)

7. Civil Society

More than 2500 officers will help during protests in the lead up to the G20 summit, with the operation costing more than £7.2 million. On March 28, Put People First, a campaign group involving approximately 120 organizations, will hold a march and rally in Hyde Park calling on world leaders to ensure decent jobs and public services for all. One of the highest-profile protests will be an impromptu 24-hour climate camp. More than 100 trade unions, environmental groups, development agencies and anti-poverty campaigners are involved in the Put People First event. The alliance plans to tell world leaders attending the G20 summit that only fair and just policies can lead the world out of recession. Groups involved include TUC, Christian Aid, Oxfam, War on Want, World Development Movement and CND. An ecumenical church service will take place in Central Hall Westminster, which will feed into the march as it goes through Parliament Square. TUC general secretary said, “For 20 years, governments round the world have believed that a mix of light

²⁰⁴ *Reuters News* (January 15, 2009), “Italy revamps G8 as UK makes financial crisis focus.”

touch regulation, tolerance of tax havens and a relaxed view of the growth of the global super-rich would deliver prosperity. Now we see that it was built on an illusion and as it crashes it takes down jobs, increases poverty and destroys communities with it.” The Stop The War Coalition is holding a demonstration in London on April 1, calling for all the troops to come out of Iraq and Afghanistan. Climate campaigners across the country are planning to converge in the City of London on the same day for the start of 24 hours of workshops relating to carbon trading, the G20 and climate change.²⁰⁵ (March 20, 2009, *Press Association National Newswire*)

Tens of thousands of protesters are planning to cause mayhem in London during the G20 summit. More than 5000 police will be deployed to maintain order and protected the leaders. More than 65 groups from across Europe are to protest under the heading “G20 Meltdown,” railing against everything from the Iraq War to globalization, human rights and climate change. They will descend on London in the first week of April.²⁰⁶ (March 16, 2009, *The Advertiser*)

The G20 London Summit will be marked by one of the biggest demonstrations since a million people marched against war in Iraq in 2003. Apart from the main demonstration on March 28, a flurry of further protests is envisaged, including Financial Fools Day, a blockade of financial institutions to prevent people from getting to work on April 1. While trade unions will be aware that the protest comes close to the 25th anniversary of the 1980s miners’ strike, a group called G20 Meltdown will stage “carnavalesque” parades, one of which will “honour the 360th full circle anniversary of the Diggers” — Civil War revolutionaries. The G20 protests have been seen in some quarters as casting a shadow over an otherwise grand occasion, hosted by Britain as an honour to its — and its prime minister’s — standing in the global discourse on how to tackle the crisis. But the range of opinions united in protest shows the demand not for a quick fix to our capitalist institutions but for change. There is a certain edginess in the air, not because of warnings of a “summer of rage,” but because those who feel they have history on their side for once.²⁰⁷ (March 8, 2009, *The Observer*)

The UK’s largest labour union called for a mass protest to greet the leaders of the G20 when they meet in London. Unite, which has called the rally for March 28, said it is part of a “global campaign to challenge the G20 leaders.” On its website it says that “governments, business and international institutions have followed a model of financial deregulation that has encouraged short-term profits, instability and an economy fueled by ever-increasing debt, both financial and environmental.” It adds that the “only sustainable way to rebuild the global economy is to create a fair distribution of wealth that provides

²⁰⁵ *Press Association National Newswire* (March 20, 2009), “G20 Police Brace for Major Protest.”

²⁰⁶ *The Advertiser* (March 16, 2009), “Protesters pledge G20 mayhem in heart of London.”

²⁰⁷ *The Observer* (March 8, 2009), “Development: Green: Faith: Political: Others: The voices in G20’s chorus of protest: A mass demonstration ahead of the London G20 summit is set to attract a huge mix of different interest groups as a new post-credit crisis coalition emerges.”

decent jobs and public services for all, ends global inequality and builds a low carbon future.”²⁰⁸ (March 4, 2009, *Dow Jones International News*)

Activists are planning a mass protest in London to coincide with the G20 summit. Thousands of demonstrators are plotting a series of protests for April 1. Organizers are labelling the event “Financial Fools Day.” Scotland Yard is on alert, and it is feared the protests may cause severe disruption as demonstrators try to block traffic and buildings by lying in tents and sleeping bags across roads. Activists are being invited to “set up camp” in London’s financial centre. One source suggested the protest would include a “spectacular action.” Organizers said on the Climate Camp website: “We need to stop this foolishness ... bring a pop-up tent if you have one, sleeping bag, wind turbine, mobile cinema, extra shoes, action plans and ideas ... let’s imagine another world.” An anarchist wrote on a blog: “The combination of the recession, the inspiration of the Greek anarchists and the G20 summit being in London gives us the opportunity to mobilise far larger than usual numbers on to the streets.”²⁰⁹ (February 28, 2009, *The Daily Telegraph*)

British police have said that the London Summit could set off mass protests aggravated by the global economic crisis. Anti-globalization protestors, environmental activists and anti-war demonstrators are planning a series of events in the run-up to and during the April event. “We’ve got G20 coming and I think that is being advertised on some of the [web]sites as the highlight of what they see as a ‘summer of rage’,” David Hartshorn, head of London’s public order policing branch said. He said that banks, multinational companies and other financial institutions could be targets. Demonstrations are due to kick off on March 28 with a ‘Put People First’ march through London coordinated by unions, charities and anti-poverty campaigns.²¹⁰ (February 23, 2009, *Reuters News*)

A demonstration has been planned against bankers in London’s financial district on April 1. Thousands of people are expected to attend the event, dubbed ‘Financial Fools Day,’ which threatens to cause severe disruption to the UK capital.²¹¹ (February 20, 2009, *Dow Jones International News*)

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.²¹² (February 1, 2009, *Agence France Presse*)

²⁰⁸ *Dow Jones International News* (March 4, 2009), “UK’s Largest Union Calls for Mass Protest At London G20 Mtg.”

²⁰⁹ *Daily Telegraph* (February 28, 2009), “G20 protest points to ‘summer of rage’.”

²¹⁰ *Reuters News* (February 23, 2009), “British police fear unrest for G20 global summit.”

²¹¹ *Dow Jones International News* (February 20, 2009), “London Demonstration Planned for Visit of G20 Heads-Report.”

²¹² *Agence France Presse* (February 1, 2009), “Anti-globalizationists plan protest against G20.”

Activities

Business leaders from the G20 will gather in London on March 18. Business secretary Peter Mandelson said the meeting would discuss fears in the European Union and Canada that countries including the United States might resort to protectionism in the global economic downturn. The meeting, held in conjunction with Britain's Confederation of British Industry (CBI), will "set out a clear agenda to overcoming the remaining obstacles to trade," Mandelson said.²¹³ March 5, 2009, *Agence France Presse*)

The UK will host a meeting of global business leaders later this month in the run-up to the G20 summit. UK business secretary Peter Mandelson and the Confederation of British Industry will host the meeting and the conclusions reached at that meeting will be relayed at the G20 summit, according to the government's business department. "The global banking crisis that has buffeted businesses around the globe won't be reversed without a coordinated international plan of action," Mandelson said. On the agenda will be the possibility of strengthening the G20's resistance to protectionism, the impact of government interventions in the economy and banking systems and the issue of addressing the decline in availability and increase the cost of trade finance. Among the delegations that have already signed up for the summit are the European Union, India, China, Indonesia and Russia.²¹⁴ (March 5, 2009, *Dow Jones International News*)

²¹³ *Agence France Presse* (March 5, 2009), "G20 business leaders to meet in London March 18."

²¹⁴ *Dow Jones International News* (March 5, 2009), "UK to Host Business Summit Ahead of G20 Meeting."

8. 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 ²¹⁵	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

²¹⁵ 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 of Argentina on December 10, 2007 after winning the general election in October. 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 on February 19, 1954, in La Plata, Buenos Aires, she studied law at the National University of La Plata. She and her husband were married in March 1975 and have two children.

Australia's Kevin Rudd became prime minister of Australia on December 3, 2007, replacing John Howard, who had held the position since 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 then 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 earned a bachelor's degree Asian studies at Australian National University in 1981, where he focused on Chinese language and history. He and his wife, Thérèse Rein, have three children.

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. Instead, he 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 Leticia and has five children.

Canada's Stephen Harper was first elected prime minister of Canada in January 2006, assuming office from Paul Martin in February and leading a minority government. He later ran for re-election in October 2008 and returned to the House of Commons with a stronger minority. Before running for politics he served as a policy advisor for the Reform Party. Harper first ran for a seat in the House of Commons in 1988, but was not successfully elected until 1993. He served as leader of the opposition for a number of years before becoming prime minister. He was born in Toronto, Ontario, on April 30, 1959. He did studied economics at the University of Toronto and the University of Calgary, later returning to the University of Calgary to earn his master's degree in economics in 1991. He and his wife, Laureen Harper, have two children.

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

France's Nicolas Sarkozy became president of France on May 16, 2007, taking over from Jacques Chirac, who had held the position since 1995. He 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, France's major right-wing party, since 2004. During his time in parliament he has 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 law degree from the Université de Paris. He is married to Carla Bruni and has three children from his two previous marriages.

Germany's Angela Merkel became the first female chancellor of Germany on November 22, 2005, replacing Gerhard Schröder who had been in power since 1998. Before entering into politics Merkel worked as a researcher and physicist. She was first elected to the Bundestag in 1990 and has held the cabinet portfolios of women and youth, environment, nature conservation and nuclear safety. She was born in Hamburg on July 17, 1956. In 1978, she received her doctorate in physics from the University of Leipzig. She is married to Joachim Sauer and has no children.

India's Manmohan Singh became prime minister of India on May 22, 2004, replacing Atal Bihari Vajpayee, who held the position from 1998 to 2004, and also for a short period 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. Singh was first elected to the upper house of Indian parliament in 1995. He was re-elected in 2001 and 2007 and held cabinet positions including minister of finance and minister for external affairs. Singh also served as minister of finance from November 2008 to January 2009. 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. He also received an additional undergraduate degree from Cambridge University in 1957 and a PhD from Oxford University in 1962. He and his wife, Gursharan Kaur, have three children.

Indonesia's Susilo Bambang Yudhoyono became president on October 20, 2004, after winning the election in September, replacing the incumbent Megawato Sukarnoputri. Before entering into politics, he served as a lecturer 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 co-ordinating minister for politics and security. He was born on September 9, 1949, in Pacitan, East Java. He received his doctorate in agricultural economics from the Bogor Institute of Agriculture in 2004. He and his wife, Kristiani Herawati, have two children.

Italy's Silvio Berlusconi became prime minister of Italy for the fourth time after winning the April 2008 election. Before entering politics, he started his career as a building contractor. In 1980, he established Canale 5, the first private national television network in Italy. He also became a leading Italian publisher with Mondadori. In 1994 he resigned from all his posts at Gruppo Fininvest in order to establish the political movement Forza Italia and, in the same year, he became president of the Council of Ministers for the first time. In June 2001 Berlusconi became premier again, an office he held until 2006. In 2009, for the third time, he chairs the presidency of the G8. Born in Milan on September 29, 1936, he received his law degree from the University of Milan. He is married to Veronica Lario and has five children.

Japan's Taro Aso became prime minister of Japan on September 24, 2008, replacing Yasuo Fukuda, who 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 has 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, Fukuoka, on September 20, 1940. He studied politics and economics at Gakushuin University as well as 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 and they have two children.

Mexico's Felipe Calderón Hinojosa became president of Mexico on December 1, 2006, replacing Vicente Fox, who held the position from 2000 to 2006. In his early twenties Calderón was president of the youth movement of the National Action Party. He later 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. Born in Morelia, Michoacán, on August 18, 1962, he received his bachelor's degree in law from Escuela Libre de Derecho in Mexico City. He later received a master's degree in economics from the Instituto Tecnológico Autónomo de México as well as a master's degree in public administration from Harvard University. He and his wife, Margarita Zavala, have three children.

Russia's Dmitry Medvedev became president of Russia on May 7, 2008, after winning the presidential election in March, replacing Vladimir Putin, whose term in office had expired. Before entering politics, Medvedev worked as a legal expert and lawyer. He was officially endorsed as a presidential candidate on December 17, 2007, by Russia's largest political party, United Russia, as well as by Putin. Medvedev served as deputy prime minister 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 doctorate in private law in 1990 from Leningrad State University. He is married to Svetlana Medvedeva and they have one child.

Saudi Arabia's King Abdullah bin Abdul Aziz Al Saud has been in power since August 2005. He replaced Fahd bin Abdul Aziz Al Saud, who had reigned since June 1982. As crown prince since 1987, King Abdullah had previously acted as *de facto* regent and thus ruler since January 1, 1996, after Fahd had been 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. King 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 and has a number of wives and children.

South Africa's Petrus Kgalema Motlanthe became president of South Africa on September 25, 2008, after the resignation of Thabo Mbeki, who had held the position since 1999. In the 1970s Motlanthe worked for the Johannesburg city council and later served as secretary general of the National Union of Mineworkers. He became secretary general of the African National Congress in 1997. He was 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. Born on July 19, 1949, in Alexandra, Johannesburg, Motlanthe has three children with Mapula Motlanthe.

South Korea's Lee Myung-bak became president on February 25, 2008, replacing Roh Moo-hyun, who had occupied the position since 2003. Lee joined the Hyundai Construction company in 1965 and eventually became chief executive officer of the Hyundai Group before being elected to the Korean National Assembly in 1992. In 2002 he was elected mayor of Seoul, a position he held until 2006. He was born in Kirano, Osaka, Japan on December 19, 1941. He received a degree in business administration from Korea University in 1965. Lee and his wife, Kim Yun-ok, have four children.

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

The **United Kingdom's Gordon Brown** became prime minister of the United Kingdom of Great Britain and Northern Ireland 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, both in Scotland. Before entering politics he worked as a lecturer and journalist. He served as chancellor of the exchequer from 1997 to 2007. As the United Kingdom holds the chair of the G20 for 2009, Brown will host the London Summit on April 1–2, 2009. He was born in Govan, Glasgow, on February 20 1951. He studied history at the University of Edinburgh and completed his doctorate in 1982. He and his wife, Sarah, have two children.

The **United States' Barack Obama** became president-elect on November 4, 2008, and was inaugurated January 20, 2009, replacing George W. Bush. In 2005 Obama was elected to the Senate, having previously worked as a community organizer, a civil rights lawyer and a state legislator for Illinois. The first black president of the United States, 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 and they have two children.

The **European Union's Mirek Topolánek** has been prime minister of the Czech Republic since August 16, 2006. The Czech Republic assumed the six-month presidency of the European Council from France on January 1, 2009. Topolánek 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, Topolánek received his degree in mechanical engineering from the Brno University of Technology. He is separated from his wife, Pavla Topolánková, and has four children.

The **European Union's José Manuel Barroso** became president of the European Commission on November 23, 2004. Previously he was prime minister of Portugal from 2002 to 2004. Before entering politics Barroso was an academic. He studied law at the University of Lisbon, holds a master's degree in economics and social sciences from the University of Geneva and received his doctorate from Georgetown University in 1998. He is married to Maria Margarida Pinto Ribeiro de Sousa Uva and has three children.

Statistical Profiles

(as of January 2009)

Argentina

Polity

Political party:	Justicialist Party
Most recent election:	28 Oct 2007
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

Currency:	Peso (P)
GDP (real):	\$338.7 billion (2008 est.)
Predicted change:	6.2% (2008); 2.2% (2009)
Composition by sector:	9.2%-agriculture; 34.1%-industry; 56.7%-services (2008 est.)
Central Bank interest rate:	NA
Official reserve assets:	\$46,071.72 million (Nov. 2008)
Foreign currency reserves:	\$43,217.53 million (Nov. 2008) [in converted foreign currencies]
Securities:	\$12,462.39 million (Nov. 2008)
IMF reserve position:	0.29
Gold:	\$1,427.43 million (Nov. 2008) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$826.72 million (Nov. 2008)
Loans to nonbank residents:	\$105.17 million (Nov. 2008)
Other reserve assets:	\$14.92 million (Nov. 2008)
Commercial Bank prime lending rate:	28.0% (28 Nov. 2008)
Stock of money:	\$33.93 billion (31 Dec. 2007)
Stock of quasi money:	\$45.92 billion (31 Dec. 2007)
Stock of domestic credit:	\$72.55 billion (31 Dec. 2007)
Household income or consumption by % share:	1.0%-lowest 10%; 35.0%-highest 10% (Jan.-Mar. 2007)
Inflation rate (consumer prices):	22.0% (2008 est.) [based on non-official estimates]
Investment (gross fixed):	24.0% of GDP (2008 est.)
Current account balance:	\$9.0 billion (latest year, Q3 2008)
Budget:	\$86.3 billion-revenues; \$80.4 billion-expenditures (2008 est.)
Budget balance:	0.7% of GDP (2008)

Public debt:	51.0% of GDP (Jun. 2008) [cumulative debt of all government borrowing]
Exchange rates (per USD):	3.45 (Jan. 2009); 3.14 (Jan. 2008)
Economic aid-recipient:	\$99.66 million (2005)
Debt-external:	\$135.5 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$69.1 billion-at home; \$26.81 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$86.68 billion (31 Dec. 2007)
Distribution of family income-Gini index:	49.0 (Jan-Mar. 2007)
Unemployment rate:	7.8% (Q3 2008)
Labour force:	16.27 million (2008 est.) [urban areas only]

Markets

MERV index:	1,087.6 (Jan. 2009)
% change on 31 Dec. 2008:	-49.5 (local currency); -53.9 (\$ terms)

Trade

Trade balance:	\$14.1 billion (latest year, Nov. 2008)
Trade to GDP ratio:	44.7 (2005-2007)
Exports:	\$73.0 billion f.o.b. (2008 est.)
Top export partners:	Brazil (19.1%); China (9.4%); U.S. (7.9%); Chile (7.6%) (2007)
Imports:	\$59.9 billion f.o.b. (2008 est.)
Top import partners:	Brazil (34.6%); U.S. (12.6%); China (12.0%); Germany (5.0%) (2007)

Australia

Polity

Political party:	Labour Party
Most recent election:	24 Nov 2007
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 (real):	\$1.069 trillion (2008 est.)
Predicted change:	2.0% (2008); 0.8% (2009)
Composition by sector:	2.5%-agriculture; 26.4%-industry; 71.1%-services (2008 est.)
Central Bank interest rate:	4.25% (Dec. 2008)
Official reserve assets:	\$30,692.55 million (Nov. 2008)
Foreign currency reserves:	\$27,568.23 million (Nov. 2008) [in converted foreign currencies]
Securities:	\$19,923.68 million (Nov. 2008)
IMF reserve position:	644.06
Gold:	\$2,091.21 million (Nov. 2008) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$-96.97 million (Nov. 2008)
Loans to nonbank residents:	\$0.00 (Nov. 2008)
Other reserve assets:	\$317.79 million (Nov. 2008)
Commercial Bank prime lending rate:	10.02% (31 Dec. 2007)

Stock of money:	\$298.5 billion (31 Dec. 2007)
Stock of quasi money:	\$667.2 billion (31 Dec. 2007)
Stock of domestic credit:	\$1.312 trillion (31 Dec. 2007)
Household income or consumption by % share:	2.0%-lowest 10%; 25.4%-highest 10% (1994)
Inflation rate (consumer prices):	4.7% (2008 est.)
Investment (gross fixed):	27.6% of GDP (2008 est.)
Current account balance:	\$-56.7 billion (latest year, Q3 2008)
Budget:	\$343.6 billion-revenues; \$340.7 billion-expenditures (2008 est.)
Budget balance:	-0.3% of GDP (2008)
Public debt:	15.4% of GDP (Jun. 2008) [gross debt]
Exchange rates (per USD):	1.51 (Jan. 2009); 1.14 (Jan. 2008)
Economic aid-donor:	\$2.213 billion (2006) [ODA]
Debt-external:	\$1.032 trillion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$333.1 billion-at home; \$301.1 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$1.298 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	30.5 (2006)
Unemployment rate:	4.5% (Dec. 2008)
Labour force:	11.21 million (2008 est.)

Markets

All Ord. index:	3,624.3 (Jan. 2009)
% change on 31 Dec. 2008:	-43.6 (local currency); -57.5 (\$ terms)

Trade

Trade balance:	\$-5.0 billion (latest year, Nov. 2008)
Trade to GDP ratio:	44.7 (2005-2007)
Exports:	\$178.9 billion (2008 est.)
Top export partners:	Japan (18.9%); China (14.2%); South Korea (8.0%); U.S. (6.0%); NZ (5.6%); India (5.5%); UK (4.2%) (2007)
Imports:	\$187.2 billion (2008 est.)
Top import partners:	China (15.5%); U.S. (12.8%); Japan (9.6%); Singapore (5.6%); Germany (5.2%); UK (4.3%); Thailand (4.2%) (2007)

Brazil

Polity

Political party:	Workers' Party (PT)
Most recent election:	29 Oct 2006
Government:	Lower House – Minority; Upper House – Minority
Political system:	Presidential
Legislature:	Bicameral, elected Chamber of Deputies, elected Senate
Capital:	Brasilia
Official language:	Portuguese

Economy

Currency:	Real (R)
GDP (real):	\$1.665 trillion (2008 est.)
Predicted change:	5.3% (2008); 2.4% (2009)
Composition by sector:	5.5%-agriculture; 28.5%-industry; 66.0%-services (2008 est.)

Central Bank interest rate:	13.75% (Sep. 2008)
Official reserve assets:	\$193,783.38 million (Dec. 2008)
Foreign currency reserves:	\$190,929.37 million (Dec. 2008) [in converted foreign currencies]
Securities:	\$188,745.97 million (Dec. 2008)
IMF reserve position:	0.22
Gold:	\$939.74 million (Dec. 2008) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	-\$0.41 million (Dec. 2008)
Loans to nonbank residents:	\$33.63 million (Dec. 2008)
Other reserve assets:	\$1,879.72 million (Dec. 2008)
Commercial Bank prime lending rate:	43.72% (31 Dec. 2007)
Stock of money:	\$131.1 billion (31 Dec. 2007)
Stock of quasi money:	\$792.8 billion (31 Dec. 2007)
Stock of domestic credit:	\$1.377 trillion (31 Dec. 2007)
Household income or consumption by % share:	0.9%-lowest 10%; 44.8%-highest 10% (2004)
Inflation rate (consumer prices):	5.8% (2008 est.)
Investment (gross fixed):	18.6% of GDP (2008 est.)
Current account balance:	-\$26.3 billion (latest year, Nov. 2008)
Budget:	NA
Budget balance:	-1.5% of GDP (2008)
Public debt:	40.7% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	2.36 (Jan. 2009); 1.77 (Jan. 2008)
Economic aid-recipient:	\$191.9 million (2005)
Debt-external:	\$236.6 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$280.9 billion-at home; \$119.1 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$1.37 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	56.7 (2005)
Unemployment rate:	7.6% (Nov. 2008)
Labour force:	100.9 million (2008 est.)

Markets

BVSP index:	37,981.0 (Jan. 2009)
% change on 31 Dec. 2008:	-40.5 (local currency); -55.3 (\$ terms)

Trade

Trade balance:	\$24.7 billion (latest year, Dec. 2008)
Trade to GDP ratio:	25.8 (2005-2007)
Exports:	\$200.0 billion f.o.b. (2008 est.)
Top export partners:	U.S. (16.1%); Argentina (9.2%); China (6.8%); Netherlands (5.6%); Germany (4.6%) (2007)
Imports:	\$176.0 billion f.o.b. (2008 est.)
Top import partners:	U.S. (15.7%); China (10.5%); Argentina (8.6%); Germany (7.2%); Nigeria (4.4%) (2007)

Canada

Polity

Political party:	Conservative Party of Canada
Most recent election:	14 Oct 2008
Government:	Lower House – Minority; Upper House – Minority
Political system:	Parliamentary
Legislature:	Bicameral, elected House of Commons, appointed Senate
Capital:	Ottawa
Official language:	English, French

Economy

Currency:	Canadian dollar (C\$)
GDP (real):	\$1.564 trillion (2008 est.)
Predicted change:	0.4% (2008); 0.0% (2009)
Composition by sector:	2.0%-agriculture; 28.4%-industry; 69.6%-services (2008 est.)
Central Bank interest rate:	1.0% (Jan. 2009)
Official reserve assets:	\$43,872.00 million (Dec. 2008)
Foreign currency reserves:	\$41,537.00 million (Dec. 2008) [in converted foreign currencies]
Securities:	\$40,584.00 million (Dec. 2008)
IMF reserve position:	1,249.00
Gold:	\$95.00 million (Dec. 2008) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Dec. 2008)
Loans to nonbank residents:	\$0.00 (Dec. 2008)
Other reserve assets:	\$0.00 (Dec. 2008)
Commercial Bank prime lending rate:	6.1% (31 Dec. 2007)
Stock of money:	\$391.6 billion (31 Dec. 2007)
Stock of quasi money:	\$1.381 trillion (31 Dec. 2007)
Stock of domestic credit:	\$2.382 trillion (31 Dec. 2007)
Household income or consumption by % share:	2.6%-lowest 10%; 24.8%-highest 10% (2000)
Inflation rate (consumer prices):	3.0% (2008 est.)
Investment (gross fixed):	22.6% of GDP (2008 est.)
Current account balance:	\$19.2 billion (latest year, Q3 2008)
Budget:	\$608.3 billion-revenues; \$606.0 billion-expenditures (2008 est.)
Budget balance:	0.2% of GDP (2008)
Public debt:	62.3% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	1.24 (Jan. 2009); 1.02 (Jan. 2008)
Economic aid-donor:	\$3.9 billion (2007) [ODA]
Debt-external:	\$758.6 billion (30 Jun. 2007)
Stock of direct foreign investment:	\$586.6 billion-at home; \$547.2 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$2.187 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	32.1 (2005)
Unemployment rate:	6.6% (Dec. 2008)
Labour force:	18.18 million (2008 est.)

Markets

S&P TSX index:	8,688.4 (Jan. 2009)
% change on 31 Dec. 2008:	-37.2 (local currency); -50.1 (\$ terms)

Trade

Trade balance:	\$47.3 billion (latest year, Nov. 2008)
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Trade to GDP ratio:	71.4 (2005-2007)
Exports:	\$461.8 billion f.o.b. (2008 est.)
Top export partners:	U.S. (78.9%); UK (2.8%); China (2.1%) (2007)
Imports:	\$436.7 billion f.o.b. (2008 est.)
Top import partners:	U.S. (54.1%); China (9.4%); Mexico (4.2%) (2007)

China

Polity

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

Economy

Currency:	Yuan (¥)
GDP (real):	\$4.222 trillion (2008 est.)
Predicted change:	9.1% (2008); 6.0% (2009)
Composition by sector:	10.6%-agriculture; 49.2%-industry; 40.2%-services (2008 est.)
Central Bank interest rate:	5.58%(Nov. 2008)
Official reserve assets:	NA
Foreign currency reserves:	NA
Securities:	NA
IMF reserve position:	NA
Gold:	\$14,969.06 million (Nov. 2007)
Financial derivatives:	NA
Loans to nonbank residents:	NA
Other reserve assets:	NA
Commercial Bank prime lending rate:	5.58% (17 Dec. 2007)
Stock of money:	\$2.30 trillion (31 Oct. 2007)
Stock of quasi money:	\$4.431 trillion (31 Oct. 2007)
Stock of domestic credit:	\$5.316 trillion (31 Oct. 2007)
Household income or consumption by % share:	1.6%-lowest 10%; 34.9%-highest 10% (2004)
Inflation rate (consumer prices):	6.0% (2008 est.)
Investment (gross fixed):	40.2% of GDP (2008 est.)
Current account balance:	\$371.8 billion (latest year, 2007)
Budget:	\$868.6 billion-revenues; \$850.5 billion-expenditures (2008 est.)
Budget balance:	-0.1% of GDP (2008)
Public debt:	15.7% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	6.84 (Jan. 2009); 7.23 (Jan. 2008)
Economic aid-recipient:	\$1.641 billion (FY 2007)
Debt-external:	\$420.8 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$758.9 billion-at home (2007 est.); \$139.3 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$6.226 trillion (31 Dec. 2007)
Distribution of family	

income-Gini index: 47.0 (2007)
 Unemployment rate: 9.0% (2008)
 Labour force: 807.7 million (2008 est.)

Markets

SSEA index: 2,025.1 (Jan. 2009)
 % change on 31 Dec. 2008: -63.3 (local currency); -60.8 (\$ terms)
 SSEB index (\$ terms): 120.2 (Jan. 2009)
 % change on 31 Dec. 2008: -69.3 (local currency); -67.2 (\$ terms)

Trade

Trade balance: \$295.1 billion (latest year, Dec. 2008)
 Trade to GDP ratio: 71.3 (2005-2007)
 Exports: \$1.465 trillion f.o.b. (2008 est.)
 Top export partners: U.S. (19.1%); Hong Kong (15.1%); Japan (8.4%); South Korea (4.6%);
 Germany (4.0%) (2007)
 Imports: \$1.156 trillion f.o.b. (2008 est.)
 Top import partners: Japan (14.0%); South Korea (10.9%); Taiwan (10.5%); U.S. (7.3%);
 Germany (4.7%) (2007)

France

Polity

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

Economy

Currency: Euro (€)
 GDP (real): \$2.978 trillion (2008 est.)
 Predicted change: 0.7% (2008); -1.0% (2009)
 Composition by sector: 2.2%-agriculture; 20.3%-industry; 77.4%-services (2008 est.)
 Central Bank interest rate: 2.0% (Jan. 2009) [European Monetary Union]
 Official reserve assets: \$102,836.71 million (Dec. 2008)
 Foreign currency reserves: \$34,462.17 million (Dec. 2008) [in converted foreign currencies]
 Securities: \$26,346.16 million (Dec. 2008)
 IMF reserve position: 1,802.14
 Gold: \$65,639.50 million (Dec. 2008) [including gold deposits and, if appropriate,
 gold swapped]
 Financial derivatives: \$0.00 (Dec. 2008)
 Loans to nonbank
 residents: \$0.00 (Dec. 2008)
 Other reserve assets: \$0.00 (Dec. 2008)
 Commercial Bank prime
 lending rate: 7.28% (31 Dec. 2007)
 Stock of money: NA
 Stock of quasi money: NA
 Stock of domestic credit: \$4.105 trillion (31 Dec. 2007)
 Household income or
 consumption by % share: 3.0%-lowest 10%; 24.8%-highest 10% (2004)

Inflation rate (consumer prices):	3.4% (2008 est.)
Investment (gross fixed):	21.3% of GDP (2008 est.)
Current account balance:	\$-58.7 billion (latest year, Nov. 2008)
Budget:	\$1.439 trillion-revenues; \$1.525 trillion-expenditures (2008 est.)
Budget balance:	-3.0% of GDP (2008)
Public debt:	64.4% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.76 (Jan. 2009); 0.68 (Jan. 2008)
Economic aid-donor:	\$10.6 billion (2006) [ODA]
Debt-external:	\$4.396 trillion (30 Jun. 2007)
Stock of direct foreign investment:	\$1.08 trillion-at home; \$1.571 trillion-abroad (2008 est.)
Market value of publicly traded shares:	\$2.771 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	28.0 (2005)
Unemployment rate:	7.9% (Nov. 2008)
Labour force:	27.95 million (2008 est.)

Markets

CAC 40 index:	3,052.0 (Jan. 2009)
% change on 31 Dec. 2008:	-45.6 (local currency); -51.1 (\$ terms)

Trade

Trade balance:	\$-83.3 billion (latest year, Nov. 2008)
Trade to GDP ratio:	54.3 (2005-2007)
Exports:	\$629.7 billion f.o.b. (2008 est.)
Top export partners:	Germany (14.9%); Spain (9.3%); Italy (8.9%); UK (8.1%); Belgium (7.3%); U.S. (6.1%); Netherlands (4.1%) (2007)
Imports:	\$718.4 billion f.o.b. (2008 est.)
Top import 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%) (2007)

Germany

Polity

Political party:	Christian Democratic Union (CDU-CSU)
Most recent election:	18 Sep 2005
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

Currency:	Euro (€)
GDP (real):	\$3.818 trillion (2008 est.)
Predicted change:	1.0% (2008); -1.4% (2009)
Composition by sector:	0.9%-agriculture; 30.1%-industry; 69.0%-services (2008 est.)
Central Bank interest rate:	2.0% (Jan. 2009) [European Monetary Union]
Official reserve assets:	\$138,035.76 million (Dec. 2008)
Foreign currency reserves:	\$38,557.05 million (Dec. 2008) [in converted foreign currencies]
Securities:	\$34,276.18 million (Dec. 2008)
IMF reserve position:	2,378.42

Gold:	\$94,905.59 million (Dec. 2008) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Dec. 2008)
Loans to nonbank residents:	\$0.00 (Dec. 2008)
Other reserve assets:	\$0.00 (Dec. 2008)
Commercial Bank prime lending rate:	5.96% (31 Dec. 2007)
Stock of money:	NA
Stock of quasi money:	NA
Stock of domestic credit:	\$5.081 trillion (31 Dec. 2007)
Household income or consumption by % share:	3.2%-lowest 10%; 22.1%-highest 10% (2000)
Inflation rate (consumer prices):	2.8% (2008 est.)
Investment (gross fixed):	18.9% of GDP (2008 est.)
Current account balance:	\$244.3 billion (latest year, Nov. 2008)
Budget:	\$1.614 trillion-revenues; \$1.579 trillion-expenditures (2008 est.)
Budget balance:	0.3% of GDP (2008)
Public debt:	62.6% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.76 (Jan. 2009); 0.68 (Jan. 2008)
Economic aid-donor:	\$10.44 billion (2006)
Debt-external:	\$4.489 trillion (30 Jun. 2007)
Stock of direct foreign investment:	\$924.7 billion-at home; 1.36 trillion-abroad (2008 est.)
Market value of publicly traded shares:	\$2.106 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	27.0 (2006)
Unemployment rate:	7.6% (Dec. 2008)
Labour force:	43.62 million (2008 est.)

Markets

DAX index:	4,422.4 (Jan. 2009) [total return index]
% change on 31 Dec. 2008:	-45.2 (local currency); -50.6 (\$ terms)

Trade

Trade balance:	\$267.2 billion (latest year, Nov. 2008)
Trade to GDP ratio:	83.3 (2005-2007)
Exports:	\$1.53 trillion f.o.b. (2008 est.)
Top export 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%) (2007)
Imports:	\$1.202 trillion f.o.b. (2008 est.)
Top import 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%) (2007)

India

Polity

Political party:	Indian National Congress
Most recent election:	2004
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

Currency: Indian rupee (Rs)
GDP (real): \$1.237 trillion (2008 est.)
Predicted change: 6.2% (2008); 6.1% (2009)
Composition by sector: 17.2%-agriculture; 29.1%-industry; 53.7%-services (2008 est.)
Central Bank interest rate: 5.5% (Jan. 2009)
Official reserve assets: \$247,686.00 million (Nov. 2008)
Foreign currency reserves: \$238,968.00 million (Nov. 2008) [in converted foreign currencies]
Securities: \$105,482.00 million (Nov. 2008)
IMF reserve position: 854.00
Gold: \$7,861.00 million (Nov. 2008) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives: \$0.00 (Nov. 2008)
Loans to nonbank residents: \$0.00 (Nov. 2008)
Other reserve assets: \$0.00 (Nov. 2008)
Commercial Bank prime lending rate: 13.02% (31 Dec. 2007)
Stock of money: \$250.9 billion (31 Dec. 2007)
Stock of quasi money: \$647.3 billion (31 Dec. 2007)
Stock of domestic credit: \$769.3 billion (31 Dec. 2007)
Household income or consumption by % share: 3.6%-lowest 10%; 31.1%-highest 10% (2004)
Inflation rate (consumer prices): 7.8% (2008 est.)
Investment (gross fixed): 34.6% of GDP (2008 est.)
Current account balance: \$-28.5 billion (latest year, Q3 2008)
Budget: \$153.5 billion-revenues; \$205.4 billion-expenditures (2008 est.)
Budget balance: -4.3% of GDP (2008)
Public debt: 59.0% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD): 48.8 (Jan. 2009); 39.3 (Jan. 2008)
Economic aid-recipient: \$1.724 billion (2005)
Debt-external: \$163.8 billion (31 Dec. 2008 est.)
Stock of direct foreign investment: \$142.9 billion-at home; \$54.21 billion-abroad (2008 est.)
Market value of publicly traded shares: \$1.819 trillion (31 Dec. 2007)
Distribution of family income-Gini index: 36.8 (2004)
Unemployment rate: 6.8% (Dec. 2008)
Labour force: 523.5 million (2008 est.)

Markets

BSE index: 9,370.5 (Jan. 2009)
% change on 31 Dec. 2008: -53.8 (local currency); -62.7 (\$ terms)

Trade

Trade balance: \$-112.3 billion (latest year, Nov. 2008)
Trade to GDP ratio: 44.7 (2005-2007)
Exports: \$175.7 billion f.o.b. (2008 est.)
Top export partners: U.S. (15.0%); China (8.7%); UAE (8.7%); UK (4.4%) (2007)
Imports: \$287.5 billion f.o.b. (2008 est.)
Top import partners: China (10.6%); U.S. (7.8%); Germany (4.4%); Singapore (4.4%) (2007)

Indonesia

Polity

Political party:	Democratic Party
Most recent election:	20 Sep 2004
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 (real):	\$496.8 billion (2008 est.)
Predicted change:	6.1% (2008); 3.5% (2009)
Composition by sector:	13.5%-agriculture; 45.6%-industry; 40.8%-services (2008 est.)
Central Bank interest rate:	8.75% (Jan. 2009)
Official reserve assets:	\$50,181.62 million (Nov. 2008)
Foreign currency reserves:	\$47,848.70 million (Nov. 2008) [in converted foreign currencies]
Securities:	\$33,708.78 million (Nov. 2008)
IMF reserve position:	217.40
Gold:	\$1,910.50 million (Nov. 2008) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Nov. 2008)
Loans to nonbank residents:	\$0.00 (Nov. 2008)
Other reserve assets:	\$172.33 million (Nov. 2008)
Commercial Bank prime lending rate:	13.86% (31 Dec. 2007)
Stock of money:	\$47.78 billion (31 Dec. 2007)
Stock of quasi money:	\$127.0 billion (31 Dec. 2007)
Stock of domestic credit:	\$170.2 billion (31 Dec. 2007)
Household income or consumption by % share:	3.6%-lowest 10%; 28.5%-highest 10% (2002)
Inflation rate (consumer prices):	10.5% (2008 est.)
Investment (gross fixed):	25.2% of GDP (2008 est.)
Current account balance:	\$3.9 billion (latest year, Q3 2008)
Budget:	\$90.17 billion-revenues; \$96.87 billion-expenditures (2008 est.)
Budget balance:	-1.4% of GDP (2008)
Public debt:	30.1% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	11,100.0 (Jan. 2009); 9,445.0 (Jan. 2008)
Economic aid-recipient:	\$2.524 billion (2006 est.)
Debt-external:	\$143.5 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$63.46 billion-at home; \$4.277 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$211.7 billion (31 Dec. 2007)
Distribution of family income-Gini index:	39.4 (2005)
Unemployment rate:	8.5% (Feb. 2008)
Labour force:	112.0 million (2008 est.)

Markets

JSX index:	1,386.9 (Jan. 2009)
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% change on 31 Dec. 2008: -49.5 (local currency); -57.3 (\$ terms)

Trade

Trade balance: \$12.1 billion (latest year, Nov. 2008)
Trade to GDP ratio: 60.4 (2005-2007)
Exports: \$141.0 billion f.o.b. (2008 est.)
Top export partners: Japan (20.7%); U.S. (10.2%); Singapore (9.2%); China (8.5%); South Korea (6.6%); Malaysia (4.5%) India (4.3%) (2007)
Imports: \$114.3 billion f.o.b. (2008 est.)
Top import partners: Singapore (13.2%); China (11.5%); Japan (8.8%); Malaysia (8.6%); U.S. (6.4%); Thailand (5.8%); Saudi Arabia (4.5%); South Korea (4.3%); Australia (4.0%) (2007)

Italy

Polity

Political party: People of Freedom (coalition)
Most recent election: 13-14 Apr 2008
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

Currency: Euro (€)
GDP (real): \$2.399 trillion (2008 est.)
Predicted change: -0.5% (2008); -1.2% (2009)
Composition by sector: 2.0%-agriculture; 26.7%-industry; 71.3%-services (2008 est.)
Central Bank interest rate: 2.0% (Jan. 2009) [European Monetary Union]
Official reserve assets: \$100,246.29 million (Nov. 2008)
Foreign currency reserves: \$34,421.13 million (Nov. 2008) [in converted foreign currencies]
Securities: \$30,329.58 million (Nov. 2008)
IMF reserve position: 1,376.19
Gold: \$64,206.05 million (Nov. 2008) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives: \$0.00 (Nov. 2008)
Loans to nonbank residents: \$0.00 (Nov. 2008)
Other reserve assets: \$0.00 million (Nov. 2008)
Commercial Bank prime lending rate: 10.93% (31 Dec. 2007)
Stock of money: NA
Stock of quasi money: NA
Stock of domestic credit: \$3.084 trillion (31 Dec. 2007)
Household income or consumption by % share: 2.3%-lowest 10%; 26.8%-highest 10% (2000)
Inflation rate (consumer prices): 3.6% (2008 est.)
Investment (gross fixed): 20.5% of GDP (2008 est.)
Current account balance: \$-72.2 billion (latest year, Oct. 2008)
Budget: \$1.139 trillion-revenues; \$1.209 trillion-expenditures (2008 est.)
Budget balance: -2.6% of GDP (2008)
Public debt: 103.7% of GDP (2008 est.) [cumulative debt of all government borrowing]

Exchange rates (per USD):	0.76 (Jan. 2009); 0.68 (Jan. 2008)
Economic aid-donor:	\$3.641 billion (2006)
Debt-external:	\$1.06 trillion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$374.8 billion-at home; \$547.7 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$1.073 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	32.0 (2006)
Unemployment rate:	6.7% (Q3 2008)
Labour force:	25.09 million (2008 est.)

Markets

S&P/MIB index:	18,763.0 (Jan. 2009)
% change on 31 Dec. 2008:	-51.3 (local currency); -56.2 (\$ terms)

Trade

Trade balance:	\$-17.8 billion (latest year, Oct. 2008)
Trade to GDP ratio:	55.8 (2005-2007)
Exports:	\$566.1 billion f.o.b. (2008 est.)
Top export partners:	Germany (12.9%); France (11.4%); Spain (7.4%); U.S. (6.8%); UK (5.8%) (2007)
Imports:	\$566.8 billion f.o.b. (2008 est.)
Top import partners:	Germany (16.9%); France (9.0%); China (5.9%); Netherlands (5.5%); Belgium (4.3%); Spain (4.2%) (2007)

Japan

Polity

Political party:	Liberal Democratic Party
Most recent election:	11 Sep 2005
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

Currency:	Yen (¥)
GDP (real):	\$4.844 trillion (2008 est.)
Predicted change:	0.0% (2008); -1.4% (2009)
Composition by sector:	1.4%-agriculture; 26.4%-industry; 72.1%-services (2008 est.)
Central Bank interest rate:	0.1% (Dec. 2008)
Official reserve assets:	\$1,030,647.00 million (Dec. 2008)
Foreign currency reserves:	\$1,003,300.00 million (Dec. 2008) [in converted foreign currencies]
Securities:	\$908,015.00 million (Dec. 2008)
IMF reserve position:	2,659.00
Gold:	\$21,281.00 million (Dec. 2008) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Dec. 2008)
Loans to nonbank residents:	\$0.00 (Dec. 2008)
Other reserve assets:	\$374.00 million (Dec. 2008)
Commercial Bank prime	

lending rate:	1.68% (Nov. 2008)
Stock of money:	\$4.37 trillion (31 Dec. 2007)
Stock of quasi money:	\$4.783 trillion (31 Dec. 2007)
Stock of domestic credit:	\$9.653 trillion (31 Dec. 2007)
Household income or consumption by % share:	4.8%-lowest 10%; 21.7%-highest 10% (1993)
Inflation rate (consumer prices):	1.8% (2008 est.)
Investment (gross fixed):	22.5% of GDP (2008 est.)
Current account balance:	\$167.1 billion (latest year, Nov. 2008)
Budget:	\$1.672 trillion-revenues; \$1.823 trillion-expenditures (2008 est.)
Budget balance:	-3.3% of GDP (2008)
Public debt:	170.4% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	88.8 (Jan. 2009); 107.0 (Jan. 2008)
Economic aid-donor:	\$11.19 billion (2006) [ODA]
Debt-external:	\$1.492 trillion (30 Jun. 2007)
Stock of direct foreign investment:	\$139.7 billion-at home; \$587.0 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$4.453 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	38.1 (2002)
Unemployment rate:	3.9% (Nov. 2008)
Labour force:	66.15 million (2008 est.)

Markets

Nikkei 225 index:	8,438.5 (Jan. 2009)
% change on 31 Dec. 2008:	-44.9 (local currency); -30.7 (\$ terms)
Topix index:	819.4 (Jan. 2009)
% change on 31 Dec. 2008:	-44.5 (local currency); -30.2 (\$ terms)

Trade

Trade balance:	\$47.3 billion (latest year, Nov. 2008)
Trade to GDP ratio:	31.5 (2005-2007)
Exports:	\$776.8 billion f.o.b. (2008 est.)
Top export partners:	U.S. (20.4%); China (15.3%); South Korea (7.6%); Taiwan (6.3%); Hong Kong (5.4%) (2007)
Imports:	\$696.2 billion f.o.b. (2008 est.)
Top import 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%) (2007)

Mexico

Polity

Political party:	National Action Party
Most recent election:	2 Jul 2006
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

Currency:	Mexican peso (PS)
GDP (real):	\$1.578 trillion (2008 est.)
Predicted change:	1.8% (2008); -0.2% (2009)
Composition by sector:	3.7%-agriculture; 34.1%-industry; 62.2%-services (2008 est.)
Central Bank interest rate:	7.75% (Jan. 2009)
Official reserve assets:	NA
Foreign currency reserves:	NA
Securities:	NA
IMF reserve position:	NA
Gold:	NA
Financial derivatives:	NA
Loans to nonbank residents:	NA
Other reserve assets:	NA
Commercial Bank prime lending rate:	7.56% (31 Dec. 2007)
Stock of money:	\$103.5 billion (31 Dec. 2007)
Stock of quasi money:	\$168.4 billion (31 Dec. 2007)
Stock of domestic credit:	\$349.1 billion (31 Dec. 2007)
Household income or consumption by % share:	1.2%-lowest 10%; 37.0%-highest 10% (2006)
Inflation rate (consumer prices):	6.2% (2008 est.)
Investment (gross fixed):	22.9% of GDP (2008 est.)
Current account balance:	\$-11.8 billion (latest year, Q3 2008)
Budget:	\$256.7 billion-revenues; \$256.8 billion-expenditures (2008 est.)
Budget balance:	0.0% of GDP (2008)
Public debt:	20.3% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	14.1 (Jan. 2009); 11.0 (Jan. 2008)
Economic aid-recipient:	\$189.4 million (2005)
Debt-external:	\$181.2 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$278.9 billion-at home; 43.01 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$397.7 billion (31 Dec. 2007)
Distribution of family income-Gini index:	47.9 (2006)
Unemployment rate:	4.5% (Nov. 2008)
Labour force:	45.5 million (2008 est.)

Markets

IPC index:	20,369.2 (Jan. 2009)
% change on 31 Dec. 2008:	-31.0 (local currency); -46.7 (\$ terms)

Trade

Trade balance:	\$-14.5 billion (latest year, Nov. 2008)
Trade to GDP ratio:	64.5 (2005-2007)
Exports:	\$294.0 billion f.o.b. (2008 est.)
Top export partners:	U.S. (82.2%); Canada (2.4%); Germany (1.5%) (2007)
Imports:	\$305.9 billion f.o.b. (2008 est.)
Top import partners:	U.S. (49.6%); China (10.5%); Japan (5.8%); South Korea (4.5%) (2007)

Russia

Polity

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

Economy

Currency:	Rouble (Rb)
GDP (real):	\$17.75 trillion (2008 est.)
Predicted change:	7.0% (2008); 3.7% (2009)
Composition by sector:	4.1%-agriculture; 41.1%-industry; 54.8%-services (2008 est.)
Central Bank interest rate:	13.0% (Jan. 2009)
Official reserve assets:	\$427,079.85 million (Dec. 2008)
Foreign currency reserves:	\$406,205.24 million (Dec. 2008) [in converted foreign currencies]
Securities:	\$369,352.91 million (Dec. 2008)
IMF reserve position:	1,051.47
Gold:	\$14,533.42 million (Dec. 2008) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Dec. 2008)
Loans to nonbank residents:	\$0.00 (Dec. 2008)
Other reserve assets:	\$5,288.94 million (Dec. 2008)
Commercial Bank prime lending rate:	13.0% (31 Dec. 2008)
Stock of money:	\$166.4 billion (Oct. 2008)
Stock of quasi money:	\$343.0 billion (Oct. 2008)
Stock of domestic credit:	\$503.7 billion (1 Oct. 2008)
Household income or consumption by % share:	1.9%-lowest 10%; 30.4%-highest 10% (Sep. 2007)
Inflation rate (consumer prices):	13.9% (2008 est.)
Investment (gross fixed):	24.7% of GDP (2007 est.)
Current account balance:	\$98.9 billion (latest year, Q4 2008)
Budget:	\$383.5 billion-revenues; \$273.5 billion-expenditures (2008 est.)
Budget balance:	5.8% of GDP (2008)
Public debt:	6.8% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	31.8 (Jan. 2009); 24.5 (Jan. 2008)
Economic aid-recipient:	\$982.7 million (FY 2006) [from U.S.]
Debt-external:	\$527.1 billion (Jun. 2008 est.)
Stock of direct foreign investment:	\$491.2 billion-at home; \$370.2 billion-abroad (2007)
Market value of publicly traded shares:	\$450.0 billion (15 Dec. 2008 est.)
Distribution of family income-Gini index:	41.5 (Sep. 2008)
Unemployment rate:	6.6% (Nov. 2008)
Labour force:	75.7 million (2008 est.)

Markets

RTS index (\$ terms):	591.3 (Jan. 2009)
% change on 31 Dec. 2008:	-66.6 (local currency); -74.2 (\$ terms)

Trade

Trade balance:	\$194.6 billion (latest year, Oct. 2008)
Trade to GDP ratio:	54.2 (2005-2007)
Exports:	\$476.0 billion (2008 est.)
Top export partners:	Netherlands (12.2%); Italy (7.8%); Germany (7.5%); Turkey (5.2%); Belarus (5.0%); Ukraine (4.7%); China (4.5%) (2007)
Imports:	\$302.0 billion f.o.b. (2008 est.)
Top import partners:	Germany (13.3%); China (12.2%); Ukraine (6.7%); Japan (6.4%); U.S. (4.8%); Belarus (4.4%); South Korea (4.4%) Italy (4.3%) (2007)

Saudi Arabia

Polity

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

Economy

Currency:	Riyal (SR)
GDP (real):	\$528.3 billion (2008 est.)
Predicted change:	6.0% (2008); 3.0% (2009)
Composition by sector:	3.1%-agriculture; 61.6%-industry; 35.4%-services (2008 est.)
Central Bank interest rate:	2.0% (Jan. 2009)
Official reserve assets:	NA
Foreign currency reserves:	NA
Securities:	NA
IMF reserve position:	NA
Gold:	NA
Financial derivatives:	NA
Loans to nonbank residents:	NA
Other reserve assets:	NA
Commercial Bank prime lending rate:	NA
Stock of money:	\$102.4 billion (31 Dec. 2007)
Stock of quasi money:	\$109.5 billion (31 Dec. 2007)
Stock of domestic credit:	\$66.94 billion (31 Dec. 2007)
Household income or consumption by % share:	NA
Inflation rate (consumer prices):	10.3% (2008 est.)
Investment (gross fixed):	19.5% of GDP (2008 est.)
Current account balance:	\$95.0 billion (latest year, 2007)
Budget:	\$205.0 billion-revenues; \$146.0 billion-expenditures (2008 est.)
Budget balance:	10.7% of GDP (2008)
Public debt:	17.7% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	3.75 (Jan. 2009); 3.75 (Jan. 2008)
Economic aid-recipient:	\$26.29 million (2005)
Debt-external:	\$71.56 billion (31 Dec. 2008 est.)
Stock of direct foreign	

investment:	NA
Market value of publicly traded shares:	\$515.1 billion (31 Dec. 2007)
Distribution of family income-Gini index:	NA
Unemployment rate:	NA
Labour force:	6.74 million (2008 est.) [about 1/3 of the population aged 15-64 is non-national]

Markets

Tadawul index:	4,935.3 (Jan. 2009)
% change on 31 Dec. 2008:	-55.3 (local currency); -55.3 (\$ terms)

Trade

Trade balance:	\$150.8 billion (latest year, 2007)
Trade to GDP ratio:	86.7 (2005-2007)
Exports:	\$329.7 billion f.o.b. (2008 est.)
Top export partners:	U.S. (17.1%); Japan (16.3%); South Korea (9.7%); China (8.1%); Taiwan (4.7%); Singapore (4.0%) (2007)
Imports:	\$107.4 billion f.o.b. (2008 est.)
Top import partners:	U.S. (12.6%); China (9.4%); Germany (8.8%); Japan (8.1%); Italy (5.0%); South Korea (4.9%); UK (4.5%) (2007)

South Africa

Polity

Political party:	African National Congress
Most recent election:	14 Apr 2004
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 (real):	\$300.4 billion (2008 est.)
Predicted change:	3.5% (2008); 2.5% (2009)
Composition by sector:	3.4%-agriculture; 31.3%-industry; 65.3%-services (2008 est.)
Central Bank interest rate:	11.5% (Dec. 2008)
Official reserve assets:	\$33,217.00 million (Nov. 2008)
Foreign currency reserves:	\$29,634.00 million (Nov. 2008) [in converted foreign currencies]
Securities:	\$1,468.00 million (Nov. 2008)
IMF reserve position:	0.00
Gold:	\$3,250.00 million (Nov. 2008) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Nov. 2008)
Loans to nonbank residents:	\$0.00 (Nov. 2008)
Other reserve assets:	\$0.00 (Nov. 2008)
Commercial Bank prime lending rate:	13.17% (31 Dec. 2007)
Stock of money:	\$58.49 billion (31 Dec. 2007)
Stock of quasi money:	\$141.9 billion (31 Dec. 2007)

Stock of domestic credit:	\$254.9 billion (31 Dec. 2007)
Household income or consumption by % share:	1.4%-lowest 10%; 44.7%-highest 10% (2000)
Inflation rate (consumer prices):	11.3% (2008 est.)
Investment (gross fixed):	20.1% of GDP (2008 est.)
Current account balance:	\$-23.2 billion (latest year, Q3 2008)
Budget:	\$83.85 billion-revenues; \$83.3 billion-expenditures (2008 est.)
Budget balance:	0.2% of GDP (2008)
Public debt:	29.9% of GDP (Jun. 2008) [cumulative debt of all government borrowing]
Exchange rates (per USD):	10.2 (Jan. 2009); 6.95 (Jan. 2008)
Economic aid-recipient:	\$700.0 million (2005)
Debt-external:	\$39.69 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$99.61 billion-at home; \$57.08 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$842.0 billion (Jan. 2008)
Distribution of family income-Gini index:	65.0 (2005)
Unemployment rate:	23.2% (Sep. 2008)
Labour force:	18.22 million (2008 est.) [economically active]

Markets

JSE AS index:	20,843.0 (Jan. 2009)
% change on 31 Dec. 2008:	-28.0 (local currency); -51.8 (\$ terms)

Trade

Trade balance:	\$-10.6 billion (latest year, Nov. 2008)
Trade to GDP ratio:	62.1 (2005-2007)
Exports:	\$81.47 billion f.o.b. (2008 est.)
Top export partners:	U.S. (11.9%); Japan (11.1%); Germany (8.0%); UK (7.7%); China (6.6%); Netherlands (4.5%) (2007)
Imports:	\$87.3 billion f.o.b. (2008 est.)
Top import partners:	Germany (10.9%); China (10.0%); Spain (8.2%); U.S. (7.2%); Japan (6.1%); UK (4.5%); Saudi Arabia (4.2%) (2007)

South Korea

Polity

Political party:	Grand National Party
Most recent election:	19 Dec 2007
Government:	Single House – Majority
Political system:	Presidential
Legislature:	Unicameral, elected National Assembly
Capital:	Seoul
Official language:	Korean

Economy

Currency:	Won (W)
GDP (real):	\$953.5 billion (2008 est.)
Predicted change:	4.2% (2008); -1.7% (2009)
Composition by sector:	2.9%-agriculture; 39.4%-industry; 57.7%-services (2008 est.)
Central Bank interest rate:	3.0% (Dec. 2008)
Official reserve assets:	\$200,506.00 million (Nov. 2008)

Foreign currency reserves:	\$200,993.00 million (Nov. 2008) [in converted foreign currencies]
Securities:	\$181,790.00 million (Nov. 2008)
IMF reserve position:	562.00
Gold:	\$75.00 million (Nov. 2008) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Nov. 2008)
Loans to nonbank residents:	\$0.00 (Nov. 2008)
Other reserve assets:	\$-1,207.00 million (Nov. 2008)
Commercial Bank prime lending rate:	6.55% (31 Dec. 2007)
Stock of money:	\$92.59 billion (31 Dec. 2007)
Stock of quasi money:	\$541.7 billion (31 Dec. 2007)
Stock of domestic credit:	\$1.061 trillion (31 Dec. 2007)
Household income or consumption by % share:	2.7%-lowest 10%; 23.7%-highest 10% (2006 est.)
Inflation rate (consumer prices):	5.0% (2008 est.)
Investment (gross fixed):	27.7% of GDP (2008 est.)
Current account balance:	\$-7.9 billion (latest year, Nov. 2008)
Budget:	\$230.6 billion-revenues; \$221.8 billion-expenditures (2008 est.)
Budget balance:	1.1% of GDP (2008)
Public debt:	27.2% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	1,348.0 (Jan. 2009); 940.0 (Jan. 2008)
Economic aid-donor:	\$455.3 million (2006) [ODA]
Debt-external:	\$250.4 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$120.8 billion-at home (2008 est.); \$82.1 billion-abroad (2006)
Market value of publicly traded shares:	\$1.124 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	35.1 (2006)
Unemployment rate:	3.3% (Dec. 2008)
Labour force:	24.34 million (2008 est.)

Markets

KOSPI index:	1,182.7 (Jan. 2009)
% change on 31 Dec. 2008:	-37.7 (local currency); -56.7 (\$ terms)

Trade

Trade balance:	\$-14.2 billion (latest year, Dec. 2008)
Trade to GDP ratio:	85.7 (2005-2007)
Exports:	\$458.4 billion f.o.b. (2008 est.)
Top export partners:	China (22.1%); U.S. (12.4%); Japan (7.1%); Hong Kong (5.0%) (2007)
Imports:	\$459.9 billion f.o.b. (2008 est.)
Top import partners:	China (17.7%); Japan (15.8%); U.S. (10.5%); Saudi Arabia (5.9%) (2007)

Turkey

Polity

Political party:	Justice and Development Party (AKP)
Most recent election:	22 Jul 2007
Government:	Single House – Majority
Political system:	Parliamentary

Legislature: Unicameral, elected Grand National Assembly
 Capital: Ankara
 Official language: Turkish

Economy

Currency: Turkish lira (YTL)
 GDP (real): \$798.9 billion (2008 est.)
 Predicted change: 2.5% (2008); 1.5% (2009)
 Composition by sector: 8.5%-agriculture; 28.6%-industry; 62.9%-services (2008 est.)
 Central Bank interest rate: 13.0% (Jan. 2009)
 Official reserve assets: \$74,233.89 million (Nov. 2008)
 Foreign currency reserves: \$71,004.88 million (Nov. 2008) [in converted foreign currencies]
 Securities: \$67,208.29 million (Nov. 2008)
 IMF reserve position: 168.00
 Gold: \$3,038.52 million (Nov. 2008) [including gold deposits and, if appropriate, gold swapped]
 Financial derivatives: \$0.00 (Nov. 2008)
 Loans to nonbank residents: \$0.00 (Nov. 2008)
 Other reserve assets: \$0.00 (Nov. 2008)
 Commercial Bank prime lending rate: NA
 Stock of money: \$64.43 billion (31 Dec. 2007)
 Stock of quasi money: \$254.3 billion (31 Dec. 2007)
 Stock of domestic credit: \$358.1 billion (31 Dec. 2007)
 Household income or consumption by % share: 2.0%-lowest 10%; 34.1%-highest 10% (2003)
 Inflation rate (consumer prices): 10.2% (2008 est.)
 Investment (gross fixed): 21.0% of GDP (2008 est.)
 Current account balance: \$-43.9 billion (latest year, Nov. 2008)
 Budget: \$164.6 billion-revenues; \$176.3 billion-expenditures (2008 est.)
 Budget balance: -1.6% of GDP (2008)
 Public debt: 37.1% of GDP (2008 est.) [cumulative debt of all government borrowing]
 Exchange rates (per USD): 1.62 (Jan. 2009); 1.18 (Jan. 2008)
 Economic aid-recipient: \$464.0 million (2005)
 Debt-external: \$294.3 billion (31 Dec. 2008 est.)
 Stock of direct foreign investment: \$124.8 billion-at home; \$13.97 billion-abroad (2008 est.)
 Market value of publicly traded shares: \$286.6 billion (31 Dec. 2007)
 Distribution of family income-Gini index: 43.6 (2003)
 Unemployment rate: 10.3% (Q3 2008)
 Labour force: 23.21 million (2008 est.) [about 1.2 million Turks work abroad]

Markets

ISE index: 25,055.7 (Jan. 2009)
 % change on 31 Dec. 2008: -54.9 (local currency); -67.4 (\$ terms)

Trade

Trade balance: \$-72.7 billion (latest year, Nov. 2008)
 Trade to GDP ratio: 48.4 (2005-2007)
 Exports: \$141.8 billion f.o.b. (2008 est.)
 Top export partners: Germany (11.2%); UK (8.1%); Italy (7.0%); France (5.6%); Russia (4.4%); Spain (4.3%) (2007)

Imports: \$204.8 billion f.o.b. (2008 est.)
 Top import partners: Russia (13.8%); Germany (10.3%); China (7.8%); Italy (5.9%); U.S. (4.8%); France (4.6%) (2007)

United Kingdom

Polity

Political party: Labour Party
 Most recent election: 5 Oct 2005
 Government: Lower House – Majority; Upper House – Majority
 Political system: Parliamentary
 Legislature: Bicameral, elected House of Commons, appointed House of Lords
 Capital: London
 Official language: English

Economy

Currency: British pound (£)
 GDP (real): \$2.787 trillion (2008 est.)
 Predicted change: 0.6% (2008); -1.7% (2009)
 Composition by sector: 0.9%-agriculture; 22.8%-industry; 76.2%-services (2008 est.)
 Central Bank interest rate: 1.5% (Jan. 2009)
 Official reserve assets: \$48,973.93 million (Dec. 2008)
 Foreign currency reserves: \$40,486.66 million (Dec. 2008) [in converted foreign currencies]
 Securities: \$39,874.99 million (Dec. 2008)
 IMF reserve position: 2,350.08
 Gold: \$8,628.47 million (Dec. 2008) [including gold deposits and, if appropriate, gold swapped]
 Financial derivatives: \$-5,069.91 million (Dec. 2008)
 Loans to nonbank residents: \$0.00 (Dec. 2008)
 Other reserve assets: \$2,130.70 million (Dec. 2008)
 Commercial Bank prime lending rate: 5.52% (31 Dec. 2007)
 Stock of money: NA
 Stock of quasi money: NA
 Stock of domestic credit: \$5.278 trillion (31 Dec. 2007)
 Household income or consumption by % share: 2.1%-lowest 10%; 28.5%-highest 10% (1999)
 Inflation rate (consumer prices): 3.8% (2008 est.)
 Investment (gross fixed): 16.7% of GDP (2008 est.)
 Current account balance: \$-45.6 billion (latest year, Q3 2008)
 Budget: \$1.107 trillion-revenues; \$1.242 trillion-expenditures (2008 est.)
 Budget balance: -5.3% of GDP (2008)
 Public debt: 47.2% of GDP (2008 est.) [cumulative debt of all government borrowing]
 Exchange rates (per USD): 0.69 (Jan. 2009); 0.51 (Jan. 2008)
 Economic aid-donor: \$12.46 billion (2006) [ODA]
 Debt-external: \$10.45 trillion (30 Jun. 2007.)
 Stock of direct foreign investment: \$1.409 trillion-at home; \$1.841 trillion-abroad (2008 est.)
 Market value of publicly traded shares: \$3.859 trillion (31 Dec. 2007)
 Distribution of family income-Gini index: 34.0 (2005)

Unemployment rate: 6.0% (Oct. 2008)
Labour force: 31.2 million (2008 est.)

Markets

FTSE 100 index: 4,180.6 (Jan. 2009)
% change on 31 Dec. 2008: -35.3 (local currency); -52.7 (\$ terms)

Trade

Trade balance: \$-178.6 billion (latest year, Nov. 2008)
Trade to GDP ratio: 57.6 (2005-2007)
Exports: \$468.7 billion f.o.b. (2008 est.)
Top export 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%) (2007)
Imports: \$645.7 billion f.o.b. (2008 est.)
Top import partners: Germany (14.2%); U.S. (8.6%); China (7.3%); Netherlands (7.3%); France (6.9%); Belgium (4.7%); Norway (4.7%); Italy (4.2%) (2007)

United States

Polity

Political party: Democratic Party
Most recent election: 4 Nov 2008
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

Currency: Dollar (\$)
GDP (real): \$14.33 trillion (2008 est.)
Predicted change: 0.9% (2008); -1.2% (2009)
Composition by sector: 1.2%-agriculture; 19.6%-industry; 79.2%-services (2008 est.)
Central Bank interest rate: 0.25% (Dec. 2008)
Official reserve assets: \$76,580.00 million (Jan. 2009)
Foreign currency reserves: \$41,036.00 million (Jan. 2009) [in converted foreign currencies]
Securities: \$23,484.00 million (Jan. 2009)
IMF reserve position: 7,554.00
Gold: \$11,041.00 million (Jan. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives: \$0.00 (Jan. 2009)
Loans to nonbank residents: \$0.00 (Jan. 2008)
Other reserve assets: \$7,765.00 million (Jan. 2009)
Commercial Bank prime lending rate: 8.05% (31 Dec. 2007)
Stock of money: \$1.374 trillion (31 Dec. 2007)
Stock of quasi money: \$10.1 trillion (31 Dec. 2007)
Stock of domestic credit: \$14.15 trillion (31 Dec. 2007)
Household income or consumption by % share: 2.0%-lowest 10%; 30.0%-highest 10% (2007 est.)
Inflation rate (consumer prices): 4.2% (2008 est.)
Investment (gross fixed): 14.6% of GDP (2008 est.)

Current account balance:	\$-697.9 billion (latest year, Q3 2008)
Budget:	\$2.524 trillion-revenues; \$2.979 trillion-expenditures (2008 est.)
Budget balance:	-3.2% of GDP (2008)
Public debt:	60.8% of GDP (2007 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	NA
Economic aid-donor:	\$23.56 billion (2006 [ODA])
Debt-external:	\$12.25 trillion (30 Jun. 2007)
Stock of direct foreign investment:	\$2.22 trillion-at home; \$2.751 trillion-abroad (2008 est.)
Market value of publicly traded shares:	\$19.95 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	45.0 (2007)
Unemployment rate:	7.2% (Dec. 2008)
Labour force:	155.2 million (2008 est.) [includes unemployed]

Markets

DJIA index:	8,200.1 (Jan. 2009)
% change on 31 Dec. 2008:	-38.2 (local currency); -38.2 (\$ terms)
S&P 500 index:	842.6 (Jan. 2009)
% change on 31 Dec. 2008:	-42.6 (local currency); -42.6 (\$ terms)
NAScomp index:	1,489.6 (Jan. 2009)
% change on 31 Dec. 2008:	-43.8 (local currency); -43.8 (\$ terms)

Trade

Trade balance:	\$-833.1 billion (latest year, Nov. 2008)
Trade to GDP ratio:	27.2 (2005-2007)
Exports:	\$1.377 trillion f.o.b. (2008 est.)
Top export partners:	Canada (21.4%); Mexico (11.7%); China (5.6%); Japan (5.4%); UK (4.3%); Germany (4.3%) (2007)
Imports:	\$2.19 trillion f.o.b. (2008 est.)
Top import partners:	China (16.9%); Canada (15.7%); Mexico (10.6%); Japan (7.4%); Germany (4.8%) (2007)

European Union

Polity

Political party:	European People's Party – European Democrats
Most recent election:	10-13 Jun 2004
Government:	Lower House – Minority; Upper House – None
Political system:	Parliamentary
Legislature:	Bicameral, elected Parliament, indirectly elected council
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 (real):	\$18.93 trillion (2008 est.)
Predicted change:	0.7% (2008); -1.4% (2009) [Euro Area]
Composition by sector:	2.0%-agriculture; 26.8%-industry; 71.1%-services (2008 est.)
Central Bank interest rate:	2.0% (Jan. 2009)
Official reserve assets:	\$60,541.07 million (Nov. 2008) [European Central Bank]; \$500,661.09 million (Nov. 2008) [Eurosysteem]

Foreign currency reserves:	\$49,860.57 million (Nov. 2008) [in converted foreign currencies, European Central Bank], \$204,900.88 million (Nov. 2008) [in converted foreign currencies, Eurosystem]
Securities:	\$46,705.54 million (Nov. 2008) [European Central Bank], \$177,036.39 million (Nov. 2008) [Eurosystem]
IMF reserve position:	0.00 [European Central Bank], 9,010.72 [Eurosystem]
Gold:	\$13,974.25 million (Nov. 2008) [including gold deposits and, if appropriate, gold swapped, European Central Bank], \$284,845.53 million (Nov. 2008) [including gold deposits and, if appropriate, gold swapped, Eurosystem]
Financial derivatives:	\$-3762.10 million (Nov. 2008) [European Central Bank], \$-4,462.09 million (Nov. 2008) [Eurosystem]
Loans to nonbank residents:	\$0.00 (Nov. 2008) [European Central Bank], \$0.00 (Nov. 2008) [Eurosystem]
Other reserve assets:	\$0.00 (Nov. 2008) [European Central Bank], \$1.27 million (Nov. 2008) [Eurosystem]
Commercial Bank prime lending rate:	8.03% (31 Dec. 2007)
Stock of money:	\$5.742 trillion (31 Dec. 2007) [Euro Area]
Stock of quasi money:	\$10.93 trillion (31 Dec. 2007) [Euro Area]
Stock of domestic credit:	\$20.94 trillion (31 Dec. 2007) [Euro Area]
Household income or consumption by % share:	2.8%-lowest 10%; 25.2%-highest 10% (2001 est.)
Inflation rate (consumer prices):	3.7% (2008 est.)
Investment (gross fixed):	21.1% of GDP (2008 est.)
Current account balance:	\$-61.5 billion (latest year, Oct. 2008) [Euro Area]
Budget:	NA
Budget balance:	-1.6% of GDP (2008) [Euro Area]
Public debt:	NA
Exchange rates (per USD):	0.76 (Jan. 2009); 0.68 (Jan. 2008)
Economic aid-donor:	NA
Debt-external:	NA
Stock of direct foreign investment:	NA
Market value of publicly traded shares:	NA
Distribution of family income-Gini index:	30.3 (2003 est.)
Unemployment rate:	7.8% (Nov. 2008) [Euro Area]
Labour force:	224.6 million (2008 est.)

Markets

FTSE Euro 100 index:	701.3 (Jan. 2009)
% change on 31 Dec. 2008:	-49.0 (local currency); -54.1 (\$ terms)
DJ STOXX 50 index:	2,298.5 (Jan. 2009)
% change on 31 Dec. 2008:	-47.8 (local currency); -53.0 (\$ terms)

Trade

Trade balance:	\$-38.7 billion (latest year, Oct. 2008) [Euro Area]
Trade to GDP ratio:	26.4 (2004-2006)
Exports:	\$1.33 trillion f.o.b. (2005) [external exports, excluding intra-EU trade]
Top export partners:	NA
Imports:	\$1.466 trillion f.o.b. (2005) [external imports, excluding intra-EU trade]
Top import partners:	NA

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