Plans for the Fourth G20 Summit: Co-chaired by Canada and Korea in Toronto, June 26-27, 2010

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List of Acronyms and Abbreviations

AIMA	Alternative Investment Management Association
ASEAN	Association of South East Asian Nations
BCBS	Basel Committee on Banking Supervision
BIS	Bank for International Settlements
DPRK	Democratic People's Republic of Korea
DTA	double taxation agreement
ECB	European Central Bank
FSB	Financial Stability Board
FSF	Financial Stability Forum
GDP	gross domestic product
IASB	International Accounting Standards Board
IDA	International Development Association
IFIs	international financial institutions
IFRS	International Financial Reporting Standard
IMF	International Monetary Fund
MEF	Major Economies Forum
MEM	Major Economies Meeting
NEPAD	New Partnership for Africa's Development
OECD	Organisation for Economic Co-operation and Development
UNFCCC	United Nations Framework Convention on Climate Change
WTO	World Trade Organization

Preface

This report on the "Plans for the Fourth G20 Summit" 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 is updated periodically. Note that this document refers to the G20 leaders' meeting (or summit), which had its first gathering on November 14-15, 2008, in Washington DC (as opposed to the G20 finance ministers forum, which was founded in 1999, and other groupings such as the G20 developing countries formed in response to the agricultural negotiations at the World Trade Organization).

1. Background

The Group of Twenty (G20) leaders met for the first time in 2008, initially 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 the G20 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 EU. The second summit took place on April 1-2, 2009. The United Kingdom hosted the meeting in London. Spain and the Netherlands again participated and representatives from ASEAN, the Financial Stability Forum, the International Monetary Fund, NEPAD, the United Nations, the World Bank and the WTO were also included. The third G20 meeting took place in Pittsburgh on September 24-25, 2009, with the United States as host. The fourth G20 summit (and the first institutionalized one) will take place in Toronto, Ontario, Canada, on June 26-27, 2010. It will be co-hosted by Canada and South Korea. The fifth summit is scheduled to take place in Korea in November 2010. In 2011, France will take over as chair.

The G20 finance ministers' and central bank governors' group first met in 1999. They met for their tenth annual meeting on November 8-9, 2008, in Sao Paulo, Brazil. They have started meeting more frequently since the G20 leaders first met in Washington, including during the leaders' meetings. They met on April 24, 2009, in Washington on the margins of the annual spring meeting of the IMF and World Bank, on September 4-5 to prepare for the Pittsburgh Summit and again for their annual meeting on November 6-7, 2009, in St. Andrews, Scotland, which was be hosted by the UK (which held the chair of the G20 for 2009).

Under the Gleneagles Dialogue, since 2005 a group of 20 ministers in the fields of environment and energy have met, including in Japan in 2008, to discuss issues associated with climate change. 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. President Barack Obama co-chaired the second summit-level meeting of the renamed Major Economies Forum (MEF) as part of the G8 L'Aquila Summit in Italy on July 9, 2009. In both cases, membership largely overlaps that of the G20.[1]

2. Agenda and Priorities

Canadian prime minister Stephen Harper has warned against excessive regulation of the financial sector. "Canada … believes that financial sector regulation must have the right purposes and must not be excessive … Canada will not go down the path of excessive, arbitrary or punitive regulation of its financial sector." Addressing the World Economic Forum in Davos, Switzerland, on January 28, he noted that higher regulatory standards in Canada meant its banks did not require bailouts. He said that if inadequate regulation in other countries was not addressed, "the consequences could actually be worse than before the crisis." Harper said there was no public demand in Canada for "retaliatory measures" against domestic banks since they did not fail or require public assistance. "Our approach to financial sector regulation, while historically much more activist than in many other countries, has not been to micromanage the affairs of a complex industry." He did not directly refer to U.S. plans to limit the size of banks or British and U.S. ideas of putting a levy on banks to recoup public subsidies, but leaders are engaging in a lively discussion about reform. He said the top priorities of the G20 are financial sector reform, stimulus programs, and global trade and growth strategies. Harper said that because the economic recovery is "a mile wide but only an inch deep" and job creation is "very tentative," it was too early for countries to call a halt to stimulus programs. "While it is absolutely too soon to abandon stimulus programs," he said, "it is no longer too early to start thinking about a strategy to exit them." He also took aim at China for not letting its yuan rise, saying that G20 partners "must embrace enlightened views" and not say things like: "Let your currency trade at market rates; we'll keep ours undervalued." He added: "Notions rooted in a narrow view of sovereignty and national self-interest must be reconsidered."[2] (January 28, 2010, *Reuters News*)

Canadian prime minister Stephen Harper announced that Toronto will host the G20 summit on June 26 and 27, 2010. "The G20 has facilitated decisive action throughout the past year to limit the impact of the global financial crisis on jobs and growth," said Harper. "Canada continues to play a leadership role to ensure a durable recovery is assured. We are implementing one of the largest stimulus packages and are contributing to international financial reform by helping to lead the G20 and the work of the Financial Stability Board." At the Pittsburgh Summit, the G20 leaders agreed to launch a

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[1] The G20 Gleneagles Dialogue consists of 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 MEF is composed of 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] *Reuters News* (January 28, 2010), "Canada warns against excessive bank regulation."

framework that lays out the policies and ways to act together to generate strong, sustainable and balanced global growth. One of Canada's goals at the Toronto Summit in 2010 will be to ensure the framework's prompt and effective implementation. "This represents an unprecedented opportunity to maintain the momentum needed to introduce much-needed financial sector reforms," added Harper. "We have demonstrated leadership by providing new resources and guarantees to strengthen international financial institutions, namely innovative new capital arrangements to help ensure the Inter-American Development Bank and the African Development Bank have resources they can count on throughout the crisis. We intend to continue playing a role in defining the path forward in 2010." Harper and Korean president Lee Myung-bak are working closely together and with the international community to ensure the coming year is one of economic renewal.[3] (December 7, 2009, *Office of the Prime Minister*)

When the G20 finance officials met in Scotland at the beginning of November, they planned to develop a peer review process to ensure their economic policies avoided the trade and budget imbalances that contributed to last year's financial crisis, a U.S. treasury department official said. The G20 planned to establish the types of economic data that each country needed to submit for review by the IMF. The officials also planned to set deadlines that would produce results to be reviewed by the next time the G20 leaders meet in June. The G20 leaders agreed in September in Pittsburgh to subject their economic policies to the scrutiny of a peer review process that would determine whether each country's individual economic programs were "collectively consistent" with sustainable global growth. The goal was to avoid repeating problems like huge trade and budget deficits in the U.S., and massive trade surpluses in China and elsewhere. The flow of cheap credit from China was seen as playing a major role in fueling the U.S. housing boom and subsequent collapse. The IMF planned to review the individual country data and submit a report to the G20 finance ministers that would ultimately form the basis for discussion when the G20 leaders meet in June in Canada. It was unclear, however, just how detailed the reports would be given the reluctance of individual nations to face outside pressure to change economic policies. The G20 leaders also plan to assess the current state of the global economy and the need to continue providing government stimulus to ensure that fledgling signs of recovery become sustainable. Finance officials also planned to discuss the progress being made in reforming the IMF and other global finance organizations to give rapidly growing nations such as China a stronger voice in decisions.[4] (November 3, 2009, *Associated Press Newswires*)

At the third G20 summit in Pittsburgh, Canada and Korea announced that they would co-chair a G20 summit in Canada in 2010. Canadian prime minister Stephen Harper stated that the G20 has proven its effectiveness and representativeness in dealing with the

[3] *Office of the Prime Minister* (December 7, 2009), "PM announces G20 will meet in Toronto in 2010." pm.gc.ca/eng/media.asp?id=3026.
[4] *Associated Press Newswires* (November 3, 2009), "US: G20 talks will develop plan for promoting more sustainable global growth."

economic crisis. A date and location have not yet been announced.[5] (September 25, 2009, *Canadian Press*)

Global Imbalances

G20 finance ministers and central bank governors are expected to focus on details of a framework to rectify global economic imbalances for ensuring solid and sustainable growth at their November meeting. Based on the agreement at the G20 summit in Pittsburgh, they will start work on a framework for assessing each other economy's steps to reduce global imbalances in cooperation with the IMF and the World Bank. At the two-day meeting, the G20 officials will discuss which measures are subjected to mutual assessment and which policy targets will be shared among the economies. Also high on the agenda will be a strategy for unwinding unorthodox fiscal and monetary measures introduced by the economies to address the global financial crisis. Furthermore, the participants will discuss progress in financial regulation reforms, including curbs on bankers' pay, as well as fiscal measures to combat climate change.[6] (November 2, 2009, *Jiji Press English News Service*)

Stimulus and Exit Strategies

French president Nicolas Sarkozy warned central banks against withdrawing their monetary stimulus measures too abruptly, saying it could prompt a collapse of the world economy. In a keynote address to the World Economic Forum on January 28, Sarkozy made an impassioned plea for global cooperation to regulate the financial system and attacked the excesses of capitalism that contributed to the most crippling crisis in decades, including excessive banker bonuses. "We must manage prudently the adoption of measures to support [economic] activity and the withdrawal of liquidities injected during the crisis," he said. "We must take care to prevent too abrupt a tightening that would result in a global collapse." Central banks have cut interest rates to record lows and flooded markets with liquidity to support their economies, but now face a challenge in withdrawing support before it lays the groundwork for future crises. Sarkozy said tentative signs of economic recovery should make governments bolder in regulatory and structural reforms. "Either we are capable of responding to the demand for protection, justice and fairness through cooperation, regulation and governance, or we will have isolation and protectionism." A forceful advocate of stronger regulation and state industrial policy, Sarkozy called for a moralization of capitalism and curbs on the bonus culture and "morally indefensible" pay packages. He endorsed proposals by U.S. president Barack Obama to stop commercial banks from engaging in speculative proprietary trading and from owning hedge funds and private equity funds. But he said the G20 was the right forum to reach a consensus on appropriate financial regulation,

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[5] *Canadian Press* (September 25, 2009), "Canada to host G8, G20 next year," accessed 2 November 2009, video.lfpress.ca/video/news/canada-and-world/5745371001/harper-pleased-with-g20-summit/42109118001.

[6] *Jiji Press English News Service* (November 2, 2009), "G20 to Discuss Framework to Rectify Global Imbalances."

warning against unilateral action. "How can we conceive that in a competitive world, we can insist that European banks have three times more capital to cover the risks of their market activities, without demanding the same of American and Asian banks? … Giving in to unilateralism, to 'every man for himself,' would also be an economic, political and moral error." Sarkozy also said global imbalances needed to be corrected to prevent a repeat of the financial crisis, with surplus countries consuming more and deficit countries cutting back their spending. Currencies were central to these imbalances and France would use its joint presidency of the G8 and the G20 in 2011 to put reform of the international monetary system on the agenda.[7] (January 27, 2010, *Canwest News Service*)

South Korea plans to push forward an "exit strategy" to deal with excess liquidity in the market after there are clear signs of a full-fledged recovery in the private sector. Vice finance minister Hur Kyung-wook said that the risk of prematurely implementing measures to control the money supply is greater than the risk of taking such steps too late.[8] (January 7, 2010, *Yonhap English News*)

German finance minister Wolfgang Schaeuble is pressing countries with high current account deficits to rebalance their economies. He called for the G20 to coordinate their exit strategies, referring to the promises made at the September G20 Pittsburgh Summit. "The core message of such a joint strategy is the acceptance of countries and currency areas with enduring high current account deficits to boost their savings, consolidate their budgets, to keep open markets and to strengthen their export sectors." Countries with sustained current account surpluses should boost their domestic sources of economic growth, for example by increasing investment, raising productivity in the services sector or overhauling their social security system. G20 finance ministers plan to work on recommendations for the implementation of coordinated exit strategies for the next G20 summits in June and November 2010.[9] (December 30, 2009, *Reuters News*)

South Korea is planning to maintain its expansionary macroeconomic policy while rolling back the temporary measures it took to tackle the financial crisis. Finance minister Yoon Jeung-hyun stressed that 2010 would be a "critical turning point" for South Korea's economy. "First, taking into account that uncertainties remain high, we've reached an agreement to our expansionary macroeconomic policy stance for the time being to solidify economic growth momentum," he said. The South Korean government will "normalize," or roll back, the temporary measures, such as extending credit guarantees of small or mid-sized firms in a gradual pace. With respect to the view that the two "contradictory, unbalanced" policies may bring about confusion among market participants, Yoon said "it can be interpreted as good news in the market as a combination of two different, noteworthy values is pushed at the same time." The head of the central bank hinted that a gradual interest rate hike may take place soon, saying South Korea should contemplate on the timing of an interest rate hike, taking the economic condition and inflation into account down the road. Explaining the government's

[7] *Canwest News Service* (January 27, 2010), "French president calls for global accounting standards."

[8] *Yonhap English News* (January 7, 2010), "'Exit strategy' possible after private sector fully recovers: official."

[9] *Reuters News* (December 30, 2009), "German FinMin presses G20 economies to rebalance."

economic direction, Yoon also reiterated that the government will put priority on improving the nation's labour market. Job creation is the best welfare policy for people and companies should increase recruitment and investment, he said.[10] (December 10, 2009, *Xinhua News Agency*)

The European Central Bank is ready to start phasing out the stimulus measures it set up over the last two years. ECB governor Jean-Claude Trichet voiced his worry that banks may be getting addicted to the central bank's cheap short-term money loans, suggesting that he favors a gradual withdrawal of the measures to help the financial sector wean itself off central bank support. Trichet was expected to confirm that December's one-year money offering will be the last. Trichet was also expected to unveil details of how the ECB will provide liquidity to banks next year and how it eventually plans to phase out other, shorter loan programs. The ECB is not expected to be too hasty in implementing its exit strategy. After all, the recession continues in countries like Spain, where unemployment stands at a startling 19.3%.[11] (December 1, 2009, *Associated Press Newswire*)

Britain plans to propose at the November G20 finance ministers' meeting that countries set global growth targets to push each country to set policy goals aimed at correcting imbalances. It is unclear if there will be agreement on this as the idea of establishing global growth targets has met with opposition from several countries. The proposal calls on each country to come up with growth targets for the world economy over the next five years or so. Each nation would then announce policy goals, such as pledges to continue ultra-easy monetary policy for the foreseeable future, in a bid to correct the imbalances caused by growing current account surpluses in Asia and deficits in the United States.[12] (November 1, 2009, *Reuters News*)

Most G20 countries' approach towards exit strategies remains cautious. However, the Reserve Bank of Australia surprised many when they increased their interest rates — the first country to do so since the start of the financial crisis. At the same time bank governor Glenn Stevens reinforced his pledge to "lessen gradually" the amount of monetary stimulus in the economy by increasing the benchmark lending rate by only a quarter of a percentage point. Finance ministers and central bank governors are still waiting for clear signs that private demand is replacing government stimulus, and they are never certain how markets will react to their various decisions. In explaining his decision to opt for a second consecutive quarter-point increase, Stevens cited the probability that stimulus-fuelled purchasing of houses and other goods will subside and the likelihood that the strong Australian dollar will constrain the export of factory goods. "The board noted that the rise in the exchange rate is likely to constrain output in the tradeables sector and dampen price pressures." Australia is the lone G20 member that has

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[10] *Xinhua News Agency* (December 10, 2009), "S. Korea to maintain expansionary policy: finance minister."

[11] *Associated Press Newswire* (December 1, 2009), "European Central Bank set to begin phasing out liquidity measures but keep rates on hold."

[12] *Reuters News* (November 1, 2009), "G20 may sets targets to correct imbalances."

raised interest rates this year and is the only country whose central bank has increased borrowing costs more than once.[13] (November 4, 2009, *Globe and Mail*)

There are encouraging signs from the U.S. and some European economies but the global crisis is not over and stimulus must remain in place until unemployment recedes, said IMF managing director Dominique Strauss-Kahn. He said that to avoid the risk of a double-dip recession governments must continue fiscal and monetary stimulus until unemployment peaks, which was likely to take 10 to 12 months. "There are some encouraging figures, a few months ago from European countries and yesterday from the U.S. and that's all good news," Strauss-Kahn said. "Nevertheless it does not mean the crisis is over. The crisis will not be over until unemployment begins to decrease and that will take many months." While the financial part of the crisis appeared to have ended, with little risk of further collapse among financial institutions in the near future, Strauss-Kahn said that private demand for goods and services remained very weak. "If we want to avoid, which I think we will avoid, the risk of a double-dip, it's absolutely too early to withdraw the different stimulus which have been put in place," he said. "In the 10-12 coming months, unemployment will continue to rise … that's why we have to go on with the monetary and fiscal policies, the stimulus, until unemployment decreases. At that time we can declare victory." Strauss-Kahn said the policies adopted to confront the financial crisis has already begun to unwind imbalances in the world's major economies, with signs of a fall in the U.S. deficit and a more domestic-led growth model in China. Ahead of the November 6-7 meeting of G20 finance ministers in St. Andrews, Scotland, Strauss-Kahn said members of the group of rich and developing countries would discuss plans for mutual assessment of each other's economies that "would certainly help" to further address imbalances. However, Strauss-Kahn said the G20 was still early in the process of defining this mutual assessment and the finance ministers would simply discuss possible methodologies at their November meeting.[14] (October 30, 2009, *Reuters News*)

British chancellor of the exchequer Alistair Darling said it was important for the EU to discuss how and when to withdraw fiscal stimulus measures but ensuring recovery had to come first. Darling met EU finance ministers in Luxembourg to discuss exit strategies, climate change funds and regulation ahead of a European Council meeting and the November G20 finance ministers meeting. "The government believes that while at this stage it is important to design such exit strategies, the priority is to ensure that the recovery is fully secured through full implementation of fiscal support measures … The UK … welcomes efforts by the EU to ensure a co-ordinated approach to crisis prevention, management and resolution in order to promote financial stability.[15] (October 20, 2009, *Reuters News*)

[13] *Globe and Mail* (November 4, 2009), "Central banks stick to tightrope balancing act."
[14] *Reuters News* (October 30, 2009), "IMF sees encouraging signs but stimulus must stay."
[15] *Reuters News* (October 20, 2009), "EU exit strategies key but recovery is priority – UK."

Regulation and Supervision

The IMF has warned the U.S. and European countries against launching separate initiatives to strengthen the regulation of banks, urging governments to pursue multilateral agreements instead. "I'm worried about the possible inconsistency of different countries' proposals," said IMF managing director Dominique Strauss-Kahn. He also repeated his call for countries to keep up their economic-stimulus measures, saying a premature end to support for a fragile economic recovery presents a graver risk than reining in budget deficits slightly later than necessary. Recent proposals by U.S. president Barack Obama to curb banks' size and activities contain much that "makes sense in isolation," as do proposals by the UK and some other European countries. Although this means "political momentum" still exists, a multilateral solution is still needed. Strauss-Kahn's comments echo concerns by international regulators and some bank executives that governments' closely coordinated efforts to tackle the financial crisis in late 2008 and 2009 could give way to diverging initiatives across major economies as politicians focus on more domestic issues. "Because everybody thinks the crisis is behind us, which is wrong, the idea that they can devote more of their time to domestic concerns is a natural move," said Strauss-Kahn. "To this extent, the pendulum is moving a little backwards. Political pressure is national pressure." But he added that he believes national leaders understand the need to work together, saying he was "optimistic" the G20 framework would fall by the wayside as a vehicle for addressing the lessons of the financial crisis. Strauss-Kahn also expressed optimism that Greece will be able to manage its budget problems, with support from European institutions. "If needed, we will be happy to help," he said, "but I don't think it will come to that." The global economy is recovering faster than the IMF expected last fall, but Strauss-Kahn said growth in advanced economies "still relies on public support. Private demand is still very weak." Financial markets are concerned about high and rising levels of public debt in many countries, putting governments under pressure to repair their public finances soon. For most countries, that is the wrong priority right now. The return of recession is possible if stimulus is withdrawn too fast. Maintaining expansionary fiscal policies longer than strictly necessary is a lesser problem. "It's a waste of resources," said Strauss-Kahn. "It adds to public debt for no reason, so it's bad policy." But governments will be dealing with budget consolidation and the reduction of public debt to pre-crisis levels for many years to come, so that starting "six months too late" is not a critical problem.[16] (January 30, 2010, *Wall Street Journal*)

UK finance minister Alistair Darling has warned America not to go it alone with bank sector reforms. Darling cautioned that U.S. president Barack Obama's war on Wall Street announced on January 21 could harm international coordination. He called for unity among the G20 countries and said the moves to curb banks would not have prevented the financial crisis. "If everyone does their own thing it will achieve absolutely nothing," said Darling. "The banks are global — they are quite capable of organising themselves in such a way that if the regime is difficult in one country. They will go to another one and that doesn't do anyone any good." Obama sent shockwaves through the banking sector on both sides of the Atlantic with his announcement of proposals to limit the activities of

[16] *Wall Street Journal* (January 30, 2010), "IMF Chief Urges Coordinated Finance Rules."

banks. The plans include a ban on retail banks from using their own money in investments, instead of being limited to investing their customers' funds, and restrictions on banks' abilities to make high-risk trades. Obama said he was ready for a "fight" with the sector over the reforms.[17] (January 24, 2010, *Press Association National Newswire*)

After taking the lead in lifting interest rates, Australia's Reserve Bank governor Glenn Stevens is resisting tighter global financial regulation. "You just can't ignore global standards completely," Stevens said, in reference to the financial rules being worked up by the Bank for International Settlements (BIS) Basel committee. "What you can do is seek to have those standards recognise a certain degree of national differences." The argument is that tailoring the new Basel rules to the approximately 40 global banks whose reckless behaviour produced the crisis risks imposing excessive costs on countries, where prudent supervision application of existing rules has worked well. These costs would flow through to lower returns to shareholders and wider interest rate spreads for borrowers and depositors. Some think that certain banks did not hold enough capital to back their risky lending. But thousands of other banks did not need to be bailed out by taxpayer capital injections. Under the Basel II capital adequacy framework, banks must hold an amount of capital weighted to the varying risk of lending for different sorts of assets. An overall leverage ratio is supposed help banks avoid the risk weightings to excessively gear. Many agree that banks did not hold enough liquid assets to tide them over when financial markets froze during the crisis. The Basel committee proposes to require banks to hold more AAA-rated assets, such as government bonds, which could be sold even during financial crises. The emerging Basel proposal, for example, would require Australian banks to hold more than the existing stock of Australian government debt. "Obviously that is not going to be possible, so some other way of handling this needs to be found," Stevens said. However, this rule would trouble countries that have run budget surpluses in recent years. Conversely, it would provide a captive buyers' market for the debt of governments that had run up huge budget deficits. The emerging regulatory response would require banks to hold counter-cyclical capital buffers. During boom times, when profits are high and confidence peaks, banks would be required to hold more capital to recognize the underlying increased risks and restrain their lending.[18] (December 10, 2009, *The Australian*)

The G20 have agreed that large banks, whose failure could destabilize markets, should draw up contingency plans for speedy wind downs and be subject to tougher capital rules. The aim is to tackle the issue of "too big to fail" and lessen the need in future for huge government bailouts. German chancellor Angela Merkel has said banks should not be allowed to "blackmail" governments to bail them out or provide implicit support because they are too big to fail. Others have suggested, however, that much can be done to reduce the need and scale of government intervention, such as being subject to stricter capital requirements and have proposed setting up of a fund, with banks and governments contributing, in order to avoid the "scramble for funds" when a bank gets into trouble.[19] (November 2, 2009, *Reuters News*)

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[17] *Press Association National Newswire* (January 24, 2010), "Darling Warns US Over War on Wall Street."
[18] *The Australian* (December 10, 2009), "One Size Won't Fit All in the Basel Financial Reforms."
[19] *Reuters News* (November 2, 2009), "Deutsche Bank CEO warns against big bank carve-up."

Saudi Arabia has called for strict banking regulation and conservative lending regimes but at the same time has spoken out against the need for a global financial supervisor. It wants to strengthen regulatory institutions vis a vis banks, and it is working hard to have its views heard at the G20 finance ministers meeting in Scotland on November 6-7. "We need to promote regulatory frameworks and conservative policies giving the regulators and not the institutions the last word," said Muhammad al-Jasser, governor of the Saudi Arabian Monetary Agency. Western G20 states have advocated a crackdown on banker pay and regulation in the wake of the financial crisis. Jasser said that a single, over-arching super-regulator would do more harm than good and that countries needed to enact countercyclical policies that would dampen the highs and cushion the lows of economic swings. "If there was a super-regulator where they attempted to impose specific policies, they would have asked us like in the UK to have soft-touch regulation, telling us that supervision does not need conservative measures or policies … Saudi Arabia is trying to reflect the fears and concerns of the developing countries, namely the Arab and Gulf countries …We are undertaking a very active role and expressing those fears and concerns on your behalf ahead of the G20."[20] (November 1, 2009, *Reuters News*)

Canadian financial authorities are trying to make the global regulatory system look more Canadian, according to Rick Waugh, CEO of Canada's Scotiabank. "The world can learn from Canada," he said. Bank of Canada governor Mark Carney said that U.S. and European bankers to change their approaches. On some issues, such as leverage ratios and reserve capital, G20 negotiators are trying to catch up with Canadian standards. One of the most difficult aspects of the G20 debate on financial regulation is how to avoid the collapse of institutions such as Lehman Brothers and the resulting drain on the public treasury. Proposals for avoiding a repeat of such a catastrophe range from breaking large banks into smaller companies, to having these institutions draw up "living wills" that would describe how their debts would be settled in the event of bankruptcy. "We're going to have some discussion about this whole issue of financial institutions that are, so-called too big to fail," Canadian finance minister Jim Flaherty said of the November G20 finance ministers meeting. "We need to talk more about that. We don't want to create moral hazard in the financial systems around the world." To deal with the risk of a major financial institution collapsing, some have proposed a type of international bankruptcy rule that would clearly indicate what happens after a failure.[21] (November 3, 2009, *Globe and Mail*)

Global economic policy makers are just beginning to grapple with a key issue rising out of the 2008 bankruptcy of Lehman Brothers Holdings: how to react if or when the next big global bank starts to collapse. While the furor over bankers' bonuses has captured most of the headlines, policy makers are assigning each of the world's 25 most complex international banks to a multinational crisis-management team to draw up contingency plans if they run into trouble. But remarks from current and former officials underscore

[20] *Reuters News* (November 1, 2009), "Saudi Arabia seeks strict bank rules from G20."
[21] *Globe and Mail* (November 3, 2009), "Canada warns on G20 proposal: Financial leaders criticize plan to designate some institutions as too big to fail."

the major challenges such an effort will face. At the heart of the problem, said Harvey Pitt, who chaired the U.S. Securities and Exchange Commission from 2001 to 2003, are "fundamental concerns about sovereignty." The leaders of the G20 assigned the FSB to carry out the work. Progress likely will be reviewed when G20 finance ministers and central bankers gather in Scotland. To avoid a repeat of Lehman, the Basel Committee on Banking Supervision said in a report last month that banks should provide regulators with updated information on organizational structures, lists of counterparties, asset inventories for each legal entity and country, group-wide contingency funding plans and information needed to quickly settle financial contracts. Such plans have come to be known as "living wills." But efforts to change the current system have fallen short in the past. David Green, the former head of international policy at the UK's Financial Services Authority, said policy makers worked for a long time on tightening cross-border coordination following the collapse of the Bank of Credit and Commerce International in 1992. Ultimately these efforts foundered, in large part because in the event of a global bank failure, U.S. insolvency law dictates that most of the liquidity and capital in the U.S. stays there. "This issue has been understood for a very long time," Green said. "But every time this issue has been looked at, it's been put back into the 'too difficult to handle' box." Problems arising from complex financial institutions can be compounded by unilateral policy responses in different countries as authorities seek to carry out their responsibilities to protect domestic taxpayers. An example from the current financial crisis was the UK's use of antiterrorism laws to seize the assets of a failing Icelandic bank last October, which deepened the crisis in that country's financial system. "What is being tested out now is how far different countries are willing to get into specifics, where that involves sensitive information and to some degree involves pre-commitment on how they will act," said John Gieve, a former Bank of England deputy governor. And as time goes by, the tougher it could be. "Everyone worries a little bit that memories will be short, and that the longer we go without actually making some real progress here, the harder it will get," said former Bank of Canada governor David Dodge. "At least historically, that's been the case."[22] (October 27, 2009, *Wall Street Journal*)

Canada's central bank governor Mark Carney has said that the global financial industry is in danger of becoming arrogant by resisting regulatory change and handing out bonuses that would not be there if governments had not intervened during the financial crisis. Carney warned bankers not to underestimate the determination of G20 countries to enforce new rules on executive pay and bank capitalization. He said large financial institutions benefited disproportionately from government intervention. The response has profoundly shifted risk from the private to the public sector. Carney said all G20 countries agree that bonuses should be tied to long-term performance. Banks would be well advised to make sure they have the sufficient capital rather than pay themselves handsome bonuses. "Relief is in danger of giving way to hubris," Carney said. Carney said the industry should not have blind faith in the security blanket of excess capital. He said financial institutions need to demonstrate an awareness of their broader responsibilities. This approach requires a sensitivity from the industry, which has been absent in recent months. "The financial system must transition from its self-appointed role as the apex of economic activity to once again be the servant of the real economy …

[22] *Wall Street Journal* (October 27, 2009), "Regulators Prepare for the Next 'Big One.'"

Stronger institutions and a system that can withstand failure are necessary conditions. But full realization of this objective also requires a change in attitude."[23] (October 26, 2009, *Associated Press Newswires*)

Debts

The G20 admit that they have a debt problem. The UK has promised to legalize its promise to halve its budget deficit in four years. U.S. president Barack Obama said that he understands the failure that will result if they do not control expenditure risks. The U.S. is still considering tax cuts to encourage companies to hire, but Obama said "it is important to recognize if we keep on adding to the debt, even in the midst of this recovery, that at some point, people could lose confidence in the U.S. economy in a way that could actually lead to a double-dip recession." Obama's willingness to concede publicly that there are limits to how much he can spend is an example of how governments are trying to earn credibility with the investors underwriting their legislative agendas. If purchasers of sovereign debt lost confidence in countries' ability to pay, they will demand higher yields on the bonds they buy, making it even more difficult for governments to square their obligations. With the global economic recovery underway, investors, voters, credit rating agencies and the leaders themselves are starting to get a clearer picture of the bill for that unprecedented spending. Creditability is important because the economies of most G20 countries remain too fragile for finance ministers to begin unwinding stimulus measures. Canadian finance minister Jim Flaherty has not yet pledged in writing to pay down the debt like the British or Germans have done. Others are also questioning whether the Americans will keep their promise. "They have fiscal responsibility on the cover of the budget, but nothing inside the budget," said Phillip Swagel, former chief economist at the treasury department.[24] (November 19, 2009, *Globe and Mail*)

Accounting

The world's most influential accounting rule setter is not answerable enough to users or the public and must improve its governance further, top financial regulators said. IASB rules are used in over 100 countries, including the EU, Canada, Japan and Brazil. The U.S., however, is still considering its position. The IASB will become more powerful next year when its rules form the basis for a single set of global standards as called for by the G20, sparking calls for the London-based body to be more accountable and transparent. The G20 agreed in September that pricing rules, known as mark-to-market or fair value, should be reformed, putting pressure on the IASB to make speedy changes that alarmed some. The IASB agreed to accelerate fair value changes after pressure from EU finance ministers stalled on endorsing the reform. The IASB said governance has been strengthened by introducing the monitoring board and expanding board membership to 16 from 14, with more changes under consideration once work on global convergence is completed next year. "The results of the second part of the constitutional review are

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[23] *Associated Press Newswires* (October 26, 2009), "Canadian central banks rebukes global bankers."
[24] *Globe and Mail* (November 19, 2009), "The next crisis: National debts."

expected to be published shortly," an IASB representative said.[25] (February 8, 2010, *Reuters News*)

The European Commission said it will not endorse a new accounting rule that EU finance ministers had called for to relieve pressure on banks and insurers from the credit crunch. The International Accounting Standards Board (IASB) published the first of a three-part revision to its IAS 39 "fair value" rule to simplify how companies classify and measure assets on their books. The G20 agreed in April that major standard setters should simplify the "fair value" or mark to market accounting rule by the end of this year. The change must be endorsed by the European Commission to take effect in the EU but the executive body said the revision was only the first of three sections. "Accordingly the Commission has decided that it would examine the adoption of IFRS [International Financial Reporting Standards] 9 in conjunction with the remaining two phases of the revision of IAS 39, which are expected in 2010," the commission said. Consequently EU banks and insurers will not be able to apply the change in their 2009 annual reports as called for by the G20.[26] (November 12, 2009, *Reuters News*)

France is dissatisfied with changes to accounting rules proposed by the IASB to fast-track changes to its IAS 39 fair value rule. The proposal was made as part of global efforts to modify mark-to-market accounting rules that are likely to look similar on both sides of the Atlantic. French finance minister Christine Lagarde bemoaned different approaches to regulations in the United States and Europe despite eventual plans to converge. She said she would discuss the subject with the head of the London-based IASB, David Tweedie, in Luxembourg. "I will tell him in as firm a manner as possible that the revision of norm IAS39 should not be revised in a sense that accelerates fair value but in a sense that conforms with … financial stability which is not the case today," she said. Lagarde has said previously that plans by the IASB to ease the impact of the credit crunch on banks would make their situation worse. Banks have been forced to make huge writedowns on some assets as accounting rules require them to be valued at the going rate, a process known as fair value or mark-to-market. Some assets have slumped in value or become untradable in the credit crunch. Policymakers say accounting rules amplified the crisis and must be changed. In comments that largely focused on France's position at the recent G20 summit in Pittsburgh, Lagarde noted the need to shore up regulation with regards to the global commodities market.[27] (October 14, 2009, *Reuters News*)

Offshore Jurisdictions and Tax Havens

The British government has asked developing countries to swap information to crack down on tax avoidance. UK treasury minister Stephen Timms wrote to 16 countries, including Jamaica, Cameroon, South Africa and Vietnam with the aim of setting up a multilateral tax information exchange involving Britain by the end of the year. Timms wants a response by the end of March. "The discussions will be an important further step

[25] *Reuters News* (February 8, 2010), "Global accounting body told to improve governance."
[26] *Reuters News* (November 12, 2009), "EU executives won't endorse accounting rule for now."
[27] *Reuters News* (October 14, 2009), "France's Lagarde dissatisfied with accounting rule plan."

to ensuring developing countries have the ability to collect the tax they are owed," Timms said. "For too long developing countries have been cheated out tax revenues by individuals and some companies — we will not allow this to continue."[28] (February 9, 2010, *Reuters News*)

Germany told Switzerland it is ready to pay for data on cross-border tax evasions, adding additional pressure on Switzerland as it struggles to break a deadlock with U.S. tax authorities over disclosure at UBS. Germany's warning puts a strain on an already difficult tax relationship between the two countries and comes after Berlin paid for data stolen from Liechtenstein's top bank, LGT, in 2008. "Everything should be done to get this data," German chancellor Angela Merkel said. "We should aim to acquire this data if it is relevant [to fighting tax evasion]." A representative of the German finance ministry said this could involve paying for data of suspected tax evaders even if the information was obtained illegally.[29] (February 1, 2010, *Reuters News*)

The UK government set out proposals to broaden the crackdown on tax evasion to benefit developing countries, setting a year-end deadline for a UK-led multilateral accord for sharing tax information with emerging countries. Stephen Timms, the financial secretary to the Treasury, said he will urge other developed countries to follow the UK lead. That could eventually open the way for multinational tax information accords, which would include former tax havens, developed and developing countries. "The immediate priority is getting a multilateral agreement signed so that developing countries do have access on request to the kind of information that they need," Timms said. He said a recent UK government study had suggested developing countries approximately $50 billion annually in evaded tax, a sum several times larger than the UK's entire £6 billion aid budget. Timms said he would also lay out ideas for ensuring developing countries can capture taxes owed them. Following a report commissioned by French president Nicolas Sarkozy and UK prime minister Gordon Brown, he said he will urge the OECD to design best practice for multinational companies pushing them to carry out so-called country-by-country reporting. This requires companies to report their profits on a country-by country basis, making it easier for developing government to get what is owed them. Timms was pleased with progress made in pushing tax havens to provide more information to developed countries over the last year. He said more progress had been made in the last 12 months than in the last decade. "Through the G20 work and with the help of the OECD, we have made sure that tax evaders have got fewer and fewer places to hide." However, Timms said it was still possible sanctions could be imposed on jurisdictions that haven't made enough progress on eliminating bank secrecy when the G20 deadline expires in March. He said the G20 will need to look again at the current OECD information-exchange standards to see if they are tough enough to ensure that individuals and companies cannot use low-tax jurisdictions to stash money away. "I think everybody is going to want to take stock of how the TIEAs [tax information exchange accords] have worked," he said. "I would certainly expect the standard to develop…[to] become more demanding."[30] (January 26, 2010, *The Wall Street Journal*)

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[28] *Reuters News* (February 9, 2010), "UK asks developing nations to join tax exchange."
[29] *Reuters News* (February 1, 2010), "Germany adds to pressures on Swiss bank secrecy."
[30] *Wall Street Journal* (January 26, 2010), "U.K. to Crack Down on Tax Evasion in Developing Countries."

Tax havens signed more than 300 agreements promising to exchange information in 2009 in "one of the big success stories of the G20," according to the OECD. The number of agreements "skyrocketed" in the run-up to the G20 London Summit, where G20 leaders agreed to "stand ready to deploy sanctions" against non-cooperative jurisdictions. The concerted political drive against tax secrecy, prompted by evasion scandals and the global financial crisis, meant more progress was made in 2009 than in the past decade, said the OECD. Before the G20 Washington Summit in November 2008, only 44 tax information exchange agreements had been signed. Only eight jurisdictions — Belize, Liberia, Nauru, Niue, Panama, Vanuatu, Guatemala and Philippines — have yet to sign any agreements. But many expect these countries to have at least one agreement by March 2010. Sanctions against uncooperative jurisdictions might be coordinated by the G20 or G8 but were a matter for domestic legislation, according to the OECD, which pointed out that certain countries including France and Australia had already put in place legislation for "defensive measures." But a joint decision is needed on the question of whether multilateral institutions could invest in non-cooperative jurisdictions. A total of 19 jurisdictions have made the transition from the grey list to the top category deemed to have "substantially implemented" the tax transparency standard by signing at least 12 agreements on exchanging tax information. This category does not represent a "white list" because there is a widespread desire to move beyond 12 agreements and a need to ensure agreements are implemented. As well as 195 tax information exchange agreements signed last year, 110 double tax conventions were upgraded. Only 13% of agreements had been signed between offshore jurisdictions, said the OECD in a response to criticism of the relevance of some of deals such as those struck by Monaco with Liechtenstein, Andorra and the Bahamas. Hong Kong, Macao and Singapore put in new legislation by the end of 2009 and were actively negotiating agreements. Emerging economies, notably Argentina, China, India and South Africa, are also negotiating TIEAS, according to the OECD, which is keen to extend the benefits of more tax transparency to developing countries. The difficulty of ensuring that jurisdictions implement the agreements will be addressed by a three-year peer review process involving 91 countries, including all G20 members, all OECD countries and all offshore jurisdictions. The peer review group is chaired by France with vice-chairs from India, Japan, Singapore and Jersey. The peer review process is expected to allow critics an opportunity to voice concerns about other controversial aspects of tax systems including trusts and the anonymous accounts available in some U.S. states such as Delaware.[31] (January 19, 2010, *Financial Times*)

Offshore financial services are still a development option for some Caribbean states, despite unwelcome pressure from the G20 to target tax havens. "There is no doubt there is much pressure on the offshore financial services sector, but there is still an opportunity for the region," said Irwin LaRocque, Caricom assistant secretary general for trade and economic integration said. Caribbean leaders argue that the G20 and OECD's focus on their members is unfair and discriminatory and say there are offshore financial jurisdictions within the United States, Britain and Europe that fail to apply the same transparency standards being demanded of their countries. Nevertheless, several

[31] *Financial Times* (January 19, 2010), "OECD hails tax haven crackdown."

Caribbean territories and states have scrambled to sign the 12 bilateral tax information exchange agreements required to get off the OECD grey list.[32] (December 10, 2009, *Reuters News*)

Elena Salgado, Spain's minister of economy and financial affairs, and Didier Reynders, Belgium minister of financial affairs, signed a modification of the agreement between their two countries to prevent double taxation and tax evasion in the Income Tax and the Property Increment Tax as well as to prevent fraud and tax evasion in general. Belgium was one of a few EU states with legislation that recognizes bank secrecy. Following the efforts carried out by the G20, Belgium undertook to adapt its legislation to the current OECD standards as far as information exchange is concerned. The new agreement involves a considerable progress for tax fraud prevention and will play an important deterrent role as far as transactions involving international tax fraud are concerned. In Spain, the law enables the regularization of tax payers who have not met their fiscal duties within the legal period established.[33] (December 4, 2009, *States News Service*)

The Swiss government has asked its parliament to approve five new tax treaties as part of its effort to counter the stigma of being an international tax haven and said the deals should be subject to an optional referendum. The Swiss finance department said the initial batch of five revised double taxation agreements (DTAs) were with the United States, Denmark, France, Mexico and Britain. "The revised DTAs meet international standards relating to administrative assistance in tax matters. They provide numerous benefits for the Swiss economy," the department said. "The Federal Council is of the opinion that they should all be made subject to an optional referendum." The Swiss government had initially suggested only the first revised treaty should be voted upon in a referendum but this was met with a storm of criticism by those who oppose the weakening of strict banking secrecy. The finance department said the lower chamber should consider the agreements next spring and the government expected to submit a second batch of five agreements for approval before the end of January 2010.[34] (November 27, 2009, *Reuters News*)

The UK's overseas territories and crown dependencies must improve standards on financial regulation and tax information-sharing and should broaden their tax base or face possible consequences, a UK treasury commissioned report said. The report also said that the UK government should discuss what its relationship and responsibilities will be to them in the future, including what financial assistance it will provide in times of crisis, and how their risks exposures will be managed. The report was commissioned by the Treasury because of concerns raised by the financial crisis about the UK's ties with offshore centers, including tensions between the UK and the Isle of Man over the UK's decision to freeze the assets of Icelandic banks in the UK, including the Isle of Man branches. It also comes amid efforts by the G20 leading economies to tighten financial regulation and crack down on tax havens. Stephen Timms, financial secretary to the

[32] *Reuters News* (December 10, 2009), "Caribbean finance to survive G20 pressure-Caricom."
[33] *States News Service* (December 4, 2009), "Spain and Belgium Sign an Amended Double Taxation Agreement to Prevent Fiscal Fraud."
[34] *Reuters News* (November 27, 2009), "Swiss to consider referendums for all new tax deals."

Treasury, welcomed the report. "This report sends a strong signal to overseas financial centers that they must ensure they have the correct regulation and supervision in place, whilst also ensuring their tax bases are more diverse and sustainable to withstand economic shocks," he said.[35] (October 30, 2009, *Wall Street Journal Online*)

Singapore, under pressure from the G20 to improve banking transparency, passed a bill in parliament amending its income tax law to comply with OECD standards to fight cross-border tax evasion. The bill enables the Singapore government to ask banks for client information in potential cases of foreign tax evasion, and moves the city-state a step closer to being taken off the OECD's "grey list" of uncooperative tax countries. Private bankers say the greater transparency could attract more clients from the Middle East and Europe who are looking to diversify away from scandal-hit banks and to gain exposure to fast-growing Asian markets. "Singapore did the right thing in signing up to the OECD standards — it avoids an influx of money coming for the wrong reasons," said Pierre Baer, Société Générale's head of private banking for Singapore and South Asia. "People come to Singapore because it's a natural draw to emerging markets," he said, adding Singapore had also adapted well to cater to the region's growing millionaires. The wealth of high net worth individuals in Asia Pacific, or those with over $1 million to invest, is expected to grow 8.8% a year for the next 10 years, despite last year's setbacks, according to a Merrill Lynch/Capgemini report. Private bankers in Singapore discount the possibility of greater transparency driving some clients away, since they say all financial centres are moving in the same direction and there will soon be a level playing field. Singapore endorsed the OECD's standard for the exchange of information for tax purposes in March and has been renegotiating existing agreements with various countries since then. It only needs to sign one more treaty to get off the OECD grey list. However, much of Singapore's wealth under management comes from Asian countries such as Indonesia, and so far Singapore has yet to sign new treaties with its neighbouring countries. Experts said that if Indonesia, which has recently taken a tougher stance against tax evasion, was to successfully push for a new tax deal, it would worry banks and their clients.[36] (October 19, 2009, *Reuters News*)

Executive Compensation

The German cabinet approved a draft law to limit bonus payments for bankers, honouring a commitment made by the G20 to stop such compensation schemes encouraging risk taking. The finance ministry said that under the draft law a considerable part of bonuses should first be paid after three years, depending on commercial success. At least 50% of the sum should be paid in the form of shares or similar instruments, the ministry said, adding that guaranteed bonus payments were only allowed in exceptional cases, such as in the first year of a new employee's term. The law should come into effect in October at the latest. The FSB has been tasked by the G20 to make sure that a wide range of new

[35] *The Wall Street Journal Online* (October 30, 2009), "U.K. Treasury Report: Offshore Centres Must Up Regulation Standards."
[36] *Reuters News* (October 19, 2009), "Singapore passes tax law to improve transparency."

financial regulation is applied consistently across the world so that countries do not try to take advantage.[37] (February 9, 2010, *Reuters News*)

Brazilian central bank governor Henrique Meirelles said new legislation was being drafted to regulate bank executives' bonuses to prevent actions that may endanger the stability of the Brazilian financial system. "The idea is very simple. It is merely to prevent a sharp increase in short-term earnings of bank executives that may pose risks to the Brazilian economy, the country, the public sector and the financial sector itself," Meirelles said. There will be a public hearing lasting for 90 days, following the recommendations of the G20, said Meirelles. Brazil will work out rules that will prevent bank executives from increasing their annual bonuses without taking into account the financial health of the banking system in the future. Brazilian finance minister Guido Mantega expressed his support for implementing the G20 recommendations to stop the excessive increases in the executives' bonuses. "It has been discussed at length in the G20. There is a consensus that bonuses may be granted, but not to those who got a quick profit and ran off," he said.[38] (February 2, 2010, *Xinhua News Agency*)

Germany is proposing a law to limit excessive bonus payments for bankers. A finance ministry spokesman confirmed that a draft law existed on the issue, aimed at implementing the standards of the FSB. In September, the G20 endorsed principles proposed by the FSB devised to stop bonus schemes in banks from encouraging too much short-term risk taking. The FSB is due to report on how the principles have been applied in March.[39] (January 16, 2010, *Reuters News*)

Bank bonuses will raise approximately €360 million for the French government, finance minister Christine Lagarde said. "We are reckoning on the €360 million collected [from the bonus], of which €270 million [$391.5 million] will be reserved as the Guarantee Fund for Deposits to reinforce the security of depositors." In December 2009, the French government approved a draft bill for the bonus tax and the parliament will hold further discussions in January 2010. Lagarde said that France will try to persuade the United States to adopt the bonus tax during the G7 finance ministers meeting in February.[40] (January 12, 2010, *Xinhua News Agency*)

Britain will gain approximately $3.2 billion from its controversial tax on bank bonuses, as it did not deter banks from paying big payouts. Banking sources dismissed original government estimates that the 50% tax on bonuses over £25,000 would raise around £550 million. "It will be multiples of that," said one. "There are a few banks who could have to pay that on their own." Banks appeared to prefer to pay the tax themselves, rather than risk enraging staff by paying them significantly less than their overseas colleagues, especially after a bumper year for investment banking. Industry sources said the major international banks were likely to swallow most of the cost themselves. Many banks will wait to make a final decision near the end of January. Britain's tax provoked outrage

[37] *Reuters News* (February 9, 2010), "German cabinet backs bill to limit banker bonuses."
[38] *Xinhua News Agency* (February 2, 2010), "Brazil to regulated bank executives' bonuses."
[39] *Reuters News* (January 16, 2010, "Germany planning law to limit bank bonuses-report."
[40] *Xinhua News Agency* (January 12, 2010), "Bonus tax to contribute 360 mln euros for France: Lagarde."

throughout the industry and sparked fears that London would lose staff and business to rival financial centres. "If you talk to Americans in both New York and the West Coast, the view is absolutely uniform. They cannot understand why Britain is trying to kill the golden goose by the bonus supertax," said James Perry, a partner at law firm Ashurst. All G20 countries, including the U.S. and leading European Union countries, agreed to guidelines on the structure of bank pay packages in an attempt to reduce excessively risky behaviour by bankers, blamed in part for helping sow the seeds of the credit crisis.[41] (January 7, 2010, *Reuters News*)

The head of Germany's biggest bank, Deutsche Bank's Josef Ackermann, said that the banking sector would adhere to self-regulation on salaries and bonuses similar to G20 recommendations. "They will be in fundamental accordance with the rules that the G20 nations aim to implement," he said. He added that the bonuses would be "more strongly linked to the sustainable success of the bank and take the risks of the bank business better into account."[42] (December 11, 2009, *Agence France Presse*)

France and Germany have backed the UK's push for a special tax on executive bonuses. The momentum building up in Europe behind the clampdown on bonuses followed conversations between officials in the G7, after the UK's pre-budget report outlined the 50% tax on bankers' bonuses of more than £25,000. French president Nicolas Sarkozy decided to follow the UK in imposing the one-off penalties on bonuses over €27,000 after weeks of feuding between London and Paris over the regulation of European markets. He met British prime minister Gordon Brown in Brussels on the fringes of an EU summit. German chancellor Angela Merkel was also sympathetic to the British initiative, calling it a "charming idea" and saying that others could "learn from the City of London." While a UK officials were optimistic that Germany would follow suit, senior German sources cautioned that Merkel would not, for legal reasons, be able to replicate the banker bashing. Brown said that "there is a one-off national insurance premium to be paid by the City, and that will happen in France as well. I believe other countries will now want to look at it and we have also an agreement in the international community to look at the relationship between banks and the service they owe to society. France is very supportive on that. The debate in the international community will move forward." Merkel apparently prefers a Tobin-style tax on financial transactions, which Brown is attempting to persuade major leaders to endorse. In a letter to the other 26 EU heads of government, Brown said: "The EU should work actively with our international partners to develop proposals to ensure a better balance of risks, rewards and responsibility between society and the financial sector." The U.S. administration is opposed to a Tobin tax.[43] (December 11, 2009, *Guardian Unlimited*)

France is considering following Britain's lead and taxing bank bonuses for 2009. French government sources said officials were examining the technical details of a levy. "We're still working on the ways and means … The British have set a level of 50%. We need to do technical work to see what the impact would be. It's too early to say it would be such-

[41] *Reuters News* (January 7, 2010), "UK set for tax windfall as banks stick to bonuses."
[42] *Agence France Presse* (December 11, 2009), "German bank chief says sector to follow G20 on bonuses."
[43] *Guardian Unlimited* (December 10, 2009), "France and Germany back UK bonus tax."

and-such a percent," an official said. "In any case, it shouldn't be much of a surprise. [Sarkozy] said in his speech on August 25 that all G20 countries should implement a policy on bonuses. This is part of that."[44] (December 10, 2009, *Reuters News*)

Canadian bankers are set to receive large bonuses. Special compensation at Canada's six largest banks will reach an estimated C$8.3 billion for fiscal 2009, an increase of 18% from 2008 and approximately 4% from 2007. The higher pay comes as other countries are trying to restrict compensation in the financial sector. One reason for the pay increase is the strong performance of the banks' corporate, investment banking and trading divisions, which benefited from a major rally in the equity and credit markets. Each of the major Canadian banks has changed the way it pays investment bankers in the wake of the credit crisis, shifting toward more deferred compensation and introducing new tools such as clawbacks that give employers the right to reclaim a bonus in the case of a loss because of something the employee did. Regulators and the G20 have asked banks around the world to ensure that their pay schemes do not encourage employees to take on too much risk. And regulators have said that their concern lies in the methods used to determine bonuses, not the amounts. Bank executives said they have not felt pressure from the federal government to keep bonuses at a certain level, but they acknowledged that there is global pressure not to hand out massive cheques.[45] (December 10, 2009, *Globe and Mail*)

Bank profits will become distorted and harder to scrutinize and compare as a result of the G20 changes to banker remuneration, according to analysts and accountants. Analysts at Credit Suisse published a note highlighting the "potential accounting confusion" arising from moves to defer about half of bankers' bonuses following the September decision by the G20 countries to order a global shift in pay structures. The changes are expected to be implemented in some countries, notably the UK, by the end of 2009. The key G20 policy is that 40-60% of variable pay should be deferred for at least three years. France, Switzerland and the Netherlands are adopting pay standards that in some respects are stricter than the G20 recommendations. All the moves come in response to the financial crisis and fears that excessive rewards upfront, for doing risky long-term business, contributed to bank blow-ups. However, experts now warn that the way the new bonus packages are structured could lead to huge disparities between banks and the way they account for staff compensation, under IFRS2, the international accounting standard governing the issue. The IASB said there was little scope for confusion, or an uneven playing field. Only if there was doubt whether an employee would get a bonus in future should the accounting treatment be deferred. Banks would be obliged to account for total compensation costs upfront — as at present — unless a certain portion of pay could be clawed back, either because an employee leaves the bank or because it is subject to a claw-back provision.[46] (November 12, 2009, *Financial Times*)

Eleven major foreign investment banks operating in London have agreed to implement G20 rules on remuneration. "We secured very amicably and constructively (an)

[44] *Reuters News* (December 10, 2009), "France considering tax on bank bonuses-sources."
[45] *Globe and Mail* (December 10, 2009), "Bankers to reap record bonus haul."
[46] *Financial Times* (November 12, 2009), "Rules on bankers' pay will 'distort profits.'"

agreement with them," British treasury minister Paul Myners said. "They will fully enforce the G20 agreement on remuneration with effect from current year — it is a major step forward." He said it represents recognition by banks that they should show restraint at a time when the financial industry is being supported by taxpayers and the government. The deal follows an announcement last month that major UK banks would sign up to pay agreements made at the G20 summit in Pittsburgh in September.[47] (October 14, 2009, *Reuters News*)

Levies on Banks

British prime minister Gordon Brown said the world's top economies were close to agreeing to an international levy on banks and that a deal could be thrashed out at the G20 summit in June. "People are now prepared to consider the best mechanism by which a levy could be raised," said Brown, who put forward an idea of a global transactions tax at a G20 finance ministerial in Scotland in November. "I'm interested in the way support is building up for international action." At a G7 meeting in February, finance ministers and central bankers called for closer study of a UK proposal for a bank levy. The IMF is compiling a report, due in April, on options for requiring banks to "make a fair and substantial contribution" toward bailouts.[48] (February 10, 2010, *Reuters News*)

Swedish finance minister Anders Borg proposed to his EU colleagues a levy on banks similar to the one being discussed by the U.S. administration. "The financial system should pay for the actual cost it incurs to society and the taxpayers in the form of implicit state guarantees for systemically important banks," Borg wrote in a letter to Spanish finance minister Elena Salgado. "A fee paid by financial institutions would help in our efforts towards budget consolidation, but also increase the legitimacy of our measures towards the financial sector in the public's opinion." Several EU countries, including the UK, Germany and Spain, initially said they were not considering a similar levy on banks. UK government officials say they expect to recoup money from rescued banks when the state sells its shares. But Borg's proposal received slightly more support than initially was thought. Belgian finance minister Didier Reynders told his colleagues that countries should consider "various ways of making banks contribute to balanced budgets." Borg also argued that taxing liabilities is more efficient than taxing transactions. "As transactions or turnover are not penalized it does not hurt liquidity, an essential feature of any market … Levying a transaction fee would penalize both consumers and non-financial companies trying to execute payments and reduce their risk."[49] (January 19, 2010, *Wall Street Journal*)

Germany has no plans to impose a special levy on banks to pay for costs that resulted from the financial crisis. The announcement was made after U.S. president Barack Obama announced a plan to impose a new tax on large financial firms. The UK has also outlined similar national measures. "The government has currently no plans for such a

[47] *Reuters News* (October 14, 2009), "Eleven major investment banks agree G20 pay rules – UK minister."
[48] *Reuters News* (February 10, 2010), "UK's Brown says global bank tax gaining ground – FT."
[49] *Wall Street Journal* (January 19, 2010), "Sweden calls for EU to Apply U.S.-Style Levy on Banks."

special levy," said Michael Offer, a finance ministry spokesperson. International coordination on this issue is needed to prevent the possible evasion of such a levy. Offer said the G20 was a good forum for such cooperation. "We want our money back and we're going to get it," Obama said about why he decided to impose the levy. The tax, which the White House calls a "financial crisis responsibility fee," is expected to raise approximately $90 billion over the next 10 years. German government spokesman Christoph Steegmans said Germany has always made it clear that financial market participants should help pay for clearing up the financial crisis. "But for this to work, all measures need to be coordinated well internationally." Offer said they should wait until more international discussions have taken place and an IMF investigation, to be finalized by the end of April, has been issued. "Of course, we want all possible options to be included in international discussions." An international G20 solution won't rule out "supplementary national solutions," he said, adding that German finance minister Wolfgang Schaeuble has said if there is no international solution then a European solution is also an option. "This would be the second step, but first of all we will focus on the larger process."[50] (January 15, 2010, *Dow Jones International News*)

The IMF is conducting a wide-ranging study of financial sector taxation with the intent of presenting an initial analysis to the G20 finance ministers in April 2010. For the review, the IMF hopes to obtain external stakeholders' views on the potential usefulness and impact of various approaches to financial sector taxation.[51] (December 28, 2009, *All Africa*)

At the request of the G20, the IMF is studying possible ways to impose a levy on banks, including taxes on profits, assets and financial transactions. But IMF chief economist Olivier Blanchard stressed that any levy should not hinder a recovery in lending by financial institutions. Some possible levies could recoup part of the billions of dollars of taxpayers' money put into banks to prevent failure during the global financial crisis. "We are working on many options and these include a Tobin-like tax on transactions and taxes looking at the past to see if there is any way of getting the money back: taxes on past profits or taxes on assets," said Blanchard. However, IMF managing director Dominique Strauss-Kahn said a so-called Tobin tax on financial transactions risked being unworkable. The IMF is also looking at the possibility of levying insurance fees on banks that could be used to build up funds that would conduct future bank rescues, relieving taxpayers of the burden. "Then there is the much more important question of how do we do it in the future. Basically, taxing firms for the risk they impose: some form of 'insurance premia'," Blanchard said. "Whether we call these insurance premia or taxes is only a matter of semantics." The IMF is due to present its first report on bank levies to the G20 in April. A lack of consensus among governments on how to structure and apply taxes may still prevent the G20 from adopting any levy.[52] (November 13, 2009, *Reuters News*)

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[50] *Dow Jones International News* (January 15, 2010), "German Govt Currently Doesn't Plan Special Bank Levy."
[51] *All Africa* (December 28, 2009), "IMF Upgrades Income Estimates for Fy2010."
[52] *Reuters News* (November 13, 2009), "IMF studies range of possible levies on banks."

Currencies and Exchange Rates

France wants to use its presidency of the G20 in 2011 to create a new international monetary system. French president Nicolas Sarkozy also said that he believed the dollar should no longer be the primary reserve currency in the global economy. In a thinly veiled reference to China keeping its currency at an undervalued level, he said: "We cannot on the one hand laud free markets and on the other tolerate monetary dumping."[53] (January 28, 2010, *New York Times*)

Global real exchange rates need to change to reduce trade imbalances, or the world risks a repeat of the recent financial crisis, said Bank of England governor Mervyn King. He said that countries' trade surpluses and deficits were starting to rise again as the world economy recovered from the financial crisis, increasing potentially damaging flows of capital to importers from exporters such as China. This made it more urgent than ever for there to be effective global economic cooperation. "If countries do not work together to reduce the 'too high to last' imbalances, a crisis of one sort or another in financial markets is only too likely." King noted that Britain would have to shift its economic activity towards exports and away from consumption as it recovered from its deepest recession in over 50 years, but said exporting countries needed to boost domestic demand to fill the gap left by U.S. and British consumers. "At present there is no political mechanism for achieving that consistency. Finding such a mechanism is urgent. Having narrowed somewhat at the height of the crisis, the imbalances are now widening again," King said.[54] (January 19, 2010, *Reuters News*)

Canada is calling for more movement in some Asian currencies and said it expects to discuss currency disorder in G7, G8 and G20 meetings that it will host and chair this year. Answering France's call to confront instability in the foreign exchange markets, finance minister Jim Flaherty said: "Yes, I expect that this will be a topic of discussion at G7, G8, G20 meetings … This is an issue certainly that I've been dealing with for four years now … There was more movement in some of the Asian currencies before the economic crisis, less movement during the economic crisis. Ultimately, we'd like to see more movement."[55] (January 11, 2010, *Reuters News*)

France has called on the G20 to focus on monetary and foreign exchange imbalances. President Nicolas Sarkozy said making global foreign exchange markets reflect the fundamentals of the world's economies better will be a priority when France takes over the presidency of the G20 and G8 in 2011. "The monetary disorder has became unacceptable … When Bretton Woods institutions were set up, there was one main economy — that of the U.S. — and one main currency. Today, in the 21st century, that is no longer the case." France's call to end the supremacy of the dollar has been echoed by several large emerging countries, China first among them. But France and China differ on how to achieve a multi-polar currency system. French officials have repeatedly asked

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[53] *New York Times* (January 28, 2010), "Sarkozy Calls for Global Monetary System, Without Dollar as Top Reserve Currency."
[54] *Reuters News* (January 19, 2010), "BoE's King: must act on global imbalances to avoid new crisis."
[55] *Reuters News* (January 11, 2010), "Canada expects to discuss currencies at G7, G20."

China to let the yuan float more freely and appreciate, so that Europe's single currency is not alone in bearing the brunt of global imbalances. "In the coming years we need to find solutions to sort out these imbalances … which have led us to the financial crisis," French finance minister Christine Lagarde said. "First of all balance of payment imbalances and then foreign-exchange ones, to which we haven't yet proposed remedies that are acceptable to everyone." Other EU countries agree with France. Portuguese prime minister Jose Socrates said that deeper economic cooperation within the EU was required to tackle global monetary imbalances. "Sarkozy is right when he says that we must do more on a European level" to end the global monetary disorder, he said. Japan's new finance minister, Naoto Kan, said that he wants the Japanese currency to weaken a bit more and that he would cooperate with the central bank to guide the yen exchange rate to "appropriate" levels.[56] (January 7, 2010, *Dow Jones International News*)

Economic debate at the global level must focus on the gulf between the euro and the dollar, French president Nicolas Sarkozy said. Alluding to recent calls to revamp the global monetary system to reduce the dominant role of the dollar, Sarkozy said that disparities between the two currencies posed a "considerable problem." The prospect that companies might consider relocating some of their industrial activity to regions reliant on the dollar could not be ruled out, he said. "I will bring up this problem of monetary disparities all through the year … If you're producing in the euro zone and selling in the dollar zone, with a dollar that's falling and a euro that's rising, how are you supposed to make up for this deficit in competitiveness?" This question needed to sit "at the centre of international debates," he said. Sarkozy may propose "a new international monetary organisation which better reflects today's world" to the G20 in 2011, when France holds the G20 presidency.[57] (January 6, 2010, *Reuters News*)

China is not giving in to foreign demands for its currency to strengthen. Chinese premier Wen Jiabao said some of the demands for China to appreciate its currency was an effort to contain the country's development. "We will not yield to any pressure of any form forcing us to appreciate. As I have told my foreign friends: on the one hand, you are asking for the renminbi to appreciate; and on the other hand, you are taking all kinds of protectionist measures." By keeping the renminbi stable against the U.S. dollar, China was contributing to the global economy's recovery, he said. "The purpose [of these calls for appreciation] is to hold back China's development," he added. Demands for China to appreciate its currency to help rebalance the global economy have come from the U.S., European Union and developing nations such as Brazil and Russia.[58] (December 28, 2009, *Financial Times Asia*)

China has signalled that it will allow its currency to appreciate against the U.S. dollar. The move to allow the yuan to rise against the greenback would provide much-needed relief to countries trying to compete against Chinese exports and put further downward pressure on an already battered U.S. dollar. Chinas latest quarterly monetary policy report

[56] *Dow Jones International News* (January 7, 2010), "France Tells G20 To Switch Focus To Currency Misalignments."
[57] *Reuters News* (January 6, 2010), "Sarkozy says FX issue must be focus of global debate."
[58] *Financial Times Asia* (December 28, 2009), "Beijing dismisses currency pressure."

said its foreign exchange policy will now consider "capital flows and changes in major currencies," indicating China will carefully expose the yuan's value to fluctuations in global markets. The rise in the yuan is expected to be gradual and is not likely to occur until 2010.[59] (November 11, 2009, *Globe and Mail*)

The G20 finance ministers and central bankers meeting on November 6-7 will discuss foreign exchange rates and the perils of designating some banks as "too big to fail," Canadian finance minister Jim Flaherty said. "We usually have some discussion about the currencies in the world, the downward pressure on the U.S. dollar, the relative inflexibility of some of the Asian currencies, so I expect it's going to come up." Other sources in the G20 have said that foreign exchange rates were not expected to be a major topic at the meeting, but said the issue may be discussed in relation to rebalancing the world economy.[60] (November 2, 2009, *Reuters News*)

The dollar is unlikely to be a major topic at the November meeting of G20 finance ministers. The dollar has sunk to its lowest levels in comparison to the euro in over a year and has also fallen versus most other currencies, including the ruble, over the past two months. This has prompted some concerns that export competitiveness could be hurt, potentially threatening a fragile economic recovery from the recession. "There are no plans [to discuss dollar weakness]," the a source said. "I am not at all sure the Americans would be ready to discuss this topic in this format. So far the only format in which they are ready to discuss it is the G7."[61] (October 30, 2009, *Reuters News*)

France said the euro was a disaster for Europe and joined China in worrying that the weak U.S. currency would stoke inflation. The latest comments from officials and companies around the world added to the debate about imbalances between currencies that is likely to continue at the meeting of G20 finance ministers and central bankers in Scotland in November. France has been pushing for an international exchange rate discussion and has led European complaints about the euro. He said at some point the euro's strength against the U.S. currency would become unbearable and Europe would have to react, most likely by printing euros that would also lead to inflation. France was disappointed that G20 leaders discussed world economic imbalances without touching on currencies when they met in Pittsburgh in September. There are also growing signs that China is concerned about the domestic implications of the yuan. "In the circumstances of a falling U.S. dollar exchange rate, net capital inflows may intensify, adding to excessive liquidity pressure at home and increasing inflation risks," Ma Delun, a vice-governor of the People's Bank of China said. Within the euro zone, the impact of the dollar's weakness is a subject for debate although there is no general agreement over how big a problem it might be. Finnish finance minister Jyrki Katainen said the strong euro was a problem but others are less concerned. Spanish treasury secretary Carlos Ocana said the euro was trading at normal levels. European Central Bank president Jean-Claude Trichet stuck to his line that excessive volatility in currency markets was bad for the economy

[59] *Globe and Mail* (November 11, 2009), "China sets plan to let currency move higher; Under pressure from trading partners, Beijing signals new policy on yuan."
[60] *Reuters News* (November 2, 2009), "G20 to talk currencies, 'moral hazard' – Canada."
[61] *Reuters News* (October 30, 2009), "Russia does not see dollar debate at fin min G20."

and repeated his attachment to comments from U.S. officials supporting a strong dollar.[62] (October 20, 2009, *Reuters News*)

Hedge Funds

Europe is moving towards tighter regulation of hedge funds. The European Parliament and member states are coming up with their own responses to a European Commission proposal from April. The European Central Bank last month warned that EU plans to regulate hedge funds and private equity groups could tilt the playing field against EU companies. That followed an accusation by Britain's financial services minister that fellow EU partners were seeking to make "political capital" from the issue. This stance on hedge funds is being echoed by the EU's current Swedish presidency, which is trying to conclude a range of financial supervisory proposals before Spain takes over at the end of December. However, plans for supervision seem doomed, at least in their existing form, because of British opposition, particularly concerning watchdogs that the commission wants be introduced, to police banks, insurers and markets.[63] (November 25, 2009, *Agence France Presse*)

The EU is considering new regulations for hedge funds and others that include imposing tough borrowing limits. So far the industry has avoided any clampdown on pay despite an international consensus that remuneration for bankers should be controlled. Sweden plans to propose a law to European countries to restrict pay at hedge funds and other investment firms such as private equity. The Swedish plans follow a surprise announcement this week by financial services minister Mats Odell on pay rules for the funds referred to by one politician as locusts and that are known for making reverse bets on company stocks rising or falling. Although the funds did not play a central role in the global financial crisis, many politicians have long been suspicious of their activity, prompting the European Commission to draft rules to keep close tabs on them. There has been a general drive to clamp down on financial services. The G20 agreed to guidelines on banker pay drawn up by the Financial Stability Board, a global regulatory body. These lay down how remuneration should be structured and outline, for example, when a banker's bonus should be paid. The Alternative Investment Management Association, a hedge fund lobby, said it supported the G20 remuneration measures but cautioned against wider application of bank pay curbs. "Hedge fund managers earn their fees only if they are successful, that is if they increase the value of their clients' investments," AIMA executive director Florence Lombard said. "Much of the concern expressed on banking bonuses relates to the fact that many banks have been bailed out by governments. There is no single hedge fund in the world that has either been bailed out or received a handout."[64] (November 12, 2009, *Reuters News*)

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[62] *Reuters News* (October 20, 2009), "France, China worry about U.S. dollar weakness."
[63] *Agence France Presse* (November 25, 2009), "Europe moves to tighten hedge fund regulation."
[64] *Reuters News* (November 12, 2009), "EU to consider pay limits for hedge funds."

Reform of the International Financial Institutions

Ahead of G20 finance ministerial in Scotland in early November, India, Russia and China are pooling their collective economic weight to push for greater voting power and representation of developing and emerging countries in global economic bodies. "They stressed that the future of global economic governance should feature in balanced representation, equality and result-orientedness, and ensure the voice and representation of emerging market and developing countries," a joint communiqué said at the end of the ninth trilateral meeting of the foreign ministers of India, China and Russia. The three countries also made a pitch for holding future G20 summits in developed countries and in emerging market and developing countries "by rotation based on the principle of transparency and equity." The ministers emphasized that one of the ultimate goals of governance structure reform for international financial institutions is equitable distribution of voting power between developed countries and developing ones, said the joint declaration. Alluding to key decisions taken at the Pittsburgh Summit, the three foreign ministers called for "speedy shift" in quota share in IMF of at least 5% to emerging market and developing countries and a significant increase of at least 3% of voting power in the World Bank for developing and transition countries. The common stance of the three major emerging economies is expected to push the ongoing process of recasting the international economic order to accommodate developing countries in economic governance.[65] (October 27, 2009, *Indo-Asian News Service*)

Trade

Protectionism is still a concern. "We need to remain vigilant. With unemployment remaining high, protectionist pressures remain a worry," said WTO director general Pascal Lamy. His comments coincide with U.S. president Barack Obama's pledge to protect American jobs in the wake of employment losses due to outsourcing to developing countries such as India. Obama said it was time to end tax breaks to American firms that outsource jobs, while helping those which create employment within the United States. Lamy said the WTO would continue to keep a close watch on protectionist measures that impede international free trade. "We at the WTO secretariat will continue monitoring these developments through 2010." India and several emerging economies such as Brazil have raised concern over the protectionist measures in the West. The stance against protectionism got support from Korean president Lee Myung-back, who said that the G20 summit had "played a pivotal role in resisting protectionist pressures" and it was important to continue to do so. Commenting on the possibility of concluding the Doha Development Agenda, Lamy said reaching the agreement is "doable in 2010" but "we now need to see it done … We have planned a schedule of technical work over the next months. Governments will assess at the end of March is it still feasible to conclude negotiations this year."[66] (January 29, 2010, *Financial Express*)

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[65] *Indo-Asian News Service* (October 27, 2009), "India, Russia, China for bigger voting power in global economic bodies."
[66] *Financial Express* (January 29, 2010), "WTO backs India's concern over growing protectionism."

Although the Global Trade Alert has described protectionist pressures as unrelenting, with dozens of new measures announced in the past three months and more coming, a recent WTO review concludes there had been no breakdown in the international trading system and its 153 members had resisted falling into protectionism. Richard Eglin, director of the trade policies review division of the WTO, which produces monitoring reports before G20 summits, said such claims encouraged companies to press politicians to restrict imports from foreign competitors. "Governments in our view have done a great job this year in holding the line — this sort of thing undermines them," said Eglin. "Our view was that governments, in the trade area, reacted in a mature and cooperative fashion." As unemployment continues to rise in many countries despite a fragile recovery, policy makers must remain vigilant against protectionism. He said inevitably governments had taken some trade-restrictive measures as the political price for generally resisting protectionism. "The nature of the [financial] crisis was of such momentous proportions that it would be naive to believe that governments could act in a completely text-book sense." A previous WTO report found that trade measures announced since the end of October 2008 had covered at most 1% of world trade. Overall decreased demand and a shortage of credit were bigger factors in curtailing trade. Measures were concentrated in the automobile and iron and steel sectors, which in developed countries had been facing problems. In other sectors the impact was marginal. After an initial knee-jerk tendency to raise tariffs or limit imports, most recent measures have taken the form of anti-dumping duties against imports deemed unfairly priced. In many countries such remedies are not a sign of government protectionism, according to Eglin. In the U.S., for instance, if a company makes a good case for an anti-dumping investigation, trade regulators are bound to initiate a probe and politicians cannot stop or interfere with the due process. The number of anti-dumping investigations in 2009 was less than half the 400 forecast by WTO analysts, Eglin said. Measures taken by different countries had virtually no impact on world trade flows and could not be argued to have made the crisis worse. In some cases they had hit bilateral trade relations, where a particular supplier was targeted, but such bilateral measures had not led to a 1930s-style tit-for-tat cycle. "The danger at the bilateral level was that it would lead to retaliation," said Eglin. "It didn't."[67] (December 18, 2009, *Reuters News*)

Canadian prime minister Stephen Harper urged the G20 to avoid protectionism, taking aim specifically at China's restrictions on imports of Canadian canola oil. "Now more than ever, as tentative signs of recovery are emerging, Canada and China will need to keep our voices strong and united at the G20 table," Harper said. "The messages we must impart during this critical period will be threefold: first, we must urge fellow members to follow through on committed stimulus. Second, we must develop exit strategies to avoid inflation and asset bubbles. And third, perhaps most importantly, we must insist that all leaders stand firm against protectionist pressures. We have seen movements towards protectionism, albeit modest, since this global recession began. But modest or otherwise, protectionism is the single greatest threat to long-term recovery for Canada, for China and for the entire world economy."[68] (December 4, 2009, *Reuters News*)

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[67] *Reuters News* (December 18, 2009), "INTERVIEW-WTO warns on protectionism scare-mongering."
[68] *Reuters News* (December 4, 2009), "Canadian PM warns G20 on protectionism, cites China."

Climate Change

The EU says it will pursue a new deal on global warming through the G20, since the December 2009 Copenhagen conference of nearly 200 countries led to unwieldy negotiations that accomplished little. "We need to change our negotiating strategy," said Spanish minister of foreign affairs Miguel Angel Moratinos. Spanish officials said the EU is keen to pursue a climate deal through the G20, rather than the United Nations. A senior EU official also said such a summit could produce a meaningful agreement, without having heads of state meet through the night to bicker over the wording of such a deal, as they did in Copenhagen.[69] (January 8, 2010, *Associated Press Newswire*)

EU leaders have urged the IMF to consider a global tax on financial transactions. In a communiqué after their two-day summit, the EU's 27 national leaders stopped short of a formal appeal for a Tobin tax, but they made it clear that they regarded it as a potentially useful revenue-raising instrument. Separately, UK prime minister Gordon Brown and French president Nicolas Sarkozy suggested that revenues from such a tax could be devoted to fighting climate change, especially in developing countries. They said funding from 2020 could come from "a global financial transactions tax, and the reduction of aviation and maritime emissions and the auctioning of national emissions permits." U.S. treasury secretary Timothy Geithner previously told the G20 that the U.S. was unwilling to back a tax on daily financial market activity. IMF managing director Dominique Strauss-Kahn said the Tobin tax was "a very old idea that is not really possible today." However, Brown recently commented that "global taxes will not be introduced unless all global financial centres are able to come behind them. But I believe there's growing support for that … We're trying to make a global supervisory system that makes sense for all the financial centres in the world."[70] (December 12, 2009, *Financial Times Asia*)

Canadian finance minister Jim Flaherty said there were still no specific numbers for climate financing on the table during high-level discussions at the November G20 finance ministers meeting. "At the G20 meeting in Scotland we talked about financing options but we did not talk about numbers." The G20 finance ministers made very little progress during their talks on climate funding in Scotland, with heated arguments over who should pay what. Developing countries, where per-capita emissions are a fraction of those in the developed world, say rich countries are responsible for most greenhouse gas emissions and so must help them adapt.[71] (November 13, 2009, *Reuters News*)

Energy

Oil derivative markets should be better regulated and more transparent, French finance minister Christine Lagarde said. She underlined the need for a European approach to the issue and said that the approach taken by the G8 and the G20 should be applied to oil derivative markets.[72] (February 11, 2010, *Dow Jones International News*)

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[69] *Associated Press Newswire* (January 8, 2010), "EU to pursue climate deal through G20."
[70] *Financial Times Asia* (December 12, 2009), "European leaders push case for Tobin tax."
[71] *Reuters News* (November 13, 2009), "Rich nations' climate cash offers still not clear."
[72] *Dow Jones International News* (February 11, 2010), "Oil Derivatives Markets."

Development

The G20 is prepared to help the Democratic People's Republic of Korea's (DPRK) development effort, South Korean president Lee Myung-bak said. "G20's role will be important in terms of the DPRK's various development policies, once it gives up on its nuclear program and begins to cooperate," the president said. The remark comes at a time when the DPRK seems ready to return to the six-party talks.[73] (January 14, 2010, *Xinhua News Agency*)

On January 14, the G20 released a statement expressing sympathy and condolences to the people of Haiti and they committed to "send immediate economic and in kind assistance to attend to the basic human needs of the Haitian population."[74] (January 14, 2010, *Office of the Prime Minister of Canada*)

The World Bank has approved $1.3 billion in crisis response measures for the poorest countries. The funds, requested by the G20 to explore the benefits of a new crisis response mechanism to protect low-income countries from crises, were allocated to the International Development Association (IDA). The duration for the crisis response window will be 18 months, ending in June 2011. "With the new financial support mechanism approved today, IDA will be able to provide additional financial support to mitigate the impact of this crisis on poor countries," said World Bank Group president Robert B. Zoellick.[75] (December 10, 2009, *Xinhua News Agency*)

3. Participants

Polish president Lech Kaczynski said Poland deserves to become a member of the G20 now that its economy has grown to become the 18th largest in the world. He argued that Poland has grown in influence and belongs in the world's premier forum for discussing major economic issues. "The place for my country is within the G20," Kaczynski said.[76] (February 3, 2010, *Associated Press Newswire*)

The euro zone should be represented at the G20 and coordinate more closely on economic policies, said Jean-Claude Juncker, chair of the Eurogroup. "The international status of the euro implies external representation. The G7 is becoming less important, being overshadowed by the G20, and here the Eurogroup is not represented," he said. Juncker said the European Commission, the EU's executive arm, is ready to make a formal proposal for the euro zone's membership at the G20. In a letter to eurozone finance ministers, Juncker said a single seat is essential to ensure that the euro zone's

[73] *Xinhua News Agency* (January 14, 2010), "G20 to help nuclear-free DPRK's development: S. Korean president."
[74] *Office of the Prime Minister of Canada* (January 14, 2010), "G20 statement on the situation in Haiti."
[75] *Xinhua News Agency* (December 10, 2009), "World Bank approves crisis response funds for poorest countries."
[76] *Associated Press Newswire* (February 3, 2010), "Poland wants into the G20 now that its economy is world's 18th largest."

interests are fully reflected in international discussions. Juncker said eurozone countries should work out common positions and speak in one voice to increase the international status of the euro. He also called for better economic governance and coordination in the single currency club: "coordination of economic policy should be enhanced." Juncker suggested euro zone countries should coordinate not only their fiscal policies, but also their structural reforms. "Various countries have to agree on exit strategy … We will need to concentrate our efforts on structural policies … linked to respective competitiveness of member states throughout the euro zone," he added. By strengthening coordination, Juncker said economic surveillance in the euro zone should be broadened in order to phase out macroeconomic imbalances and to identify priorities for its members and the euro zone as a whole. "We have to apply the stability pact. We have to broaden surveillance in the euro area … [and] need to focus on gradual phasing out of macroeconomic imbalances." Juncker proposed that the European Commission should be given the power to issue a warning to a member state whose policies were not in line with what had been agreed. "If a country moves away from the broad economic guidelines, it should receive a warning from the commission. We should talk firmly and vigorously to the member state involved," he said.[77] (January 18, 2010, *Xinhua News Agency*)

The 16 countries that use the euro should claim their own collective seat within the G20 and IMF, the incoming European commissioner for economic and monetary affairs said. The euro countries need "to work towards a unified representation of the euro area and the eurozone in international institutions such as the G20 or IMF," Finland's Olli Rehn told European parliament lawmakers. He added: "We have to have a single representative for Europe in the area of world economic governance … Currently we punch below our weight. By standing united we can lead, not only follow." Rehn said he was planning soon to present a proposal to that effect.[78] (January 11, 2010, *Agence France Presse*)

At a meeting with ASEAN leaders, South Korean president Lee Myung-bak said that he is considering inviting Vietnam, the chair of ASEAN next year, as a special guest to the G20 summit that will be held in South Korea in November 2010.[79] (October 26, 2009, *Asia Pulse*)

IMF managing director Dominique Strauss-Kahn said the G20 would have a more global reach if it included a few new members. "We could add two or three countries." He did not name any countries that he believes should be added but said that, for example, Scandinavian countries did not have a seat at the G20, nor did African states.[80] (October 23, 2009, *Reuters News*)

[77] *Xinhua News Agency* (January 18, 2010), "Eurogroup chairman calls for single seat at G20."
[78] *Agence France Presse* (January 11, 2010), "Eurozone should get a seat in G20, IMF: EU's Rehn."
[79] *Asia Pulse* (October 26, 2009), "Asian Leaders Call for Continued Fight Against Economic Crisis."
[80] *Reuters News* (October 23, 2009), "IMF boss: G20 would benefit from 2-3 more members."

4. Implementation and Preparations

Implementation

The IMF has said it will advise the G20 on whether their economic policies promote balanced global growth, but it will not consider that a part of its formal surveillance role. The G20 agreed in September to work together to even out economic imbalances blamed for contributing to the financial crisis and asked the IMF for assistance. At the heart of those imbalances is the gap between the heavily indebted U.S. and export-rich China, although other countries also play a role. The G20 pledged to put forward economic policies that would help with rebalancing and assess the progress together. The IMF was given the task of analyzing how national or regional policies fit together. Unlike the formal surveillance process it already conducts, the IMF said it would offer the G20 "technical advice." This has been a point of some disagreement both inside and outside the IMF. Some observers have expressed concern that the G20's rebalancing pledge lacks any mechanism for compelling member countries to make necessary changes in policy. The IMF's executive board endorsed the idea of providing technical advice, but said "some directors" objected to this and thought it should be considered part of the multilateral surveillance. The IMF said the information it gathers from the G20 could be used to "inform surveillance, in that the information obtained and the analysis undertaken could be used as inputs for bilateral and multilateral surveillance." G20 countries are expected to provide economic information to the IMF by the end of January 2010. IMF staff will then review the information and construct two scenarios to determine whether domestic policies will promote more balanced global growth. First, the IMF will input the data provided by the G20 into a "raw" global scenario. It will then use that scenario to build a second "base case" scenario, trying to reconcile differences in macroeconomic projections, such as the price of oil or expected interest rates. It will then assess whether additional policy adjustments may be necessary to reach growth objectives and ensure financial stability. The IMF said it planned to provide a report to be discussed by finance ministers and central bankers at a meeting in April. IMF staff will then provide a more concrete analysis of how medium-term global prospects could be enhanced through collective policy actions. It will provide a list of policy options for consideration by G20 officials at their June summit, and refine and update it for final consideration in November when they meet again in Korea.[81] (January 15, 2010, *Reuters News*)

The IMF is helping to provide oversight and surveillance of the G20's economic and financial policy reform efforts. In a report outlining the initial oversight procedures requested by the G20 at the Pittsburgh Summit, the IMF said the process would focus on "assessing and monitoring whether or not individual countries' policies and plans are collectively consistent with the G20's main objective of restoring high, sustainable and balanced global growth." The IMF will also identify policy gaps and suggest alternatives where necessary. The IMF will provide three reports in 2010, the first at the spring meeting of the IMF in Washington, which will include the IMF's "forward-looking

[81] *Reuters New* (January 15, 2010), "IMF sees less formal advisory role on G20 rebalancing."

assessment (next 3-5 years) of global economic prospects conditional upon G20 national policy frameworks and plans, and indicate any policy issues or gaps, and possibly proposals for alternative policy scenarios that the G20 members could explore." The IMF would then "provide more concrete analysis of how medium-term global prospects could be enhanced through collective policy actions" which the G20 deputies would use to "develop a menu of policy options for consideration by G20 Finance Ministers and Central Bank Governors and subsequently by Leaders at their June 2010 summit." The final policy assessment would be prepared in time for the leaders' summit in November, after which the IMF surveillance is expected to be an annual exercise. The G20 process also will feed into the IMF's regular World Economic Outlook and Global Financial Stability reports which are updated quarterly.[82] (January 15, 2010, *Market News International*)

The FSB held its third plenary meeting on January 9, 2010, in Basel. They discussed the current financial conditions, improving financial regulation, bank capital and liquidity and strengthening international financial standards. They noted that "momentum is being maintained towards meeting the clear targets set by G20 Leaders for improving financial regulation" and that their review of implementation of the Principles and Standards for Sound Compensation Practices, as requested by the G20, would be completed by March 2010. The FSB continues to monitor progress in implementing the G20's recommendations on accounting standards. In June it will report on the treatment of important financial institutions during a crisis, also known as "too big to fail" problem. They will also update the G20 finance ministers and governors gathering in Canada on how to better assess the buildup of financial risks, including the usage of new macroprudential tools and indicators.[83] (January 9, 2010, *Financial Stability Board*)

International experts debated ways to measure the world's well-being, in line with G20 calls for statisticians to take into account people's happiness and not just their economic output. The global economic crisis "has revealed the growing gap between official statistics and people's perceptions of their standards of living," said Angel Gurria, OECD secretary-general. The forum was investigating ways of "going beyond GDP" to produce a new set of data to better measure the quality of life. Gurria told experts on the environment, development, business and social issues that without such new indicators, a "crisis of confidence" could erode trust in institutions and in democracy itself. The OECD's forum followed a call by G20 leaders at Pittsburgh for statistics "to better take into account the social and environmental dimensions of economic development."[84] (October 27, 2009, *Agence France Presse*)

[82] *Market News International* (January 15, 2010), "IMF: To Provide Assessment, Oversight of G20 Econ, Finl Reforms."
[83] *Financial Stability Board* (January 9, 2010), "Financial Stability Board meets on the financial reform agenda." <http://www.financialstabilityboard.org/press/pr_100109a.pdf>
[84] *Agence France Presse* (October 27, 2009), "Forum seeks ways to assess world well-being rather than wealth."

Preparatory Meetings

- October 11, 2008: G20 Finance Ministers and Central Bank Governors Meeting (Washington, DC)
- November 8-9, 2008: G20 Finance Ministers and Central Bank Governors Meeting (Sao Paulo, Brazil)
- November 14-15, 2008: G20 Leaders Summit (Washington, DC)
- April 24, 2009: G20 Finance Ministers and Central Bank Governors Meeting (Washington)
- June 12-13, 2009: G8 Finance Ministers and Central Bank Governors Meeting (Lecce, Italy)
- September 4-5, 2009: G20 Finance Ministers and Central Bank Governors Meeting
- September 24-25, 2009: G20 Leaders Summit (Pittsburgh, Pennsylvania)
- November 6-7, 2009: G20 Finance Ministers and Central Bank Governors Meeting (St. Andrews, Scotland)
- February 5-6, 2010: G7 Finance Ministers and Central Bank Governors Meeting (Iqaluit, Canada)
- June 3-5, 2010: G20 Finance Ministers and Central Bank Governors Meeting (Busan, South Korea)
- June 26-27, 2010: G20 Leaders Summit (Toronto, Ontario)
- November 2010: G20 Leaders Summit (Seoul, South Korea)

Preparations

Korean and German leaders held talks in Korea to discuss ways to boost cooperation at the G20 summit and facilitate the implementation of the free trade agreement between Seoul and the European Union.[85] (February 8, 2010, *Yonhap English News*)

Germany will host a high-level conference on regulating the financial markets ahead of the next G20 summit, said finance minister Wolfgang Schaeuble. "It is important not to weaken our international efforts to secure better regulation." The conference is planned for late May in Berlin, with finance ministers and central bank officials from the G20. Schaeuble hailed recent moves by U.S. president Barack Obama aimed at reforming markets and banks. "Something moving in the United States on this issue is a welcome development … It makes the chances of finding a common solution all the greater." Germany will be making its own proposals to this effect in the next few weeks, Schaeuble said. The FSB has said that it was considering moves like those planned by the Obama administration to cut the risks posed by big bank failures. The FSB welcomed the U.S. announcement and said it would publish its full recommendations in October 2010. It is to release an interim report after the G20 summit in June.[86] (January 23, 2010, *Reuters News*)

[85] *Yonhap English News* (February 8, 2010), "S. Korea, Germany to discuss G20, trade, reunification."
[86] *Reuters News* (January 23, 2010), "Berlin plans G20 financial oversight meeting."

G20 finance ministers and central bank governors will gather in South Korea in June and October. They will meet in the southern port city of Busan in June and in the ancient city of Gyeongju in October. “Through advices from experts and consultations among relevant ministries, [we] selected the venues in consideration of various factors including the size and characteristics of the meetings, access to airport, conference and lodging facilities,” the committee said in a press release. A forum of G20 vice finance ministers is scheduled to open in the western city of Incheon in late February, with the second session to be held in Gwangju.[87] (January 22, 2010, *Yonhap English News*)

High-ranking policy makers and central bank officials from the G20 will gather in South Korea in February to discuss ways to accelerate a global economic recovery and prepare for the post-crisis era. The meeting will be attended by G20 vice finance ministers and vice governors of central banks on February 26-27 in Incheon. “How to accelerate the global economic rebound and how to manage the global economic system after the crisis will be among the top agenda items to be discussed at the February meeting,” a finance ministry official said. In a related move, the Seoul government took over management of the official website for the G20 finance minister meeting (www.g20.org) from Britain on January 1, with a plan to run it until the end of 2010.[88] (January 18, 2010, *Yonhap English News*)

British financial services minister Paul Myners is hosting a meeting on January 25 to discuss proposals to protect taxpayers from investment bank failures in the future. Policymakers around the world are looking at ways to avoid costly bailouts in the event of another crisis. One option on the table is a resolution fund using cash raised by a global insurance levy on financial institutions. “We will continue to work with other countries through the G20 on developing proposals around an insurance levy,” a treasury spokesman said. “A plan will only develop with full international agreement.” Officials from G7 finance ministries, the IMF and academics will attend the meeting in London.[89] (January 15, 2010, *Reuters News*)

Mexico hosted a preparatory meeting of G20 foreign ministers on January 13 and 14. Officials discussed the rotating presidency of the G20, the frequency and duration of the G20 summits and the support structures offered to members between the summits. The meeting was co-chaired by Mexican deputy foreign minister Lourdes Aranda and U.S deputy foreign minister Michael Froman. The officials will meet again in Ottawa before the next G20 summit in Toronto.[90] (January 15, 2010, *Xinhua News Agency*)

Korea and the IMF are planning to host a high-level international conference on Asia in Seoul on July 12-13, 2010. The conference will bring together more than 300 leading figures from around the world to examine Asia’s economic dynamism and evolving role in international policy making, including prominent business leaders, financial market

[87] *Yonhap English News* (January 22, 2010), “G20 finance ministers’ meeting due in June, October in S. Korea.”
[88] *Yonhap English News* (January 18, 2010), “S. Korea to host year’s first G20 gathering in Feb.”
[89] *Reuters News* (January 15, 2010), “UK to host meeting on future bank crisis protection.”
[90] *Xinhua News Agency* (January 15, 2010), “Mexico hosts G20 summit preliminary meeting.”

experts, academics, civil society representatives and journalists, as well as finance ministers, central bank governors and other senior policymakers. "Asia is at an important crossroads," IMF managing director Dominique Strauss-Kahn said. "In a post-crisis world, Asia is well positioned to build on its strong macroeconomic track record and engage prominently in the debate on policy challenges facing the global economy." Built on the theme of transformation, the conference will present "a significant opportunity for all key players to share their insights on the challenges and opportunities facing Asia and the global economy in the next decade … and it will also underscore the IMF's renewed commitment to serving as a global partner for the region." Strauss-Kahn noted that he was delighted that the Korean authorities had agreed to co-host the conference. "As chair of the G20 process in 2010, Korea will be playing a critical role in shaping the global economic policy agenda this year, including on IMF reforms," he said. The four key objectives of the conference are to articulate a shared vision and common agenda for Asia to support a strong global recovery, while drawing lessons from the past in a candid and constructive manner; showcase Asia's success in economic management and highlight lessons for other regions; examine Asia's economic growth model, its prospects going forward, and the implications for the global economy; and discuss the role of Asia in the international community, including the IMF, in this process.[91] (January 14, 2010, *Targeted News Service*)

Financial officials from South Korea, China and Japan met to strengthen financial ties among the three countries. On the sidelines of the FSB meeting, representatives from the three countries held a trilateral meeting, where they jointly sought ways to set up an Asian financial association in the FSB.[92] (January 11, 2010, *BBC Monitoring Asia Pacific*)

G20 vice-finance ministers will convene in Korea in February, followed by meetings between finance ministers and vice-ministers scheduled in June and September. Finance ministers will gather again in November just before the G20 summit in Seoul. Of the eight G20-related meetings scheduled to take place in 2010, Korea will hold five, all of which will help to fine-tune the agenda of the November summit.[93] (December 28, 2009, *BBC Monitoring Newsfile*)

The Korean government launched the Presidential Committee for the G20 Summit on November 9, 2009, and held its first meeting. The committee agreed that the November G20 Summit would be held in Seoul, considering that it requires a large convention center and lodging facilities that could accommodate the representatives from 35 countries and other international organizations. Over 10,000 people are expected to visit Korea for the summit.[94] (November 11, 2009, *Korea.net news*)

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[91] *Targeted News Service* (January 14, 2010), "Korea and IMF to Co-Host a High-Level International Conference."

[92] *BBC Monitoring Asia Pacific* (January 11, 2010), "South Korea's financial watchdog chief meets Chinese, Japanese financial heads."

[93] *BBC Monitoring Newsfile* (December 28, 2009), "South Korea to host five high-ranking G20 meetings in 2010."

[94] *Korea.net news* (November 11, 2009), "Seoul launches G20 preparation committee."

British finance minister Alistair Darling put the following agenda together for the November 6-7 G20 finance ministers meeting taking place in Scotland. Friday evening: international financial institutions, ensuring that the IFIs can fulfill their role in strengthening the financial system and restoring growth and focusing on the role they have in supporting the framework, addressing the challenges of climate change and combating macroeconomic shocks. Saturday: discussing a range of possible options for climate change finance in advance of Copenhagen, as an input into the UNFCCC; making substantive progress on governance and institutional arrangements where there are signs of convergence, as well as building on Friday's discussions on the role of the IFIs; launching the Framework for Strong, Sustainable and Balanced Growth and initiating a cooperative process of mutual assessment of policy frameworks, by reaffirming common objectives for the assessment process, agreeing on country inputs and determining how the IFIs can support the implementation of the framework; agreeing on a set of principles to manage the withdrawal from support in a cooperative and coordinated way; and strengthening financial regulation and supervision, including meeting agreed upon deadlines. Finally, South Korean finance minister Yoon Jeung-Hyun and Canadian finance minister Jim Flaherty will set out their plans for the G20 work program in 2010.[95] (November 3, 2009, *Reuters News*)

Canadian prime minister Stephen Harper will visit South Korea in December for summit talks with president Lee Myung-bak. Harper will arrive on December 6 and meet with Lee on December 7. The two leaders will discuss developing a "special partnership" between their countries and share views on trade, energy and resources cooperation. The leaders, who have already met twice in 2009, will also discuss ways to cooperate in hosting the upcoming G20 summit meetings in June in Canada and November in Korea.[96] (November 2, 2009, *Organisation of Asia-Pacific News Agencies*)

Canadian prime minister Stephen Harper will travel to Singapore, India and China in the fall of 2009. He will be in Singapore on November 14 to attend the annual summit of the Asia-Pacific Economic Cooperation leaders. He will travel to India on November 16-18. Harper will travel to China from December 2 to 6. "I personally believe it is important for Canada's interests for the prime minister to get to [China] as quickly as possible," said Peter Harder, a former deputy minister at the Department of Foreign Affairs and International Trade and now president of the Canada China Business Council.[97] (October 29, 2009, *Ottawa Citizen*)

Japanese finance minister Hirohisa Fujii will not attend the G20 finance ministers in St. Andrews, Scotland, at the beginning of November. He is skipping the meeting partly because of Japan's extraordinary parliamentary session. Senior vice finance minister

[95] *Reuters News* (November 3, 2009), "TEXT – Letter to G20 delegates from UK's Darling."
[96] *Organisation of Asia-Pacific News Agencies* (November 2, 2009), "Canadian PM to visit S. Korea next month."
[97] *Ottawa Citizen* (October 29, 2009), "Harper adds China to busy list of fall trips; Observers say stop is an important one ahead of G8, G20."

Yoshihiko Noda is expected to take part in the meeting on behalf of Fujii.[98] (October 26, 2009, *Reuters News*)

The G20 finance ministers will meet in early June 2010. "It's possible we might have another meeting around the spring IMF meetings in Washington … as [the] G20 because all the ministers will be there," Canadian finance minister Jim Flaherty said.[99] (October 7, 2009, *Reuters News*)

Other Meetings

South Africa will host the first meeting of G20 tourism ministers in February 2010 as part of the global response to unprecedented economic changes, tourism minister Marthinus van Schalkwyk said. "I can today announce that this meeting will take place from 22 to 24 February 2010 in Gauteng under the theme of travel and tourism: stimuli for G20 economies." Van Schalkwyk said the G20 had played a central role in discussing the strengthening of economic co-operation on a range of issues affecting the global economy. "Though not immune to the global economic downturn, tourism has so far resisted the financial crisis better than many other sectors, such as construction, real estate and car manufacturing," he said. "South Africa recorded 9.5 million arrivals in 2008, which constitutes an increase of 5.5% compared to 2007." This was better than the global average of 2%.[100] (October 30, 2009, *South African Press Association*)

5. Site

The June G20 summit will be held at the Toronto Convention Centre. Tens of thousands of people are expected at the summit, making security and traffic direction a major issue. Since December 2009, the site had been considered the first choice, ahead of other options such as Exhibition Place.[101] (February 11, 2010, *Globe and Mail*)

Canadian prime minister Harper and Korean president Lee announced that the next G20 summit will take place in Toronto, Ontario on June 26-27, 2010. The exact location has yet to be confirmed, but officials have suggested that the leaders will meet at the Metro Toronto Convention Centre. The Metro convention centre is centrally located in Toronto and has experience with hosting top-security events, including the 1988 G7 summit and a meeting of NATO defence ministers in 1999.[102] (December 8, 2009, *Globe and Mail*)

At the end of November, the location for the June G20 summit had not yet been announced. Officials in Toronto were considering whether they could accommodate the event. Sources said plans were in the works to hold the summit in Toronto, but Prime

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[98] *Reuters News* (October 26, 2009), "Japan finance minister to skip G20 next week-sources."
[99] *Reuters News* (October 7, 2009), "Canada to host G7 finance ministers early February."
[100] *South African Press Association* (October 30, 2009), "SA to Host G20 Tourism Summit."
[101] *Globe and Mail* (February 11, 2010), "G20 gathering booked for Toronto."
[102] *Globe and Mail* (December 8, 2009), "Security is summit's big challenge: Law enforcement agencies already have been working together for months."

Minister Harper had not announced or confirmed the location. Toronto was already planning to host three conferences of 10,000 attendees or more in June and the Metro Toronto Convention Centre, one possible location, was already booked for the entire month. Exhibition Place, where the Pope's 2002 visit took place, was another option. "Obviously we would bend over backwards," Exhibition Place chair Joe Pantalone said about the prospect of hosting the G20. "No decision has been made on the location," said Sarah MacIntyre, a spokesperson for Harper. The G20 summit will be preceded by the G8 summit, which will take place in Huntsville, Ontario. Tony Clement, minister of industry, was still trying to push the government to host the G20 in the same location. However, RCMP commissioner William Elliot said that hosting the G20 in Huntsville would be "difficult if not impossible."[103] (November 19, 2009, *Globe and Mail*)

Next Summit

The Korean summit will be held in Seoul on November 11-12, 2010. Just ahead of the summit, Korea will also be organizing a business summit on November 10-11 to establish networks among CEOs and provide an opportunity for dialogue between global CEOs and G20 leaders.[104] (February 11, 2010, *US Fed News*)

South Korean president Lee Myung-bak promised to step up efforts to reach out to non-members at the November G20 summit to narrow the development gap. "I cannot emphasize enough the importance of ensuring that the fruits of strong and sustainable growth are shared evenly among all countries, including the poorest," he said. "We will place on the agenda the establishment of what we call a 'Global Financial Safety Net' that can put in place a global mechanism for addressing such sudden reversals." The new arrangement seeks to build on the successful implementation of bilateral arrangements between central banks for dealing with sudden reversals of capital flows. The establishment of such a financial safety net will greatly contribute to the balanced growth of the global economy, now stricken by sharp differences in the level of development between advanced, emerging and poorer countries. "We will consult our G20 partners in placing development issues firmly on the agenda for the Seoul G20 summit," he said. "We will not limit our discussions to the G20 member countries, but instead will reach out to partners outside the G20. We will conduct extensive outreach efforts through consultations with the United Nations and regional bodies." Lee said Korea will take advantage of its experience and expertise with emerging and developing countries in formulating strategies for development. The president also announced a plan for a "Business Summit" in Seoul just ahead of the G20 summit to encourage the private sector, especially the business community, to play a bigger role in maintaining momentum for a recovery spurred by government-led stimulus measures. He reiterated his cautious approach toward exit strategies for rolling back expansionary fiscal and monetary policies and spoke out against protectionism. "An important task of the G20 is to follow up on the initiatives taken at previous summits on reform of financial regulation

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[103] *Globe and Mail* (November 19, 2009), "Seven months to go, G20 site still up in the air."
[104] *US Fed News* (February 11, 2010), "Views of Association of Southeast Asian Nations Sought for G20 Agenda."

toward a more resilient global financial system and the reform of international financial institutions such as the IMF and World Bank … In particular, concluding the Doha Development Agenda before the end of the year should be given the highest priority," he added. "It is time for the G20 to set the post-crisis agenda, and to build the platform that will ensure the sustained and balanced growth of the world economy in the months and years ahead … The November summit of the G20 in Seoul can be seen as the first major test of this new global forum as it attempts to establish itself as a regular feature of the framework for international economic cooperation."[105] (January 28, 2010, *Yonhap English News*)

South Korea will likely host a G20 summit on November 15, right after an APEC summit in Japan. Given the busy schedules of the leaders and officials of the G20, it would be timely to hold the summit then. The APEC summit is to be held in Yokohama from November 13-14. "The leaders of the G20 countries will be able to attend the Seoul summit right after the APEC meeting," said an official at the finance ministry. "We are preparing for the G20 summit on such scenario." The Convention and Exhibition Center (COEX) in Seoul is the likely venue for the summit.[106] (January 25, 2010, *Yonhap English News*)

While the fourth G20 Summit in Canada in June this year will focus on the agenda of the international economy's exit strategy from stimulus and recovery cycles, the Seoul meeting in November will delve into building a new economic order for the post-crisis era. Korean G20 planning officials are engaging in communications with various experts from the IMF, the World Bank, the WTO and many other international organizations to develop core agenda items for the summit. The committee has already reached agreements with the IMF and World Bank to hold joint workshops from February to April and is pursuing similar efforts with the OECD. Plans to encourage private sector participation are also being aggressively promoted by the committee at home and abroad. Seminars and conventions to be attended by domestic and foreign bank institutions are planned. The initial event of this sort was the committee's first meeting with the Washington D.C.-based Institute of International Finance in November last year. The presidential committee plans to finish writing the draft of the G20 Seoul Summit agenda by March. In the draft will be included the gist of discussions held by the Korean committee and its G20 counterparts. Major G20 agenda items discussed so far include sustainable economic development in the post-crisis era, a financial safety network, a trade safety network, structural reforms of international banking institutions and deregulation of the overall financial sector. Such international issues as development cooperation for developing and emerging economies, gathering financial resources to fight climate change, and food and energy security are also expected to be included in the main agenda items.[107] (January 21, 2009, *States News Service*)

[105] *Yonhap English News* (January 28, 2010), "S. Korean leader vows 'outreach' to non-G20 members."
[106] *Yonhap English News* (January 25, 2010), "S. Korea to hold G20 summit Nov. 15: officials."
[107] *States News Service* (January 19, 2010), "Presidential G20 Committee Begins to Flesh Out Agenda."

The upcoming G20 summit slated for November in Seoul will likely focus on discussing financial and energy issues, as well as establishing a cooperation framework for sustainable growth, a government official said. "It is necessary to discuss the challenges and pending issues facing the world," said Choi Hee-nam, director of the presidential preparatory committee for the summit. "Major agenda points in this summit are expected to include establishing a framework to achieve sustainable growth, revamping international financial institutes such as the International Monetary Fund and securing stability in the energy market." Choi also said that participating countries are expected to discuss ways to strengthen the financial safety net and narrow the development gap between countries.[108] (January 19, 2010, *Korea Times*)

Three "floating islands," secured by anchors in the Han River, will be completed to be used as venues for the November G20 summit in Korea. The islands will have convention halls and will be connected to downtown Seoul. A total of 96.4 billion won will be allocated for the construction. One facility, scheduled to open in February, has 3,271 square metres of floor space. A convention hall that can accommodate up to 376 people, will be built together with restaurants, gardens and footpaths. "We will complete all construction by September," an official said, adding that important functions will be held before November's G20 summit so as to ensure that there are no glitches in hosting the event.[109] (January 10, 2010, *Korea Times*)

Korea's hosting of the G20 summit in 2010 is expected to be a turning point for the country. Policymakers call the hosting a diplomatic triumph as the summit will provide a venue for major economies to set the future course for the global economy. It also provides Korea with a crucial opportunity to reflect voices from developing countries in reforming the global financial sector and creating a new economic landscape. At the Pittsburgh Summit in late September, Korea gained unanimous support from participating countries as the host of the fifth summit, slated for November 2010. Canada will host the fourth on June 26-27 in Toronto. Korea is the first Asian country to host the forum. In early November 2009, Seoul was selected as the host city and launched a presidential panel to prepare for the summit, aiming to make it the biggest and most successful premier economic forum. "The hosting is a remarkable achievement for Korea and the Korean people. I will propose diverse solutions to help the world achieve sustainable growth following the economic crisis and address the issues of climate change, poverty and energy crisis," said President Lee Myung-bak. The administration will focus on developing the agenda in close cooperation with Canada, global organizations and economists. "I feel a great deal of responsibility," said Sakong Il, chair of the Presidential Committee for the G20 Summit. "At the Seoul summit, we will play a leading role in forming key global economic policies. I hope it will create momentum for the country in becoming a global economic power." The summit will be the largest international forum ever held in Korea, drawing an estimated 10,000 participants, including the leaders of more than 25 countries and major international organizations. Korea will also hold meetings for economic ministers, business leaders and working-level officials at various locations nationwide to ensure effective policy coordination among

[108] *Korea Times* (January 19, 2010), "Financial, Energy Issues Likely On G20 Agendas."
[109] *Korea Times* (January 10, 2010), "Seoul to Host G20 Summit on 'Floating Islands' on Han River."

countries. The committee includes the minister of strategy and finance, the minister of foreign affairs and trade, the chair of the Financial Services Commission and most senior presidential secretaries. An advisory group of foreign economists and business leaders will also be formed soon. Former Financial Services Commission vice-chair Lee Chang-yong will serve as the panel's secretary general, leading working-level policy coordination with participating countries. As the host, Korea has the right to invite some non-G20 members to the summit. The countries will be selected in early 2010. Nothing has been decided yet on the topics on the agenda. Those will be formed following consultations with countries and global organizations. Lee may propose a global deal to stop the downward spiral of the global economy and tackle surging unemployment rates. "The president will urge the world to lower trade barriers, saying removing barriers for trade and investment is key to overcoming the global crisis and spurring economic growth," said presidential spokesman Park Sun-kyu. The country is upbeat about the prospect of the G20 becoming the world's premier economic forum, replacing the more elite G8, which has excluded major emerging economies. "The G20 gathering became a regular forum and adopted an institutional framework through the Pittsburgh Summit. The shift to G20 from G8 is now occurring," said Shin Je-yoon, deputy finance minister. "We will also try to strengthen the role of the International Monetary Fund to more effectively stabilize financial and macroeconomic conditions. The World Bank will be given more power to coordinate the development agenda in the developing world." At the upcoming talks, Korea aims to play a leading role in mapping out post-crisis global economic programs and represent the interests of emerging economies to help the world achieve a more balanced growth.[110] (December 9, 2009, *Korea Times*)

The government may pick the Convention and Exhibition Center (COEX) in southern Seoul as the main venue for the November G20 summit. The source said organizers gave COEX high marks mainly due to the high standard of accommodation that can be offered to visiting leaders, although there were some concerns about security and traffic control. The convention centre is located in the busy Gangnam district. The official said the Korea International Exhibition Centre northwest of Seoul was dropped because of various construction works nearby and a lack of good hotels in the immediate vicinity. "A proposal to hold the summit on an artificial islet on the Han River was not examined because of security considerations," he said, adding that plans are being considered to hold official dinners in one of Seoul's palaces. In addition to the selection of venues, the government is looking to host a "Business 20" meeting on the sidelines of the G20 so top CEOs can meet and discuss outstanding issues. Insiders said exact details on the official name or other aspects of the proposed business meeting have not been decided, but heads of top 20 business group of each G20 country may be invited.[111] (December 5, 2009, *Yonhap English News*)

The port city of Incheon on the west coast of South Korea is seeking to host the G20 summit. It will request the Korean government's cooperation to hold the meeting if the country is chosen as the host country. A city official said that the Songdo region is an

[110] *Korea Times* (December 9, 2009), "Korea Gears Up For G20 Seoul Summit."
[111] *Yonhap English News* (December 5, 2009), "COEX likely to become for next year's G20 summit: source."

optimal venue with its cutting-edge convention facilities and proximity to Incheon International Airport.[112] (August 15, 2009, *KBS World News — English Edition*)

6. Civil Society and Other G20 Related Activities

A gathering of business leaders from the G20 is being planned to coordinate with the summit in Seoul in November. The forum of the powerful business officials will be titled "B20," a senior government official said. "President Lee already discussed the plan with other leaders of the G20 nations when he attended the Asia-Pacific Economic Cooperation summit in Singapore last month … The discussion produced a plan for a global gathering of CEOs." The plan to hold the B20 conference on the sidelines of the G20 summit is aimed at examining the exit strategy from the stimulus packages used to counteract the global economic slowdown. "By November of next year, the world will mostly have escaped from the economic crisis, and the governments will begin implementing exit strategies from emergency measures taken to protect their economies," he said. "In the post-crisis days, investments and job creation by companies will become more important than fiscal stimulus plans to achieve stable development of the world economy." It remains unclear how many companies will be invited to attend the conference. "The G20 Seoul Summit preparation committee will consult with member nations on which companies will be invited … A plan to invite 20 companies each from the member nations was once discussed, but some said the discussions would be more efficient and substantial with fewer participants." Lee confirmed plans for the B20. "The world's 400 largest companies will visit Korea for the G20 [next year]," he said. "The top 20 companies of each G20 member nation will be invited for the gathering."[113] (December 7, 2009, *BBC Monitoring Asia Pacific*)

The Arab Society of Certified Accountants is organizing the "Arab Financial and Accounting Forum: The G20 Resolutions and Their Financial, Economic and Accounting Implications" in Beirut on December 22-23. The forum is an initiative of Talal Abu-Ghazaleh & Co. International and the Arab Society of Certified Accountants, in cooperation with the Bank of Lebanon, the Union of Arab Banks, the Association of Certified Accountants in Lebanon and the International Union of Arab Bankers. It will discuss various topics, including corporate governance, transparency test, stress test, cash flow test, fair value and hedging, securities, derivatives, investments and forensic accounting.[114] (December 2, 2009, *Al-Bawaba News*)

[112] *KBS World News – English Edition* (August 15, 2009), "Incheon Seeks to Host G20 Summit."
[113] *BBC Monitoring Asia Pacific* (December 7, 2009), "Top business leaders plan to meet in South Korea on G20 summit sidelines."
[114] *Al-Bawaba News* (December 2, 2009), "The Arab Financial and Accounting Forum to be held in Beirut to discuss the 'G20 Resolutions.'"

7. Appendices

List of Meetings

Leaders

- November 14-15, 2008: Summit on Financial Markets and the World Economy, Washington, DC
- April 1-2, 2009: London Summit, London, UK
- September 24-25, 2009: Pittsburgh Summit, Pittsburgh, U.S.
- June 26-27, 2010: Canadian-Korean Summit, Toronto, Ontario, Canada
- November 11-12, 2010: Korean Summit, Seoul, South Korea

Ministerials

- December 15-16, 1999: Meeting of G20 Finance Ministers and Central Bank Governors, Berlin, Germany
- October 25, 2000: Meeting of G20 Finance Ministers and Central Bank Governors, Montreal, Canada
- November 16-17, 2001: Meeting of G20 Finance Ministers and Central Bank Governors, Ottawa, Canada
- November 23, 2002: Meeting of G20 Finance Ministers and Central Bank Governors, New Delhi, India
- October 26-27, 2003: Meeting of G20 Finance Ministers and Central Bank Governors, Morelia, Mexico
- November 20-21, 2004: Meeting of G20 Finance Ministers and Central Bank Governors, Berlin, Germany
- October 15-16, 2005: Meeting of G20 Finance Ministers and Central Bank Governors, Xianghe, Hebei, China
- November 18-19, 2006: Meeting of G20 Finance Ministers and Central Bank Governors, Melbourne, Australia
- November 17-18, 2007: Meeting of G20 Finance Ministers and Central Bank Governors, Kleinmond, Cape Town, South Africa
- October 11, 2008: Meeting of G20 Finance Ministers and Central Bank Governors, Washington, DC
- November 8-9, 2008: Meeting of G20 Finance Ministers and Central Bank Governors, Sao Paulo, Brazil
- March 14-15, 2009: Meeting of G20 Finance Ministers and Central Bank Governors, Horsham, UK
- April 14, 2009: Meeting of G20 Finance Ministers and Central Bank Governors, Washington, DC
- November 6-7, 2009: Meeting of G20 Finance Ministers and Central Bank Governors, St. Andrews, Scotland, UK
- April 23-25, 2010: Meeting of Finance Ministers and Central Bank Governors, Washington, DC

- June 3-5, 2010: Meeting of G20 Finance Ministers and Central Bank Governors, Busan, Korea

Deputies

- February 27-28, 2010: Meeting of G20 Deputy Finance Ministers, Inchon, Songdo, Korea

G20 Leaders' Experience

(as of September 27, 2009)

Country	Leader	Most Recent Election	Next Election	# of G8 summits attended	# of G20 summit attended
Argentina	Cristina Fernández de Kirchner	28 Oct 2007	2011	0	3
Australia	Kevin Rudd	24 Nov 2007	By 16 April 2011	2	3
Brazil	Luiz Inácio Lula da Silva	29 Oct 2006	3 October 2010	6	3
Canada	Stephen Harper	14 Oct 2008	By 15 October 2012	4	3
China	Hu Jintao	15 Mar 2008	2013	6	3
France	Nicolas Sarkozy	22 Apr /6 May 2007	2012	3	3
Germany	Angela Merkel	18 Sep 2005	27 September 2009	4	3
India	Manmohan Singh	May 2009	By 2014	5	3
Indonesia	Susilo Bambang Yudhoyono	8 Jul 2009	2014	2	3
Italy	Silvio Berlusconi	13-14 Apr 2008	Variable	12	3
Japan	Yukio Hatoyama	30 Aug 2009	By 2014	0	1
Korea	Lee Myung-bak	19 Dec 2007	2012	2	3
Mexico	Felipe de Jesús Calderón Hinjosa	2 Jul 2006	2012	3	3
Russia	Dmitry Medvedev	2 Mar 2008	2012	2	3
Saudi Arabia	Adbullah bin Abdul Aziz Al Saud	NA	NA	0	3
South Africa	Jacob Zuma	22 Apr 2009	2014	1	1
Turkey	Tayyip Erdoğan	22 Jul 2007	Variable	1	3
UK	Gordon Brown	5 May 2005	By 3 June 2010	2	3
U.S.	Barack Obama	4 Nov 2008	November 2012	1	2
EU	José Manuel Barroso	4-7 June 2009	June 2014	5	3
Average				3.05	2.75

List of G20 Finance Ministers and Central Bank Governors, 1999-2009

Country	Finance Minister	Term	Central Bank Governor	Term
Argentina	Amado Boudou	July 8-	Martín Redrado	September 24, 2004-January 7, 2010
	Carlos Fernández	April 25, 2008-July 7, 2009	Alfonso Prat Gay	December 11, 2002-September 23, 2004
	Martín Lousteau	December 10, 2007-April 24, 2008	Aldo Pignanelli	June 25, 2002-December 10, 2002
	Miguel Gustavo	July 16, 2007-	Mario I. Blejer	January 28, 2002-June 24,

	Peirano	December 9, 2007		2002
	Felisa Miceli	November 28, 2005-July 15, 2007	Roque Maccarone	April 25, 2001-January 18, 2002
	Roberto Lavagna	April 27, 2002-November 27, 2005	Pedro Pou	August 5, 1996-April 24, 2001
	Jorge Remes Lenicov	January 3, 2002-April 27, 2002		
	Rodolfo Frigeri	December 23, 2001-December 30, 2001		
	Jorge Capitanich	December 21, December 22, 2001		
	Domingo Cavallo	March 20, 2001-December 19, 2001		
	Ricardo López Murphy	March 5, 2001-March 19, 2001		
	José Luis Machinea	December 10, 1999-March 2, 2001		
Australia	Wayne Swan	December 3, 2007-	Glenn Robert Stevens	September 18, 2005-
	Peter Costello	March 11, 1996-December 2, 2007	Ian John Macfarlane	September 1996-September 17, 2006
Brazil	Guido Mantega	March 27, 2006-	Henruique de Campos Meirelles	January 1, 2003-
	Antonio Palocci	January 1, 2003-March 27, 2006	Arminio Fraga Neto	April 3, 1999-January 1, 2003
	Pedro Malan	January 1, 1995-December 31, 2002		
Canada	James Flaherty	February 6, 2006-	Mark J. Carney	February 1, 2008-
	Ralph Goodale	December 12, 2003-February 6, 2006	David Dodge	February 1, 2001-January 31, 2008
	John Manley	June 2, 2002-December 12, 2003	Gordon Thiessen	February 1, 1994-January 31, 2001
	Paul Martin	November 4, 1993-June 2, 2002		
China	Xie Xuren	August 31, 2007-	Zhou Xiaochuan	December 2002-
	Jin Renqing	March 2003-August 30, 2007	Dai Xianglong	June 1995-December 2002
	Xiang Huaicheng	March 1998-March 2003		
France	Christine Lagarde	June 19, 2007-	Christian Noyer	November 1, 2003-
	Jean-Louis Borloo	May 18, 2007-June 19, 2007	Jean-Claude Trichet	September 1993-October 31, 2002
	Thierry Breton	February 25, 2005-May 18, 2007		
	Hervé Gaymard	November 30, 2004-February 25, 2005		
	Nicolas Sarkozy	March 31, 2004-November 28, 2004		
	Fracis Mer	May 7, 2002-March 31, 2004		
	Laurent Fabius	March 28, 2000-May 7, 2002		
	Christian Sautter	November 2, 1999-March 28, 2000		
Germany	Wolfgang	October 28, 2009-	Axel A. Weber	April 30, 2004-

	Schäubble			
	Peer Steinbrück	November 22, 2005-October 27, 2009	Ernst Welteke	September 1, 1999-April 16, 2004
	Hans Eichel	April 12, 1999-November 21, 2005		
India	Pranab Mukherjee	January 24, 2009-	D. Subbarao	September 5, 2008-
	Manmohan Singh	November 30, 2008-January 24, 2009	Y.V. Reddy	September 6, 2003-September 5, 2008
	P. Chidambaram	May 22, 2004-November 20, 2008	Bimal Jalan	November 22, 1997-September 5, 2003
	Jaswant Singh	July 2002-May 21, 2004		
	Yashwant Sinha	March 1998-July 2002		
Indonesia	Sri Mulyani Indrawati	December 7, 2005-	Vacant	
	Jusuf Anwar	October 20, 2004-December 7, 2005	Boediono	2008-May 19, 2009
	Boediono	August 9, 2001-August 20, 2004	Burhanuddin Abdullah	2003-2008
	Rizal Ramli	June 12, 2001-August 9, 2001	Syahril Sabirin	1998-2003
	Prijadi Praptosuhardjo	August 26, 2000-June 12, 2001		
	Bambang Sudibyo	October 23, 1999-August 26, 2000		
Italy	Giulio Tremonti	May 8, 2008-	Mario Draghi	January 16, 2006-
	Tommaso Padoa-Schioppa	May 17, 2006-May 8, 2008	Antonio Fazio	April 28, 1993- December 19, 2005
	Giulio Tremonti	April 23, 2005, May 17, 2006		
	Domenico Siniscalco	July 16, 2004-September 22, 2005		
	Silvio Berlusconi	July 3, 2004-July 16, 2004		
	Giulio Tremonti	June 11, 2001-July 3, 2004		
	Vincenzo Visco	April 25, 2000-July 10, 2001		
	Giuliano Amato	May 13, 1999-April 25, 2000		
Japan	Naoto Kan	January 6, 2010-	Masaaki Shirakawa	April 9, 2008-
	Hirohisa Fujii	September 16, 2009-January 6, 2010	Toshihiko Fukui	March 20, 2003-March 19, 2009
	Kaoru Yosano	February 18, 2009-September 15, 2009	Masaru Hayami	March 20, 1998-March 19, 2003
	Shoichi Nakagawa	September 24, 2008-February 17, 2009		
	Bunmei Ibuki	August 1, 2008-September 24, 2008		
	Fukushiro Nukaga	August 27, 2007-July 31, 2008		
	Koji Omi	September 26, 2006-August 26, 2007		
	Sadakazu Tanigaki	September 22, 2003-		

		September 26, 2006		
	Masajuro Shiokawa	2002-2003		
	Kiichi Miyazawa	July 1999-January 31, 2001		
Korea	Yoon Jeung-Hyun	February 10, 2009-	Seongtae Lee	April 1, 2006-
	Kang Man Soo	February 2008-February 2009	Seung Park	April 2002-March 2006
	Okyu Kwon	July 18, 2006-February 25, 2008	Chol-Hwan Chon	1998-April 2002
	Deog Su Han	March 2005-July 2006		
	Hun-Jai Lee	February 2004-March 2005		
	Jin-pyo Kim	February 2003-February 2004		
	Yun Churl Jeon	April 2002-February 2003		
	Nyum Jin	August 2000-April 2002		
	Hun-Jae Lee	January 2000-August 2000		
	Bong kyun Kang	May 1999-January 2000		
Mexico	Ernesto J. Cordero	December 9, 2009-	Agustín Carstens	January 1, 2010-
	Agustín Carstens	December 1, 2006-December 9, 2009	Guillermo Ortiz Martínez	January 1, 1998-December 31, 2009
	Francisco Gil Díaz	December 1, 2000-November 30, 2006		
	J. Ángel Gurría	January 1, 1998-November 30, 2000		
Russia	Alexei Leonidovich Kudrin	May 7, 2000-	Sergey M. Ignatyev	March 20, 2002-
	Mikhail Kasyanov	May 1999-May 2000	Viktor Vladimirovich Gerashchenko	1991-March 2002
Saudi Arabia	Ibrahim Abdulaziz Al-Assaf	January 1996-	Muhammed Al-jasser	February 28, 2009-
			Hamad Ibn Saud Al-Sayari	1983-February 27, 2009
South Africa	Pravin Jamnadas Gordhan	May 11, 2009	Gill Marcus	November 9, 2009-
	Trevor Manuel	1996-May 10, 2009	Tito Mboweni	August 8, 1999-November 9, 2009
Turkey	Mehmet Şimşek	May 1, 2009-	Durmuş Yilmaz	April 18, 2006-
	Kemal Unakitan	November 19, 2002-May 1, 2009	Süreyya Serdengeçti	March 14, 2001-March 13, 2006
	Sümer Oral	May 28, 1999-November 19, 2002	Gazi Erçel	April 1996-March 13, 2001
UK	Alistair Darling	June 28, 2007-	Mervyn A. King	June 30, 2003-
	Gordon Brown	May 2, 1997-June 27, 2007	Edward A. J. George	1993-June 30, 2003
U.S.	Timothy Geithner	January 26, 2009-	Ben Bernanke	February 1, 2006-
	Henry Paulson	July 3, 2006-January	Alan Greenspan	August 11, 1983-January

		20, 2009		31, 2006
	John Snow	February 3, 2003-June 28, 2006		
	Paul O'Neill	January 20, 2001-December 31, 2002		
	Lawrence Summers	July 2, 1999-January 20, 2001		
EU	Represented by the finance minister of the country holding the Presidency of the Council of the EU		Jean-Claude Trichet	November 1, 2003-
			Wim Duisenberg	July 1, 1998-October 30, 2003

Members of G20, Gleneagles Dialogue and Major Economies Forum

G20 Leaders/Finance	Gleneagles Dialogue	Major Economies Forum
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 Beunos 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 Letícia 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 was re-elected prime minister of India in May 2009. He was first elected in 2004 when he replaced Atal Bihari Vajpayee. 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 re-elected president in July 2008. He first 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 Yukio Hatoyama was elected prime minister of Japan on August 30, 2009, replacing Taro Aso, who held the position since September 24, 2008. Before entering into politics, he worked as a professor. In 1998 he was instrumental in the merging of several parties to create the 'new' Democratic Party of Japan and led the party from 1999 to 2002 began again assuming the leadership in May 2009. Hatoyama was first elected to the House of Representatives in 1986 and has been re-elected seven times since then. He was born in Tokyo on February 11, 1947. He studied engineering at Tokyo University and went on to complete his PhD at Stanford University. He and his wife, Miyuki Hatoyama, have one son.

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 Michaocán. 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 Vladmir 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 Adbul 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 Jacob Zuma became president of South Africa on May 9, 2009, succeeding Petrus Kgalema Motlanthe, who had held the position since September 2008. Zuma joined the ANC in 1958 and started serving in the National Executive committee of the African National Congress (ANC) in 1977. In 1994, Zuma was elected National Chair of the ANC and chair of the ANC in KwaZulu-Natal. He was re-elected to the latter position in 1996 and selected as the deputy president of the ANC in December 1997. Zuma was appointed executive deputy president of South Africa in 1999. He held that position until 2005 and was elected ANC president at the end of 2007. He was born April 12, 1949, in Inkandla, KwaZulu-Natal Province. He has three wives and several children.

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 Istabul 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 Kikcaldy 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 of America's 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 José Luis Rodríguez Zapatero** has been prime minister of Spain since April 17, 2004. Spain assumed the six-month presidency of the European Council from Sweden on January 1, 2010. Spain will represent the EU at the G8 and G20 summits in Canada in June 2010. Before entering into politics Zapatero worked as a teaching assistant. Born on August 4, 1960, in Valladolid, Spain, he studied law at the University of León. He is married to Sonsoles Espinosa and has two children.

The **European Union's José Manuel Barroso** became president of the European Commission on November 23, 2004. He was re-elected to the position on September 16, 2009. 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[115]

(as of 10 January 2010)

Argentina

Polity	
Political party:	Frente para la Victoria (FV)/Justicialist Party
Head of State:	President Cristina Fernandez de Kirchener
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 (official exchange rate):	$324.8 billion (2008 est.)
Predicted change:	-2.5% (2009); 1.5% (2010)
Composition by sector:	9.2%-agriculture; 34.1%-industry; 56.7%-services (2008 est.)
Central Bank interest rate:	NA
Official reserve assets:	$48,908.23 million (Oct. 2009)
Foreign currency reserves:	$43,752.38 (Oct. 2009) [in convertible foreign currencies]
Securities:	$5,116.79 million (Oct. 2009)
IMF reserve position:	$0.31 million (Oct. 2009)

[115] Complied by Harry Skinner, Senior Researcher, G20 Research Group and Sophie Langois, Researcher, G20 Research Group.

Special Drawing Rights:	$ 3,216.86 million (Oct. 2009)
Gold:	$1,829.02 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$ -54.47 million (Oct. 2009)
Loans to nonbank residents:	$130.66 million (Oct. 2009)
Other reserve assets:	$33.48 million (Oct. 2009)
(IMF	
Commercial Bank prime lending rate:	28.00% (2009, 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):	23.2% of GDP (2008 est.)
Current account balance:	$7.6 billion (latest year, Q4 2008)
Budget:	$86.65 billion-revenues; $82.85 billion-expenditures (2008 est.)
Budget balance:	-0.8% of GDP (2009 forecast)
Public debt:	48.5% of GDP (Q4 2008) [cumulative debt of all government borrowing]
Exchange rates (per USD):	3.70 (6 May 2009); 3.18 (6 May 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:	$52.31 billion (31 Dec. 2008)
Distribution of family income-Gini index:	49.0 (Jan-Mar. 2007)
Unemployment rate:	7.8% (Sep. 2008)
Labour force:	16.27 million (2008 est.) [urban areas only]
Oil Production:	38th (world rank, 2008)
Oil Consumption:	29th (world rank, 2008)
Natural Gas Production:	21st (world rank, 2008)
Natural Gas Consumption:	18th (world rank, 2008)

Military

Military Expenditures:	1.3% of GDP; 120th in world rank (2005)

Markets

MERV index:	2,352.760 (10 Jan 2010)
% change on 31 Dec. 2008:	+30.6 (local currency); +21.8 ($ terms)

Trade

Trade balance:	$13.6 billion (last 12 months, May. 2009)
Trade to GDP ratio:	45.2 (2006-2008)
Exports:	$70.02 billion f.o.b. (2008 est.)
Top export partners:	Brazil (18.9%); E.U. (18.8%); China (9.1%); United States (7.9%); Chile (6.7%) (2008)
Imports:	$54.56 billion f.o.b. (2008 est.)
Top import partners:	Brazil (31.3%); EU (15.7%); China (12.4%); U.S. (12.2%); Paraguay (3.1%) (2008)

Australia

Polity	
Political party:	Australian Labour Party
Head of State:	Prime Minister Kevin Rudd
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 (official exchange rate):	$1.013 trillion (2008 est.)
Predicted change:	-2.1% (Q1 2009); -0.7% (2009)
Composition by sector:	2.5%-agriculture; 26.4%-industry; 71.1%-services (2008 est.)
Central Bank interest rate:	3.00% (7 Apr. 2009)
Official reserve assets:	$44,768.56 million (Oct. 2009)
Foreign currency reserves:	$39,912.34 (Oct. 2009) [in convertible foreign currencies]
Securities:	$34,500.12 million (Oct. 2009)
IMF reserve position:	$1,143.96 million (Oct. 2009)
Special Drawing Rights:	$ 4,680.67 million (Oct. 2009)
Gold:	$2,661.04 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$ -0.66 million (Oct. 2009)
Loans to nonbank residents:	$0.00 (Oct. 2009)
Other reserve assets:	$371.20 million (Oct. 2009)
Commercial Bank prime lending rate:	8.91% (31 Dec. 2008)
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:	0.9%-lowest 10%; 38.2%-highest 10% (2004)
Inflation rate (consumer prices):	4.4% (2008 est.)
Investment (gross fixed):	27.6% of GDP (2008 est.)
Current account balance:	$-44.1 billion (latest year, Q4 2008)
Budget:	$350.3 billion-revenues; $332.4 billion-expenditures (2008 est.)
Budget balance:	-3.3% of GDP (2009)
Public debt:	14.7% of GDP (2008 est.)
Exchange rates (per USD):	1.34 (6 May. 2009); 1.06 (6 May. 2008)
Economic aid-donor:	$2.9899 billion (2006-2007 expected) [ODA]
Debt-external:	$799.8 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$366.5 billion-at home; $197.2 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:	4.2% (Dec. 2008)
Labour force:	11.25 million (2008 est.)

Oil Production:	30^{th} (world rank, 2008)
Oil Consumption:	21^{st} (world rank, 2008)
Natural Gas Production:	20^{th} (world rank, 2008)
Natural Gas Consumption:	26^{th} (world rank, 2008)

Military

Military Expenditures:	2.4% of GDP; 69^{th} in world rank (2006)

Markets

All Ord. index:	4,981.400 (10 Jan. 2010)
% change on 31 Dec. 2008:	+4.9 (local currency); +11.2 ($ terms)

Trade

Trade balance:	$+5.2 billion (latest year, Mar. 2009)
Trade to GDP ratio:	46.1(2006-2008)
Exports:	$189.9 billion (2008 est.)
Top export partners:	Japan (22.8%); China (14.6%); E.U. (10.5%); Korea, Republic of (8.3%); India (6.1%) (2008)
Imports:	$194.2 billion (2008 est.)
Top import partners:	E.U (21%); China (15.6%); U.S. (12%); Japan (9%); Singapore (7.2%) (2008)

Brazil

Polity

Political party:	Workers' Party (PT)
Head of State:	President Luiz Lula de Silva
Most recent election: tenacious	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 (official exchange rate):	$1.573 trillion (2008 est.)
Predicted change:	-13.6% (Q1 2009); -1.5% (2009)
Composition by sector:	6.7%-agriculture; 28%-industry; 65.3%-services (2008 est.)
Central Bank interest rate:	10.25% (29 Apr. 2009)
Official reserve assets:	$231,122.62 million (Oct. 2009)
Foreign currency reserves:	$220,508.37 million (Oct. 2009) [in convertible foreign currencies]
Securities:	$211,853.59 million (Oct. 2009)
IMF reserve position:	$645.14 million (Oct. 2009)
Special Drawing Rights:	$4,590.38 million (Oct. 2009)
Gold:	$1,123.69 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$1.12 million (Oct. 2009)
Loans to nonbank residents:	$65.55 million (Oct. 2009)
Other reserve assets:	$4,188.38 million (Oct. 2009)
Commercial Bank prime lending rate:	47.25% (31 Dec. 2008)

Stock of money:	$95.03 billion (31 Dec. 2008)
Stock of quasi money:	$724.5 billion (31 Dec. 2008)
Stock of domestic credit:	$1.249 trillion (31 Dec. 2008)
Household income or consumption by % share:	0.9%-lowest 10%; 44.8%-highest 10% (2004)
Inflation rate (consumer prices):	5.7% (2008 est.)
Investment (gross fixed):	19% of GDP (2008 est.)
Current account balance:	$-23.0 billion (latest year, Mar. 2009)
Budget:	NA
Budget balance:	-2.0% of GDP (2009 est.)
Public debt:	38.8% of GDP (2008 est.)
Exchange rates (per USD):	2.12 (6 May 2009); 1.67 (6 May 2008)
Economic aid-recipient:	$191.9 million (2005)
Debt-external:	$262.9 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$294 billion-at home; $127.5 billion-abroad (2008 est.)
Market value of publicly traded shares:	$589.4 billion (31 Dec. 2008)
Distribution of family income-Gini index:	56.7 (2005)
Unemployment rate:	8.5% (Feb. 2008)
Labour force:	100.9 million (2008 est.)

Military

Military Expenditures:	2.6% of GDP; 62nd in world rank (2006)

Markets

BVSP index:	70,262.7031 (10 Jan. 2010)
% change on 31 Dec. 2008:	+37.1 (local currency); +50.7 ($ terms)

Trade

Trade balance:	$27.0 billion (latest year, Apr. 2009)
Trade to GDP ratio:	26.2 (2006-2008)
Exports:	$197.9 billion f.o.b. (2008 est.)
Top export partners:	E.U. (23.5%); U.S. (14%); Argentina (8.9%); China (8.3%); Japan (3.1%) (2008)
Imports:	$173.1 billion f.o.b. (2008 est.)
Top import partners:	E,U, (20.9%); U.S. (14.9%); China (11.6%); Argentina (7.7%); Japan (3.9%); (2008)
Oil Production:	13th (world rank, 2008)
Oil Consumption:	8th (world rank, 2008)
Natural Gas Production:	39st (world rank, 2008)
Natural Gas Consumption:	32nd (world rank, 2008)

Canada

Polity

Political party:	Conservative Party of Canada
Head of Govt:	Prime Minster Stephen Harper
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 (official exchange rate):	$1.6 trillion (2008 est.)
Predicted change:	-0.7% (Q4 2008); -2.3% (2009)
Composition by sector:	2.0%-agriculture; 28.4%-industry; 69.6%-services (2008 est.)
Central Bank interest rate:	0.25% (21 April. 2009)
Official reserve assets:	$56,236.00 million (Oct. 2009)
Foreign currency reserves:	$44,323.00 million (Oct. 2009) [in convertible foreign currencies]
Securities:	$43,378.00 million (Oct. 2009)
IMF reserve position:	$2,459.00 million (Oct. 2009)
Special Drawing Rights:	$9,341.00 million (Oct. 2009)
Gold:	$113.00 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (Oct. 2009)
Loans to nonbank residents:	$0.00 (Oct. 2009)
Other reserve assets:	$0.00 (Oct. 2009)
Commercial Bank prime lending rate:	4.73% (31 Dec. 2008)
Stock of money:	$356.2 billion (31 Dec. 2008)
Stock of quasi money:	$1.299 trillion (31 Dec. 2008)
Stock of domestic credit:	$2.335 trillion (31 Dec. 2008)
Household income or consumption by % share:	2.6%-lowest 10%; 24.8%-highest 10% (2000)
Inflation rate (consumer prices):	1.0 % (Jan. 2009 est.)
Investment (gross fixed):	22.6% of GDP (2008 est.)
Current account balance:	$11.3 billion (latest year, Q4 2008)
Budget:	$608.3 billion-revenues; $606.0 billion-expenditures (2008 est.)
Budget balance:	-2.5% of GDP (2009)
Public debt:	62.3% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	1.18 (6 May 2009); 1.02 (May 2008)
Economic aid-donor:	$ 4. 079 billion (2007) [ODA]
Debt-external:	$781.1 billion (31 Dec. 2008)
Stock of direct foreign investment:	$433.4 billion-at home; $520.7 billion-abroad (31 Dec. 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:	8.0% (Mar. 2009)
Labour force:	18.22 million (2008 est.)
Oil Production:	6th (world rank, 2008)
Oil Consumption:	10th (world rank, 2008)
Natural Gas Production:	4st (world rank, 2008)
Natural Gas Consumption:	10nd (world rank, 2008)

Military

Military Expenditures:	1.1% of GDP; 132nd in world rank (2005)

Markets

S&P TSX index:	11, 953.83 (10 Jan. 20 10)

% change on 31 Dec. 2008:	+12.9 (local currency); +18.5 ($ terms)

Trade

Trade balance:	$37.1 billion (latest year, Feb. 2009)
Trade to GDP ratio:	70.9 (2006-2008)
Exports:	$459.1 billion (2008 est.)
Top export partners:	U.S. (77.6%); E.U. (7.5%); Japan (2.3%); China (2.2%); Mexico (1.2%) (2008)
Imports:	$415.2 billion (2008 est.)
Top import partners:	U.S. (52.4%); E.U. (12.5%); China (9.8%); Mexico (4.1%); Japan (3.5%) (2008)

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. 327 trillion (2008 est.)
Predicted change:	6.1% (Q1 2009); 6.5% (2009)
Composition by sector:	11.3%-agriculture; 48.6%-industry; 40.1%-services (2008 est.)
Central Bank interest rate:	5.31% (22 Dec. 2008)
Official reserve assets:	NA
Foreign currency reserves:	1, 953.7 billion (Mar. 2009)
Securities:	NA
IMF reserve position:	$1,286.78 million (Feb. 2009)
Special Drawing Rights:	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:	5.31% (31 Dec. 2008)
Stock of money:	$2.434 trillion (31 Dec. 2008)
Stock of quasi money:	$4.523 trillion (31 Dec. 2008)
Stock of domestic credit:	$4.653 trillion (31 Dec. 2008)
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:	$400.7 billion (latest year, Q2 2008)
Budget:	$847.8 billion-revenues; $861.6 billion-expenditures (2008 est.)
Budget balance:	-3.5% of GDP (2009)
Public debt:	15.7% of GDP (2008 est.) [cumulative debt of all government borrowing]

Exchange rates (per USD):	6.82 (May 2009); 6.99 (Mar. 2008)
Economic aid-recipient:	$1.331 billion (2007) [ODA]
Debt-external:	$420.8 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$758.9 billion-at home (2007 est.); $149.33 billion-abroad (2008 est.)
Market value of publicly traded shares:	$2.794 trillion (31 Dec. 2008)
Distribution of family income-Gini index:	47.0 (2007)
Unemployment rate:	4.0% (2008 est.)
Labour force:	807.3 million (2008 est.)
Oil Production:	5th (world rank, 2008)
Oil Consumption:	3rd (world rank, 2008)
Natural Gas Production:	11th (world rank, 2008)
Natural Gas Consumption:	12th (world rank, 2008)

Military

Military Expenditures:	4.3% of GDP; 25th in world rank (2006)

Markets

SSEA index:	3,397.15 (10 Jan. 2010)
% change on 31 Dec. 2008:	+42.3 (local currency); +42.4 ($ terms)
SSEB index ($ terms):	255.75 (10 Jan. 2010)
% change on 31 Dec. 2008:	+52.0 (local currency); +52.0 ($ terms)

Trade

Trade balance:	$316.9 billion (latest year, Mar. 2009)
Trade to GDP ratio:	73.4 (2006-2008)
Exports:	$1.435 trillion (2008 est.)
Top export partners:	E.U. (20.5%); U.S. (17.7%); Hong Kong, China (13.4%); Japan (8.4%); Japan (8.1%); South Korea (5.2%) (2008)
Imports:	$1.074 trillion (2008 est.)
Top import partners:	Japan (13.3%); E.U. (11.7%); South Korea (9.9%); Taipei, Chinese (9.1%); China (8.2%) (2008)

France

Polity

Political party:	Union for a Popular Movement (UMP)
Head of Government:	President Nicolas Sarkozy
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 (official exchange rate):	$2.867 trillion (2008 est.)
Predicted change:	-1.0% (Q4 2008); -1.9% (2009)
Composition by sector:	2%-agriculture; 20.4%-industry; 77.6%-services (2008 est.)
Central Bank interest rate:	1.0% (May. 2009) [European Monetary Union]

Official reserve assets:	$126,421.60 million (Oct. 2009)
Foreign currency reserves:	$26,256.68 million (Oct. 2009) [in convertible foreign currencies]
Securities:	$19,330.28million (Oct. 2009)
IMF reserve position:	$3,668.92million (Oct. 2009)
Special Drawing Rights:	$ 15,403.84 million (Oct. 2009)
Gold:	$81,092.16 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (Oct. 2009)
Loans to nonbank residents:	$0.00 (Oct. 2009)
Other reserve assets:	$0.00 (Oct. 2009)
Commercial Bank prime lending rate:	8.13% (2008)
Stock of money:	NA
Stock of quasi money:	NA
Stock of domestic credit:	$4.102 trillion (31 Dec. 2008)
Household income or consumption by % share:	3.0%-lowest 10%; 24.8%-highest 10% (2004)
Inflation rate (consumer prices):	2.8% (2008 est.)
Investment (gross fixed):	21 .9% of GDP (2008 est.)
Current account balance:	$-54.4 billion (latest year, Feb. 2009)
Budget:	$1.407 trillion-revenues; $1.506 trillion-expenditures (2008 est.)
Budget balance:	-6.6% of GDP (2009)
Public debt:	68.1% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.75 (6 May 2009); 0.65 (May 2008)
Economic aid-donor:	$9. 883 billion (2007) [ODA]
Debt-external:	$5.37 trillion (30 Sept. 2008)
Stock of direct foreign investment:	$1.234 trillion-at home; $1.889 trillion-abroad (2008 est.)
Market value of publicly traded shares:	$2.771 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	32.7 (2008)
Unemployment rate:	8.8% (Mar. 2009)
Labour force:	27.97 million (2008 est.)
Oil Production:	57th (world rank, 2008)
Oil Consumption:	13th (world rank, 2008)
Natural Gas Production:	64st (world rank, 2008)
Natural Gas Consumption:	16nd (world rank, 2008)

Military

Military Expenditures:	2.6% of GDP; 61 in world rank (2005)

Markets

CAC 40 index:	4, 045.14 (10 Jan. 2010)
% change on 31 Dec. 2008:	+2.0 (local currency); -2.4 ($ terms)

Trade

Trade balance:	$-79.1 billion (latest year, Mar. 2009)
Trade to GDP ratio:	55.2 (2006-2008)
Exports:	$601.9 billion f.o.b. (2008 est.)
Top export partners:	E.U. (63.6%); U.S. (5.9%); Switzerland (3.0%); China (2.2%); Russian Federation (1.7%); (2008)
Imports:	$692 billion f.o.b. (2008 est.)

Top import partners:	E.U. (60.3%); China (6.5%); United States (5.5%); Russian Federation (2.9%); Switzerland (2.3%) (2008)

Germany

Polity

Political party:	Christian Democratic Union (CDU-CSU)
Most recent election:	23 May 2009
Head of Government:	Chancellor Angela Merkel
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 (official exchange rate):	$3.673 trillion (2008 est.)
Predicted change:	-1.7% (Q4 2008); -5.2% (2009)
Composition by sector:	0.9%-agriculture; 30.1%-industry; 69.0%-services (2008 est.)
Central Bank interest rate:	1.0% (May 2009) [European Monetary Union]
Official reserve assets:	$176,984.32 million (Oct. 2009)
Foreign currency reserves:	$38,629.48 million (Oct. 2009) [in convertible foreign currencies]
Securities:	$26,119.04 million (Oct. 2009)
IMF reserve position:	$4,552.48 million (Oct. 2009)
Special Drawing Rights:	$19,368.76 (Oct. 2009)
Gold:	$114,433.60 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (Oct. 2009)
Loans to nonbank residents:	$0.00 (Oct. 2009)
Other reserve assets:	$0.00 (Oct. 2009)
Commercial Bank prime lending rate:	5.97% (31 Dec. 2008)
Stock of money:	NA
Stock of quasi money:	NA
Stock of domestic credit:	$5.019 trillion (31 Dec. 2008)
Household income or consumption by % share:	3.2%-lowest 10%; 22.1%-highest 10% (2000)
Inflation rate (consumer prices):	2.7% (2008 est.)
Investment (gross fixed):	19.2% of GDP (2008 est.)
Current account balance:	$206.2 billion (latest year, Feb. 2009)
Budget:	$1.591 trillion-revenues; $1.591 trillion-expenditures (2008 est.)
Budget balance:	-4.4% of GDP (2009)
Public debt:	66% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.75 (May 2009); 0.65 (May. 2008)
Economic aid-donor:	$12. 290 billion (2007) [ODA]
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:	8.1% (Mar. 2009)
Labour force:	43.62 million (2008 est.)
Oil Production:	6th (world rank, 2008)
Oil Consumption:	10th (world rank, 2008)
Natural Gas Production:	4st (world rank, 2008)
Natural Gas Consumption:	10nd (world rank, 2008)

Military

Military Expenditures:	1.5% of GDP; 109th in world rank (2005)

Markets

DAX index:	6,037.61 (10 Jan. 2010) [total return index]
% change on 31 Dec. 2008:	+1.5 (local currency); -2.9 ($ terms)

Trade

Trade balance:	$234.6 billion (latest year, Feb. 2009)
Trade to GDP ratio:	87.4 (2006-2008)
Exports:	$1.53 trillion f.o.b. (2008 est.)
Top export partners:	E.U. (63.7%); U.S. (7.2%); Switzerland (4.0%); China (3.4%); Russia (3.2%) (2008)
Imports:	$1.202 trillion f.o.b. (2008 est.)
Top import partners:	E.U. (58.5%); China (7.2%); U.S. (5.6%); Russia (4.4%); Switzerland (3.8%) (2008)

India

Polity

Political party:	Indian National Congress
Head of Government:	Prime Minister Manmohan Singh
Most recent election:	July 2007
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 (official exchange rate):	$1.207 trillion (2008 est.)
Predicted change:	5.3% (Q4 2008); 5.0% (2009)
Composition by sector:	17.2%-agriculture; 29.1%-industry; 53.7%-services (2008 est.)
Central Bank interest rate:	4.75% (21 Apr. 2009)
Official reserve assets:	$284,391.00 million (Oct. 2009)
Foreign currency reserves:	$266,768.00 million (Oct. 2009) [in convertible foreign currencies]
Securities:	$150,662.00 million (Oct. 2009)
IMF reserve position:	$1,581.00 million (Oct. 2009)
Special Drawing Rights	$5,242.00 (Oct. 2009)
Gold:	$10,800.00 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (Oct. 2009)
Loans to nonbank	

residents:	$0.00 (Oct. 2009)
Other reserve assets:	$0.00 (Oct. 2009)
Commercial Bank prime lending rate:	8.5% (31 Jan. 2009)
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):	39% of GDP (2008 est.)
Current account balance:	$-37.5 billion (latest year, Q4 2008)
Budget:	$126.7 billion-revenues; $202.6 billion-expenditures (2008 est.)
Budget balance:	-7.7% of GDP (2009)
Public debt:	78.0% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	49.6 (7 May 2009); 41.4 (May. 2008)
Economic aid-recipient:	$903.19 million (2007)
Debt-external:	$229.3 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$144.2 billion-at home; $61.77 billion-abroad (2008 est.)
Market value of publicly traded shares:	$650 billion (31 Dec. 2008)
Distribution of family income-Gini index:	36.8 (2004)
Unemployment rate:	9.1% (2008 est.)
Labour force:	523.5 million (2008 est.)
Oil Production:	23rd (world rank, 2008)
Oil Consumption:	5th (world rank, 2008)
Natural Gas Production:	26st (world rank, 2008)
Natural Gas Consumption:	19th (world rank, 2008)

Military

Military Expenditures:	2.5% of GDP; 66th in world rank (2006)

Markets

BSE index:	17,672.09 (6 May 2010)
% change on 31 Dec. 2008:	+23.9 (local currency); +21.7 ($ terms)

Trade

Trade balance:	$-109.0 billion (latest year, Mar. 2009)
Trade to GDP ratio:	47.6 (2006-2008)
Exports:	$187.9 billion (2008 est.)
Top export partners:	E.U. (21.6%); U.S. (11.8%); UAE (10.5%); China (5.6%); Singapore (4.9%) (2008)
Imports:	$315.1 billion (2008 est.)
Top import partners:	E.U. (13.9%); China (10.0%); U.S. (7.8%); Saudi Arabia (7.3%); UAE (6.2%) (2008)

Indonesia

Polity

Political party:	Democratic Party

Head of Government:	President Susilo Bambang Yudhoyono
Most recent election:	8 July 2009
Government:	Lower House — Minority; Upper House — None
Political system:	Presidential
Legislature:	Bicameral, elected House of People's Representatives, elected House of Regional Representatives
Capital:	Jakarta
Official language:	Indonesian

Economy

Currency:	Rupiah (Rp)
GDP (official exchange rate):	$511.8 billion (2008 est.)
Predicted change:	5.2% (Q4 2008); -1.4% (2009)
Composition by sector:	13.5%-agriculture; 45.6%-industry; 40.8%-services (2008 est.)
Central Bank interest rate:	7.25% (May 2009)
Official reserve assets:	$64,528.45 million (Oct. 2009)
Foreign currency reserves:	$58,862.90 million (Oct. 2009) [in convertible foreign currencies]
Securities:	$57,439.61 million (Oct. 2009)
IMF reserve position:	$230.90 (Oct. 2009)
Special Drawing Rights:	$2,797.78 million (Oct. 2009)
Gold:	$2,442.10 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (Oct. 2009)
Loans to nonbank residents:	$0.00 (Oct. 2009)
Other reserve assets:	$194.77 million (Oct. 2009)
Commercial Bank prime lending rate:	13.6% (31 Dec. 2008)
Stock of money:	$41.71 billion (31 Dec. 2008)
Stock of quasi money:	$131.5 billion (31 Dec. 2008)
Stock of domestic credit:	$166.2 billion (31 Dec. 2008)
Household income or consumption by % share:	3.0%-lowest 10%; 32.3%-highest 10% (2006)
Inflation rate (consumer prices):	11.1% (2008 est.)
Investment (gross fixed):	23.6% of GDP (2008 est.)
Current account balance:	$7.3 billion (latest year, Mar 2009)
Budget:	$92.62 billion-revenues; $98.88 billion-expenditures (2008 est.)
Budget balance:	-2.9% of GDP (2009)
Public debt:	29.3% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	10,410.0 (6 May 2009); 9,225.0 (May. 2008)
Economic aid-recipient:	$362.09 million (2007 est.) [ODA]
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:	$98.76 billion (31 Dec. 2008)
Distribution of family income-Gini index:	39.4 (2005)
Unemployment rate:	8.4% (Aug. 2008)
Labour force:	112.0 million (2008 est.)
Oil Production:	22nd (world rank, 2008)
Oil Consumption:	17th (world rank, 2008)
Natural Gas Production:	13th (world rank, 2008)
Natural Gas Consumption:	24th (world rank, 2008)

Military

Military Expenditures:	3% of GDP; 50th in world rank (2005)

Markets

JSX index:	2,645.79 (10 Jan. 2010)
% change on 31 Dec. 2008:	+32.7 (local currency); +38.9 ($ terms)

Trade

Trade balance:	$7.3 billion (latest year, Mar. 2009)
Trade to GDP ratio:	60.4 (2005-2007)
Exports:	$139.3 billion f.o.b. (2008 est.)
Top export partners:	Japan (20.2%); E.U. (11.3%); U.S. (9.5%); Singapore (9.4%); China (8.5%); (2008)
Imports:	$116 billion f.o.b. (2008 est.)
Top import partners:	Singapore (16.9%); China (11.8%); Japan (11.7%); E.U. (8.2%); Malaysia (6.9%); (2008)

Italy

Polity

Political party:	People of Freedom (coalition)
Head of Government:	Prime Minister Silvio Berlusconi
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 (official exchange rate):	$2.314 trillion (2008 est.)
Predicted change:	-2.9% (Q4 2008); -4.0% (2009)
Composition by sector:	2.0%-agriculture; 26.7%-industry; 71.3%-services (2008 est.)
Central Bank interest rate:	1.0% (May 2009) [European Monetary Union]
Official reserve assets:	$129,330.61 million (Oct. 2009)
Foreign currency reserves:	$35,353.79 million (Oct. 2009) [in convertible foreign currencies]
Securities:	$31,559.27 million (Oct. 2009)
IMF reserve position:	$2,441.60 million (Oct. 2009)
Special Drawing Rights:	$9,553.27 million (Oct. 2009)
Gold:	$81,981.95 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (Oct. 2009)
Loans to nonbank residents:	$0.00 (Oct. 2009)
Other reserve assets:	$0.00 (Oct. 2009)
Commercial Bank prime lending rate:	11.34% (31 Dec. 2008)
Stock of money:	NA
Stock of quasi money:	NA
Stock of domestic credit:	$3.046 trillion (31 Dec. 2008)
Household income or	

consumption by % share:	2.3%-lowest 10%; 26.8%-highest 10% (2000)

Inflation rate (consumer prices):	3.4% (2008 est.)
Investment (gross fixed):	20.9% of GDP (2008 est.)
Current account balance:	$-72.9 billion (latest year, Feb. 2009)
Budget:	$1.068 trillion-revenues; $1.132 trillion-expenditures (2008 est.)
Budget balance:	-4.3% of GDP (2009)
Public debt:	103.7% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.75 (6 May 2009); 0.76 (May 2008)
Economic aid-donor:	$3. 970 billion (2007) [ODA]
Debt-external:	$2.328 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:	6.9% (Q4 2008)
Labour force:	25.09 million (2008 est.)
Oil Production:	44th (world rank, 2008)
Oil Consumption:	16th (world rank, 2008)
Natural Gas Production:	43rd (world rank, 2008)
Natural Gas Consumption:	8th (world rank, 2008)

Military

Military Expenditures:	1.8% of GDP; 93rd in world rank (2005)

Markets

S&P/MIB index:	28,811.13 (10 Jan. 2010)
% change on 31 Dec. 2008:	+3.3 (local currency); -1.2 ($ terms)

Trade

Trade balance:	$-15.7 billion (latest year, Feb. 2009)
Trade to GDP ratio:	57.9 (2006-2008)
Exports:	$546.9 billion f.o.b. (2008 est.)
Top export partners:	E.U. (57.9%); U.S. (6.3%); Switzerland (4.0%); Russia (2.9%); Turkey (2.0%) (2008)
Imports:	$546.9 billion f.o.b. (2008 est.)
Top import partners:	E.U. (53.1%); China (6.3%); Libyan Arab Jamahiriya (3.8%); U.S. (3.1%); Switzerland (3.0%) (2008)

Japan

Polity

Political party:	Democratic Party of Japan (DPJ)
Chief of State:	Emperor Akihito
Head of Government	Prime Minister Yukio Haytoyama (since 16 Sept 2009)
Most recent election:	August 30, 2009
Government:	Lower House — Majority (coalition); Upper House — Minority (coalition)
Political system:	Parliamentary with Constitutional Monarchy
Legislature:	Bicameral Diet, elected House of Representatives, elected House of

	Councilors
Capital:	Tokyo
Official language:	Japanese
Population:	127, 078, 679; country comparison to the world: 10th (July 2009 est.)
Population Growth Rate:	-0.191%; country comparison to the world: 218th (2009 est.)

Economy

Currency:	Yen (¥)
GDP (official exchange rate):	$4.911 trillion (2008 est.)
Predicted change:	-4.3% (Q4 2008); -6.4% (2009)
Composition by sector:	1.5%-agriculture; 26.3%-industry; 72.3%-services (2008 est.)
Central Bank interest rate:	0.1% (7 Jan. 2010)
Official reserve assets:	$1, 073, 712 million (Nov 2009)
Foreign currency reserves:	$1,018,414 million (Nov 2009) [in convertible foreign currencies]
Securities:	$962, 886 million (Nov 2009)
IMF reserve position:	$4,430 million (Nov 2009)
Special Drawing Rights:	$21, 536 million (Nov 2009)
Gold:	$28, 926 million (Nov 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (Nov 2009)
Loans to nonbank residents:	$0.00 (Nov 2009)
Other reserve assets:	$406 million (Nov 2009)
Commercial Bank prime lending rate:	1.91% (31 Dec 2008)
Stock of money:	$5417 trillion (31 Dec 2008)
Stock of quasi money:	$6.16 trillion (31 Dec 2008)
Stock of domestic credit:	$12.34 trillion (31 Dec. 2008)
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):	23% of GDP (2008 est.)
Current account balance:	$126.5 billion (latest year, Oct. 2009)
Budget:	$1.72 trillion-revenues; $1.788 trillion-expenditures (2008 est.)
Budget balance:	-7.7% of GDP (2009)
Public debt:	172.1% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	92.15 (7 Jan 2010); 98.7 (6 May 2009); 105 (May 2008)
Economic aid-donor:	$7. 678 billion (2007) [ODA]
Debt-external:	$2.231 trillion (31 December 2008 est.)
Stock of direct foreign investment:	$135.4 billion-at home; $663.9 billion-abroad (2008 est.)
Market value of publicly traded shares:	$NA (31 Dec. 2008)
Distribution of family income-Gini index:	38.1 (2002)
Unemployment rate:	5.2% (Nov. 2009)
Labour force:	66.5 million (2008 est.)
Oil Production:	47th (world rank, 2008)
Oil Consumption:	4th (world rank, 2008)
Natural Gas Production:	49th (world rank, 2008)
Natural Gas Consumption:	5th (world rank, 2008)

Military

Military Expenditures:	0.8% of GDP (2006)

Markets

Nikkei 225 index:	10,681.83 (5 Jan 2010)
% change on 31 Dec. 2008:	+1.3 (local currency); -7.0 ($ terms)
Topix index:	925.65 (4 Jan 2010)
% change on 31 Dec. 2008:	-1.4 (local currency); -9.5 ($ terms)

Trade

Trade balance:	$27.9 billion (latest year, Oct. 2009)
Trade to GDP ratio:	31.5 (2005-2007)
Exports:	$746.5 billion f.o.b. (2008 est.)
Top export partners:	U.S. (17.8%); China (16%); South Korea (7.6%); Hong Kong (5.1%) (2008)
Imports:	$708.3 billion f.o.b. (2008 est.)
Top import partners:	China (18.9%); U.S. (10.4%); Saudi Arabia (6.7%); Australia (6.2%); UAE (6.1%); Indonesia (4.3%) (2008)

Mexico

Polity

Political party:	National Action Party
Chief of State:	President Felipe Calderon
Head of Government	President Felipe Calderon
Most recent election:	2 Jul 2006
Government:	Lower House — Minority; Upper House — Minority
Political system:	Federal Republic
Legislature:	Bicameral, elected Federal Chamber of Deputies, elected Senate
Capital:	Mexico City
Official language:	Spanish
Population:	111,211,789; country comparison to the world: 11th (July 2009 est.)
Population Growth Rate:	1.13%; country comparison to the world: 120th (2009 est.)

Economy

Currency:	Mexican peso (PS)
GDP (official exchange rate):	$1.088 trillion (2008 est.)
Predicted change:	-1.6% (Q4 2008); -4.4% (2009)
Composition by sector:	3.8%-agriculture; 35.2%-industry; 61%-services (2008 est.)
Central Bank interest rate:	6.0% (Apr. 2009)
Official reserve assets:	NA
Foreign currency reserves:	$88,867 million (Mar. 2009)
Securities:	NA
IMF reserve position:	SDR503.06 million (Apr. 2009)
Special Drawing Rights:	$496 million (Mar. 2009)
Gold:	175 million (Mar. 2009)
Financial derivatives:	NA
Loans to nonbank residents:	NA
Other reserve assets:	637 Million (Mar 2009)
Commercial Bank prime lending rate:	8.71% (31 Dec. 2008)
Stock of money:	$92.34 billion (31 Dec. 2008)
Stock of quasi money:	$147.4 billion (31 Dec. 2008)
Stock of domestic credit:	$287 billion (31 Dec. 2008)
Household income or consumption by % share:	1.8%-lowest 10%; 37.9%-highest 10% (2006)

Inflation rate (consumer prices):	6.2% (2008 est.)
Investment (gross fixed):	22.1% of GDP (2008 est.)
Current account balance:	$-11.2 billion (latest year, Q3. 2009)
Budget:	$257.1 billion-revenues; $258.1 billion-expenditures (2008 est.)
Budget balance:	-4.0% of GDP (2009)
Public debt:	35.8% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	12.78 (7 Jan 2010);14.2 (Mar. 2009); 10.7 (Mar. 2008)
Economic aid-recipient:	$78.95 million (2007)
Debt-external:	$200.4 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$289.8 billion-at home; 45.39 billion-abroad (Dec 31 2008 est.)
Market value of publicly traded shares:	$232.6 billion (31 Dec. 2008)
Distribution of family income-Gini index:	47.9 (2006)
Unemployment rate:	5.3% (Nov. 2009 est.)
Labour force:	45.32 million (2008 est.)
Oil Production:	7^{th} (world rank, 2008)
Oil Consumption:	12^{th} (world rank, 2008)
Natural Gas Production:	17^{th} (world rank, 2008)
Natural Gas Consumption:	13^{th} (world rank, 2008)

Military

Military Expenditures:	0.5% of GDP; 161^{st} in world rank (2006)

Markets

IPC index:	32,952.82 (5 Jan. 2010)
% change on 31 Dec. 2008:	+6.8 (local currency); +11.7 ($ terms)

Trade

Trade balance:	$-6.5 billion (latest year, Nov. 2009)
Trade to GDP ratio:	64.5 (2005-2007)
Exports:	$291.3 billion f.o.b. (2008 est.)
Top export partners:	U.S. (80.2%); Canada (2.4%); Germany (1.7%) (2008)
Imports:	$308.6 billion f.o.b. (2008 est.)
Top import partners:	U.S. (49.%); China (11.2%); Japan (5.3%); South Korea (4.4%); Germany (4.1%) (2008)

Russia

Polity

Political party:	United Russia
Chief of State:	President Dimitriy Medvedev
Head of State:	Premier Vladimir Putin
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
Population:	140,041,247; country comparison to the world: 9^{th} (July 2009 est.)
Population Growth Rate:	-0.467%; country comparison to the world: 226^{th} (2009 est.)

Economy

Currency:	Rouble (Rb)
GDP (official exchange rate):	$1.677 trillion (2008 est.)
Predicted change:	1.2% (Q4 2008); -3.0% (2009)
Composition by sector:	4.7%-agriculture; 37.6%-industry; 57.7%-services (2008 est.)
Central Bank interest rate:	12.0% (May 2009)
Official reserve assets:	$434,428.04million (Oct 2009)
Foreign currency reserves:	$378,228.93 million (Oct 2009) [in convertible foreign currencies]
Securities:	$348,868.66 million (Oct 2009)
IMF reserve position:	$1,954.34 million (Oct 2009)
Special Drawing Rights:	$9,021.90 million (Oct 2009)
Gold:	$20,406.77 million (Oct 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (Oct 2009)
Loans to nonbank residents:	$0.00 (Oct 2009)
Other reserve assets:	$24,24,816.11 million (Oct 2009)
Commercial Bank prime lending rate:	12.23% (31 Dec. 2008)
Stock of money:	$252.5 billion (31 Dec 2008)
Stock of quasi money:	$318.4 billion (31 Dec 2008)
Stock of domestic credit:	$367.2 billion (31 Dec 2008)
Household income or consumption by % share:	1.9%-lowest 10%; 30.4%-highest 10% (Sep. 2007)
Inflation rate (consumer prices):	14.1% (2008 est.)
Investment (gross fixed):	22.1% of GDP (2008 est.)
Current account balance:	$40.8 billion (latest year, Q3 2009)
Budget:	$364.6 billion-revenues; $304.6 billion-expenditures (2008 est.)
Budget balance:	-8.0% of GDP (2009)
Public debt:	6.5% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	32.8 (6 May 2009); 23.8 (May 2008)
Economic aid-recipient:	$982.7 million (FY 2006) [from U.S.]
Debt-external:	$438.5.1 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$491.2 billion-at home (2007); $176.7 billion-abroad (31 Dec. 2008 est.)
Market value of publicly traded shares:	$397.2 billion (31 Dec. 2008 est.)
Distribution of family income-Gini index:	41.5 (Sep. 2008)
Unemployment rate:	8.1% (Nov. 2009)
Labour force:	75.7 million (2008 est.)
Oil Production:	2nd (world rank, 2008)
Oil Consumption:	6th (world rank, 2008)
Natural Gas Production:	1st (world rank, 2008)
Natural Gas Consumption:	3rd (world rank, 2008)

Military

Military Expenditures:	3.9% of GDP; 30th in world rank (2005)

Markets

RTS index ($ terms):	1444.61 (31 Dec 2009)
% change on 31 Dec. 2008:	+52.7 (local currency); +42.0 ($ terms)

Trade

Trade balance:	$104.1 billion (latest year, Nov. 2009)

Trade to GDP ratio:	54.1 (2005-2007)
Exports:	$471.6 billion (2008 est.)
Top export partners:	Netherlands (11.2%); Italy (8.1%); Germany (8%); Turkey (6%); Ukraine (5.1%); Poland (4.5%); China (4.3%) (2008)
Imports:	$291.9 billion f.o.b. (2008 est.)
Top import partners:	Germany (13.5%); China (13.2%); Ukraine (6%); U.S. (4.5%); Italy (4.3%) (2008)

Saudi Arabia

Polity

Political party:	None
Chief of State:	King and Prime Minister Abdallah bin Abd al-Aziz Al Saud
Head of State:	King and Prime Minister Abdallah bin Abd al-Aziz Al Saud
Most recent election:	None
Government:	None
Political system:	Absolute monarchy
Legislature:	Monarchy
Capital:	Riyadh
Official language:	Arabic
Population:	28,686,633; country comparison to the world: 41st (July 2009 est.)
Population Growth Rate:	1.848%; country comparison to the world: 69th (2009 est.)

Economy

Currency:	Riyal (SR)
GDP (official exchange rate):	$469.4 billion (2008 est.)
Predicted change:	4.2% (2008); -1.0% (2009)
Composition by sector:	3.1%-agriculture; 61.9%-industry; 35.0%-services (2008 est.)
Central Bank interest rate:	NA
Official reserve assets:	NA
Foreign currency reserves:	NA
Securities:	NA
IMF reserve position:	SDR 1,136.61 million (Feb. 2009)
Special Drawing Rights:	NA
Gold:	NA
Financial derivatives:	NA
Loans to nonbank residents:	NA
Other reserve assets:	NA
Commercial Bank prime lending rate:	NA
Stock of money:	$113.2 billion (31 Dec. 2008)
Stock of quasi money:	$134.3 billion (31 Dec. 2008)
Stock of domestic credit:	$66.94 billion (31 Dec. 2007)
Household income or consumption by % share:	NA
Inflation rate (consumer prices):	9.9% (2008 est.)
Investment (gross fixed):	19.4% of GDP (2008 est.)
Current account balance:	$134.0 billion (2008 est.)
Budget:	$293.7 billion-revenues; $136.0 billion-expenditures (2008 est.)
Budget balance:	-0.9% of GDP (2009)
Public debt:	18.9% of GDP (2008 est.) [cumulative debt of all government borrowing]

Exchange rates (per USD):	3.75 (May 2009); 3.75 (May 2008)
Economic aid:	NA
Debt-external:	$82.13 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$108.5 billion – at home; 18.07 billion – abroad (31 Dec. 2008 est.)
Market value of publicly traded shares:	$246.3 billion (31 December 2008)
Distribution of family income-Gini index:	NA
Unemployment rate:	8.8 (local bank estimate 2008; other estimates vary significantly)
Labour force:	6.74 million (2008 est.) [about 1/3 of the population aged 15-64 is non-national]
Oil Production:	1st (world rank, 2008)
Oil Consumption:	9th (world rank, 2008)
Natural Gas Production:	9th (world rank, 2008)
Natural Gas Consumption:	11th (world rank, 2008)

Military

Military Expenditures:	10% of GDP; 3rd in world rank (2005)

Markets

Tadawul index:	6,260.90 (6 Jan 2010)
% change on 31 Dec. 2008:	+20.8 (local currency); +20.9 ($ terms)

Trade

Trade balance:	$212.0 billion (latest year, 2008)
Trade to GDP ratio:	86.7 (2005-2007)
Exports:	$313.4 billion f.o.b. (2008 est.)
Top export partners:	U.S. (17.1%); Japan (15.2%); South Korea (10.1%); China (9.3%); India (7%); Singapore (4.4%) (2008)
Imports:	$108.3 billion f.o.b. (2008 est.)
Top import partners:	U.S. (12.2%); China (10.5%); Japan (7.7%); Germany (7.4%); South Korea (5.1%); Italy (4.8%); India (4.2%); UK (4.1%) (2008)

South Africa

Polity

Political party:	African National Congress
Chief of State:	President Jacob Zuma
Head of State:	President Jacob Zuma
Most recent election:	22 Apr 2009
Government:	Lower House — Majority; Upper House — Majority
Political system:	Parliamentary
Legislature:	Bicameral, elected National Assembly, elected National Council of Provinces
Capital:	Pretoria
Official language:	Afrikaans, English
Population:	49,052,489; country comparison to the world: 24th (July 2009 est.)
Population Growth Rate:	0.281%; country comparison to the world: 173rd (2009 est.)

Economy

Currency:	Rand (R)
GDP (official exchange rate):	$276.8 billion (2008 est.)
Predicted change:	1.0% (Q4 2008); -1.8% (2009)

Composition by sector:	3.3%-agriculture; 33.7%-industry; 63.0%-services (2008 est.)
Central Bank interest rate:	7.0% (7 Jan. 2009)
Official reserve assets:	$39,789.00 million (Oct. 2009)
Foreign currency reserves:	$32, 764.00 million (Oct. 2009) [in convertible foreign currencies]
Securities:	$1,518.00 million (Oct. 2009)
IMF reserve position:	$0.00 (Oct. 2009)
Special Drawing Rights:	$2,838.20 million (Oct. 2009)
Gold:	$4,186.90 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (Oct. 2009)
Loans to nonbank residents:	$0.00 (Oct. 2009)
Other reserve assets:	$0.00 (Oct. 2009)
Commercial Bank prime lending rate:	15.13% (31 Dec. 2008)
Stock of money:	$44.66 billion (31 Dec. 2008)
Stock of quasi money:	$124.1 billion (31 Dec. 2008)
Stock of domestic credit:	$214.8 billion (31 Dec. 2008)
Household income or consumption by % share:	1.3%-lowest 10%; 44.7%-highest 10% (2000)
Inflation rate (consumer prices):	11.3% (2008 est.)
Investment (gross fixed):	23.2% of GDP (2008 est.)
Current account balance:	$-12.0.0 billion (latest year, Q3 2009)
Budget:	$77.43 billion-revenues; $79.9 billion-expenditures (2008 est.)
Budget balance:	-5.0% of GDP (2009)
Public debt:	31.6% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	7.33 (7 Jan 2010); 8.47 (May 2009); 7.52 (May 2008)
Economic aid-recipient:	$597.18 million (2007)
Debt-external:	$71.81 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$120 billion-at home; $63.57 billion-abroad (31 Dec. 2008 est.)
Market value of publicly traded shares:	$491.3 billion (31 Dec. 2008)
Distribution of family income-Gini index:	65.0 (2005)
Unemployment rate:	24.5% (Sept 2009)
Labour force:	17.79 million (2008 est.) [economically active]
Oil Production:	41st (world rank, 2008)
Oil Consumption:	30th (world rank, 2008)
Natural Gas Production:	53rd (world rank, 2008)
Natural Gas Consumption:	54th (world rank, 2008)

Military

Military Expenditure:	1.7% of GDP; 98th world rank (2006)

Markets

JSE AS index:	27,998.87 (6 Jan. 2010)
% change on 31 Dec. 2008:	+1.3 (local currency); -10.6 ($ terms)

Trade

Trade balance:	$-2.5 billion (latest year, Nov. 2009)
Trade to GDP ratio:	62.1 (2005-2007)
Exports:	$86.12 billion f.o.b. (2008 est.)
Top export partners:	U.S. (11.1%); Japan (11.1%); Germany (8.0%); UK (6.8%); China (6.%); Netherlands (5.2%) (2008)

Imports:	$90.57 billion f.o.b. (2008 est.)
Top import partners:	Germany (11.2%); China (11.1%); U.S. (7.9%); Saudi Arabia (6.2%); Japan (5.5%); UK (4.0%) (2008)

South Korea

Polity

Political party:	Grand National Party
Chief of State:	President LEE Myung-bak
Head of State:	Prime Minister Chung Un-chan
Most recent election:	9 April 2008
Government:	Single House — Majority
Political system:	Presidential
Legislature:	Unicameral, elected National Assembly
Capital:	Seoul
Official language:	Korean
Population:	48,508,972; country comparison to the world: 25^{th} (July 2008 est.)
Population Growth Rate:	0.266%; country comparison to the world: 178^{th} (2009 est.)

Economy

Currency:	Won (W)
GDP (official exchange rate):	$929.1 billion (2008 est.)
Predicted change:	-4.3% (Q4 2009); -5.9% (2009)
Composition by sector:	3%-agriculture; 39.5%-industry; 57.6%-services (2008 est.)
Central Bank interest rate:	2.0% (7 Jan. 2010)
Official reserve assets:	$264,187.00 million (Oct. 2009)
Foreign currency reserves:	$259,436.00 million (Oct. 2009) [in convertible foreign currencies]
Securities:	$235,776.00million (Oct. 2009)
IMF reserve position:	$997.00 million (Oct. 2009)
Special Drawing Rights:	$3,791.00 million (Oct. 2009)
Gold:	$78.00 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (Oct. 2009)
Loans to nonbank residents:	$0.00 (Oct. 2009)
Other reserve assets:	$-116.00 million (Oct. 2009)
Commercial Bank prime lending rate:	7.17% (31 Dec. 2008)
Stock of money:	$80.66 billion (31 Dec. 2008)
Stock of quasi money:	$478.0 billion (31 Dec. 2008)
Stock of domestic credit:	$937 billion (31 Dec. 2008)
Household income or consumption by % share:	2.7%-lowest 10%; 24.2%-highest 10% (2007 est.)
Inflation rate (consumer prices):	4.7% (2008 est.)
Investment (gross fixed):	27.1% of GDP (2008 est.)
Current account balance:	$+41.9 billion (latest year, Nov. 2009)
Budget:	$227.5 billion-revenues; $216.7 billion-expenditures (2008 est.)
Budget balance:	-4.5% of GDP (2009)
Public debt:	24.4% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	1,277.0 (May 2009); 1,026 (May 2008)
Economic aid-donor:	$699.06 million (2007) [ODA]
Debt-external:	$381.1 billion (31 Dec. 2008 est.)

Stock of direct foreign investment:	\$124.2 billion-at home (31 Dec 2008 est.); \$74.6 billion-abroad (30 June 2008)
Market value of publicly traded shares:	\$494.6 billion (31 Dec. 2008)
Distribution of family income-Gini index:	31.3 (2006)
Unemployment rate:	3.5% (Nov. 2009)
Labour force:	24.35 million (2008 est.)
Oil Production:	69th (world rank, 2008)
Oil Consumption:	11th (world rank, 2008)
Natural Gas Production:	68th (world rank, 2008)
Natural Gas Consumption:	25th (world rank, 2008)

Military

Military Expenditures:	2.7% of GDP; 58th world rank (2006)

Markets

KOSPI index:	1,705 (6 Jan. 2010)
% change on 31 Dec. 2008:	+23.9 (local currency); +22.2 (\$ terms)

Trade

Trade balance:	\$+41.0 (latest year, Dec. 2009)
Trade to GDP ratio:	85.7 (2005-2007)
Exports:	\$433.5 billion f.o.b. (2008 est.)
Top export partners:	China (22.4%); U.S. (10.9%); Japan (6.6%); Hong Kong (4.6%) (2008)
Imports:	\$427.4 billion f.o.b. (2008 est.)
Top import partners:	China (17.7%); Japan (14%); U.S. (8.9%); Saudi Arabia (7.8%); UAE (4.4%); Australia (4.1%) (2008)

Turkey

Polity

Political party:	Justice and Development Party (AKP)
Chief of State:	President Abdullah Gul
Head of State:	Prime Minister Recep Tayyip Erddogan
Most recent election:	22 Jul 2007
Government:	Single House — Majority
Political system:	Parliamentary
Legislature:	Unicameral, elected Grand National Assembly
Capital:	Ankara
Official language:	Turkish
Population:	76,805,524; country comparison to the world: 17th (July 2009 est.)
Population Growth Rate:	1.312; country comparison to the world: 102nd (2009 est.)

Economy

Currency:	Turkish lira (YTL)
GDP (official exchange rate):	\$730.0 billion (2008 est.)
Predicted change:	-6.2.% (Q4 2008); -4.4% (2009)
Composition by sector:	8.8%-agriculture; 27.5%-industry; 63.8%-services (2008 est.)
Central Bank interest rate:	6.50% (7 Jan 2010)
Official reserve assets:	\$75,905.47 million (Nov. 2009)
Foreign currency reserves:	\$69,750.01 million (Nov. 2009) [in convertible foreign currencies]

Securities:	$65,330.62 million (Nov. 2009)
IMF reserve position:	$181.00 million (Nov. 2009)
Special Drawing Rights:	$1,559.00 million (Nov. 2009)
Gold:	$4,415.46 million (Nov. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (Nov. 2009)
Loans to nonbank residents:	$0.00 (Nov. 2009)
Other reserve assets:	$0.00 (Nov. 2009)
Commercial Bank prime lending rate:	NA
Stock of money:	$53.25 billion (31 Dec. 2008)
Stock of quasi money:	$248.4 billion (31 Dec. 2008)
Stock of domestic credit:	$326.4 billion (31 Dec. 2008)
Household income or consumption by % share:	1.9%-lowest 10%; 33.2%-highest 10% (2005)
Inflation rate (consumer prices):	10.2% (2008 est.)
Investment (gross fixed):	20.3% of GDP (2008 est.)
Current account balance:	$-11.4 billion (latest year, Oct. 2009)
Budget:	$160.5 billion-revenues; $173.6 billion-expenditures (2008 est.)
Budget balance:	-6.3% of GDP (2009)
Public debt:	40% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	1.57 (6 May 2009); 1.25 (May 2008)
Economic aid-recipient:	$237.45 million (2007)
Debt-external:	$278.1 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$128.7 billion-at home; $14.8 billion-abroad (31 Dec 2008 est.)
Market value of publicly traded shares:	$117.9 billion (31 Dec. 2008)
Distribution of family income-Gini index:	43.6 (2003)
Unemployment rate:	13.4% (Sept. 2009)
Labour force:	24.06 million (2008 est.) [about 1.2 million Turks work abroad]
Oil Production:	64th (world rank, 2008)
Oil Consumption:	27th (world rank, 2008)
Natural Gas Production:	63rd (world rank, 2008)
Natural Gas Consumption:	23th (world rank, 2008)

Military

Military Expenditures:	5.3% of GDP; 17th world rank (2005)

Markets

ISE index:	68,929.90 (6 Jan 2010)
% change on 31 Dec. 2008:	+25.5 (local currency); +23.6 ($ terms)

Trade

Trade balance:	$-37.0 billion (latest year, Nov. 2009)
Trade to GDP ratio:	48.5 (2005-2007)
Exports:	$140.7 billion f.o.b. (2008 est.)
Top export partners:	Germany (9.8%); UK (6.2%); Italy (5.9%); France (5%); Russia (4.9%)(2008)
Imports:	$193.9 billion f.o.b. (2008 est.)
Top import partners:	Russia (15.5%); Germany (9.3%); China (7.8%); U.S. (5.9%) Italy (5.5%); France (4.5%); Iran (4.1%) (2008)

United Kingdom

Polity

Political party:	Labour Party
Chief of State:	Queen Elizabeth II
Head of Government:	Prime Minister James Gordon Brown
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
Population:	61,133,205; country comparison to the world: 22nd (July 2009 est.)
Population Growth Rate:	0.279%; country comparison to the world: 175th (July 2009 est.)

Economy

Currency:	British pound (£)
GDP (official exchange rate):	$2.68 trillion (2008 est.)
Predicted change:	-4.1% (Q1 2009); -3.7% (2009)
Composition by sector:	1.3%-agriculture; 24.2%-industry; 74.5%-services (2008 est.)
Central Bank interest rate:	0.5% (7 Jan. 2010)
Official reserve assets:	$21,868.00 million (Nov. 2009)
Foreign currency reserves:	$7,730.00 million (Nov. 2009) [in convertible foreign currencies]
Securities:	$6,715.00 million (Nov. 2009)
IMF reserve position:	$0.00 million (Nov. 2009)
Special Drawing Rights:	$0.00 million (Nov. 2009)
Gold:	$0.00 million (Nov. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$-682.00 million (Nov. 2009)
Loans to nonbank residents:	$0.00 (Nov. 2009)
Other reserve assets:	$14,499.00 million Nov. 2009)
Commercial Bank prime lending rate:	4.63% (31 Dec. 2008)
Stock of money:	NA (31 Dec. 2008)
Stock of quasi money:	NA (31 Dec. 2008)
Stock of domestic credit:	$NA (31 Dec. 2008)
Household income or consumption by % share:	2.1%-lowest 10%; 28.5%-highest 10% (1999)
Inflation rate (consumer prices):	3.6% (2008 est.)
Investment (gross fixed):	16.7% of GDP (2008 est.)
Current account balance:	$-28.2 billion (lQ3 2009)
Budget:	$1.056 trillion-revenues; $1.214 trillion-expenditures (2008 est.)
Budget balance:	-14.5% of GDP (2009)
Public debt:	47.2% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.63 (7 Jan 2010); 0.66 (7 May 2009); 0.51 (May 2008)
Economic aid-donor:	$9. 848 billion (2007) [ODA]
Debt-external:	$9.041 trillion (31 Dec. 2008)
Stock of direct foreign investment:	$1.445 trillion-at home; $1.567 trillion-abroad (31 Dec 2008 est.)
Market value of publicly traded shares:	$5.277trillion (31 Dec. 2007)
Distribution of family income-Gini index:	34.0 (2005)

Unemployment rate:	7.9% (Oct. 2009)
Labour force:	31.23 million (2008 est.)
Oil Production:	19th (world rank, 2008)
Oil Consumption:	15th (world rank, 2008)
Natural Gas Production:	14th (world rank, 2008)
Natural Gas Consumption:	6th (world rank, 2008)

Military

Military Expenditures:	2.4% of GDP; 70th world rank (2005 est.)

Markets

FTSE 100 index:	5,530.04 (6 Jan 2010)
% change on 31 Dec. 2008:	-0.8 (local currency); +3.8 ($ terms)

Trade

Trade balance:	$-126.8 billion (latest year, Oct. 2009)
Trade to GDP ratio:	57.7 (2005-2007)
Exports:	$466.3 billion f.o.b. (2008 est.)
Top export partners:	U.S. (13.8%); Germany (11.5%); Netherlands (7.8%); France (7.6%); Ireland (7.5%); Belgium (5.3%); Spain (4.1 (2008)
Imports:	$639.3 billion f.o.b. (2008 est.)
Top import partners:	Germany (13.1%); U.S. (8.7%); China (7.5%); Netherlands (7.4%); France (6.8%); Norway (6%); Belgium (4.7%); Italy (4.1%) (2008)

United States

Polity

Political party:	Democratic Party
Head of State:	President Barack Obama
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
Population:	307,212,123; country comparison to the world: 3rd (July 2009 est.)
Population Growth Rate:	0.975%; country comparison to the world: 129th (2009 est.)

Economy

Currency:	Dollar ($)
GDP (official exchange rate):	$14.44 trillion (2008 est.)
Predicted change:	-2.6% (Q1 2009); -2.9% (2009)
Composition by sector:	1.2%-agriculture; 19.2%-industry; 79.6%-services (2008 est.)
Central Bank interest rate:	0.25% (7 Jan Dec. 2010)
Official reserve assets:	$133,165.97 million (24 Dec. 2009)
Foreign currency reserves:	$46,143.87 million (24 Dec. 2009) [in convertible foreign currencies]
Securities:	$24,431.00 million (24 Dec. 2009)
IMF reserve position:	$13,416.89 million (24 Dec. 2009)
Special Drawing Rights:	$57,370.15million (24 Dec. 2009)
Gold:	$11,041.06 million (24 Dec. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (24 Dec. 2009)
Loans to nonbank	

residents:	$0.00 (24 Dec.2009)
Other reserve assets:	$5,194.00million (24 Dec. 2009)
Commercial Bank prime lending rate:	5.09% (31 Dec. 2008)
Stock of money:	$1.436 trillion (31 Dec. 2008)
Stock of quasi money:	$10.99 trillion (31 Dec. 2008)
Stock of domestic credit:	$15.06 trillion (31 Dec. 2008)
Household income or consumption by % share:	2.0%-lowest 10%; 30.0%-highest 10% (2007 est.)
Inflation rate (consumer prices):	3.8% (2008 est.)
Investment (gross fixed):	14.3% of GDP (2008 est.)
Current account balance:	$-465.3 billion (latest year, Q3 2009)
Budget:	$2.524 trillion-revenues; $2.978 trillion-expenditures (2008 est.)
Budget balance:	-11.9% of GDP (2009)
Public debt:	37.5% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	NA
Economic aid-donor:	$21. 786.9 billion (2007)
Debt-external:	$13.75trillion (31 Dec. 2008)
Stock of direct foreign investment:	$2.367 trillion-at home; $3.162 trillion-abroad (31 Dec 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:	10.0% (Nov. 2009)
Labour force:	154.3 million (2008 est.) [includes unemployed]
Oil Production:	3rd (world rank, 2008)
Oil Consumption:	1st (world rank, 2008)
Natural Gas Production:	2nd (world rank, 2008)
Natural Gas Consumption:	1st (world rank, 2008)

Military

Military Expenditures:	4.06% of GDP; 28th world rank (2005)

Markets

DJIA index:	10,578.44 (6 Jan 2010)
% change on 31 Dec. 2008:	-3.0 (local currency); -3.0 ($ terms)
S&P 500 index:	1,137.66 (6 Jan 2010)
% change on 31 Dec. 2008:	-+1.8 (local currency); +1.8 ($ terms)
NAScomp index:	2,300.21 (6 Jan 2010)
% change on 31 Dec. 2008:	+11.5 (local currency); +11.5 ($ terms)

Trade

Trade balance:	$-523.9 billion (latest year, Oct. 2009)
Trade to GDP ratio:	27.3 (2005-2007)
Exports:	$1.277 trillion f.o.b. (2008 est.)
Top export partners:	Canada (20.1%); Mexico (11.7%); China (5.5%); Japan (5.1%); Germany (4.2%); UK (4.1%); (2008)
Imports:	$2.117 trillion f.o.b. (2008 est.)
Top import partners:	China (16.5%); Canada (15.7%); Mexico (10.1%); Japan (6.6%); Germany (4.6%) (2008)

European Union

Polity

Chief of the Union:	President of the European Commission Jose Manuel Durao Barroso
Political party:	European People's Party — European Democrats
Most recent election:	4-7 June 2009
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
Population:	491,582,852 (July 2009 est.)
Population Growth Rate:	0.108% (2009 est.)

Economy

Currency:	Euro (€)
GDP (official exchange rate):	$18.14 trillion (2008 est.)
Predicted change:	-1.5% (Q4 2008); -3.7% (2009) [Euro Area]
Composition by sector:	2.0%-agriculture; 27.1%-industry; 70.9%-services (2008 est.)
Central Bank interest rate:	1.0% (7 Jan 2010) [European Monetary Union]
Official reserve assets:	$67,886.12 million (Oct. 2009) [European Central Bank]; $648,055.00 million (Oct. 2009) [Eurosystem]
Foreign currency reserves:	$50,618.96 million (Oct. 2009) [in convertible foreign currencies, European Central Bank], $196,171.04 million (Oct. 2009) [in convertible foreign currencies, Eurosystem]
Securities:	$48,037.84 million (Oct. 2009) [European Central Bank], $165,342.64 million (Oct. 2009) [Eurosystem]
IMF reserve position:	$0.0 million (Oct. 2009) [European Central Bank], $17,191.68 million [Eurosystem]
Special Drawing Rights:	$506.16 million (Oct. 2009) [European Central Bank], $73,295.52 million (Oct. 2009) [Eurosystem]
Gold:	$16,766 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped, European Central Bank], $361,085.96 million (Oct. 2009) [including gold deposits and, if appropriate, gold swapped, Eurosystem]
Financial derivatives:	$-5.92 million (Oct. 2009) [European Central Bank], $307.84 million (Oct. 2009) [Eurosystem]
Loans to nonbank residents:	$0.00 (Oct. 2009) [European Central Bank], $0.00 (Oct. 2009) [Eurosystem]
Other reserve assets:	$-5.92 (Oct. 2009) [European Central Bank], $3.10 million (Oct. 2009) [Eurosystem]
Commercial Bank prime lending rate:	8.6% (31 Dec. 2008)
Stock of money:	$5.679 trillion (31 Dec. 2008) [Euro Area]
Stock of quasi money:	$11.38 trillion (31 Dec. 2008) [Euro Area]
Stock of domestic credit:	$21.17 trillion (31 Dec. 2008) [Euro Area]
Household income or consumption by % share:	2.8%-lowest 10%; 25.2%-highest 10% (2001 est.)
Inflation rate (consumer prices):	3.0% (2008 est.)
Investment (gross fixed):	21.0% of GDP (2008 est.)
Current account balance:	$-109.6 billion (latest year, Oct. 2009) [Euro Area]
Budget:	NA
Budget balance:	-6.5% of GDP (2009) [Euro Area]
Public debt:	NA

Exchange rates (per USD):	0.7 (7 Jan 2010); 0.75 (6 May 2009); 0.65 (May 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:	31.0 (2005 est.)
Unemployment rate:	9.8% (Oct. 2009) [Euro Area]
Labour force:	224.4 million (2008 est.)
Oil Production:	11th (world rank, 2008)
Oil Consumption:	2nd (world rank, 2008)
Natural Gas Production:	3rd (world rank, 2008)
Natural Gas Consumption:	2nd (world rank, 2008)

Military

Military Expenditures:	N/A

Markets

FTSE Euro 100 index:	2,260.37 (6 Jan 2010)
% change on 31 Dec. 2008:	+1.0 (local currency); -3.4 ($ terms)
DJ STOXX 50 index:	2,617.35 (6 Jan. 2010)
% change on 31 Dec. 2008:	-0.4 (local currency); -4.7 ($ terms)

Trade

Trade balance:	$+14.5 billion (latest year, Oct 2009) [Euro Area]
Trade to GDP ratio:	26.4 (2004-2006)
Exports:	$1.952 trillion f.o.b. (2007) [external exports, excluding intra-EU trade]
Top export partners:	NA
Imports:	$1.69 trillion f.o.b. (2007) [external imports, excluding intra-EU trade]
Top import partners:	NA

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