

# Plans for the London G20 Summit 2009

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March 30, 2009

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## List of Acronyms

ASEAN	The Association of South East Asian Nations
BRICs	Brazil, Russia, India, China
CBI	Confederation of British Industry
EU	European Union
FCO	Foreign & Commonwealth Office
FSF	Financial Stability Forum
G20	Group of Twenty
GDP	gross domestic product
IFIs	international financial institutions
ILO	International Labour Organization
IMF	International Monetary Fund
IMFC	International Monetary and Finance Committee
L20	Leaders' Twenty
MDB	multilateral development bank
MDGs	Millennium Development Goals
NEPAD	New Partnership for Africa's Development
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
SDR	special drawing rights
WTO	World Trade Organization

## Preface

This report on the “London G20 Summit: Plans for the Second Meeting” is compiled by the G20 Research Group largely from public sources as an aid to researchers and other stakeholders interested in the meetings of G20 leaders and their invited guests. It will be updated periodically as plans for the summit evolve. Note that this document refers to the first G20 leaders’ meeting (or summit), which took place on November 14-15, 2008, in Washington DC (as opposed to the G20 finance ministers forum, which was founded in 1999, and other groupings such as the G20 developing countries formed in response to the agricultural negotiations at the World Trade Organization). This edition only includes material since February 1, 2009. All material from before January 1, 2009, can be found on the G20 Information Centre website under “Earlier Versions.” New material in this version appears in bold.

## 1. Introduction

The Group of Twenty (G20) leaders met for the first time in 2008, first on November 14 for a working dinner and then on November 15 for a working meeting in Washington’s National Building Museum. The official name of the meeting was the “Summit on Financial Markets and the World Economy.” Participants from 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 European Union. The second summit takes place on April 1-2, 2009. The United Kingdom will host the meeting in London.

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

Under the Gleneagles Dialogue, since 2005 a group of 20 ministers in the fields of environment and energy have met, most recently in Japan, to discuss issues associated with 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. In both cases, membership largely overlaps that of the G20 finance ministers.<sup>1</sup>

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<sup>1</sup> The G20 Gleneagles Dialogue is comprised of members from Australia, Brazil, Canada, China, the European Union, France, Germany, India, Indonesia, Italy, Iran, Japan, Mexico, Nigeria, Poland, Russia,

## 2. Agenda and Priorities

The G20 summit is an important opportunity to repair the financial system and “reform it for the future,” British chancellor of the exchequer Alistair Darling said as he warned that lessons had to be learned by bankers as well as politicians. Darling said that the London gathering of world leaders was a chance to ensure that “we get the rules right at a global level,” and he called for internationally agreed standards for banking supervision. Prime Minister Gordon Brown wants to win agreement at the summit for a new \$100 billion global fund to increase credit flows. Darling said: “More is needed to restore trust and to enable the banking system to function efficiently. That is why we must develop a system of regulation and supervision that is wider in scope, more intrusive in its interventions and better coordinated internationally. That is why next week’s G20 summit is so important.” He said the meeting on Thursday was an opportunity “not only to repair the system today, but reform it for the future ... We need internationally agreed standards for supervision, covering liquidity and capital, so that we don’t exacerbate already difficult situations, ... and we also need to promote transparency, guard against systemic risk and discourage excessive risk-taking. It is crucial that we get the rules right at the global level.” Darling also said: “Banks, and in particular their boards, need to recognize that their duty to shareholders is best fulfilled by acting in the interests of their customers and — not only some, but all — of their employees. And banks’ boards need to focus not on short-term profits, but long-term wealth creation — which is best served by meeting the needs of all their customers.”<sup>2</sup> (March 27, 2009, *Guardian Unlimited*)

Gordon Brown said that an overarching set of global principles on issues such as banking regulation and remuneration would provide a framework for individual countries to develop their own local solutions to the crisis. The sense of pessimism which is prevalent in many countries must be challenged, Brown said. If the current problems are addressed correctly it will herald a new era of prosperity as producer countries start to become consumers.<sup>3</sup> (March 25, 2009, *Dow Jones International News*)

Gordon Brown has called for a reform of international financial institutions to provide “global solutions to global problems.” He said, “First of all, we have to deal with the restructuring of our banking and financial systems. I believe we will show that the world can come together to agree on common rules for the future.” Brown hinted at expanded roles for the International Monetary Fund and the World Bank. The IMF could have a “more active” role as the overseer of the world economy and provide “early warnings” of impending international crises in the financial sector. The World Bank could turn its attention to environmental and development issues. Over the past 20 years, the world has

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

<sup>2</sup> *Guardian Unlimited* (March 27, 2009), “G20 is opportunity to reform financial system for future, says Darling.”

<sup>3</sup> *Dow Jones International News* (March 25, 2009), “UK Brown: G20 shouldn’t Impose Single International Regulator.”

changed drastically with the global flow of goods and finance, according to Brown. He said, “We’ve seen how a bad bank somewhere can affect good banks anywhere.” The answer “is to have cross-border supervisory arrangements that are satisfactory to all countries.” Brown also thinks there will be agreement on “measures that will help rebuild [their] banking and financial systems ... [and] agreement on measures to stimulate trade and growth.” Discussions will also cover how to deal with offshore tax havens, financial rewards for executives and how the crisis is affecting the world’s poor.<sup>4</sup> (March 24, 2009, *The Globe and Mail*)

A report from an advisory group of the G20 countries is recommending broad reforms of the global financial systems, including tighter regulations of hedge funds and rating agencies as well as higher capital requirements for banks. The report attempts to set more specific goals for leaders. It recommends, for example, that each country require hedge funds to register and report regularly on their size, investment style, borrowing levels and performance. It calls for a new college of supervisors at the Financial Stability Forum that would allow regulators from various countries to compare notes on banks with a global reach, helping them identify systemic risks to the world financial system. The report also calls for establishing more uniform accounting standards that would compel banks to maintain more capital after the economic crisis passes.<sup>5</sup> (March 20, 2009, *The Washington Post*)

At their March 13-14 meeting, the G20 finance ministers and central bank governors came up with an eight-point plan. In their communiqué they said they were “prepared to take whatever action is necessary until growth is restored.” The key priority was to restore lending by banks by continuing to support them with capital injections and helping them deal with the toxic assets on their books. The G20 also committed to a “substantial” increase in resources for the IMF and to fight all forms of protectionism while continuing to put in place stimulative measures to kick start economic growth. There was a commitment from certain European countries, Australia, China and the United States on fiscal stimulus. All are putting significant packages together according to Australian treasurer Wayne Swan. The G20 also agreed that central banks should continue cutting interest rates when necessary and consider other measures, such as quantitative easing—i.e., printing more money.<sup>6</sup> (March 15, 2009, *Australian Associated Press General News*)

The British government has set out what the G20 leaders should focus on when they meet in April. They must reaffirm their determination to stabilize, bolster and reform the financial system, reduce the severity of the global recession and speed up the economic recovery. More action is required to avoid a protracted downturn, guard against deflation, strengthen the financial sector, mitigate against a withdrawal of bank lending and steer clear of protectionism. They will need to look at how effective stimulus measures have been and consider implications for the future so that any further action can be balanced

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<sup>4</sup> *The Globe and Mail* (March 25, 2009), “In a crisis, Gordon Brown sees two opportunities.”

<sup>5</sup> *The Washington Post* (March 20, 2009), “G20 Urged to Tighten Financial Oversight; Report Also Calls for Higher Bank Capital Requirements.”

<sup>6</sup> *Australian Associated Press General News* (March 15, 2009), “UK: Aust backs G20 global recovery plan.”

with long-term fiscal prudence. IMF resources should be increased. Financial regulation must be reformed to improve corporate governance, risk management and the coordination of rules and oversight across global markets. An early warning system, with a bigger role for the IMF, needs to be created. International financial systems need to be reformed. The Doha round needs to be concluded. And developed countries should keep their aid commitments to developing countries.<sup>7</sup> (February 18, 2009, *Reuters News*)

British ambassador to Russia Anne Pringle spoke of the G20 summit's agenda as follows: "The key themes will be focusing on how we stimulate growth again in the world economy and how we create jobs. We'll be following up the Washington summit in November in trying to improve regulations of financial market and better performance and regulation of international financial institutions, generally." She said, "The other big themes are going to be how we pay attention to the needs of emerging economies and how we ensure that countries do not fall back into protectionism." The last set of themes is called "greening the growth," said Pringle. "We mean we have an opportunity out of the crisis to live again at low carbon growth."<sup>8</sup> (February 12, 2009, *Interfax: Russia & CIS General Newswire*)

Gordon Brown has outlined some issues on the agenda of the April G20 summit. On fiscal policy he said, "We have put monetary policy to its toughest test. Because the monetary mechanism is impaired, the fiscal policy is absolutely essential." On financial regulation, in regard to bank bonuses, he stated, "We are leading the way ... in sweeping aside the old short-term bonus culture of the past and replacing it first of all with a determination that there are no rewards for failure and secondly that there are rewards only for long-term success." On reforming the IMF and the World Bank, he said, "These institutions were built for a world of local capital flows, not global capital flows. The institutions we have inherited are not equipped for the tasks we have to deal with in the future. I believe the IMF and World Bank will have to change their role quite fundamentally. The regional development banks will have to be brought into play as well." He went on to say, "I see a big argument about how the IMF and the World Bank are to be financed for the future, one that will require us to talk about the reserves in different countries, talk about what sort of loan or bond facility we can develop, perhaps with the Arab states, perhaps even with Sovereign Wealth Funds ... The world lacks a proper early warning system ... no regulators or politicians, governments or central banks of the world have that at the moment. We've never given anybody sufficient teeth that their views are treated seriously, that people have to act when those warnings are given." On trade and investment, he said, "The fourth thing we have got to do is obviously move the economy forward and in our case that will be export-led and investment-led growth for the future."<sup>9</sup> (February 9, 2009, *Reuters News*)

Governments need to agree coordinated monetary and fiscal stimulus measures to "take the world out of depression," Gordon Brown said. He also underlined the need for a rapid agreement on the WTO's Doha round of trade liberalization talks. "The biggest danger

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<sup>7</sup> *Reuters News* (February 18, 2009), "Factbox-Britain's G20 plan for recovery."

<sup>8</sup> *Interfax: Russia & CIS General Newswire* (February 12, 2009), "Brown wants results from G20 in London — British ambassador to Russia."

<sup>9</sup> *Reuters News* (February 9, 2009), "UK PM Brown outlines agenda for G20 summit."

that the world faces is a retreat into protectionism,” he told lawmakers at his weekly question session in the House of Commons. “It’s all the more reason why first of all we should sign the Doha agreement ... and secondly we should make sure that every country is analyzed for what it is doing by the World Trade Organization to prevent protectionism.” Although he usually uses the words recession or slowdown, he added, “It also is absolutely clear that we should agree as a world on a monetary and fiscal stimulus that will take the world out of depression.” The main focus of the G20 summit in the British capital on April 2 will be on reforming international finance rules in the wake of the worst crisis since the 1930s.<sup>10</sup> (February 4, 2009, *Agence France Presse*)

### ***Stimulus and/or Regulation***

**The British government dismissed a report that suggested it was pushing for G20 countries to back \$2 trillion in stimulus measures at a London Summit. The report in *Der Spiegel* quoted from a draft G20 communiqué where the \$2 trillion figure appeared in brackets, showing it was a proposal from the British and had not been approved by the broader G20. “This is an old draft that has changed in a number of respects,” a British spokesman said. “While we do not comment on leaks, the \$2 trillion figure referred to is nothing more than the International Monetary Fund estimate of action already announced. This is not a new figure, does not relate to any new commitments and is derived from IMF figures already in the public domain.”<sup>11</sup> (March 28, 2009, *Reuters News*)**

**The U.S. and Germany are going “in the same direction” ahead of the G20 summit, a spokesman for German chancellor Angela Merkel said. There are “no points of contention here between us and the U.S.s government. For both of us, and our position has been made clear for some time, regulation of financial markets is the focus of the meeting.” “The proposals that [U.S. Treasury Secretary] Timothy Geithner has put on the table when it comes to regulation of certain players — hedge funds and others — show that we are proceeding together in the same direction.” European countries are keen to see the summit sign off sweeping changes to rules governing how global financial markets operate. Former U.S. president George Bush’s administration and Britain were seen as less keen on tightening the rules but President Barack Obama’s administration has unveiled far-reaching new proposals that he said the rest of the world now had to match. The U.S. has also called on Europe to increase economic stimulus plans — calls that have so far been rejected by France, Germany and others.<sup>12</sup> (March 27, 2009, *Agence France Presse*)**

Europe is not prepared to boost spending beyond stimulus measures already announced. “The European stimulus plans are strong. They are demanding and they are significant in terms of volume and quality,” said Jean-Claude Juncker, chair of the 16 Eurogroup

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<sup>10</sup> *Agence France Presse* (February 4, 2009), “Stimulus needed to ‘take world out of depression.’: British PM.”

<sup>11</sup> *Reuters News* (March 28, 2009), “Britain dismisses report on G20 stimulus plan.”

<sup>12</sup> *Agence France Presse* (March 27, 2009), “Obama and Merkel in agreement ahead of G20: Germany.”

countries and Luxembourg's prime minister. "There is no question that, upon the demand of the United States, that we would increase it."<sup>13</sup> (March 25, 2009, *Reuters News*)

At the G20, the U.S. is expected to be pressed to unveil tougher regulatory proposals. Other countries have blamed their tax regulations for the current crisis. The Obama administration has said it will keep pressing countries to do more to jump-start economic growth with more stimulus.<sup>14</sup> (March 23, 2009, *Associated Press Newswires*)

While the G20 leaders will not announce a second round of stimulus during their summit, Britain would like to reach a common understanding that more action will be taken if needed. The UK has said it doesn't see a fundamental disagreement over the stimulus issue. On regulatory reform, leaders are likely to agree on a broad set of principles, including that regulations should cover all systematically significant financial institutions around the world.<sup>15</sup> (March 23, 2009, *Dow Jones Capital Markets Report*)

Germany's Angela Merkel has rejected the extra fiscal stimulus package advocated by Gordon Brown and Barack Obama. Merkel insisted that the focus of any global recovery plan should be on reining in the markets.<sup>16</sup> (March 20, 2009, *The Guardian*)

European Union members should spend more on stimulus measures if they can, European Commission president Jose Manuel Barroso said. "If member states are in a position to do more, they should do more." He also stressed that stimulus packages already announced must be carried out. Barroso, however, rejected the claim that the EU has not spent enough. "We are doing more than anyone in the world on that matter," he said, adding that the EU's heavy spending on unemployment and other welfare benefits should be considered. "Others should increase their effort in that way as well — that would be a good contribution for the global recovery."<sup>17</sup> (March 18, 2009, *Xinhua News Agency*)

The G20 should commit to more stimulus spending and stabilize members' banking systems when they meet in London on April 2, said Mervyn King, governor of the Bank of England. "The immediate need is to deal with the extraordinarily steep and simultaneous downturn in so many economies around the world, and to stabilise the banking system in those countries where it has failed," he said. "That should be the main priority at the forthcoming G20 summit."<sup>18</sup> (March 17, 2009, *Agence France Presse*)

The G20 have minimized the split over fiscal stimulus and international regulatory policies. The G20 process now has a twin-track plan for immediate economic stimulus and financial system repair alongside medium-term ideas for tougher financial regulation.

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<sup>13</sup> *Reuters News* (March 25, 2009), "Europe won't boost stimulus on U.S. demand-Juncker."

<sup>14</sup> *Associated Press Newswires* (March 23, 2009), "Geithner says US financial system flunked major test in financial crisis."

<sup>15</sup> *Dow Jones Capital Markets Report* (March 23, 2009), "UK Hopes G20 To Agree on Further Stimulus If Needed-Diplomat."

<sup>16</sup> *The Guardian* (March 20, 2009), "Brown's plan for recovery rejected by Germany: Germany rejects Brown recovery plan."

<sup>17</sup> *Xinhua News Agency* (March 18, 2009), "Barroso urges EU members to increase stimulus spending if they can."

<sup>18</sup> *Agence France Presse* (March 17, 2009), "Britain's central banker urges stimulus at G20."

French finance minister Christine Lagarde said, “I don’t think we should ever consider that April 2 is the end of the road. It is the step on the road for which we are delivering the platform.” On fiscal stimulus she said, “You know it was an area for debate between those who wanted more stimulus and commitment to a third, fourth, fifth plan and those who said the stimulus is already under way, let’s put it in place ... We reached a good balance.” On financial regulation, the G20 finance ministers and central bank governors agreed a set of principles to deal with distressed banks which British treasurer Alastair Darling said was deliberately “flexible” to encompass a range of solutions in different countries.<sup>19</sup> (March 15, 2009, *Financial Times*)

Barack Obama said the notion that the U.S. and Europe are taking sides, with America pushing for more stimulus spending and the European nations favouring tighter regulation of the financial industry, was a “phony debate.” “I can’t be clearer in saying that there are no sides,” he said. Financial regulation “is front and center” among the issues he wants to deal with.<sup>20</sup> (March 14, 2009, *Associated Press Newswires*)

The U.S. government will emphasize the need for fiscal stimulus and other measures to fight the recession at the London Summit, but will also pursue financial reforms to prevent future crises. “It is not either-or. It’s both,” a Treasury official said.<sup>21</sup> (March 9, 2009, *Reuters News*)

The U.S. wants to use the April 2 summit to press for a boost in global stimulus, a move that could slow the revamping of financial regulations and cause a rift with Europe. The Europeans believe that lax regulation was a major cause of the financial crisis and think the focus of the summit should remain on tightening their grip on hedge funds and private equity firms. Germany is especially reluctant to expand fiscal stimulus. U.S. officials say they are committed to finding a workable solution but are worried that a regulation-first approach is not the right approach.<sup>22</sup> (March 9, 2009, *The Wall Street Journal Europe*)

### ***International Cooperation***

Barack Obama and Gordon Brown are making very public pleas for global cooperation ahead of a major economic summit. Brown is pushing that both stimulus and regulatory measures are necessary.<sup>23</sup> (March 25, 2009, *Deutsche Welle*)

Barack Obama called for the G20 to take “bold, comprehensive and coordinated action” to stem the global economic crisis. “We are living through a time of global economic challenges that cannot be met by half measures or the isolated efforts of any nation,” he noted. “Now, the leaders of the Group of 20 have a responsibility to take bold, comprehensive and coordinated action that not only jump-starts recovery, but also launches a new era of economic engagement to prevent a crisis like this from ever

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<sup>19</sup> *Financial Times* (March 15, 2009), “G20 pledges to restore global growth.”

<sup>20</sup> *Associated Press Newswires* (March 14, 2009), “G20 pledge sustained action non financial crisis.”

<sup>21</sup> *Reuters News* (March 9, 2009), “US Treasury wants both stimulus, reforms at G20.”

<sup>22</sup> *Wall Street Journal Europe* (March 9, 2009), “U.S. and Europe in conflict over stimulus---Germnay and France favor toughening financial regulations.”

<sup>23</sup> *Deutsche Welle* (March 25, 2009), “Obama, Brown Push for Unity Ahead of World Summit.”

happening again ... Only coordinated international action can prevent the irresponsible risk-taking that caused this crisis. That is why I am committed to seizing this opportunity to advance comprehensive reforms of our regulatory and supervisory framework ... If the London Summit helps to galvanize collective action, we can forge a secure recovery, and future crisis can be averted.”<sup>24</sup> (March 24, 2009, *Agence France Presse*)

The U.S. plans to push for an increase in emergency spending at the London Summit. The U.S.’s priorities, however, are opposite of the European members, who want the summit to focus on rewriting rules governing financial markets. The Europeans believe that bad regulation was a major cause of the crisis and want to tighten their watch over hedge funds and private equity firms. The U.S. believes that additional government spending is needed to reduce the depth and length of the downturn. A split in priorities could further harm markets. U.S. officials say they are committed to finding a workable solution but worry that a regulation-first approach would backfire.<sup>25</sup> (March 9, 2009, *The Globe and Mail*)

Global policymakers must agree to take more action to support the world economy and fix its financial system at the London Summit, said Gordon Brown. “Some may have to do more on interest rates, some may have to do more on fiscal stimulus ... The whole point of the G20 is that the whole world must take action to deal with a global problem.” He added: “We are fashioning for the future a global deal, a grand bargain, where each continent accepts its responsibilities and its obligations to act to deal with what is a global problem that can only be solved with a global solution.”<sup>26</sup> (February 18, 2009, *Reuters News*)

### **Tax Havens**

**The G20 will issue a statement next week [at the London Summit] encouraging countries that serve as tax havens to increase transparency and adopt international standards. “I think there is broad agreement among the G20 that it’s important to bring the offshore financial centers into the overall community of the global economy and under appropriate rules of the road,” an American official said. “Ultimately it will be represented in the leaders’ communiqué, of things that can be done to encourage them to adopt international standards of behavior around transparency and disclosure and things of that sort.” There are no offshore financial centres among the G20 countries, but talks with such centres are ongoing. “There are a series of dialogues going on in various international forums, as well as between G20 members and some of the offshore financial centres.” “But this will be reflected ultimately in the leaders’ statement that would come out of London in terms of how best to encourage them to adopt these international standards of behavior.” A blacklist of uncooperative tax havens drawn up by the Organisation for Economic Co-operation and Development (OECD) currently includes only Liechtenstein,**

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<sup>24</sup> *Agence France Presse* (March 24, 2009), “Obama calls for bold, coordinated action at G20 summit.”

<sup>25</sup> *The Globe and Mail* (March 9, 2009), “U.S. to push for more stimulus at G20.”

<sup>26</sup> *Reuters News* (February 18, 2009), “UK’s Brown calls for more global stimulus measures.”

**Andorra and Monaco, but France and Germany have been pushing for others, including Switzerland, to be added.**<sup>27</sup> (March 28, 2009, *Reuters News*)

The G20 will decide what sanctions should be placed on tax havens that do not abide by international transparency standards.<sup>28</sup> (March 26, 2009, *Dow Jones International News*)

Tax havens will be forced to submit themselves to international scrutiny under plans to tackle their culture of secrecy. At the G20 summit members will discuss plans for a multilateral exchange of information on “offshore” accounts. Gordon Brown wants to build on proposals from the OEC) to “make sure tax secrecy is a thing of the past.”<sup>29</sup> (March 23, 2009, *The Guardian*)

Countries that recently pledged to weaken their bank secrecy laws won’t escape a list of alleged tax havens being compiled for the upcoming G20 summit, according to Angel Gurría, secretary general of the OECD. He said the OECD would note the recent pledges of increased openness by banking centres such as Switzerland, Lichtenstein and Monaco. While Gurría considered those pledges to be significant, he said the composition of the list of non-cooperative tax jurisdictions wouldn’t change. “From now on, every day is April 2.” While the latest initiative to crack down on alleged tax havens comes primarily from countries such as the U.S., Germany and France, the OECD sets international standards for bank secrecy and monitors compliance. Gurría said the OECD will report on compliance in July, if asked — this time to a meeting of the G8. “This will be a very public process.”<sup>30</sup> (March 18, 2009, *The Wall Street Journal Europe*)

Monaco has said it will adopt the OECD’s norms on tax evasion so as to get off a blacklist by the group at a key G20 summit next month. Switzerland, Luxembourg and Austria followed Belgium, Liechtenstein and Andorra in saying they would relax their bank secrecy laws amid growing international pressure to stamp out tax havens.<sup>31</sup> (March 17, 2009, *Agence France Presse*)

Hans-Rudolf Merz, Switzerland’s finance minister, said that he “put the question of this famous blacklist to Gordon Brown and he told me that he shared my concern and that everything had to be done to avoid such a situation.” The two spoke on the sidelines of an informal meeting of the International Monetary and Finance Committee (IMFC) in London. Brown said that his government would support Switzerland’s stance. The G20 will examine a proposal to blacklist Switzerland and other countries at a meeting in London at the beginning of April.<sup>32</sup> (March 16, 2009, *BBC Monitoring European*)

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<sup>27</sup> *Reuters News* (March 28, 2009), “G20 to issue statement on tax havens-U.S. official.”

<sup>28</sup> *Dow Jones International News* (March 26, 2009), “UK Tsy’s Myners: G20 Seen Discussing Sanctions For Tax Havens.”

<sup>29</sup> *The Guardian* (March 23, 2009), “Brown plans global scrutiny of tax havens: Brown’s plan for tax havens.”

<sup>30</sup> *Wall Street Journal Europe* (March 18, 2009), “OECD compiles list of alleged tax havens for G20.”

<sup>31</sup> *Agence France Presse* (March 17, 2009), “Monaco pledges to meet OECD norms on tax info.”

<sup>32</sup> *BBC Monitoring European* (March 16, 2009), “Swiss finance minister confident of avoiding tax haven black list.”

German finance minister Peer Steinbrück said he was satisfied that pressure was building against tax havens and countries that practise banking secrecy such as Switzerland. He said that he took “great interest” in the fact that the G20 would discuss a blacklist of uncooperative tax havens. Finance chiefs from Switzerland, Luxembourg and Austria have been fighting off growing pressure to include their countries on the tax haven blacklist, demanding a say in the talks on the issue ahead of the G20.<sup>33</sup> (March 9, 2009, *Agence France Presse*)

Gordon Brown has taken aim at tax havens, suggesting they should be outlawed. “You are also restructuring your banks. So are we,” he said to the U.S. Congress. “But how much safer would everybody’s savings be if the whole world finally came together to outlaw shadow banking systems and outlaw offshore tax havens?” The issue of tax havens, which often allow the world’s wealthiest to hide money from governments and tax authorities, will be on the agenda for the London Summit on April 2. “So that the whole of our worldwide banking system serves our prosperity rather than risks it,” said Brown, “let us agree in our G20 summit in London in April rules and standards for proper accountability, transparency, and reward that will mean an end to the excesses and will apply to every bank, everywhere, all the time.” Alastair Darling, chancellor of the Exchequer, said, “I think it’s important there is transparency. ... Indeed, half the many problems we have got now is because people didn’t know what was going on.” He added that the “secrecy that allows people to shelter their wealth from tax that’s properly paid” cannot be tolerated. At a meeting in Berlin the leaders of Britain, France, Germany, Italy, Spain and the Netherlands agreed that “all financial markets, products and participants — including hedge funds and other private pools of capital which may pose a systemic risk — must be subjected to appropriate oversight or regulation.” France’s president Nicolas Sarkozy has suggested that Switzerland could be put on a planned G20 blacklist of tax havens, igniting anger from Swiss authorities.<sup>34</sup> (March 4, 2009, *Agence France Presse*)

Offshore havens that refuse to hand over information on tax dodgers could face an unprecedented campaign of economic sanctions by the G20. The campaign could see Britain targeting some of its own overseas territories, including the Cayman Islands and the British Virgin Islands, where British banks and corporations use scores of subsidiaries to avoid tax. Following the G20 preparatory summit in Berlin, officials are preparing a new blacklist of uncooperative havens. Other leading centres of secretive offshore activity such as Liechtenstein and Panama are among more than 30 countries that have failed to sign agreements to share information about corporations and individuals who take advantage of their secrecy and their low taxes. Earlier lists prepared by the OECD, only “named and shamed.” The G20 plans to promote sanctions designed to deprive such entities of billions of dollars of business, such as refusing to allow payments to a blacklisted haven to be deducted from taxable income, which would affect royalty payments, management fees, dividends and insurance premiums. Officials are working on a plan for international financial institutions to pull their investments out of the blacklisted havens. The G20 will likely create a blacklist from three overlapping groups of havens: those with no double taxation conventions, which allow countries to share

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<sup>33</sup> *Agence France Presse* (March 9, 2009), “Germany welcomes growing pressure on tax havens.”

<sup>34</sup> *Agence France Presse* (March 4, 2009), “British PM suggests ban on tax havens.”

information on taxpayers in each other's jurisdiction; those that have refused to accept the new Tax Information Exchange Agreements (TIEAs), which allow one country to require another to find extra information on a suspect; and those that have agreed in principle to TIEAs but have failed to sign them.<sup>35</sup> (March 2, 2009, *The Guardian*)

### **Bank Supervision**

Gordon Brown has suggested that governments set up bilateral agreements to deal with cross-border banking issues that have arisen as a result of the global span of many large banks. The UK is talking to Germany about the problems generated by the Royal Bank of Scotland.<sup>36</sup> (March 25, 2009, *Dow Jones International News*)

Greater oversight of the shadow banking system is expected to be a major topic of discussion when the G20 meet. It isn't clear what agency would be granted the power over financial institutions, although Ben Bernanke, chair of the U.S. Federal Reserve, has suggested it should be his institution. The Federal Deposit Insurance Corporation (FDIC) now fills that role for banks. The agency has used its authority during the crisis to shut down Washington Mutual and a number of other small institutions. The U.S. government also used similar powers to seize mortgage lenders Fannie Mae and Freddie Mac.<sup>37</sup> (March 25, 2009, *The Globe and Mail*)

The United Kingdom's Financial Services Authority (FSA) is expected to roll out a blueprint for the most radical rethink of financial rules in more than a decade. Gordon Brown paved the way for tighter rules and closer scrutiny of the Britain's large financial sector. He said he wished he had pushed for more responsible regulation following the Asian financial crisis 10 years ago. "Laissez-faire has had its day," Brown said. FSA chair Adair Turner is scheduled to indicate how a new regulatory regime would look in a report that will recommend how to regulate the amount of capital banks should put aside to cover losses and the cash they need to run day-to-day operations. The FSA is keen, for instance, that UK banks adopt countercyclical capital requirements, in which they build up more substantial capital buffers in good times so that they can let them run down in bad times. Turner's review also is expected to look at whether the UK needs tougher domestic rules in such areas as loan-to-value limits on consumer-mortgage lending. The report will touch on many topics high on the agenda for the G20 meeting on April 2. These include the need for regulators to more closely monitor global economic and financial trends, such as the global financial imbalances that the FSA believes caused the current financial crises.<sup>38</sup> (March 18, 2009, *The Wall Street Journal Europe*)

Global financial officials will recommend that limits be placed on bankers' bonuses and other compensation that might encourage excessive risk taking. The FSF will make its recommendations over the next month to the G20 in a bid to prevent the risk taking that

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<sup>35</sup> *The Guardian* (March 2, 2009), "Tax havens may face sanctions for not giving data on evaders."

<sup>36</sup> *Dow Jones International News* (March 25, 2009), "UK Brown: G20 Shouldn't Impose Single International Regulator."

<sup>37</sup> *The Globe and Mail* (March 25, 2009), "Oversight to be discussed at G20 meeting."

<sup>38</sup> *Wall Street Journal Europe* (March 18, 2009), "U.K. prepares outline for new finance rules."

led to the U.S. subprime mortgage crisis. The FSF has been crafting recommendations ahead of the G20 finance ministers' mid-March meeting. If the G20 leaders agree to the guiding principles set forth by the FSF, individual countries would come up with their own ways of implementing it. Gordon Brown said that the G20 should agree to principles that build bankers' rewards on long-term sustainable results and end what he called "that short-term banking bonus culture."<sup>39</sup> (March 6, 2009, *Reuters News*)

As of February 11, G20 countries planned to increase capital requirements for banks and take a tough stance against tax havens. According to unnamed sources, the G20 countries were discussing a model whereby banks would be required to boost their capital in good economic times to ensure they had a cushion during the bad times. In addition, plans were under way to increase the number of international bodies responsible for overseeing big financial institutions — or so-called "colleges of supervisors" — to 35 from an originally planned 20. The G20 had agreed that countries with secretive bank rules, which in the past have acted as tax havens, would face collective sanctions designed to force them into more transparency. A broadening of the FSF, a grouping of top bank regulators who evaluate banking and market risk, to include more G20 emerging countries is also under discussion.<sup>40</sup> (February 11, 2009, *Reuters News*)

European leaders will discuss their ideas for "bad banks" to absorb toxic assets and take their proposals to the G20 meeting in London in April, EU economic chief Joaquin Almunia said. "After the European heads of state and government meet, it will be discussed at the next G20 summit." Almunia, commissioner for monetary and economic affairs said interbank lending has ground to a halt due to distrust over toxic assets and confidence will only return once the illiquid debt is removed from bank balance sheets. "The English, the Dutch, the Germans are discussing this." "Probably all of us will end up discussing it, definitely at the level of the European Commission, so that there are no distortions."<sup>41</sup> (February 2, 2009, *Reuters News*)

## **Hedge Funds**

**A group of powerful hedge fund managers has warned that they are ready to move off-shore if regulations or taxes in countries such as the United Kingdom become too onerous. The warning was part of a strong defence of the hedge fund industry. In a rare show of unity, the group, which included Stuart Roden of Lansdowne Partners, Michael Hintze of CQS and Stanley Fink of ISAM, vowed to fight against the threat of too much intervention. Crispin Odey of Odey Asset Management said: "We don't have to be in London."<sup>42</sup> (March 29, 2009, *The Sunday Telegraph*)**

Gordon Brown has said that large-scale changes will take place in the regulation of financial markets, specifically hedge funds and other areas which currently lack strict regulation. The United States has not disclosed details of plans to remove distressed

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<sup>39</sup> *Reuters News* (March 6, 2009), "G20 to look at compensation caps to cut bank risks."

<sup>40</sup> *Reuters News* (February 11, 2009), "G20 nears deal on bank capital, tax havens-report."

<sup>41</sup> *Reuters News* (February 2, 2009), "Europe leaders to discuss bad banks for G20-Almunia."

<sup>42</sup> *The Sunday Telegraph* (March 29, 2009), "Hedge funds vow to fight as G20 gathers."

assets from banks, which is crucial in order to stimulate the economy, but pledged to do so in the coming weeks.<sup>43</sup> (March 17, 2009, *SKRIN Newswire*)

In mid March the G20 finance ministers agreed to require regulation of hedge funds and their managers. U.S. and European officials have agreed that tougher oversight is necessary for any hedge fund that is big enough or complex enough to destabilize the financial system. The finance ministers are trying to put together a list of recommendations for next months meeting of their leaders.<sup>44</sup> (March 16, 2009, *The Wall Street Journal Europe*)

In mid February Gordon Brown called for greater regulation on hedge funds. “Together we will support oversight of under-regulated sectors and I also support proper disclosure and transparency of hedge funds,” he said after meeting with Italian prime minister and G8 host Silvio Berlusconi.<sup>45</sup> (February 19, 2009, *Reuters News*)

## **Currencies**

U.S. and European policymakers are standing behind the dollar as the world’s reserve currency. These comments came in response to a Chinese bid to see the currency replaced. The idea of a new global currency is likely to be floated at the G20, but nothing is likely to happen anytime soon.<sup>46</sup> (March 25, 2009, *Deutsche Welle*)

Gordon Brown said that the G20 was unlikely to spend much time discussing the merits of a new global currency. “I don’t think of all the subject at the G20 that we’re going to have a long discussion about whether to create a global currency at this stage.” He said countries with large reserves like China that are holding on to them need to think about taking a different approach.<sup>47</sup> (March 25, 2009, *Reuters News*)

China is ready to discuss Russia’s proposal of a new global reserve currency as an alternative to the U.S. dollar at the G20 summit. Russia submitted a proposal to the G20 which would see the IMF examining the possibilities for creating a supra-national reserve currency, and force national banks and international financial institutions to diversity their foreign currency reserves. “We believe it is necessary to consider the IMF’s role in this process and also define the possibility and the need to adopt measures allowing for Special Drawing Rights (SDRs) to become an internationally recognized super-reserve currency,” the proposal said. At the same time the discussion of a new global currency could be started but considering the dollar’s status as the current primary currency the leaders may focus more on “enhancing control over the existing system.”<sup>48</sup> (March 23, 2009, *RIA Novosti*)

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<sup>43</sup> *SKRIN Newswire* (March 17, 2009), “G20 to allocate funds to troubled EM economies.”

<sup>44</sup> *Wall Street Journal Europe* (March 16, 2009), “Officials back hedge-fund oversight — Before G20 meeting, concerns remain over regulation levels.”

<sup>45</sup> *Reuters News* (February 19, 2009), “UK’s Brown wants more scrutiny of hedge funds.”

<sup>46</sup> *Deutsche Welle* (March 25, 2009), “US and Europe Reject Chinese Bid for New Global Currency.”

<sup>47</sup> *Reuters News* (March 25, 2009), “UK’s Brown: global currency unlikely top G20 topic.”

<sup>48</sup> *RIA Novosti* (March 23, 2009), “China ready to discuss new reserve currency at G20 summit.”

Russia is proposing that discussions into the possibility of creating a new world reserve currency initiated at the summit in London. “We fully agree that this is not the issue that would enable us to get out of the crisis and cut costs,” said a government source. “The main idea is to initiate discussions on this issue.” Russia earlier put forward a suggestion to the G20 summit for the IMF to examine possibilities for creating a supra-national reserve currency and also force national banks and international financial institutions to diversify their foreign currency reserves. The proposal says “it is necessary to consider the IMF’s role in this process and also define the possibility and the need to adopt measures allowing for Special Drawing Rights (SDRs) to become an internationally recognized super-reserve currency.”<sup>49</sup> (March 18, 2009, *RIA Novosti*)

In mid March South Korea’s finance minister, Yoon Jeung-hyun, raised the issue of expanding currency swap lines with the United States Federal Reserve. South Korea’s central bank has lent \$16 billion out of a \$30 billion currency swap facility with the Federal Reserve so far. The issue was raised by Yoon when he met U.S. treasury secretary Timothy Geithner at the G20 ministerial meeting in March.<sup>50</sup> (March 16, 2009, *Reuters News*)

### **Export Credit**

Gordon Brown is consulting multilateral lenders on ways to open credit for the developing world. “I have already started talks with the IMF, the World Bank and other organisations to draw up proposals that, if accepted by the G20, could inject billions of dollars into the economies of developing countries.”<sup>51</sup> (February 18, 2009, *Reuters News*)

The G20 will focus discussions on how to revive foreign trade lines to emerging markets, Brazil’s Central Bank president Henrique Meirelles said. The turmoil in financial markets has drastically reduced the volume of credit around the world, and has hit emerging markets particularly hard as investors drew funds away from riskier assets. “Just as the United States begins to look for a way out [of the crisis], the big issue that will remain at the G20 meeting in April will be that of credit lines for imports and exports in emerging and developing countries,” said Meirelles. “Brazil has international reserves to make up for those lines, but many emerging market countries don’t.” “This is an essential liquidity tool.”<sup>52</sup> (February 13, 2009, *Reuters News*)

To prevent a potentially devastating credit crunch in the developing world, the G20 should consider establishing a temporary Global Expenditure Support Fund, first proposed by Indonesian president Susilo Bambang Yudhoyono at the G20 summit in Washington last November. This fund would support budget and project financing in countries that traditionally rely on market sources for their financing requirements but are facing harsh difficulties due to the breakdown and disruption of financial markets. G20 members would contribute to the fund, and countries with a good track record on fiscal

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<sup>49</sup> *RIA Novosti* (March 18, 2009), “Russia wants to start debate on new reserve currency at G20.”

<sup>50</sup> *Reuters News* (March 16, 2009), “S.Korea says raised US swap extension during G20.”

<sup>51</sup> *Reuters News* (February 18, 2009), “Britain’s Brown in credit talks for developing world.”

<sup>52</sup> *Reuters News* (February 13, 2009), “G20 to discuss foreign trade lines in April-Brazil.”

sustainability and a demonstrated commitment to economic development and poverty reduction would be eligible to access the funds over the next two to three years. The funds could be disbursed by the World Bank and the regional development banks.<sup>53</sup> (February 2, 2009, *The Wall Street Journal Asia*)

### ***Reform of the International Financial Institutions***

**China will make a major push for a bigger say in the international financial regime at the G20. Vice-premier Wang Qishan said the one-day summit should press ahead with reform of the international financial system and restructuring of the IMF to boost the representation of developing countries. “The summit should set a clear goal, timetable and road map for such reform,” Wang noted. Central bank governor Zhou Xiaochuan proposed using the IMF’s SDRs in place of the U.S. dollar as the world’s reserve currency. “But by injecting more funds into the IMF, China may be able to win a bigger say in it. One key point China has noted is that the IMF is desperate for capital expansion and China has sufficient money in its hands.” The Americans hope all major economies will adopt looser monetary and fiscal policies to help revive the world economy. China, whose reserves are the world’s biggest, has agreed to extend help but has not said how much. “China supports increasing IMF resources [and] will contribute to this effort within its ability,” Wang said. But the vice-premier said: “It is neither realistic nor fair to set the scale of contribution simply by the size of foreign exchange reserves.” Any capital injection must “strike a balance between the rights and obligations of contributing countries.”<sup>54</sup> (March 28, 2009, *South China Morning Post*)**

**The G20 will agree at their summit to strengthen the role of the FSF, aiming to prevent a repeat of the current global financial turmoil. The Basel-based FSF, which groups financial authorities of the G20 members, is planning to agree on a common set of principles for hedge funds, which have been blamed for causing turbulence in financial markets, they said. The FSF is also expected to coordinate regulation among the countries’ financial watchdogs that oversee banks as well as securities and insurance firms. In order to prevent a recurrence of the financial crisis, the FSF plans to provide relevant information to the IMF so that they can issue early warnings.<sup>55</sup> (March 27, 2009, *Kyodo News*)**

The United Kingdom wants to secure new funding for the IMF to help smaller countries avoid financial and economic problems by the time the G20 meets. Brown said such funding could be provided from a host of sources including governments and sovereign wealth funds, and the programs shouldn’t carry the stringent conditions the IMF normally imposes.<sup>56</sup> (March 25, 2009, *Dow Jones International News*)

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<sup>53</sup> *Wall Street Journal Asia* (February 2, 2009), “Sovereign Debt Safety Net.”

<sup>54</sup> *South China Morning Post* (March 28, 2009), “Beijing spells out desire for a bigger say IMF reform goal at G20 summit.”

<sup>55</sup> *Kyodo News* (March 27, 2009), “G-20 to strengthen FSF to improve oversight of hedge funds.”

<sup>56</sup> *Dow Jones International News* (March 25, 2009), “UK Brown: G20 shouldn’t Impose Single International Regulator.”

The United Kingdom fully supports an expanded Chinese role in international financial institutions ahead of the G20. Reforming international financial institutions, such as the IMF, “so they represent the realities of the 21st century’s economy” will be a major theme at the summit. The UK wants to see China “occupy a rightful place” in the IMF and the World Bank. China has only 3.7% of IMF quotas, while the U.S. and European Union share 49% of the total.<sup>57</sup> (March 25, 2009, *China Daily*)

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

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

The finance ministers of Brazil, Russia, India and China (the BRICs) met on the sidelines of the G20 finance ministers and central bank governors meeting and called for greater voting rights for developing countries within international financial organizations. The BRIC countries made it clear that reforming international financial organizations should be put on the must-do list when the G20 leaders meet on April 2.<sup>60</sup> (March 15, 2009, *BBC Monitoring Asia Pacific*)

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

The G20 will likely double the resources of the IMF at the April 2 summit. The G20 appears to be committed to bringing the IMF’s rescue fund to at least \$500 billion, up from the current \$250 billion. According to British officials, \$500 billion is the “minimum needed” to reassure markets that the world’s leading economies were taking action to counter the global crisis. Although the G20 appears to have accepted the need to increase the IMF resources, individual countries’ commitments have not yet been established.<sup>62</sup> (March 9, 2009, *Dow Jones Chinese Financial Wire*)

There appears to be no unanimity of views on key issues such as changing the basic structure of global institutions and the role for India and China in a new system, Indian envoy Shyam Saran said. “There seems to be a tension between those who look upon

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<sup>57</sup> *China Daily* (March 25, 2009), “UK ‘Fully Supports’ China’s Role in IMF.”

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

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

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

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

<sup>62</sup> *Dow Jones Chinese Financial Wire* (March 9, 2009), “UK: G20 Likely to Double IMF Crisis Rescue Fund.”

what has happened as a dislocation ... On the other hand you have countries, and this includes developed countries who see something wrong with the very structure itself.” Saran said France is talking about the need for global regulatory and global surveillance mechanism, which the United Kingdom or other western countries do not feel very comfortable with. “Unless you also fashioned some kind of an agreed plan in order to move towards a new global equilibrium,” he said, “perhaps the confidence you need to instill in the global economy may not be possible.”<sup>63</sup> (March 1, 2009, *BBC Monitoring South Asia*)

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

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

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

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<sup>63</sup> *BBC Monitoring South Asia* (March 1, 2009), “No unanimity of role of India, China — envoy says before G20 meet.”

<sup>64</sup> *The Guardian* (February 17, 2009), “Brown seeks sweeping reforms to give IMF global ‘surveillance role’: PM wants G20 summit to be economic turning point Emerging countries would be given greater role.”

<sup>65</sup> *ITAR-TASS World Service* (February 14, 2009), “Russia not to join Fin Stability Forum until G20 summit — Kudrin.”

<sup>66</sup> *Wall Street Journal Asia* (February 10, 2009), “Renewing the IMF.”

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

Gordon Brown indicated that he hoped to reach an agreement on boosting funding for the IMF and World Bank by the April 2 meeting. “I see a big argument about how the IMF and the World Bank are to be financed for the future, one that will require us talk about the reserves in different countries, talk about what sort of loan or bond facility we can develop, perhaps with the Arab states, perhaps even with sovereign wealth funds.” Adding “that thinking has got to move forward very quickly as we move towards April 2,” Brown said that he saw a need for the World Bank and the IMF to change their roles “quite fundamentally” to adapt to a more open world economy and financial system. The IMF should work closely with the FSF, developing its surveillance function to give early warnings, and becoming “rather like an independent central bank, rather than a political committee.” He said, “We should be thinking at the moment of a loan facility or a trust fund or a new injection of special drawing rights to put the IMF ... in a position to help recapitalize banks in the emerging markets and in a position to speed up the funding that is necessary for these banks to be able to deliver to the economies of these countries.” He added that he expected the World Bank to take a similar role. Brown also said the global recapitalization of the banking system represented only the first step in rescuing the financial system. “We have put monetary policy to its toughest test,” he stated. “Because the monetary mechanism is impaired, the fiscal policy is absolutely essential.”<sup>68</sup> (February 9, 2009, *Dow Jones International News*)

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<sup>67</sup> *Daily Telegraph* (February 10, 2009), “Brown calls for World Bank and IMF reform.”

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

## **Trade**

**The G20 plan to shun protectionism and improve regulation at their summit in London, according to a leaked draft communiqué. The G20, describing the current financial crisis as the “greatest challenge to the world economy in modern times,” proposes to regulate hedge funds and credit rating agencies while ensuring that executive compensation policies discourage excessive risk-taking. “We believe that an open world economy based on market principles, effective regulation and strong global institutions will ensure a sustainable globalization with rising prosperity for all,” the draft says. “We are determined to restore growth now, resist protectionism and reform our markets and our institutions for the future.” The document, which has no specified amounts for any of its proposals, may change then. It does not include plans for a fiscal stimulus package, which has been resisted by European countries. The G20 also recognizes that the stability of developing countries is threatened by the financial crisis. It commits an unspecified amount of money to be distributed through international financial institutions for bank recapitalization, infrastructure, trade finance, debt rollover and social support. “We have agreed actions to meet these challenges as part of an integrated strategy that will restore confidence and ensure a lasting global recovery,” the draft said. “We are determined to ensure that this crisis is not repeated.” In the document, the leaders also agree to meet again before the end of the year to review progress on their commitments.<sup>69</sup> (March 29, 2009, *Associated Press Newswires*)**

Gordon Brown said he expected the G20 to agree on a “very substantial” package of measures to boost world trade.<sup>70</sup> (March 25, 2009, *Reuters News*)

The World Trade Organization (WTO) forecast a 9% decline in global trade this year, and many are hoping that the G20 will usher a change. “In London G20 leaders will have a unique opportunity to unite in moving from pledges to action and refrain from any further protectionist measure which will render global recovery efforts less effective,” director general Pascal Lamy said. British prime minister Gordon Brown said, “What we’ll be anxious to do at the G20 is to ensure that we have a proper monitoring mechanism so that we can deal with problems whether there is protectionism when they arrive, but I think also we want to ensure that we can expend trade around the world.”<sup>71</sup> (March 24, 2009, *Xinhua News Agency*)

Business leaders from the G20 pushed for a successful conclusion of world trade talks and to commit to fighting protectionism. “We feel the Doha Round would be a terrific, visible step and it’s worth a lot of money,” said Martin Broughton, president of the Confederation of British Industry (CBI). He estimates a deal could be worth \$170 billion annually. “Before Doha is done, the G20 could sign up to a legally binding agreement to maintain tariffs at a maximum of their current rates,” Broughton said. Britain hosted the CBI and business lobby groups from other G20 countries as part of preparations for a

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<sup>69</sup> *Associated Press Newswires* (March 29, 2009), “Report: G-20 leaders to shun protectionism.”

<sup>70</sup> *Reuters News* (March 25, 2009), “UK’s Brown sees substantial trade package from G20.”

<sup>71</sup> *Xinhua News Agency* (March 24, 2009), “Global trade prospects dim, hopes pinned for G20 summit.”

summit of world leaders on the financial crisis in London on April 2. Broughton said there was “good rhetoric” from the G20 on protectionism, but this was too often compromised by their actions. “We would like to see an urgent action task force to assess protectionist activity,” he said, adding this could be done by the WTO, or a combination of the WTO, the IMF and World Bank.<sup>72</sup> (March 18, 2009, *Reuters News*)

The G20 finance ministers pledged not to resort to protectionism and take whatever action is necessary to end the global recession. The finance ministers made it clear [at their March 13-14 meeting] that raising barriers to trade and free movement of workers would not resolve the crisis, promising to “fight all forms of protectionism.”<sup>73</sup> (March 15, 2009, *Press Trust of India*)

Officials agree that the G20 should focus on fighting protectionism at the April summit, but there has yet to be an effective mechanism proposed. Officials will likely ask the WTO to monitor the G20’s behaviour more closely and publish the results, in the hope that the publicity will act as a deterrent, but such “name and shame” efforts are often weak because international organizations are reluctant to embarrass their members. The WTO also does not have the staff to monitor global behaviour rigorously. The World Bank and the OECD could help the WTO, but there may not be enough time to put measures in place before turf battles erupt.<sup>74</sup> (March 9, 2009, *The Wall Street Journal Europe*)

“It is a real litmus test of the effectiveness of this summit that there is a really strong commitment against protectionism,” said British foreign minister Mark Malloch Brown. He called for “some way of monitoring the trade performance of countries, to make sure there isn’t backsliding.” He said, “We have to make this a much more politically central issue and raise the price of transgression.” In a speech to a joint session of the U.S. Congress, Gordon Brown urged lawmakers to reject an extension of “Buy American” policies and warned against the dangers of imposing restrictions on international trade. Global leaders must understand that the impact of their domestic economic policies are felt all over the world, Brown told legislators. “Since [the November meeting], this crisis has tipped dramatically into the real economy, touching on the pocketbooks of families everywhere,” said Malloch Brown.<sup>75</sup> (March 6, 2009, *Associated Press Newswires*)

Thai prime minister Abhisit Vejjajiva, who chairs the Association of Southeast Asian Nations (ASEAN) said its member countries had agreed to stay clear of trade protectionist measures and to boost cooperation in free trade agreements and support for the WTO’s Doha development round. “We will declare our views at the G20 meeting on the impact of the global financial crisis on the region’s exports and tourism,” he said. “Nations have high expectations of the G20 to help tackle the global economic recession.

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<sup>72</sup> *Reuters News* (March 18, 2009), “Business leaders tell G20 to act on protectionism.”

<sup>73</sup> *The Press Trust of India Limited* (March 15, 2009), “G20 pledges to avoid protectionism.”

<sup>74</sup> *Wall Street Journal Europe* (March 9, 2009), “U.S. and Europe in conflict over stimulus---Germany and France favor toughening financial regulations.”

<sup>75</sup> *Associated Press Newswires* (March 6, 2009), “Britain: G2- must monitor anti-protectionism vows.”

The meeting could mark the creation of new global financial architecture in the long term.”<sup>76</sup> (March 2, 2009, *Bangkok Post*)

The British government wants to tighten the G20’s commitment not to restrict trade at its summit in London, said Stephen Timms, financial secretary to the British Treasury. At the Washington meeting in November, the G20 agreed that for the next year its members would refrain from raising barriers to trade, imposing new export commitments and introducing measures that run against WTO rules. But there have been several breeches of that agreement, leading to growing concern about protectionism. “At the summit, we need leaders to strengthen commitments not to restrict or distort trade,” said Timms.<sup>77</sup> (February 24, 2009, *Dow Jones Asian Equities Report*)

The G20 meeting in April must come out with a very strong statement against protectionism, British finance minister Alistair Darling said. Darling said the world was still far from emerging from the economic crisis and it was vital that the G20 summit in London sent a strong signal that authorities were cooperating. “We’re hoping to get declarations of principle from governments on regulation, trade and tax.” “But what really counts is to be very tough on protectionism. It was disastrous in the 1930s. It would be disastrous today.” At the London Summit, G20 leaders will meet to agree on reforms to the global financial system, amid increasing concern over a resurgence in protectionism as governments have looked to help local industries. Despite the recent slide in the pound against the euro, Darling dismissed any suggestion that Britain might join the single currency, adding: “Frankly there are much more important subjects at the moment.”<sup>78</sup> (February 11, 2009, *Reuters News*)

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

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<sup>76</sup> *Bangkok Post* (March 2, 2009), “Leaders sign free trade accord.”

<sup>77</sup> *Dow Jones Asian Equities Report* (February 24, 2009), “UK Treasury: Want G20 Summit To Tighten Trade Commitment.”

<sup>78</sup> *Reuters News* (February 11, 2009), “UK wants strong G20 anti-protectionism statement.”

developing world. Poorer nations are already struggling as a result of cutbacks in aid from rich countries in the wake of the crisis.<sup>79</sup> (February 10, 2009, *Guardian Unlimited*)

The trade positions of India and the U.S. have been key stumbling blocks to the conclusion of the current round of Doha negotiations, but both have shown signs of flexibility, Gordon Brown said. He expressed cautious optimism that the current round of Doha trade negotiations could be concluded as part of the upcoming G20, set to take place in April in London. “The biggest danger the world faces is a retreat into protectionism,” Brown told Parliament, adding, “We should sign the Doha agreement.” He said Doha “will feature on the G20 agenda” and “there are actually only two issues that are left to decide.” The two issues are the terms of a safeguard clause, which covers a surge in imports into any “poor” country, and the second is on the detail of tariff terms for different industrial sectors. “It is now up to President Obama and the Indian Prime Minister to say that they can now accept the terms of this agreement,” he declared. “If that were to be so we would have a conclusion of this first round of the Doha negotiations.” Brown also said G20 countries “should agree as a world on a monetary and fiscal stimulus that will take the world out of recession.”<sup>80</sup> (February 4, 2009, *Market News International*)

Trade ministers meeting at the World Economic Forum will target the April G20 summit to advance their plans to liberalize world trade through the Doha round of talks, according to Australian trade minister Simon Crean. “What has emerged from today is a new resolve to find a mechanism, before the G20, to have input to the G20 meeting.” Against a deteriorating global economic outlook, there was a sense of urgency at the trade ministers’ meeting to move forward the Doha agenda that aims to increase access to global markets, said Crean. The G20 meeting in London will be significant in shaping the future of the trade agenda. Trade ministers should be included. “It can’t just be just Finance Ministers injecting into that equation,” said Crean, adding that he is hopeful the Doha Round can be concluded.<sup>81</sup> (February 1, 2009, *Dow Jones International News*)

## **Climate Change**

British foreign secretary David Miliband said that the upcoming G20 summit will focus on a low carbon economy. He said “the focus of the G20 is going to be on financial reform on macro economic coordination, but I certainly think there’s room for it to give signal on the importance of the low carbon agenda that requires regulation.”<sup>82</sup> (March 25, 2009, *Xinhua News Agency*)

Danish prime minister Anders Rasmussen urged countries to keep the environment in mind at the London Summit. “It might facilitate the process towards Copenhagen in

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<sup>79</sup> *Guardian Unlimited* (February 10, 2009), “Gordon Brown will champion free trade at G20 London Summit.”

<sup>80</sup> *Market News International* (February 4, 2009), “UK Brown: Sees Chance Of Concluding Doha Round at G20.”

<sup>81</sup> *Dow Jones International News* (February 1, 2009), “Australian Min: Trade Ministers Target G20 April Meet on Doha.”

<sup>82</sup> *Xinhua News Agency* (March 25, 2009), “G20 has room for low carbon: British FM.”

December if ‘green’ aspects could be an element at the G20 meeting,” he said. “I think it would be beneficial if the G20 could send a clear signal that there is no contradiction between addressing the financial crisis and addressing climate change.” But Rasmussen said the G20 was not the right place to outline an agreement on climate change. “I think it would be too complicated to discuss climate change at length at the G20 meeting. Also the G20 ... does not comprise all key players concerning the climate change agenda.” He did, however, encourage countries to make sure that “future stimulus packages have a strong ‘green’ element.”<sup>83</sup> (February 18, 2009, *Reuters News*)

## **Energy**

The Organization of Petroleum Exporting Countries (OPEC) may cut oil output again if the G20 fail to take measures to stop demand falling, according to Chakib Khelil, Algeria’s energy minister. However, he said that he assumed “the G20 will come up with a good package.” If that is the case, “we should see \$60 [a barrel] by the end of the year.”<sup>84</sup> (March 17, 2009, *Dow Jones Energy Service*)

Russian president Dmitry Medvedev plans to bring proposals on a new energy charter to the G20 summit. “The cabinet and our major companies draft proposals on a new Energy Charter. I’m sure to bring it and to give our partners, maybe in London or maybe in Italy (G8 summit in summer), but I hope in London. This will be an additional contribution of Russia to ensuring European energy security.” In Medvedev’s opinion, the document “should not be unilaterally aimed in favour of consumers.”<sup>85</sup> (March 1, 2009, *Interfax: Russia & CIS General Newswire*)

## **Developing Countries**

**UN secretary general Ban Ki-moon said he would call the G20 to take urgent action to prevent a “catastrophe in human development” due to the world economic crisis. He said that the economic crisis was already causing a rise in political instability and was also set to fuel social unrest worldwide. “That is why in London I will speak out forcefully for action to prevent a potential crisis in human development ... The banking crisis has developed into a financial crisis. The financial crisis has developed into an economic crisis.” He added: “And now my concern, if it’s not addressed properly, addressed swiftly, is that this may lead very alarmingly to political instability and political crisis.” Ban has urged the G20 to agree to a “substantial” global economic stimulus package for the poorest and well as developing countries at their April 2 summit. “Either, to put it bluntly, we succeed together or we fail alone,” he said.<sup>86</sup> (March 27, 2009, *Agence France Presse*)**

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<sup>83</sup> *Reuters News* (February 18, 2009), “G20 should send clear signal on climate change-Denmark.”

<sup>84</sup> *Dow Jones Energy Service* (March 17, 2009), “Algeria Min: New OPEC Cut If G20 Fails To Boost Demand.”

<sup>85</sup> *Interfax: Russia & CIS General Newswire* (March 1, 2009), “Medvedev hopes G20 will take effective steps to form new global financial system.”

<sup>86</sup> *Agence France Presse* (March 27, 2009), “G20 must halt ‘catastrophe in human development’: UN chief.”

In mid-March Gordon Brown told of group of African leaders that their continent will not be left out of plans to revive the world's economy. He told representatives from 11 African countries that they would also play a role in charting a way out from the slump in economies around the world.<sup>87</sup> (March 16, 2009, *Associated Press Newswires*)

African countries petitioned the G20 for an increase in funding and easier access to international financing to help them through the global financial crisis. More than 20 African leaders and ministers met Gordon Brown to present a joint African position before the G20 summit. African countries want additional funds and ease of access to those funds to be addressed. They want somewhere around US\$50 billion. "There are bound to be various means of funding and various means of disbursing those funds. We have discussed those with the prime minister and I believe we have agreed on the fundamentals of all of this," Ethiopian prime minister Meles Zenawi said. Leaders from Tanzania, Botswana and Kenya and finance ministers from Nigeria and Rwanda were in attendance. Brown said he hoped the result of the G20 summit would be that every continent, including Africa, "has its fair share of support over the next few months and equally every continent feels that it can play a part in drawing up the plan for recovery." "In the case of Africa, people are going to die. We are talking about lives, not just somebody who will have to drive a smaller car," Egyptian finance minister Youssef Boutros-Ghali said.<sup>88</sup> (March 16, 2009, *Reuters News*)

G20 finance ministers said they would help emerging and developing countries to cope with the reversal in capital flows and would mobilize international financial resources to help them. In their communiqué they stated, "We are committed to helping emerging and developing economies to cope with the reversal in international capital flows. We recognise the urgent need to pursue all options for mobilising International Financial Institutions (IFI) resources and liquidity to finance countercyclical spending, bank recapitalization, infrastructure, trade finance, rollover risk and social support."<sup>89</sup> (March 15, 2009, *All Africa*)

Gordon Brown has called for a special international fund to support poor countries through the recession. He insisted that it was essential that the developing world was not forgotten during the downturn but regarded as central to efforts to restore global economic growth. "I want us all to affirm that we cannot solve the economic challenges of globalisation without involving Africa and the developing countries," said Brown. He set out his ambition for a "global new deal" to be agreed at the London Summit, which would include a new fund for developing countries as cash flows to them are hit by the recession. "This new fund will be targeted at the very poorest," he said, "helping to keep girls in school, keep food on the table and keep poverty from the door, so that when growth returns people are in a position to contribute to the economy once more."<sup>90</sup> (March 9, 2009, *Press Association National Newswire*)

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<sup>87</sup> *Associated Press Newswires* (March 16, 2009), "UK tells African leaders they will get support."

<sup>88</sup> *Reuters News* (March 16, 2009), "African leaders petition G20 for more funds."

<sup>89</sup> *All Africa* (March 15, 2009), "Finance Ministers Make Promises to Developing Countries."

<sup>90</sup> *Press Association National Newswire* (March 9, 2009), "International Fund Needed to Aid Poorer Nations."

On March 16, Gordon Brown will meet with African leaders to discuss how to best address the impact of the crisis on the continent. According to a World Bank report, 129 developing countries are facing a financial shortfall between \$270 billion and \$700 billion this year. The report, prepared for the G20 finance ministers meeting on March 13-14, says that only one quarter of the most vulnerable countries have the resources to prevent a rise in poverty. World Bank president Robert Zoellick said, “We need to react in real time to a growing crisis that is hurting people in developing countries. This global crisis needs a global solution and preventing an economic catastrophe in developing countries is important to overcome this crisis. We need investments in safety nets, infrastructure and small and medium-sized companies to create jobs and to avoid social unrest.”<sup>91</sup> (March 9, 2009, *The Guardian*)

Mark Malloch Brown, Gordon Brown’s envoy to the G20, said that “it is certainly our hope that, at the summit, there will be a very strong rescue plan, if you like, for developing countries — both middle-income and poor.” The plan would use international financial institutions, such as the IMF and World Bank, to substitute for countries’ lost access to commercial credit markets because of the credit crunch. The aim would be to meet these countries’ basic social needs and secure investment in public infrastructure and other job creating mechanisms, he said.<sup>92</sup> (February 17, 2009, *Reuters News*)

### ***Working Groups***

**The final report of the G20 working group on financial regulation called for oversight of “all systemically important institutions, markets and instruments,” including hedge funds. Managers of hedge funds and other private pools of capital should be required to register with financial authorities and disclose relevant information to assess the risks they pose, the report said. It said large and complex financial institutions need “particularly robust” oversight because of their size and global reach. It also recommended that banks build up capital buffers and provisions when times are good so they can better absorb losses in bad times. The group made 25 recommendations. A key focus was to “strengthen micro-prudential policy while supplementing it with a greater emphasis on a system-wide approach to regulation in order to better mitigate the build-up of systemic risks.” The group said sound regulation is the first line of defense against financial instability. Regulatory failures in some countries fueled the current crisis. “But what has also become clear most recently is that this is a systemic crisis which has at its root the build-up of systemic vulnerabilities arising from excess liquidity, leverage, risk-taking and systemic concentrations across the financial system,” it said.<sup>93</sup> (March 27, 2009, *Dow Jones News Service*)**

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<sup>91</sup> *The Guardian* (March 9, 2009), “Downturn will ‘set back Millennium Goals by three years’: Government predicts 90m people falling into poverty Developing countries ‘face shortfalls up to \$700bn.’”

<sup>92</sup> *Reuters News* (February 17, 2009), “UK wants G20 ‘rescue plan’ for poorer nations.”

<sup>93</sup> *Dow Jones News Service* (March 27, 2009), “G20 Working Group Calls For Greater Oversight Of Hedge Funds.”

According to Rakesh Mohan, deputy governor of the Reserve Bank of India and co-chair of Working Group 1, the G20 working groups recognize that emerging economies need a greater voice globally. “Emerging market economies need better representation in standard setting bodies such as the World Bank and the IMF,” he said.<sup>94</sup> (February 22, 2009, *Indian Express*)

After the November G20 meeting in Washington, four working groups were established. ***Working Group 1, Enhancing Sound Regulation and Strengthening Transparency***, co-chaired by Rakesh Mohan, deputy governor of the Reserve Bank of India, and Tiff Macklem, associate deputy minister, Canada’s Ministry of Finance, monitors the implementation of actions already identified and makes recommendations to strengthen international standards in accounting and disclosure, prudential oversight and risk management. It will also develop policy recommendations to dampen cyclical forces in the financial system and to address issues relating to the scope and consistency of regulatory regimes.<sup>95</sup> (February 9, 2009, *G20 Official Website*)

Working Group 1 will suggest to the G20 finance ministers and central bank governors in mid-March the ways to improve regulations and transparency in the financial sector. A report will be prepared for the March meeting.<sup>96</sup> (February 21, 2009, *The Press Trust of India Limited*)

***Working Group 2, Reinforcing International Cooperation and Promoting Integrity in Financial Markets***, co-chaired by Alejandro Werner, Mexico’s deputy minister of finance, and Jorg Asmussen, state secretary in the German Federal Ministry of Finance, monitors actions and develops proposals to enhance international cooperation in the regulation and oversight of international institutions and financial markets, strengthens the management and resolution of cross-border financial crises, protects the global financial system from illicit activities and non-cooperative jurisdictions, strengthens collaboration between international bodies and monitors expansion of their membership.<sup>97</sup> (February 9, 2009, *G20 Official Website*)

***Working Group 3, Reforming the International Monetary Fund***, co-chaired by Lesetja Kganyago, director general of the South African National Treasury, and Mike Callaghan, Australia’s special envoy on the international economy, looks at the institution’s role, governance and resource requirements it will review the appropriateness of its lending instruments and the effectiveness of its surveillance function, and will consider the sufficiency of its resources and its general arrangements and accountability; it will also look at reform of the governance structure in order to reflect changing economic weights in the world economy.<sup>98</sup> (February 9, 2009, *G20 Official Website*)

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<sup>94</sup> *Indian Express* (February 22, 2009), “Emerging markets need greater voice, Mohan group to tell G2-.”

<sup>95</sup> *G20 Website* (Accessed February 9, 2009), “G20 Working Groups,” Available from: <[www.g20.org/about\\_working\\_groups.aspx](http://www.g20.org/about_working_groups.aspx)>

<sup>96</sup> *The Press Trust of India Limited* (February 21, 2009), “Rakesh Mohan group to submit report to G2- by mid-March.”

<sup>97</sup> *G20 Website* (Accessed February 9, 2009), “G20 Working Groups,” Available from: <[www.g20.org/about\\_working\\_groups.aspx](http://www.g20.org/about_working_groups.aspx)>

<sup>98</sup> *G20 Website* (Accessed February 9, 2009), “G20 Working Groups,” Available from: <[www.g20.org/about\\_working\\_groups.aspx](http://www.g20.org/about_working_groups.aspx)>

*Working Group 4, The World Bank and Other Multilateral Development Banks*, co-chaired by Anggito Abimanyu, head of fiscal policy at the Indonesian Ministry of Finance, and Benoit Coeure, head of multilateral affairs and development policy at the France's Ministry of Finance, considers the mandates, governance, resourcing and policy instruments of the MDBs in light of the needs of their members and the pressures resulting from the impact of the downturn on developing countries. It will also look at the issue of reform of the governance structures so that they more adequately reflect changing economic weights in the world economy. The working groups will report to finance ministers and central bank governors when they meet on March 14 in the UK. In addition, G20 finance ministry and central bank deputies have agreed to take forward the work of establishing closer macroeconomic cooperation to restore growth in a broad range of countries, while avoiding negative spillovers.<sup>99</sup> (February 9, 2009, *G20 Official Website*)

### 3. Participants

#### *Official List of Participants*

- **Argentine Republic: Cristina Fernandez de Kirchner, president**
- **Australia: Kevin Rudd, prime minister**
- **Federative Republic of Brazil: Luiz Inácio Lula da Silva, president**
- **Canada: Stephen Harper, prime minister**
- **People's Republic of China: Hu Jintao, president**
- **European Commission: José Manuel Barroso, president**
- **European Council: Mirek Topolànek, president (and prime minister of the Czech Republic)**
- **French Republic: Nicolas Sarkozy, president**
- **Federal Republic of Germany: Angela Merkel, chancellor**
- **Republic of India: Manmohan Singh, prime minister**
- **Republic of Indonesia: H. Susilo Bambang Yudhoyono, president**
- **Republic of Italy: Silvio Berlusconi, prime minister**
- **Japan: Taro Aso, prime minister**
- **Republic of Korea: Lee Myung-bak, president**
- **United Mexican States: Felipe Calderón Hinojosa, president**
- **Kingdom of the Netherlands: Jan Peter Balkenende, prime minister**
- **Russian Federation: Dmitry A. Medvedev, president**
- **Kingdom of Saudi Arabia: King Abdullah bin Abdul Aziz Al Saud**
- **Republic of South Africa: Kgalema Motlanthe, president**
- **Kingdom of Spain: José Luis Rodríguez Zapatero, prime minister**
- **Republic of Turkey: Recep Tayyip Erdogan, prime minister**
- **United Kingdom: Gordon Brown, prime minister**

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<sup>99</sup> *G20 Website* (Accessed February 9, 2009), "G20 Working Groups," Available from: <[www.g20.org/about\\_working\\_groups.aspx](http://www.g20.org/about_working_groups.aspx)>

- **United States of America: Barack Obama, president**
- **Association of Southeast Asian Nations (ASEAN): Abhisit Vejjajiva, chair (and prime minister of Thailand)**
- **Financial Stability Forum: Mario Draghi, chair (and governor of the Bank of Italy)**
- **International Monetary Fund: Dominique Strauss-Kahn, managing director**
- **New Partnership for Africa's Development (NEPAD): Meles Zenawi, chair (and prime minister of Ethiopia)**
- **United Nations: Ban Ki-moon, secretary general**
- **World Bank: Robert Zoellick, president**
- **World Trade Organization: Pascal Lamy, director general<sup>100</sup> (March 30, 2009, *London Summit 2009 website*)**

The permanent secretary for financial services and the treasury, Au King-chi, and John C. Tsang, representing the financial secretary, will attend the G20 together with the chief executive of the Hong Kong monetary authority, Joseph Yam. They will join as members of the Chinese delegation. A government spokesman said that this would be the second time officials of the Hong Kong Special Administrative Region Government had been invited to join the Chinese delegation at a summit meeting. Tsang and Yam attended the last summit in Washington in November. "The participation of Hong Kong in the G20 Summit will help Hong Kong gain updated information on the global financial and economic situation and latest efforts by world leaders to tackle the financial crisis. This will be beneficial to formulating our own strategic plan in dealing with the current financial turmoil," one spokesperson said.<sup>101</sup> (March 27, 2009, *BBC Monitoring Asia Pacific*)

King Abdallah Bin-Abd-al-Aziz will participate in the G20 summit. His decision comes after reports that the kingdom was hesitating to attend the summit through a high-level delegation. He first thought of attending the summit through a limited delegation in order to spare the kingdom the burden of financial obligations, which it might be compelled to bear by giving the IMF a loan worth millions, as part of attempts to ease the effects of the global crisis.<sup>102</sup> (March 23, 2009, *BBC Monitoring Middle East*)

WTO director general Pascal Lamy will attend the G20 summit in London. "He's been asked by Prime Minister Brown to come — trade is on the agenda," a WTO spokesman said. Lamy did not attend the previous G20 summit in Washington in November, which called on leaders to seek a deal in the WTO's long-running Doha round of trade liberalization talks by the end of the 2008. The meeting also called on countries not to raise trade barriers that could exacerbate the crisis.<sup>103</sup> (March 17, 2009, *Reuters News*)

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<sup>100</sup> *London Summit 2009 website* (March 30, 2009), "Media Handbook." Accessed 30 March 2009. Available from: < <http://www.londonsummit.gov.uk/resources/en/PDF/media-handbook-260309>>

<sup>101</sup> *BBC Monitoring Asia Pacific* (March 27, 2009), "Hong Kong officials to attend G20 as members of Chinese delegation."

<sup>102</sup> *BBC Monitoring Middle East* (March 23, 2009), "Saudi king to attend G-20 summit in London – Saudi source."

<sup>103</sup> *Reuters News* (March 17, 2009), "WTO's Lamy to attend G20 London summit."

Surin Pitsuwan, secretary general of the ASEAN, will attend the G20 summit on April 2. He will join Thai prime minister Abhisit Vejjajiva, who has been invited as ASEAN chair. At the recently concluded 14th ASEAN summit in Thailand, the leaders agreed to work in tandem with the G20, particularly on the reform of the international financial institutions and markets.<sup>104</sup> (March 9, 2009, *Asia Pulse*)

Spain has been invited to participate in the London Summit. Spanish prime minister José Zapatero said that “Spain, as the eighth economic power in the world and with a very solid banking system, involved in all the important groups since many years, has to be present in this process of reforms.” He will be accompanied by his economy finance minister, Pedro Solbes.<sup>105</sup> (February 20, 2009, *Agence France Presse*)

Gordon Brown has issued formal invitations to leaders to attend the London Summit. He has invited the heads of state from Argentina, Australia, Brazil, Canada, China, European Union president Czech Republic, France, Germany, India, Indonesia, Italy, Japan, Mexico, the Netherlands, South Korea, Russia, Saudi Arabia, South Africa, Spain, Turkey, and the United States. To ensure balanced regional representation the chair of the NEPAD, the chair of ASEAN and the president of the EU Commission are also invited. The AU chair will also attend. In addition, the heads of a number of global institutions are also being invited to contribute to specific parts of the agenda. Brown said that “the global economic challenges we face need to be met with decisive action if we are to secure jobs, restore confidence and reinvigorate growth. To be effective in addressing this global crisis we have to bring in partners from across the world ... Having the world’s poorest countries represented by NEPAD, ASEAN and the African Union will ensure their interests are not forgotten and their voices are heard. Having this mix of countries and international organisations present not only reflects the new reality of the global economy but will also make any action we take more effective.”<sup>106</sup> (February 20, 2009, *The London Summit 2009*)

Spanish leader José Zapatero has been invited to attend the London Summit in April. British prime minister Gordon Brown did not say why he extended the invitation to Zapatero, but he did attend the previous summit in Washington in November as French president Nicolas Sarkozy’s guest. Zapatero’s wife was also invited, although no spousal program was outlined for the event.<sup>107</sup> (February 20, 2009, *El Pais — English Edition*)

Argentinean president Cristina Kirchner acknowledged Gordon Brown’s invitation to the London Summit. “We’ve just received the invitation from the prime minister ... to be in London April 1 and 2 for the G20 meeting,” Kirchner said.<sup>108</sup> (February 17, 2009, *BBC Monitoring Newsfile*)

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<sup>104</sup> *Asia Pulse* (March 9, 2009), “ASEAN Sec-Gen to Attend G20 Summit in London.”

<sup>105</sup> *Agence France Presse* (February 20, 2009), “Spain to attend G20 summit in London: Madrid.”

<sup>106</sup> *The London Summit 2009*, (February 20, 2009), “Invitations to World Leaders.” Accessed 1 March 2009. Available from: <<http://ow.ly/q2e>>.

<sup>107</sup> *El Pais — English Edition* (February 20, 2009), “Zapatero invited to London G20 Summit.”

<sup>108</sup> *BBC Monitoring Newsfile* (February 17, 2009), “Russian, French presidents say G20 summit should help prevent future crisis.”

Thai prime minister Abhisit Vejjajiva is planning to attend the G20 summit to clarify Thailand's economic stimulus package aimed at reversing the local economic crisis. He will ask that protectionism, particularly in trade and investment, not be implemented by major global economies.<sup>109</sup> (February 17, 2009, *Thai News Service*)

U.S. vice-president Joe Biden said that President Barack Obama will attend the G20 summit in London on April 2. Biden said that "to the greatest extent possible, we must cooperate, make sure that our actions are complementary, and do our utmost to combat this global [financial] crisis."<sup>110</sup> (February 7, 2009, *Agence France Presse*)

Poland may join the G20 at the summit in London in April. "British diplomats are not ruling out Poland's participation in G20's April summit devoted to the financial crisis," according to the Polish daily *Rzeczpospolita*. An unnamed British diplomat said that Poland could be an important participant of the meeting in London, since it turned out to be better prepared than other countries to tackle the global financial crisis. "The Polish experience is very interesting to us," said the diplomat. "Even if Poland doesn't show up, for sure we will want to have broad consultations with Poland before the summit." The Polish foreign ministry has recently been instructed to seek a permanent place for Poland in the G20.<sup>111</sup> (February 5, 2009, *Interfax: Poland Business Newswire*)

German chancellor Angela Merkel said she wanted international financial institutions to be present at the G20 meeting in London. "We want closer cooperation [of these institutions] in the G20 process," Merkel said at a joint news conference with the heads of the IMF, the WTO, the World Bank, the OECD and the International Labour Organization. Merkel said she would see whether Gordon Brown was open to the possibility of the bodies participating in the G20 meeting in London.<sup>112</sup> (February 5, 2009, *Reuters News*)

Spanish finance minister Pedro Solbes and UK chancellor of the exchequer Alistair Darling are meeting to discuss the G20. Spain expects to be at the April 2 meeting although it isn't a G20 member, the spokesperson said. "We've been invited to the Berlin preparatory meeting, so, yes, we expect to be present at the London event," she said.<sup>113</sup> (February 5, 2009, *Dow Jones International News*)

The G20 summit on the global financial crisis "has not been prepared to the end," Russian president Dmitry Medvedev said. "There is no sense in travelling to London just to meet and talk," he said. "If the decision is made to go, then a document must be signed. No common position has been formed on ways to overcome the financial crisis thus far. A great deal of work is still to be done ... The discussion has been slow-moving,

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<sup>109</sup> *Thai News Service* (February 17, 2009), "Thailand: Thai PM to attend G2- summit in April."

<sup>110</sup> *Agence France Presse* (February 7, 2009), "Obama to attend G20 summit in London in April: Biden."

<sup>111</sup> *Interfax: Poland Business Newswire* (February 5, 2009), "Poland may join G20 group at London summit in April."

<sup>112</sup> *Reuters News* (February 5, 2009), "Germany's Merkel wants int'l bodies at G20."

<sup>113</sup> *Dow Jones International News* (February 5, 2009), "Spain Solbes, UK Darling To Discuss London G20 Mtg."

which is very alarming.”<sup>114</sup> (February 4, 2009, *Interfax: Russia & CIS Business and Financial Newswire*)

Chinese premier Wen Jiabao told the meeting of business and political leaders at the World Economic Forum in Switzerland that China was ready to cooperate with other countries on finding ways to tackle the financial crisis ahead of the G20 summit. China will look to represent the interests of developing countries at the G20, said several Chinese analysts who attended the World Economic Forum.<sup>115</sup> (February 1, 2009, *Reuters News*)

### **Sideline Meetings**

Mexican president Felipe Calderon and his wife will meet with Queen Elizabeth II before the G20 summit on April 2.<sup>116</sup> (March 25, 2009, *States News Service*)

Barack Obama will meet with the leaders of Russia, China, India and South Korea when he is in London for the G20 summit. He will meet first with Russia’s Dmitry Medvedev and China’s Hu Jintao and then with India’s Manmohan Singh and Korea’s Lee Myung-bak the next day.<sup>117</sup> (March 25, 2009, *Associated Press Newswires*)

Dmitry Medvedev will visit Germany on March 31, 2009, to discuss the G20 summit with Angela Merkel.<sup>118</sup> (March 25, 2009, *RIA Novosti*)

Hu Jintao will meet with Dmitry Medvedev as well as leaders from Britain, the U.S., South Korea, Japan and Australia when he is in London for the G20 summit.<sup>119</sup> (March 23, 2009, *Interfax: Russia & CIS General Newswire*)

Barack Obama and his wife will visit Queen Elizabeth II at Buckingham Palace on April 1 when they are in London for the G20. The Queen, Prince Philip and other members of the royal family including Prince Charles will also host a reception at the palace on the same day for other G20 world leaders.<sup>120</sup> (March 20, 2009, *Agence France Presse*)

Japanese prime minister Taro Aso said that he will likely hold bilateral talks with South Korean president Lee Myung-bak on the sidelines of the upcoming G20 summit. “There is a great possibility for our talks,” Aso said. “I would like to discuss with the president

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<sup>114</sup> *Interfax: Russia & CIS Business and Financial Newswire* (February 4, 2009), “G20 remains undecided on ways to overcome financial crisis — Medvedev.”

<sup>115</sup> *Reuters News* (February 1, 2009), “DAVOS-ANALYSIS-China looks to broker gradual finance reform.”

<sup>116</sup> *States News Service* (March 25, 2009), “State Visit by Mexican President to United Kingdom and his Participation at G-20 Leaders Summit.”

<sup>117</sup> *Associated Press Newswires* (March 25, 2009), “White House says Obama will meet with Russian, Chinese leaders at London’s G20 meetings.”

<sup>118</sup> *RIA Novosti* (March 25, 2009), “Medvedev to visit Germany, discuss crisis ahead of G20 summit.”

<sup>119</sup> *Interfax: Russia & CIS General Newswire* (March 23, 2009), “Chinese president, Russia president to meet in London – Chinese Foreign Ministry.”

<sup>120</sup> *Agence France Presse* (March 20, 2009), “Queen to host Obama before G20 London Summit.”

bilateral cooperation on the abduction issue if the meeting is realized.”<sup>121</sup> (March 19, 2009, *Xinhua News Agency*)

Manmohan Singh is expected to meet Barack Obama on the sidelines of the London Summit.<sup>122</sup> (March 16, 2009, *Thai News Service*)

Barack Obama plans to meet Hu Jintao on the sidelines of the London Summit, said U.S. secretary of state Hillary Clinton said. “President Obama looks forward to seeing President Hu in London around the G20 summit.” Clinton said the U.S. and China must work together on major global economic problems such as the economy and climate change.<sup>123</sup> (February 20, 2009, *Agence France Presse*)

Lee Myung-bak and Barack Obama are planning to meet on the sidelines of the London Summit.<sup>124</sup> (February 17, 2009, *Yonhap English News*)

It is likely that the first meeting between the Russian and the U.S. presidents will take place in London, at the G20 summit on April 2, Russian foreign minister Sergey Lavrov said. “Medvedev and Obama have already spoken by phone twice. What is more, it was not just an exchange of pleasantries. They talked about the substance of our relations. Both sides restated that relations should be normalized. As President Obama said, the ‘reset’ button should be pressed. President Medvedev also underlined the desire to ‘start from scratch.’”<sup>125</sup> (February 14, 2009, *BBC Monitoring Newsfile*)

British ambassador to Russia Anne Pringle has not ruled out that Gordon Brown and Dmitry Medvedev could meet on the sidelines of the G20 summit in April. “They’ll certainly meet and the agenda for the summit is obviously going to be tight because although G20 is the core, other people will be there, so it will be a very busy day,” Pringle said in an interview with Interfax. “I hope there will be a bilateral but I can only hope and press, there are only 24 hours in a day. So we’ll see.”<sup>126</sup> (February 12, 2009, *Interfax: Russia & CIS General Newswire*)

## 4. Implementation and Preparations

### ***Implementation***

Of the G20 members, 17 have introduced restrictive trade practices since pledging not to do so at the November summit in Washington. World Bank officials say that officials

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<sup>121</sup> *Xinhua News Agency* (March 19, 2009), “Japanese PM likely to hold talks with S. Korean president at G20 summit.”

<sup>122</sup> *Thai News Service* (March 16, 2009), “India: Indian prime minister conducts pre-G20 summit consultation.”

<sup>123</sup> *Agence France Presse* (February 20, 2009), “Obama plans to meet Hu in London during G20 summit: Clinton.”

<sup>124</sup> *Yonhap English News* (February 17, 2009), “Lee, Obama likely to hold first meeting in London.”

<sup>125</sup> *BBC Monitoring Newsfile* (February 14, 2009), Russian, US leaders likely to meet at G20 London forum — Foreign Minister Lavrov.”

<sup>126</sup> *Interfax: Russia & CIS General Newswire* (February 12, 2009), “UK ambassador to Russia hopes Brown, Medvedev will meet in London in April.”

have proposed or implemented 78 trade measures since the start of the financial crisis, including 47 policies in the past four months that restrict trade at the expense of another country. Tariff increases comprised about one third of the anti-trade measures and export subsidies were “particularly egregious.” Examples include Russia’s increased tariffs on used automobiles, China’s import ban on Irish pork and Indonesia’s requirement that five categories of products be permitted in just five ports and airports. Subsidies for the auto industry have increased to approximately \$48 billion worldwide. The United States gave \$17.8 billion in aid to car companies, and Canada, France, Germany, Britain, China, Argentina and Italy have also given “direct or indirect” subsidies.<sup>127</sup> (March 18, 2009, *Globe and Mail*)

“I am preparing to go to London on 2 April where there will be a meeting where we will of course discuss how to overcome the crisis,” Russian president Dmitri Medvedev said. “We have already done some work on this and there is more to do. It is difficult work. I can tell you frankly: I am still not quite satisfied with the results because we have not yet created a framework that could serve as the basis for the development of the financial system in the years ahead. But I hope that soon we will all be able to get on with actually creating such documents. Accordingly we will be talking about the most difficult issues that now concern all countries, including the world’s twenty largest economies.”<sup>128</sup> (February 10, 2009, *ITAR-TASS World Service*)

The remaining time before the London G20 summit should be used to implement the philosophy of the November Washington summit, Russian foreign minister Sergei Lavrov said. “We then came to an understanding that much should be changed and there should be joint action taken in a somewhat different way than under the old rules so far.” “It was agreed to consider how the mechanisms of the world finance function and how various measures of regulation, of control are applied,” he said. “Work is under way, above all, along the lines of the finance ministers ... It will be sad if all this remains on paper and the London meeting ends up as an attempt not to change anything and by means of some cosmetic nuances to leave everything as it is.” He added, “I believe this will be a time bomb, as matters of reform of the world financial system will still have to be tackled in a more complicated situation.” The minister stressed that “Russia is for specific measures, collectively coordinated and implemented.”<sup>129</sup> (February 10, 2009, *ITAR-TASS World Service*)

“While policymakers across advanced and emerging economies have adopted extraordinary policy measures, further policy actions are needed to resolve the crisis and establish a durable turnaround in global activity,” according to a report by the IMF presented to G20 deputy finance ministers at a preparatory meeting last weekend. For growth, the IMF reiterated that fiscal stimulus amounting to 2% of the world’s GDP would be needed. It estimated that stimulus plans already in place or in the works average about 0.5% of a country’s GDP in 2008, 1.4% this year, and 1.3% in 2010. While that

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<sup>127</sup> *The Globe and Mail* (March 18, 2009), “World Bank warns of G20 protectionism.”

<sup>128</sup> *ITAR-TASS World Service* (February 10, 2009), “RF FM for implementing philosophy of Washington summit.”

<sup>129</sup> *ITAR-TASS World Service* (February 10, 2009), “RF FM for implementing philosophy of Washington summit.”

falls short of the target, the measures should have a “considerable impact” on G20 economies, adding between 0.5 to 1.25 percentage point of growth. “Time will tell whether this is enough,” said a senior IMF official on a conference call to discuss the report. “It is certainly a good start, and we will keep monitoring things.” The report said that “restoring financial health will require dealing aggressively with distressed assets and the recapitalization of banks ... Limiting the fall in demand will require using the full range of macroeconomic policies.”<sup>130</sup> (February 5, 2009, *Dow Jones Capital Markets Report*)

## **Economic Performance**

The IMF expects the Korean economy to be the worst performer in the G20 in 2009 because of the country’s sensitivity to export demand. “The [prediction of a] 4% contraction is quite shocking, but we have to pay attention to the possibility of the world’s fastest recovery next year,” said vice finance minister Hur Kyung-wook. “The government will make all-out effort including fiscal spending and liquidity injection to boost the domestic demand.”<sup>131</sup> (February 4, 2009, *The Korea Herald*)

## **Summit Program**

### **1 April**

**From 1715** Guests begin arriving at Buckingham Palace

**1800** Reception hosted by Her Majesty The Queen and HRH Prince Philip, Duke of Edinburgh

**1925-2020** Guests depart Buckingham Palace

**2030** Dinner for Heads of Delegation at 10 Downing Street, hosted by The Rt Hon Gordon Brown, Prime Minister

### **2 April**

**0730-0825** Arrival of Heads of Delegation and Finance Ministers at ExCeL London

**0830-1000** Heads of Delegation Breakfast

**0830-1000** Finance Ministers’ Breakfast

**1000-1020** Family Photograph Attendees: Heads of Delegation only

**1020-1300** Plenary Session Attendees: Heads of Delegation and Finance Ministers

**1300-1430** Lunch Heads of Delegation

**1300-1430** Finance Ministers’ lunch

**1430-1530** Plenary Session Attendees: Heads of Delegation and Finance Ministers

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<sup>130</sup> *Dow Jones Capital Markets Report* (February 5, 2009), “IMF Urges G20 To Revive Fincl System, Econ Growth”

<sup>131</sup> *The Korea Herald* (February 4, 2009), “Korea will be worst performer among G20: IMF.”

1530-1600 Final Press Conference<sup>132</sup> (March 30, 2009, *London Summit 2009 website*)

### ***Preparatory Meetings***

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

### ***Preparations***

**Barack Obama will meet the leaders of top U.S. banks, a session that will focus on the White House's drive to overhaul financial regulations and issues like executive compensation. Fifteen bank CEOs were expected to attend. "The President looks forward to getting an update from them on what precisely they're seeing in the economy on real estate commercial loans," White House spokesman Robert Gibbs said. "And obviously they'll talk about stuff that's been in the news ... over the past several weeks, get into compensation and bonuses and excesses like that, and the notion that we have to change the culture of the way Wall Street works ... The President isn't going to say one thing out here and a different thing in there ... We're not going to get out of this financial crisis and we're not going to stabilize our financial system without healthy banks."**<sup>133</sup> (March 27, 2009, *Dow Jones International News*)

**Brazil's Lula met with Gordon Brown, and appealed for the poor not to be forgotten as global leaders meet to formulate a coordinated response to the crisis. Brown and Lula also discussed Brown's proposal to create a US\$100 billion fund to finance trade, and the two expressed support for the Doha Round of trade negotiations to move forward. Brown also expressed his backing for Brazil's bid to become a permanent member of the UN security council. The decision of Brown to include Brazil on his trip reflects the increasing recognition of Brazil as an emerging economic power. It followed the recent meeting between Lula and Obama, which also provided a boost to Brazil's aspirations to be taken seriously on the global stage.**<sup>134</sup> (March 27, 2009, *Global Insight Daily Analysis*)

Gordon Brown is heading to Europe, the U.S. and South America ahead of the G20 summit. His meetings will include a trip to Chile for the Progressive Governance summit.<sup>135</sup> (March 24, 2009, *Agence France Presse*)

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<sup>132</sup> *London Summit 2009 website* (March 30, 2009), "Media Handbook." Accessed 30 March 2009. Available from: < <http://www.londonsummit.gov.uk/resources/en/PDF/media-handbook-260309>>

<sup>133</sup> *Dow Jones International News* (March 27, 2009), "Obama To Meet Fri With Bank CEOs Ahead Of Next Week's G20 Summit."

<sup>134</sup> *Global Insight Daily Analysis* (March 27, 2009), "Brazilian President Meets U.K. PM ahead of G20 Meeting."

<sup>135</sup> *Agence France Presse* (March 24, 2009), "British PM heads on pre-G20 summit trip."

Top executives of leading European, U.S. and Asian banks are expected to discuss capital adequacy, regulatory reform and attempts to kick-start the global economy at a meeting with Gordon Brown. Bankers are expected to be asked about plans for massive change in financial market regulation, the need for banks to hold more capital and build up a bigger cushion in future, and the tighter regulation of hedge funds. Top bank executives attending are expected to include Deutsche Bank CEO Josef Ackermann, Santander CEO Alfredo Saenz, BNP Paribas CEO Baudouin Prot, Standard Chartered CEO Peter Sands and Bill Winters, co-head of investment banking at U.S. lender JPMorgan Chase. Senior executives are also likely from HSBC, Barclays, Citigroup and Japan's Mitsubishi UFJ Financial Group. Bankers will be told the broader agenda of next week's G20 meeting and asked for feedback.<sup>136</sup> (March 23, 2009, *Reuters News*)

European Union leaders agreed on their position heading into the G20 summit. They will call on the G20 to coordinate fiscal stimulus measures and implement them quickly; reverse stimuli once the recovery takes hold; restore credit flows; ensure fiscal measures help longer-term objectives such as improving productivity; avoid protectionism; reach a Doha trade deal; include small and medium-sized enterprises in aid schemes, in both the developed and developing world; and support a multilateral initiative on trade finance. They will call on the International Monetary Fund to monitor and promote the Action Plan adopted at the G20 Washington Summit, double resources so its members can handle balance of payment problems, and reform decision procedures and management selection to reflect better the economic weight of member states (the same call goes to the World Bank). They will suggest the G20 strengthen transparency and accountability in the financial sector oversight; ensure appropriate regulation or oversight on all financial markets, products and participants that may present a systemic risk, notably private pools of capital, hedge funds and alternative investment vehicles; better regulate credit rating agencies; make credit derivatives markets more transparent; fight tax evasion, financial crime, money laundering and terrorism financing; ensure better cooperation from tax havens; adopt sound principles on corporate governance and wages to prevent excessive risk taking; improve supervisory cooperation, in particular through the establishing colleges of supervisors for all major cross-border financial institutions before the end of 2009; improve regulation relating to banks' capital, to ensure banks build additional buffers of resources in good times, so that they are better equipped to face bad times; and improve prudential rules and accounting standards. They will also suggest the G20 promote global development; honour commitments to increase development aid; reaffirm commitments to deliver on the Millennium Development Goals; meet aid-for-trade pledges and give duty-free and quota-free access to least developed countries; use other official sources of financing, such as export credits, investment guarantees and development-oriented support in research and technology, peace and security, migration and climate change; and enable multilateral development banks to help counter the effects of the crisis in developing countries.<sup>137</sup> (March 20, 2009, *Reuters News*)

In preparation for the meeting of global business leaders in London, the Confederation of British Industry (CBI) is urging the G20 to focus its efforts on rebuilding the fractured

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<sup>136</sup> *Reuters News* (March 23, 2009), "Fixing crisps tops G20 bankers' agenda at Tues meet."

<sup>137</sup> *Reuters News* (March 20, 2009), "EU leaders' messages to G20 summit on April 2."

financial system and protect open markets when leaders meet in April. The CBI is jointly hosting a special summit of business leaders representing the G20 countries with the government, which Gordon Brown will attend. Brown will feed the points raised from the Business Summit into the London Summit of G20 leaders on April 2. The Business Summit will be chaired by CBI president Martin Broughton, who is also chair of British Airways.<sup>138</sup> (March 17, 2009, *Waterford Observer*)

Australian prime minister Kevin Rudd will meet a number of key economic officials in the United States. The talks in Washington will act as a preparation for the G20 summit of leading economies in London. While in the U.S., Rudd said he would meet with treasury secretary Timothy Geithner, Federal Reserve chair Ben Bernanke and secretary of state Hillary Clinton. When Rudd is in London for the G20 summit, he will meet with Gordon Brown as well as with Conservative opposition leader David Cameron, and also chancellor of the exchequer Alistair Darling and foreign minister David Miliband.<sup>139</sup> (March 17, 2009, *Australian Associated Press General News*)

Botswanan president Seretse Khama Ian Khama will be among the five African leaders attending the G20 consultative meeting in London. Other expected to attend are Tanzanian president Jakaya Kikwete, Kenyan president Mwai Kibaki, Liberian president Ellen Johnson-Sirleaf and Ethiopian prime minister Meles Zenawi. The meeting is an opportunity for Africa to examine its framework in the wake of the global economy. The meeting will call for developed countries to inject more funds into the IMF, the World Bank and the African Development Bank. Without a stimulus package, African countries will not meet their MDGs.<sup>140</sup> (March 16, 2009, *BBC Monitoring Africa*)

Tanzanian president Jakaya Kikwete attended a special meeting in Britain to discuss the current financial crisis. Kikwete was planning to present resolutions to put forward at a two-day meeting between Africa and the International Monetary Fund.<sup>141</sup> (March 16, 2009, *BBC Monitoring Newsfile*)

Ethiopian prime minister Meles Zenawi participated in a meeting with British prime minister Gordon Brown ahead of the G20 summit to explore ways on how best to drive home Africa's interests. Meles will also take part in the G20 summit as the current chair of NEPAD. Meles has emphasized that Africa should be given a real voice in international financial dealings and that the international financial institutions limit or put an end to conditionalities on Africa in resource flow. Meles also noted the need for Africa to press for a situation where development aid to Africa would not diminish amidst the current crisis.<sup>142</sup> (March 15, 2009, *BBC Monitoring Africa*)

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<sup>138</sup> *Waterford Observer* (March 17, 2009), "CBI urges G20 to rebuild financial stability."

<sup>139</sup> *Australian Associated Press General News* (March 17, 2009), "Fed: Rudd to meet Obama, Clinton, Bernanke and Geithner next week."

<sup>140</sup> *BBC Monitoring Africa* (March 16, 2009), "Botswana: President Khama among African leaders attending G20 summit in London."

<sup>141</sup> *BBC Monitoring Newsfile* (March 16, 2009), "Tanzanian president in UK for pre-G20 summit."

<sup>142</sup> *BBC Monitoring Africa* (March 15, 2009), "Ethiopian premier leaves for consultation in UK on G20 summit."

Kenyan prime minister Raila Odinga will participate in a meeting ahead of the G20 summit. The pre-G20 conference will discuss the impact of the global financial crisis on Africa and necessary interventions. Odinga is one of only two African leaders invited to represent the continent at the conference. The other is Meles Zenawi, the prime minister of Ethiopia, who is the chair of NEPAD.<sup>143</sup> (March 15, 2009, *BBC Monitoring Africa*)

The Economic and Financial Affairs Council is meeting in Brussels on March 10. The FSF meets in London on March 12-13. On March 19-20 the EU Heads of State will meet.<sup>144</sup> (March 12, 2009, *London Summit 2009 website*)

Chief executives of leading Japanese, European and U.S. banks will meet in London to discuss the future of the financial system. The British government will host the meeting on March 24. Invitations to the meeting of bankers had been sent to leading institutions including JPMorgan Chase and HSBC. Mitsubishi UFJ Financial Group president will attend the meeting, where the attendees are to discuss regulations to prevent further crises similar to the meltdown of the subprime mortgage market.<sup>145</sup> (March 7, 2009, *Reuters News*)

The Ecofin Council will agree on “terms of reference” ahead of the meeting of G20 finance ministers and central bank governors. This suggests a joint European position, the main thrust of which was already set by the European members of the G20 at their meeting in Berlin at the end of February. There are four priorities in international coordination of macroeconomic policies, namely restoring a properly functioning credit market and facilitating lending in the real economy, keeping markets open, a multilateral trade finance initiative and continuing international coordination of budget measures.<sup>146</sup> (March 7, 2009, *Agence Europe*)

Barack Obama and Lula will discuss the upcoming G20 summit and its role in the global financial crisis when they meet on March 14. Obama “looks forward to consulting with President Lula on effective measures to respond to the global financial crisis during the upcoming G20 meeting.”<sup>147</sup> (March 6, 2009, *Agence France Presse*)

Barack Obama and Gordon Brown renewed their commitment to a broad overhaul of the financial regulatory system after their meeting in Washington, but gave few clues on the framework they expect to emerge from next month’s G20 Summit. The leaders said they would cooperate to stimulate stagnant global growth and prevent a repeat of the problems jamming financial markets. Brown has called for a “global new deal” to reform outdated financial regulation, promote free trade and prod economic growth. Such a deal is possible in the next few months, he said. “There’s got to be deep regulatory change,” Brown said. “You’ve got an international financial system that we’ve now got to show can be brought to work in the public interest.” It is unclear, however, if Obama shares

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<sup>143</sup> *BBC Monitoring Africa* (March 15, 2009), “Kenyan premier off to UK for G20 summit.”

<sup>144</sup> *The London Summit 2009* (March 12, 2009). “Timeline of key events.” Available from: <http://www.londonsummit.gov.uk/en/summit-aims/timeline-events/>

<sup>145</sup> *Reuters News* (March 7, 2009), “World’s biggest banks to meet in London — Nikkei.”

<sup>146</sup> *Agence Europe* (March 7, 2009), “Prospects of joint European message at G20.”

<sup>147</sup> *Agence France Presse* (March 6, 2009), “US, Brazil leaders to discuss global issues next week.”

Brown's vision for the global new deal. "One of the things that Prime Minister Brown and I talked about is how can we coordinate so that all the G20 countries, all the major countries around the world, in a coordinated fashion, are stimulating their economies; how can we make sure that there are a common set of principles, in terms of how we're approaching banking, so that problems that exist in emerging markets like Hungary or the Ukraine don't have these enormous ripple effects that wash back onto our shores, and we're providing them with some help in a coordinated international fashion, as well," Obama said. The president has blamed lax regulations in part for the financial sector's meltdown, saying oversight was "gutted" for the sake of quick profits. "Many of the challenges that we face are challenges that they and many of the European countries face, and I think that's going to be part of the continued discussion," White House spokesman Robert Gibbs said.<sup>148</sup> (March 3, 2009, *Dow Jones International News*)

Russian president Dimitry Medvedev and Spanish prime minister Jose Luis Zapatero are meeting to prepare for the upcoming G20 and discuss other issues of common concern, such as reforms of the UN and the EU ahead of the forthcoming Spanish presidency of the EU, which begins on January 1, 2010.<sup>149</sup> (March 2, 2009, *Xinhua News Agency*)

Latin American finance ministers met in Portugal to prepare for the G20 summit, where they are expected to push for a bigger say in how the international financial system is run. The finance ministers and central bank governors from 19 Latin American countries joined their counterparts from Spain and Portugal for a day of talks in Porto, Portugal. The Ibero-American countries want to ensure their "active participation ... in the new international architecture." Latin American leaders are expected to speak out against the threat of protectionism in wealthier countries, which provide their continent's main export markets.<sup>150</sup> (March 1, 2009, *Associated Press Newswires*)

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

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<sup>148</sup> *Dow Jones International News* (March 3, 2009), "Obama, Brown Lay Groundwork for Regulatory Revamp Ahead of G20."

<sup>149</sup> *Xinhua News Agency* (March 2, 2009), "Spanish PM, Russian president to discuss financial crisis."

<sup>150</sup> *Associated Press Newswires* (March 1, 2009), "Latin American officials meet in Portugal to marshal their forces for the G2- summit."

from uncooperative jurisdictions including tax havens.”<sup>151</sup> (February 22, 2009, *Dow Jones International News*)

Gordon Brown will visit Barack Obama on March 3 in Washington. The two will discuss the global financial crisis and the April summit.<sup>152</sup> (February 21, 2009, *Agence France Presse*)

Abhisit Vejjajiva visited Indonesia on February 20-21. The two leaders were to discuss the G20 meeting. The Thai prime minister has been invited to represent ASEAN.<sup>153</sup> (February 20, 2009, *Asia Pulse*)

Dmitri Medvedev and Silvio Berlusconi have discussed proposal for the London Summit. Both agree that more preparation is needed and that specific proposals for the meeting are important.<sup>154</sup> (February 17, 2009, *ANSA — English Media Service*)

Hillary Clinton is travelling to Japan, Indonesia, South Korea and China where she will be discussing the London Summit. “I will be discussing with them the approaches that each are taking, explaining what we have just done with the passage of our stimulus bill, and seeking greater cooperation about how together we’re going to work out way through these very difficult economic times,” Clinton said.<sup>155</sup> (February 16, 2009, *The Press Trust of India Limited*)

Dmitry Medvedev and Angela Merkel have called for preparations for the G20 to be “stepped up.” They stressed the need for the “dynamics of this work to be increased.” Russia will soon hand over its proposals for the summit to Germany.<sup>156</sup> (February 16, 2009, *BBC Monitoring Former Soviet Union*)

Gordon Brown will hold talks with the IMF’s Dominique Strauss-Kahn and the World Bank’s Robert Zoellick in London in preparation for the April summit. “We will be setting out further details of our proposals for the issues that should be discussed and considered at the G20,” a representative for Brown said. Brown has also recently talked with Dmitry Medvedev. “The discussions were very warm and action-oriented.” Brown plans to meet with Danish prime minister Anders Fogh Rasmussen and Silvio Berlusconi. He also is scheduled to meet with Pope Benedict at Vatican City and will attend a meeting of European members of the G20 in Berlin, chaired by Angela Merkel.<sup>157</sup> (February 16, 2009, *Reuters News*)

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<sup>151</sup> *Dow Jones International News* (February 22, 2009), “EU G20 Summit: Mkts Must Be Regulated-Chair’s Summary.”

<sup>152</sup> *Agence France Presse* (February 21, 2009), “British PM to visit Obama March 3: White House.”

<sup>153</sup> *Asia Pulse* (February 20, 2009), “ASEAN, G2- Focus as Thai PM visits Indonesia.”

<sup>154</sup> *ANSA — English Media Service* (February 17, 2009), “Medvedev and Berlusconi Discuss Agenda for G20.”

<sup>155</sup> *The Press Trust of India Limited* (February 16, 2009), “G2- issues to figure up during Clinton Asia tour.”

<sup>156</sup> *BBC Monitoring Former Soviet Union* (February 16, 2009), “Russian, German leaders discuss preparations for G20 summit.”

<sup>157</sup> *Reuters News* (February 16, 2009), “UK’s Brown to meet IMF, World Bank heads on G20.”

In February, Chinese vice premier Wang Qishan met with Mervyn Davies, Gordon Brown's special envoy. The two urged the international community to collaborate on overcoming the financial crisis so as to restore market and public confidence. "International society should enhance cooperation and send positive signals to fight the financial crisis and economic decline," Wang said to Davies, the minister of state for trade and investment. Davies came to China for discussions with the government on the G20 financial summit. During the summit, participants should devote attention to the issues of global development, ways to combat trade protectionism, supervision of the financial markets and reform of the international financial system, Wang said. He urged all countries involved to do their best to achieve a consensus and results during the summit. Wang also briefed Davies on China's measures to tackle the crisis. He stressed that China being able to maintain fast, stable economic growth would be the "biggest contribution" to international efforts against the financial crisis. Davies said that the United Kingdom supported China's membership in the Financial Stability Forum, an advisory body of the G7, and hoped to work with China to achieve concrete results during the summit.<sup>158</sup> (February 13, 2009, *Xinhua News Agency*)

Dmitry Medvedev said he was "not very happy" with preparations for an April economic crisis summit in London, but said there was still time to make up lost ground. "Work has been done, and is being done now. It's not easy. I can tell you openly that I am not very happy with the results so far," declared Medvedev. "We have not yet created the framework which could form the basis for development of the financial system in the years ahead." He added, "However, I hope that we will be able to draw up such documents soon."<sup>159</sup> (February 13, 2009, *Agence France Presse*)

The European Union has said that it will hold no fewer than three economic summits to iron out national differences that threaten to hamper its efforts at tackling the recession. The move came after France and others questioned the ability of the Czech Republic — the state currently holding the EU's rotating presidency — to chart a path out of the worst financial debacle in the bloc's 50-year history. Czech prime minister Mirek Topolanek vowed to end a public row over protectionism with French president Nicolas Sarkozy that has added to the image of European disunity, but said differences among capitals were inevitable. "We have to realise that the individual member states have different approaches to solving this issue," Topolanek said after talks with European Commission president Jose Manuel Barroso. "My goal is to hold a political debate at the highest level in order to strengthen EU cooperation in countering the crisis." Aside from a long-scheduled March 19-20 summit in Brussels, Topolanek called a special one-day meeting of EU leaders on March 1 to discuss efforts to stabilize the financial sector, and a further summit in May to address employment. These are on top of the myriad of meetings in preparation for summits of the G8 and the G20. The 27-state bloc wants to present a united front at the April G20 summit in London but splits exist between the richer, western states that can afford to spend their way out of the slowdown and those, often eastern states, who cannot.<sup>160</sup> (February 11, 2009, *Reuters News*)

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<sup>158</sup> *Xinhua News Agency* (February 13, 2009), "China, Britain call for int'l collaboration ahead of G20 London summit."

<sup>159</sup> *Agence France Presse* (February 13, 2009), "Medvedev says 'not happy' with G20 preparation."

<sup>160</sup> *Reuters News* (February 11, 2009), "EU sets triple-summit bid to tackle slowdown."

The EU will hold a special summit in February to better coordinate plans to counter the economic crisis and contain a creeping spirit of protectionism. “The situation really is serious. It is getting worse in some countries by the week or day and we had to respond,” said Mirek Topolanek. Topolanek referred to “really selective protectionist steps and declarations, among others by President Sarkozy, which led me to calling the extraordinary summit.” The letter sent to Topolanek said that “solutions can vary from country to country” but “the principles have to be approved together” so all 27 countries can cooperate on the measures they take. The exact date and location for the meeting has not been set but will precede a regular spring economic EU summit in Brussels on March 19-20. The key issues will be keeping international markets open and countering any trends toward protectionism, European Commission spokesman Johannes Laitenberger said. The new summit will take place during the week following the February 22 summit for the G20.<sup>161</sup> (February 9, 2009, *Associated Press Newswires*)

European countries must arrive at the April 2 G20 summit with a common position on reform of the financial system, Nicolas Sarkozy said. He said a February 22 meeting between the six European members of the G20 would be crucial for finding a single line on regulations, tax havens, traders’ pay, bad banks and the role of the IMF. “Europe must have a common position on the summit of the G20,” he said. “And on such a subject we need European coordination. On Saturday I will be in Germany ... and we will talk about that.” Sarkozy said he wanted foreign exchange to be discussed at the G20.<sup>162</sup> (February 5, 2009, *Reuters News*)

Angela Merkel will meet the heads of five leading international organizations to discuss better ways to cooperate against the global economic downturn. The talks are part of an initiative launched by the chancellor to drum up support for a new international regulatory system for financial markets, aimed at preventing a repeat of the current crisis. Set to take part in the talks are Pascal Lamy, WTO director general, World Bank president Robert Zoellick and IMF managing director Dominique Strauss-Kahn. Also expected to attend are Angel Gurría, OECD director general, and Juan Somavía, ILO secretary general.<sup>163</sup> (February 5, 2009, *Trend News Agency*)

Alexei Kudrin, Russian deputy prime minister and finance minister, will take part in the first Russian-British Economic Dialogue forum under the auspices of UK chancellor of the exchequer Alistair Darling. The forum will touch upon matters related to creating a new world financial architecture, also to be discussed at the G20 summit in London on April 2. It will “be an exchange of information about the latest steps and measures the British and Russian authorities have been taking, as well as their effectiveness in combating the world financial and economic crisis” and will focus on a new financial architecture.” A source speculated that according to preliminary information, Britain will support Russia’s admission to the Financial Stability Forum. For its part, Russia is hoping

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<sup>161</sup> *Associated Press Newswire* (February 9, 2009), “EU leaders to hold special economy summit.”

<sup>162</sup> *Reuters News* (February 5, 2009), “Sarkozy wants European position ahead of G20.”

<sup>163</sup> *Trend News Agency* (February 5, 2009), “German chancellor hosts top-level meeting on financial crisis.”

that a decision in favor of its membership of that organization will be made before or at the G20 forum due on April 2.<sup>164</sup> (February 4, 2009, *ITAR-TASS World Service*)

“A meeting is planned with the chancellor of the exchequer Alistair Darling and also participation in a conference on financial services in Russia in the City,” a statement by the Russian embassy in London said. “Financial dialogue is a new form of cooperation. Both sides are interested in discussing questions, which are on the agenda of the G20 and G8 meetings,” a source in the delegation said.<sup>165</sup> (February 4, 2009, *RIA Novosti*)

Barack Obama and Lee Myung-bak “agreed to work together, including at the G20 summit in London, to stabilize the global economy, to spur growth, and to get credit markets flowing.” Obama warned against the temptation toward protectionist trade policies, and the Korean president agreed. “We should keep in mind the lesson from the Great Depression that a return to protectionism will delay an economic recovery,” said Lee. Obama said Hillary Clinton will visit Seoul in February for consultations on pending issues between the two allies, the Korean presidential spokesman said. The U.S. leader also said he expects to meet Lee at the G20 summit in April. It was the second telephone talk between the two leaders. On November 7, Lee congratulated Obama on his election.<sup>166</sup> (February 4, 2009, *The Korea Herald*)

Angela Merkel will meet fellow European leaders of the G20 in Berlin on February 22, government spokesperson Thomas Steg said. The countries are working on measures to help prevent any financial crisis similar to the current one.”<sup>167</sup> (February 2, 2009, *Dow Jones News Service*)

U.S. treasury secretary Timothy Geithner called his European and Asian counterparts to discuss the deepening global economic crisis and need for reforms. With French economy minister Christine Lagarde, Geithner spoke about France’s plans to build a new financial architecture and the progress of working groups on financial sector reforms on the G20 emerging and rich nations. Geithner and German finance minister Peer Steinbrueck discussed fiscal stimulus efforts in both countries and stressed the importance of close cooperation leading up to the summit in April. Geithner and his Russian counterpart, Alexey Kudrin, “discussed the state of the global economy and their desire to work together and cooperate to find solutions to the current crisis.” The importance of unlocking credit markets was a key topic between U.S. treasury chief and Alistair Darling. They agreed that significant international action is necessary for global growth to regain its footing for the statement. Britain will host the next G20 summit in London in April aimed at building a new global financial architecture in the face of the economic crisis.<sup>168</sup> (February 2, 2009, *Thai News Service*)

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<sup>164</sup> *ITAR-TASS World Service* (February 4, 2009), “London to host first-ever Russian-British Economic Dialogue Forum.”

<sup>165</sup> *RIA Novosti* (February 4, 2009), “Russia’s Kudrin heads for renewed financial talks in London.”

<sup>166</sup> *The Korea Herald* (February 4, 2009), “Lee, Obama warn against protectionism.”

<sup>167</sup> *Dow Jones News Service* (February 2, 2009), “Germany To Host Meeting Of European G20 Leaders on Feb 22.”

<sup>168</sup> *Thai News Service* (February 2, 2009), “US Treasury Secretary calls on Asia and Europe to discuss global economic crisis.”

Barack Obama wants all countries including India, to act in unison in dealing with the current global economic crisis. Obama is expected to come up with a more specific plan in this regard in the run up to the next G20 summit in London in April, White House spokesperson Robert Gibbs said. Responding to a comment that the G20 is not moving anywhere and that several countries are complaining that Brazil, Russia, India and China have not been included in the FSF, Gibbs said “India is a member of the G20.” He added, “The President talked about this when he was a mere senator and a candidate: if one entity takes steps and it’s not followed by other countries taking steps — be it regulation, stability or stimulus — you’re most likely to see capital flows, change all around the world ... The President talked about [these countries working together] back in September ... You’ll hear more about some of those specific plans as we get closer to April and going into the second round of this in Europe,” he said.<sup>169</sup> (February 2, 2009, *Thai News Service*)

Angela Merkel will call a meeting of the European members of the G20 in Berlin later in February to discuss a joint strategy before the April summit in London. Merkel is seeking to improve controls over global financial markets as part of efforts to prevent a future economic crisis. She has long championed measures to ensure increased transparency and more strict regulations for global finance. Merkel announced plans in her weekend video address to meet with international economic organizations and call a meeting of the European G20 members later in February. She did not announce the exact date.<sup>170</sup> (February 1, 2009, *Associated Press Newswires*)

## **Site**

The planned protests against the summit have prompted police to create a contingency plan to move the entire G20 event and the leaders to an undisclosed venue. The cost of the summit is already estimated at \$50 million, not including the cost of disruption to businesses. The London Chamber of Commerce estimates that at a further \$12 million per day.<sup>171</sup> (March 16, 2009, *The Advertiser*)

The G20 summit will be held at a conference centre in east London, Britain’s foreign office said. A foreign office spokeswoman said the ExCeL centre, close to the Canary Wharf financial district, had been selected as the venue for the London Summit 2009. Security will be intense for the gathering of world leaders, the biggest in Britain since the 2005 G8 summit.<sup>172</sup> (February 6, 2009, *Reuters News*)

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<sup>169</sup> *Thai News Service* (February 2, 2009), “United States: Obama wants countries to act on economic crisis, says White House.”

<sup>170</sup> *Associated Press Newswires* (February 1, 2009), “Germany’s Merkel to call meeting of EU’s G20 members, pushes to up market controls.”

<sup>171</sup> *The Advertiser* (March 16, 2009), “Protesters pledge G20 mayhem in heart of London.”

<sup>172</sup> *Reuters News* (February 6, 2009), “London’s ExCel centre chosen as venue for G20 summit.”

## 5. Future Meetings

**Russian president Dmitry Medvedev and Australian prime minister Kevin Rudd have urged a third summit of the G20 leaders late this year and an international conference after the London G20 summit.**<sup>173</sup> (March 29, 2009, *ITAR-TASS World Service*)

Turkish prime minister Recep Tayyip Erdogan said that Turkey could host the third G20 summit.<sup>174</sup> (March 21, 2009, *Trend News Agency*)

French finance minister Christine Lagarde said, “I don’t think we should ever consider that April 2 is the end of the road. It is the step on the road for which we are delivering the platform.” European officials say France wants to host a G20 summit.<sup>175</sup> (March 15, 2009, *Financial Times*)

Prime minister Silvio Berlusconi said that Italy would host leaders of the G20 at the end of the G8 summit in July and that the focus of talks would be on new rules for the financial system.<sup>176</sup> (March 9, 2009, *Reuters News*)

## 6. G20-G8 Relationship

Prime minister Silvio Berlusconi said that Italy would host leaders of the G20 at the end of the G8 summit in July and that the focus of talks would be on new rules for the financial system. “We will have the G20 as well on the third day of talks at La Maddalena [in Sardinia],” he said. “On this occasion we will prepare a legal system, new rules to stop the phenomenon of excessive securitisation in the financial system, the use of derivatives that led to this crisis.”<sup>177</sup> (March 9, 2009, *Reuters News*)

Coordinating the efforts of the G8 and G20 to combat the global recession was at the centre of talks between UK prime minister Gordon Brown and Silvio Berlusconi in Italy. They said they were in “total agreement” on the nature of the global crisis and the way it needed to be tackled. “We have the same opinions and this is a comfort for us who have the responsibility of the G20, in Gordon Brown’s case, and the G8, in my case,” Berlusconi said.<sup>178</sup> (February 19, 2009, *ANSA — English Media Service*)

Italian finance minister Giulio Tremonti said that the work carried out by the G8 finance ministers would be passed on to the G20, which is meeting in London in April. “The Italian presidency is not so much interested in formats like the G7, G8, G20 — but

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<sup>173</sup> *ITAR-TASS World Service* (March 29, 2009), “RF president, Australia PM urge third G20 summit by yearend.”

<sup>174</sup> *Trend News Agency* (March 21, 2009), “Prime minister says Turkey may host 3<sup>rd</sup> G20 summit.”

<sup>175</sup> *Financial Times* (March 15, 2009), “G20 pledges to restore global growth.”

<sup>176</sup> *Reuters News* (March 9, 2009), “PM says Italy to host G20 leaders at July G8 summit.”

<sup>177</sup> *Reuters News* (March 9, 2009), “PM says Italy to host G20 leaders at July G8 summit.”

<sup>178</sup> *ANSA — English Media Service* (February 19, 2009), “Berlusconi and Brown Focus on G8 and G20 Crisis Coordination.”

especially in the contents” of the meetings, Tremonti said at the end of a two-day meeting of G8 finance ministers.<sup>179</sup> (February 14, 2009, *Dow Jones International News*)

## 7. Civil Society

**Tens of thousands of demonstrators from trade unions and environmental and anti-capitalism groups marched through London, starting a series of mass protests ahead of the G20. Police estimated the crowd at up to 35,000. An alliance of more than 150 unions, charities and environment groups joined the march to demand action to save jobs, create a low-carbon economy and impose stricter controls on the finance sector. Organizers of the Put People First march for “jobs, justice and climate” had rejected as “smears” claims in police briefings that the march could be hijacked by anarchists bent on violence. The general secretary of the Trades Union Congress (TUC), Brendan Barber, said the demonstration had a clear message for the presidents and prime ministers heading to London. “Never before has such a wide coalition come together with such a clear message for world leaders,” he said. “The old ideas of unregulated free markets do not work, and have brought the world’s economy to near-collapse, failed to fight poverty and have done far too little to move to a low-carbon economy.” Several hundred demonstrators also turned out in Paris where they erected and demolished a model of an island symbolizing a tax haven.<sup>180</sup> (March 28, 2009, *Agence France Presse*)**

**Thousands of people began marching through the centres of Berlin and Frankfurt in protests ahead of summits of the G20 and the North Atlantic Treaty Organization (NATO), police said. Organizers had said they hoped for 40,000 participants but it was not immediately clear if this target had been met. Tens of thousands also marched in London for “jobs, justice and climate.”<sup>181</sup> (March 28, 2009, *Agence France Presse*)**

Police say intense security measures will shut roads and subway stations, and the London Chamber of Commerce has issued advice to finance-sector workers that includes the suggestion staff “consider wearing more casual clothing” to avoid demonstrators’ anger. “Cancelling unnecessary meetings may have to be considered,” the organization said. A group called G20 Meltdown say demonstrators will converge from four London subway stations on the imposing edifice of the central bank, the Bank of England, led by multicoloured figures representing war, climate chaos, financial crimes and “land enclosures and borders.”<sup>182</sup> (March 23, 2009, *Associated Press Newswire*)

International union leaders have put forward a global five-point plan that they want the G20 to adopt. The plan includes job creation, some bank nationalization, tackling wage

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<sup>179</sup> *Dow Jones International News* (February 14, 2009), “G7: Italy Fin Min:G8 Work Will Be Passed On To G20.”

<sup>180</sup> *Agence France Presse* (March 28, 2009), “Tens of thousands hold pre-G20 march in London.”

<sup>181</sup> *Agence France Presse* (March 28, 2009), “Thousands march in Germany ahead of G20, NATO summits.”

<sup>182</sup> *Associated Press Newswire* (March 23, 2009), “London braces for G-20 summit, protests.”

deflation and climate change action. “If the G20 governments in London are only able to agreed on half-measures, they will have failed to meet their responsibilities,” according to the general secretary of the International Trade Union Confederation (ITUC). The Brussels-based body represents 170 million workers in 312 affiliated national organizations from 157 countries.<sup>183</sup> (March 23, 2009, *Dow Jones International News*)

More than 2500 officers will help during protests in the lead up to the G20 summit, with the operation costing more than £7.2 million. On March 28, Put People First, a campaign group involving approximately 120 organizations, will hold a march and rally in Hyde Park calling on world leaders to ensure decent jobs and public services for all. One of the highest-profile protests will be an impromptu 24-hour climate camp. More than 100 trade unions, environmental groups, development agencies and anti-poverty campaigners are involved in the Put People First event. The alliance plans to tell world leaders attending the G20 summit that only fair and just policies can lead the world out of recession. Groups involved include TUC, Christian Aid, Oxfam, War on Want, World Development Movement and CND. An ecumenical church service will take place in Central Hall Westminster, which will feed into the march as it goes through Parliament Square. TUC general secretary said, “For 20 years, governments round the world have believed that a mix of light touch regulation, tolerance of tax havens and a relaxed view of the growth of the global super-rich would deliver prosperity. Now we see that it was built on an illusion and as it crashes it takes down jobs, increases poverty and destroys communities with it.” The Stop The War Coalition is holding a demonstration in London on April 1, calling for all the troops to come out of Iraq and Afghanistan. Climate campaigners across the country are planning to converge in the City of London on the same day for the start of 24 hours of workshops relating to carbon trading, the G20 and climate change.<sup>184</sup> (March 20, 2009, *Press Association National Newswire*)

Tens of thousands of protesters are planning to cause mayhem in London during the G20 summit. More than 5000 police will be deployed to maintain order and protected the leaders. More than 65 groups from across Europe are to protest under the heading “G20 Meltdown,” railing against everything from the Iraq War to globalization, human rights and climate change. They will descend on London in the first week of April.<sup>185</sup> (March 16, 2009, *The Advertiser*)

The G20 London Summit will be marked by one of the biggest demonstrations since a million people marched against war in Iraq in 2003. Apart from the main demonstration on March 28, a flurry of further protests is envisaged, including Financial Fools Day, a blockade of financial institutions to prevent people from getting to work on April 1. While trade unions will be aware that the protest comes close to the 25th anniversary of the 1980s miners’ strike, a group called G20 Meltdown will stage “carnavalesque” parades, one of which will “honour the 360th full circle anniversary of the Diggers” — Civil War revolutionaries. The G20 protests have been seen in some quarters as casting a shadow over an otherwise grand occasion, hosted by Britain as an honour to its — and its

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<sup>183</sup> *Dow Jones International News* (March 23, 2009), “Intl Labor Union Body Puts Forward 5-point Plan to G20-BBC.”

<sup>184</sup> *Press Association National Newswire* (March 20, 2009), “G20 Police Brace for Major Protest.”

<sup>185</sup> *The Advertiser* (March 16, 2009), “Protesters pledge G20 mayhem in heart of London.”

prime minister's — standing in the global discourse on how to tackle the crisis. But the range of opinions united in protest shows the demand not for a quick fix to our capitalist institutions but for change. There is a certain edginess in the air, not because of warnings of a “summer of rage,” but because those who feel they have history on their side for once.<sup>186</sup> (March 8, 2009, *The Observer*)

The UK's largest labour union called for a mass protest to greet the leaders of the G20 when they meet in London. Unite, which has called the rally for March 28, said it is part of a “global campaign to challenge the G20 leaders.” On its website it says that “governments, business and international institutions have followed a model of financial deregulation that has encouraged short-term profits, instability and an economy fueled by ever-increasing debt, both financial and environmental.” It adds that the “only sustainable way to rebuild the global economy is to create a fair distribution of wealth that provides decent jobs and public services for all, ends global inequality and builds a low carbon future.”<sup>187</sup> (March 4, 2009, *Dow Jones International News*)

Activists are planning a mass protest in London to coincide with the G20 summit. Thousands of demonstrators are plotting a series of protests for April 1. Organizers are labelling the event “Financial Fools Day.” Scotland Yard is on alert, and it is feared the protests may cause severe disruption as demonstrators try to block traffic and buildings by lying in tents and sleeping bags across roads. Activists are being invited to “set up camp” in London's financial centre. One source suggested the protest would include a “spectacular action.” Organizers said on the Climate Camp website: “We need to stop this foolishness ... bring a pop-up tent if you have one, sleeping bag, wind turbine, mobile cinema, extra shoes, action plans and ideas ... let's imagine another world.” An anarchist wrote on a blog: “The combination of the recession, the inspiration of the Greek anarchists and the G20 summit being in London gives us the opportunity to mobilise far larger than usual numbers on to the streets.”<sup>188</sup> (February 28, 2009, *The Daily Telegraph*)

British police have said that the London Summit could set off mass protests aggravated by the global economic crisis. Anti-globalization protesters, environmental activists and anti-war demonstrators are planning a series of events in the run-up to and during the April event. “We've got G20 coming and I think that is being advertised on some of the [web]sites as the highlight of what they see as a ‘summer of rage’,” David Hartshorn, head of London's public order policing branch said. He said that banks, multinational companies and other financial institutions could be targets. Demonstrations are due to kick off on March 28 with a ‘Put People First’ march through London coordinated by unions, charities and anti-poverty campaigns.<sup>189</sup> (February 23, 2009, *Reuters News*)

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<sup>186</sup> *The Observer* (March 8, 2009), “Development: Green: Faith: Political: Others: The voices in G20's chorus of protest: A mass demonstration ahead of the London G20 summit is set to attract a huge mix of different interest groups as a new post-credit crisis coalition emerges.”

<sup>187</sup> *Dow Jones International News* (March 4, 2009), “UK's Largest Union Calls for Mass Protest At London G20 Mtg.”

<sup>188</sup> *Daily Telegraph* (February 28, 2009), “G20 protest points to ‘summer of rage’.”

<sup>189</sup> *Reuters News* (February 23, 2009), “British police fear unrest for G20 global summit.”

A demonstration has been planned against bankers in London's financial district on April 1. Thousands of people are expected to attend the event, dubbed 'Financial Fools Day,' which threatens to cause severe disruption to the UK capital.<sup>190</sup> (February 20, 2009, *Dow Jones International News*)

Anti-globalization activists meeting at the World Social Forum in Brazil said they are organizing international protests against a G20 meeting in London on March 28 that is meant to find solutions to the economic crisis. Unions and other leftwing groups taking part said they questioned the legitimacy of the G20 to set policies. They were pushing for a wider body, such as a reformed United Nations, to tackle the issue, the activists said. "We are in a context of an extremely deep global crisis and today the world is expecting us, the anti-globalization movements, to come up with strong, joint proposals," said Jean Merkart of the CCFD, a French Catholic development charity.<sup>191</sup> (February 1, 2009, *Agence France Presse*)

### **Activities**

Business leaders from the G20 will gather in London on March 18. UK business secretary Peter Mandelson said the meeting would discuss fears in the European Union and Canada that countries including the United States might resort to protectionism in the global economic downturn. The meeting, held in conjunction with Britain's Confederation of British Industry (CBI), will "set out a clear agenda to overcoming the remaining obstacles to trade," Mandelson said.<sup>192</sup> (March 5, 2009, *Agence France Presse*)

The UK will host a meeting of global business leaders later this month in the run-up to the G20 summit. Peter Mandelson and the CBI will host the meeting and the conclusions reached at that meeting will be relayed at the G20 summit, according to the government's business department. "The global banking crisis that has buffeted businesses around the globe won't be reversed without a coordinated international plan of action," Mandelson said. On the agenda will be the possibility of strengthening the G20's resistance to protectionism, the impact of government interventions in the economy and banking systems and the issue of addressing the decline in availability and increase the cost of trade finance. Among the delegations that have already signed up for the summit are the European Union, India, China, Indonesia and Russia.<sup>193</sup> (March 5, 2009, *Dow Jones International News*)

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<sup>190</sup> *Dow Jones International News* (February 20, 2009), "London Demonstration Planned for Visit of G20 Heads-Report."

<sup>191</sup> *Agence France Presse* (February 1, 2009), "Anti-globalizationists plan protest against G20."

<sup>192</sup> *Agence France Presse* (March 5, 2009), "G20 business leaders to meet in London March 18."

<sup>193</sup> *Dow Jones International News* (March 5, 2009), "UK to Host Business Summit Ahead of G20 Meeting."

## 8. Appendices

### *G20 Leaders' Experience for the April Summit*

Country	Leader	Years in office	# of G8 summits attended	# of G20 summit attended
Argentina	Cristina Fernández de Kirchner	1 year, 5 months	0	1
Australia	Kevin Rudd	1 year, 5 months	1	1
Brazil	Luiz Inácio Lula da Silva	6 years, 4 months	5	1
Canada	Stephen Harper	3 years, 4 months	3	1
China	Hu Jintao	6 years, 1 month	5	1
France	Nicolas Sarkozy	1 year, 11 months	2	1
Germany	Angela Merkel	3 years, 5 months	3	1
India	Manmohan Singh	4 years, 11 months	4	1
Indonesia	Susilo Bambang Yudhoyono	4 years, 6 months	1	1
Italy	Silvio Berlusconi	1 year <sup>194</sup>	11	1
Japan	Taro Aso	7 months	0	1
Korea	Lee Myung-bak	1 year, 2 months	1	1
Mexico	Felipe de Jesús Calderón Hinjosa	2 years, 4 months	2	1
Russia	Dmitry Medvedev	11 months	1	1
Saudi Arabia	Adbullah bin Abdul Aziz Al Saud	3 years, 8 months	0	1
South Africa	Petrus Kgalema Motlanthe	7 months	0	1
Turkey	Tayyip Erdoğan	6 years	0	1
United Kingdom	Gordon Brown	1 year, 10 months	1	1
United States	Barack Obama	3 months	0	0
European Union	José Manuel Barroso	4 years, 5 months	4	1
Average		Approx. 2 years, 10 months	1.7	0.95

<sup>194</sup> Includes present term only. Berlusconi was also prime minister of Italy from 17 April 1994 to 17 January 1995 and from 11 June 2001 to 17 May 2006. He attended G7/8 summits in 1994, 2001, 2002, 2003, 2004 and 2005 as well as 2008 (which is indicated in the table above).

## **Members of G20, Gleneagles Dialogue and Major Economies Meeting**

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

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

### **G20 Leaders' Biographies**

**Argentina's Cristina Fernández de Kirchner** became president of Argentina on December 10, 2007 after winning the general election in October. She replaced her husband, Néstor Kirchner, who was president from May 2003 to December 2007. She is Argentina's second female president, but the first to be elected. Prior to her current position, she was a senator for Buenos Aires province and Santa Cruz province. She was first elected to the Senate in 1995, and in 1997 to the Chamber of Deputies. In 2001 she won a seat in the Senate again. Born on February 19, 1954, in La Plata, Buenos Aires, she studied law at the National University of La Plata. She and her husband were married in March 1975 and have two children.

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

successfully elected until 1998. Since then he has served in various positions including shadow minister of foreign affairs and leader of the opposition. He was born in Nambour, Queensland, on September 21, 1957. He earned a bachelor's degree Asian studies at Australian National University in 1981, where he focused on Chinese language and history. He and his wife, Thérèse Rein, have three children.

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

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

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

**France's Nicolas Sarkozy** became president of France on May 16, 2007, taking over from Jacques Chirac, who had held the position since 1995. He worked as a lawyer while he pursued politics. From 1983 to 2002, he was mayor of Neuilly-sur-Seine. He has been president of the Union pour un Mouvement Populaire, France's major right-wing party, since 2004. During his time in parliament he has held a number of cabinet portfolios including minister of state of economy, finance and industry, minister of the budget and minister of the interior. He was born in Paris on January 28, 1955. In 1978, he received

his law degree from the Université de Paris. He is married to Carla Bruni and has three children from his two previous marriages.

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

**India's Manmohan Singh** became prime minister of India on May 22, 2004, replacing Atal Bihari Vajpayee, who held the position from 1998 to 2004, and also for a short period in 1996. Before entering into politics, Singh worked as an economist, including for the International Monetary Fund. He was governor of the Reserve Bank of India from 1982 to 1985. Singh was first elected to the upper house of Indian parliament in 1995. He was re-elected in 2001 and 2007 and held cabinet positions including minister of finance and minister for external affairs. Singh also served as minister of finance from November 2008 to January 2009. He was born in Gah, Punjab (now known as Chakwal district, Pakistan), on September 26, 1932. He received his bachelor's and master's degrees from Punjab University in 1952 and 1954. He also received an additional undergraduate degree from Cambridge University in 1957 and a PhD from Oxford University in 1962. He and his wife, Gursharan Kaur, have three children.

**Indonesia's Susilo Bambang Yudhoyono** became president on October 20, 2004, after winning the election in September, replacing the incumbent Megawato Sukarnoputri. Before entering into politics, he served as a lecturer and a military general. His first experience in politics came when he was appointed minister of mines and energy in 1999. He later served as co-ordinating minister for politics and security. He was born on September 9, 1949, in Pacitan, East Java. He received his doctorate in agricultural economics from the Bogor Institute of Agriculture in 2004. He and his wife, Kristiani Herawati, have two children.

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

**Japan's Taro Aso** became prime minister of Japan on September 24, 2008, replacing Yasuo Fukuda, who held the position since September 2007. Before entering into

politics, Aso worked in mining. He was first elected to the House of Representatives in 1979 and has been re-elected eight times. He has served in a variety of positions in government including minister of foreign affairs and minister of international affairs and communications. He was born in Iizuka, Fukuoka, on September 20, 1940. He studied politics and economics at Gakushuin University as well as Stanford University and the London School of Economics. He was also a member of the Japanese shooting team that competed at the 1976 Olympics. He is married to Chikako Aso and they have two children.

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

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

**Saudi Arabia's King Abdullah bin Abdul Aziz Al Saud** has been in power since August 2005. He replaced Fahd bin Abdul Aziz Al Saud, who had reigned since June 1982. As crown prince since 1987, King Abdullah had previously acted as *de facto* regent and thus ruler since January 1, 1996, after Fahd had been debilitated by a stroke. He was formally enthroned on August 3, 2005. He also serves as prime minister of Saudi Arabia and commander of the National Guard. King Abdullah is chair of the supreme economic council, president of the High Council for Petroleum and Minerals, president of the King Abdulaziz Centre for National Dialogue, chair of the Council of Civil Service and head of the Military Service Council. He was born August 1, 1924, in Riyadh and has a number of wives and children.

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

December 2007. He became a member of parliament in May 2008 and in July was appointed to cabinet without a portfolio. Born on July 19, 1949, in Alexandra, Johannesburg, Motlanthe has three children with Mapula Motlanthe.

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

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

The **United Kingdom's Gordon Brown** became prime minister of the United Kingdom of Great Britain and Northern Ireland on June 27, 2007, three days after becoming leader of the Labour Party. He was first elected to parliament in 1983 as representative for Dunfermline East. Since 2005 he has been the representative for Kirkcaldy and Cowdenbeath, both in Scotland. Before entering politics he worked as a lecturer and journalist. He served as chancellor of the exchequer from 1997 to 2007. As the United Kingdom holds the chair of the G20 for 2009, Brown will host the London Summit on April 1–2, 2009. He was born in Govan, Glasgow, on February 20 1951. He studied history at the University of Edinburgh and completed his doctorate in 1982. He and his wife, Sarah, have two children.

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

The **European Union's Mirek Topolánek** has been prime minister of the Czech Republic since August 16, 2006. The Czech Republic assumed the six-month presidency of the European Council from France on January 1, 2009. Topolánek was a member of the Czech Senate from 1996 to 2004 and its deputy chair from 2002 to 2004. Since June 2006 he has been a member of the Chamber of Deputies. Born in 1956, Topolánek received his degree in mechanical engineering from the Brno University of Technology. He is separated from his wife, Pavla Topolánková, and has four children.

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

## **Statistical Profiles**

(as of March 2009)

### **Argentina**

#### **Polity**

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

#### **Economy**

Currency:	Peso (P)
GDP (real):	\$338.7 billion (2008 est.)
Predicted change:	4.9% (Q4 2008); -2.8% (2009)
Composition by sector:	9.2%-agriculture; 34.1%-industry; 56.7%-services (2008 est.)
Central Bank interest rate:	NA
Official reserve assets:	\$47,009.34 million (Jan. 2009)
Foreign currency reserves:	\$44,811.64 million (Jan. 2009) [in convertible foreign currencies]
Securities:	\$9,368.98 million (Jan. 2009)
IMF reserve position:	\$0.29 million (Jan. 2009)
Special Drawing Rights:	\$1,622.29 million (Jan. 2009)
Gold:	\$1,622.29 million (Jan. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$-9.50 million (Jan. 2009)
Loans to nonbank residents:	\$102.30 million (Jan. 2009)
Other reserve assets:	\$2.71 million (Jan. 2009)
Commercial Bank prime lending rate:	28.0% (28 Nov. 2008)
Stock of money:	\$33.93 billion (31 Dec. 2007)
Stock of quasi money:	\$45.92 billion (31 Dec. 2007)
Stock of domestic credit:	\$72.55 billion (31 Dec. 2007)
Household income or consumption by % share:	1.0%-lowest 10%; 35.0%-highest 10% (Jan.-Mar. 2007)
Inflation rate (consumer prices):	22.0% (2008 est.) [based on non-official estimates]
Investment (gross fixed):	24.0% of GDP (2008 est.)
Current account balance:	\$7.6 billion (latest year, Q4 2008)
Budget:	\$86.3 billion-revenues; \$80.4 billion-expenditures (2008 est.)

Budget balance:	-0.8% of GDP (2009)
Public debt:	51.0% of GDP (Jun. 2008) [cumulative debt of all government borrowing]
Exchange rates (per USD):	3.68 (Mar. 2009); 3.17 (Mar. 2008)
Economic aid-recipient:	\$99.66 million (2005)
Debt-external:	\$135.5 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$69.1 billion-at home; \$26.81 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$86.68 billion (31 Dec. 2007)
Distribution of family income-Gini index:	49.0 (Jan-Mar. 2007)
Unemployment rate:	7.8% (Sep. 2008)
Labour force:	16.27 million (2008 est.) [urban areas only]

### Markets

MERV index:	1,132.3 (Mar. 2009)
% change on 31 Dec. 2008:	+4.9 (local currency); -1.7 (\$ terms)

### Trade

Trade balance:	\$12.8 billion (latest year, Jan. 2009)
Trade to GDP ratio:	44.7 (2005-2007)
Exports:	\$73.0 billion f.o.b. (2008 est.)
Top export partners:	Brazil (19.1%); China (9.4%); U.S. (7.9%); Chile (7.6%) (2007)
Imports:	\$59.9 billion f.o.b. (2008 est.)
Top import partners:	Brazil (34.6%); U.S. (12.6%); China (12.0%); Germany (5.0%) (2007)

## Australia

### Polity

Political party:	Labour Party
Most recent election:	24 Nov 2007
Government:	Lower House — Majority; Upper House — Minority
Political system:	Parliamentary
Legislature:	Bicameral, elected House of Representatives, elected Senate
Capital:	Canberra
Official language:	English

### Economy

Currency:	Australian dollar (A\$)
GDP (real):	\$1.069 trillion (2008 est.)
Predicted change:	0.3% (Q4 2008); -0.3% (2009)
Composition by sector:	2.5%-agriculture; 26.4%-industry; 71.1%-services (2008 est.)
Central Bank interest rate:	3.25% (Feb. 2009)
Official reserve assets:	\$30,762.70 million (Jan. 2009)
Foreign currency reserves:	\$27,638.33 million (Jan. 2009) [in convertible foreign currencies]
Securities:	\$18,550.45 million (Jan. 2009)
IMF reserve position:	\$634.14 million (Jan. 2009)
Special Drawing Rights:	\$169.96 million (Jan. 2009)
Gold:	\$2,360.81 million (Jan. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$-373.21 million (Jan. 2009)
Loans to nonbank residents:	\$0.00 (Jan. 2009)
Other reserve assets:	\$333.29 million (Jan. 2009)

Commercial Bank prime lending rate:	10.02% (31 Dec. 2007)
Stock of money:	\$298.5 billion (31 Dec. 2007)
Stock of quasi money:	\$667.2 billion (31 Dec. 2007)
Stock of domestic credit:	\$1.312 trillion (31 Dec. 2007)
Household income or consumption by % share:	2.0%-lowest 10%; 25.4%-highest 10% (1994)
Inflation rate (consumer prices):	4.7% (2008 est.)
Investment (gross fixed):	27.6% of GDP (2008 est.)
Current account balance:	\$-44.1 billion (latest year, Q4 2008)
Budget:	\$343.6 billion-revenues; \$340.7 billion-expenditures (2008 est.)
Budget balance:	-3.1% of GDP (2009)
Public debt:	15.4% of GDP (2008 est.) [gross debt]
Exchange rates (per USD):	1.43 (Mar. 2009); 1.09 (Mar. 2008)
Economic aid-donor:	\$2.213 billion (2006) [ODA]
Debt-external:	\$1.032 trillion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$333.1 billion-at home; \$301.1 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$1.298 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	30.5 (2006)
Unemployment rate:	4.5% (Dec. 2008)
Labour force:	11.21 million (2008 est.)

### Markets

All Ord. index:	3,546.2 (Mar. 2009)
% change on 31 Dec. 2008:	-3.1 (local currency); -4.1 (\$ terms)

### Trade

Trade balance:	\$-1.0 billion (latest year, Jan. 2009)
Trade to GDP ratio:	44.7 (2005-2007)
Exports:	\$178.9 billion (2008 est.)
Top export partners:	Japan (18.9%); China (14.2%); South Korea (8.0%); U.S. (6.0%); New Zealand (5.6%); India (5.5%); UK (4.2%) (2007)
Imports:	\$187.2 billion (2008 est.)
Top import partners:	China (15.5%); U.S. (12.8%); Japan (9.6%); Singapore (5.6%); Germany (5.2%); UK (4.3%); Thailand (4.2%) (2007)

## Brazil

### Polity

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

### Economy

Currency:	Real (R)
GDP (real):	\$1.665 trillion (2008 est.)

Predicted change:	1.3% (Q4 2008); -0.4% (2009)
Composition by sector:	5.5%-agriculture; 28.5%-industry; 66.0%-services (2008 est.)
Central Bank interest rate:	11.25% (Mar. 2009)
Official reserve assets:	\$186,880.43 million (Feb. 2009)
Foreign currency reserves:	\$184,363.06 million (Feb. 2009) [in convertible foreign currencies]
Securities:	\$180,648.20 million (Feb. 2009)
IMF reserve position:	\$0.32 million (Feb. 2009)
Special Drawing Rights:	\$0.46 million (Feb.2009)
Gold:	\$1028.59 million (Feb. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$-1.12 million (Feb. 2009)
Loans to nonbank residents:	\$65.77 million (Feb. 2009)
Other reserve assets:	\$1,423.36 million (Feb. 2009)
Commercial Bank prime lending rate:	43.72% (31 Dec. 2007)
Stock of money:	\$131.1 billion (31 Dec. 2007)
Stock of quasi money:	\$792.8 billion (31 Dec. 2007)
Stock of domestic credit:	\$1.377 trillion (31 Dec. 2007)
Household income or consumption by % share:	0.9%-lowest 10%; 44.8%-highest 10% (2004)
Inflation rate (consumer prices):	5.8% (2008 est.)
Investment (gross fixed):	18.6% of GDP (2008 est.)
Current account balance:	\$-25.7 billion (latest year, Feb. 2009)
Budget:	NA
Budget balance:	-1.5% of GDP (2009)
Public debt:	40.7% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	2.24 (Mar. 2009); 1.74 (Mar. 2008)
Economic aid-recipient:	\$191.9 million (2005)
Debt-external:	\$236.6 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$280.9 billion-at home; \$119.1 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$1.37 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	56.7 (2005)
Unemployment rate:	7.6% (Nov. 2008)
Labour force:	100.9 million (2008 est.)

### Markets

BVSP index:	41,799.0 (Mar. 2009)
% change on 31 Dec. 2008:	+11.3 (local currency); +15.9 (\$ terms)

### Trade

Trade balance:	\$24.2 billion (latest year, Feb. 2009)
Trade to GDP ratio:	25.8 (2005-2007)
Exports:	\$200.0 billion f.o.b. (2008 est.)
Top export partners:	U.S. (16.1%); Argentina (9.2%); China (6.8%); Netherlands (5.6%); Germany (4.6%) (2007)
Imports:	\$176.0 billion f.o.b. (2008 est.)
Top import partners:	U.S. (15.7%); China (10.5%); Argentina (8.6%); Germany (7.2%); Nigeria (4.4%) (2007)

## Canada

### Polity

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

### Economy

Currency:	Canadian dollar (C\$)
GDP (real):	\$1.564 trillion (2008 est.)
Predicted change:	-0.7% (Q4 2008); -1.5% (2009)
Composition by sector:	2.0%-agriculture; 28.4%-industry; 69.6%-services (2008 est.)
Central Bank interest rate:	0.5% (Mar. 2009)
Official reserve assets:	\$43,193.00 million (Feb. 2009)
Foreign currency reserves:	\$40,855.00 million (Feb. 2009) [in convertible foreign currencies]
Securities:	\$40,119.00 million (Feb. 2009)
IMF reserve position:	\$1,288.00 million (Feb. 2009)
Special Drawing Rights:	\$946.00 million (Feb. 2009)
Gold:	\$104.00 million (Feb. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Feb. 2009)
Loans to nonbank residents:	\$0.00 (Feb. 2009)
Other reserve assets:	\$0.00 (Feb. 2009)
Commercial Bank prime lending rate:	6.1% (31 Dec. 2007)
Stock of money:	\$391.6 billion (31 Dec. 2007)
Stock of quasi money:	\$1.381 trillion (31 Dec. 2007)
Stock of domestic credit:	\$2.382 trillion (31 Dec. 2007)
Household income or consumption by % share:	2.6%-lowest 10%; 24.8%-highest 10% (2000)
Inflation rate (consumer prices):	3.0% (2008 est.)
Investment (gross fixed):	22.6% of GDP (2008 est.)
Current account balance:	\$11.3 billion (latest year, Q4 2008)
Budget:	\$608.3 billion-revenues; \$606.0 billion-expenditures (2008 est.)
Budget balance:	-2.4% of GDP (2009)
Public debt:	62.3% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	1.22 (Mar. 2009); 1.02 (Mar. 2008)
Economic aid-donor:	\$3.9 billion (2007) [ODA]
Debt-external:	\$758.6 billion (30 Jun. 2007)
Stock of direct foreign investment:	\$586.6 billion-at home; \$547.2 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$2.187 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	32.1 (2005)
Unemployment rate:	6.6% (Dec. 2008)
Labour force:	18.18 million (2008 est.)

### Markets

S&P TSX index:	8,797.4 (Mar. 2009)
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% change on 31 Dec. 2008: -2.1 (local currency); -1.3 (\$ terms)

### Trade

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

## China

### Polity

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

### Economy

Currency:	Yuan (¥)
GDP (real):	\$4.222 trillion (2008 est.)
Predicted change:	6.8% (Q4 2008); 6.0% (2009)
Composition by sector:	10.6%-agriculture; 49.2%-industry; 40.2%-services (2008 est.)
Central Bank interest rate:	5.31% (Dec. 2008)
Official reserve assets:	NA
Foreign currency reserves:	NA
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:	5.58% (17 Dec. 2007)
Stock of money:	\$2.30 trillion (31 Oct. 2007)
Stock of quasi money:	\$4.431 trillion (31 Oct. 2007)
Stock of domestic credit:	\$5.316 trillion (31 Oct. 2007)
Household income or consumption by % share:	1.6%-lowest 10%; 34.9%-highest 10% (2004)
Inflation rate (consumer prices):	6.0% (2008 est.)
Investment (gross fixed):	40.2% of GDP (2008 est.)
Current account balance:	\$400.7 billion (latest year, Q2 2008)
Budget:	\$868.6 billion-revenues; \$850.5 billion-expenditures (2008 est.)
Budget balance:	-3.6% of GDP (2009)
Public debt:	15.7% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	6.83 (Mar. 2009); 7.03 (Mar. 2008)
Economic aid-recipient:	\$1.641 billion (FY 2007)
Debt-external:	\$420.8 billion (31 Dec. 2008 est.)

Stock of direct foreign investment:	\$758.9 billion-at home (2007 est.); \$139.3 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$6.226 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	47.0 (2007)
Unemployment rate:	9.0% (2008)
Labour force:	807.7 million (2008 est.)

### Markets

SSEA index:	2,405.3 (Mar. 2009)
% change on 31 Dec. 2008:	+25.8 (local currency); +25.7 (\$ terms)
SSEB index (\$ terms):	151.1 (Jan. 2009)
% change on 31 Dec. 2008:	+36.4 (local currency); +36.2 (\$ terms)

### Trade

Trade balance:	\$311.5 billion (latest year, Feb. 2009)
Trade to GDP ratio:	71.3 (2005-2007)
Exports:	\$1.465 trillion f.o.b. (2008 est.)
Top export partners:	U.S. (19.1%); Hong Kong (15.1%); Japan (8.4%); South Korea (4.6%); Germany (4.0%) (2007)
Imports:	\$1.156 trillion f.o.b. (2008 est.)
Top import partners:	Japan (14.0%); South Korea (10.9%); Taiwan (10.5%); U.S. (7.3%); Germany (4.7%) (2007)

## France

### Polity

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

### Economy

Currency:	Euro (€)
GDP (real):	\$2.978 trillion (2008 est.)
Predicted change:	-1.0% (Q4 2008); -1.9% (2009)
Composition by sector:	2.2%-agriculture; 20.3%-industry; 77.4%-services (2008 est.)
Central Bank interest rate:	1.5% (Mar. 2009) [European Monetary Union]
Official reserve assets:	\$101,222.05 million (Jan. 2009)
Foreign currency reserves:	\$24,531.11 million (Jan. 2009) [in convertible foreign currencies]
Securities:	\$19,826.35 million (Jan. 2009)
IMF reserve position:	\$2201.79 million (Jan. 2009)
Special Drawing Rights:	\$938.13 million (Jan.2009)
Gold:	\$73,551.02 million (Jan. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Jan. 2009)
Loans to nonbank residents:	\$0.00 (Jan. 2009)
Other reserve assets:	\$0.00 (Jan. 2009)
Commercial Bank prime	

lending rate:	7.28% (31 Dec. 2007)
Stock of money:	NA
Stock of quasi money:	NA
Stock of domestic credit:	\$4.105 trillion (31 Dec. 2007)
Household income or consumption by % share:	3.0%-lowest 10%; 24.8%-highest 10% (2004)
Inflation rate (consumer prices):	3.4% (2008 est.)
Investment (gross fixed):	21.3% of GDP (2008 est.)
Current account balance:	\$-56.8 billion (latest year, Jan. 2009)
Budget:	\$1.439 trillion-revenues; \$1.525 trillion-expenditures (2008 est.)
Budget balance:	-5.4% of GDP (2009)
Public debt:	64.4% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.74 (Mar. 2009); 0.63 (Mar. 2008)
Economic aid-donor:	\$10.6 billion (2006) [ODA]
Debt-external:	\$4.396 trillion (30 Jun. 2007)
Stock of direct foreign investment:	\$1.08 trillion-at home; \$1.571 trillion-abroad (2008 est.)
Market value of publicly traded shares:	\$2.771 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	28.0 (2005)
Unemployment rate:	7.9% (Nov. 2008)
Labour force:	27.95 million (2008 est.)

### Markets

CAC 40 index:	2,893.5 (Mar. 2009)
% change on 31 Dec. 2008:	-10.1 (local currency); -12.4 (\$ terms)

### Trade

Trade balance:	\$-80.6 billion (latest year, Jan. 2009)
Trade to GDP ratio:	54.3 (2005-2007)
Exports:	\$629.7 billion f.o.b. (2008 est.)
Top export partners:	Germany (14.9%); Spain (9.3%); Italy (8.9%); UK (8.1%); Belgium (7.3%); U.S. (6.1%); Netherlands (4.1%) (2007)
Imports:	\$718.4 billion f.o.b. (2008 est.)
Top import partners:	Germany (18.9%); Belgium (11.4%); Italy (8.4%); Spain (7.1%); Netherlands (7.0%); UK (5.6%); U.S. (4.4%); China (4.0%) (2007)

## Germany

### Polity

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

### Economy

Currency:	Euro (€)
GDP (real):	\$3.818 trillion (2008 est.)
Predicted change:	-1.7% (Q4 2008); -3.2% (2009)

Composition by sector:	0.9%-agriculture; 30.1%-industry; 69.0%-services (2008 est.)
Central Bank interest rate:	1.5% (Mar. 2009) [European Monetary Union]
Official reserve assets:	\$143,518.25 million (Feb. 2009)
Foreign currency reserves:	\$35,604.24 million (Feb. 2009) [in convertible foreign currencies]
Securities:	\$33,693.73 million (Feb. 2009)
IMF reserve position:	\$2,269.60 million (Feb. 2009)
Special Drawing Rights:	\$2,098.90 (Feb. 2009)
Gold:	\$103,545.51 million (Feb. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Feb. 2009)
Loans to nonbank residents:	\$0.00 (Feb. 2009)
Other reserve assets:	\$0.00 (Feb. 2009)
Commercial Bank prime lending rate:	5.96% (31 Dec. 2007)
Stock of money:	NA
Stock of quasi money:	NA
Stock of domestic credit:	\$5.081 trillion (31 Dec. 2007)
Household income or consumption by % share:	3.2%-lowest 10%; 22.1%-highest 10% (2000)
Inflation rate (consumer prices):	2.8% (2008 est.)
Investment (gross fixed):	18.9% of GDP (2008 est.)
Current account balance:	\$224.3 billion (latest year, Jan. 2009)
Budget:	\$1.614 trillion-revenues; \$1.579 trillion-expenditures (2008 est.)
Budget balance:	-3.9% of GDP (2009)
Public debt:	62.6% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.74 (Mar. 2009); 0.63 (Mar. 2008)
Economic aid-donor:	\$10.44 billion (2006)
Debt-external:	\$4.489 trillion (30 Jun. 2007)
Stock of direct foreign investment:	\$924.7 billion-at home; 1.36 trillion-abroad (2008 est.)
Market value of publicly traded shares:	\$2.106 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	27.0 (2006)
Unemployment rate:	7.6% (Dec. 2008)
Labour force:	43.62 million (2008 est.)

### Markets

DAX index:	4,223.3 (Mar. 2009) [total return index]
% change on 31 Dec. 2008:	-12.2 (local currency); -14.5 (\$ terms)

### Trade

Trade balance:	\$250.7 billion (latest year, Jan. 2009)
Trade to GDP ratio:	83.3 (2005-2007)
Exports:	\$1.53 trillion f.o.b. (2008 est.)
Top export partners:	France (9.7%); U.S. (7.5%); UK (7.3%); Italy (6.7%); Netherlands (6.4%); Austria (5.4%); Belgium (5.3%); Spain (5.0%) (2007)
Imports:	\$1.202 trillion f.o.b. (2008 est.)
Top import partners:	Netherlands (12.0%); France (8.6%); Belgium (7.8%); China (6.2%); Italy (5.8%); UK (5.6%); U.S. (4.5%); Austria (4.4%) (2007)

## India

### Polity

Political party:	Indian National Congress
Most recent election:	2004
Government:	Lower House — Majority (coalition); Upper House — Majority
Political system:	Parliamentary
Legislature:	Bicameral, elected Assembly, indirectly elected Council of States
Capital:	Delhi
Official language:	Hindi

### Economy

Currency:	Indian rupee (Rs)
GDP (real):	\$1.237 trillion (2008 est.)
Predicted change:	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:	5.5% (Jan. 2009)
Official reserve assets:	\$248,611.00 million (Jan. 2009)
Foreign currency reserves:	\$238,894.00 million (Jan. 2009) [in convertible foreign currencies]
Securities:	\$124,315.00 million (Jan. 2009)
IMF reserve position:	\$830.00 million (Jan. 2009)
Gold:	\$8,884.00 million (Jan. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Jan. 2009)
Loans to nonbank residents:	\$0.00 (Jan. 2009)
Other reserve assets:	\$0.00 (Jan. 2009)
Commercial Bank prime lending rate:	13.02% (31 Dec. 2007)
Stock of money:	\$250.9 billion (31 Dec. 2007)
Stock of quasi money:	\$647.3 billion (31 Dec. 2007)
Stock of domestic credit:	\$769.3 billion (31 Dec. 2007)
Household income or consumption by % share:	3.6%-lowest 10%; 31.1%-highest 10% (2004)
Inflation rate (consumer prices):	7.8% (2008 est.)
Investment (gross fixed):	34.6% of GDP (2008 est.)
Current account balance:	-\$28.5 billion (latest year, Q3 2008)
Budget:	\$153.5 billion-revenues; \$205.4 billion-expenditures (2008 est.)
Budget balance:	-7.2% of GDP (2009)
Public debt:	59.0% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	50.8 (Mar. 2009); 40.2 (Mar. 2008)
Economic aid-recipient:	\$1.724 billion (2005)
Debt-external:	\$163.8 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$142.9 billion-at home; \$54.21 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$1.819 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	36.8 (2004)
Unemployment rate:	6.8% (Dec. 2008)
Labour force:	523.5 million (2008 est.)

### Markets

BSE index:	9,667.9 (Mar. 2009)
% change on 31 Dec. 2008:	+0.2 (local currency); -3.8 (\$ terms)

## Trade

Trade balance:	\$-111.2 billion (latest year, Jan. 2009)
Trade to GDP ratio:	44.7 (2005-2007)
Exports:	\$175.7 billion f.o.b. (2008 est.)
Top export partners:	U.S. (15.0%); China (8.7%); UAE (8.7%); UK (4.4%) (2007)
Imports:	\$287.5 billion f.o.b. (2008 est.)
Top import partners:	China (10.6%); U.S. (7.8%); Germany (4.4%); Singapore (4.4%) (2007)

## Indonesia

### Polity

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

### Economy

Currency:	Rupiah (Rp)
GDP (real):	\$496.8 billion (2008 est.)
Predicted change:	5.2% (Q4 2008); 1.9% (2009)
Composition by sector:	13.5%-agriculture; 45.6%-industry; 40.8%-services (2008 est.)
Central Bank interest rate:	7.75% (Mar. 2009)
Official reserve assets:	\$50,869.56 million (Jan. 2009)
Foreign currency reserves:	\$48,336.36 million (Jan. 2009) [in convertible foreign currencies]
Securities:	\$45,381.87 million (Jan. 2009)
IMF reserve position:	\$218.90 (Jan. 2009)
Special Drawing Rights:	\$32.92 million (Jan. 2009)
Gold:	\$2,094.15 million (Jan. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Jan. 2009)
Loans to nonbank residents:	\$0.00 (Jan. 2009)
Other reserve assets:	\$187.23 million (Jan. 2009)
Commercial Bank prime lending rate:	13.86% (31 Dec. 2007)
Stock of money:	\$47.78 billion (31 Dec. 2007)
Stock of quasi money:	\$127.0 billion (31 Dec. 2007)
Stock of domestic credit:	\$170.2 billion (31 Dec. 2007)
Household income or consumption by % share:	3.6%-lowest 10%; 28.5%-highest 10% (2002)
Inflation rate (consumer prices):	10.5% (2008 est.)
Investment (gross fixed):	25.2% of GDP (2008 est.)
Current account balance:	\$0.6 billion (latest year, Q4 2008)
Budget:	\$90.17 billion-revenues; \$96.87 billion-expenditures (2008 est.)
Budget balance:	-2.9% of GDP (2009)
Public debt:	30.1% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	11,530.0 (Mar. 2009); 9,180.0 (Feb. 2008)
Economic aid-recipient:	\$2.524 billion (2006 est.)
Debt-external:	\$143.5 billion (31 Dec. 2008 est.)

Stock of direct foreign investment:	\$63.46 billion-at home; \$4.277 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$211.7 billion (31 Dec. 2007)
Distribution of family income-Gini index:	39.4 (2005)
Unemployment rate:	8.5% (Feb. 2008)
Labour force:	112.0 million (2008 est.)

### Markets

JSX index:	1,420.0 (Mar. 2009)
% change on 31 Dec. 2008:	+4.8 (local currency); -1.0 (\$ terms)

### Trade

Trade balance:	\$8.0 billion (latest year, Jan. 2009)
Trade to GDP ratio:	60.4 (2005-2007)
Exports:	\$141.0 billion f.o.b. (2008 est.)
Top export partners:	Japan (20.7%); U.S. (10.2%); Singapore (9.2%); China (8.5%); South Korea (6.6%); Malaysia (4.5%) India (4.3%) (2007)
Imports:	\$114.3 billion f.o.b. (2008 est.)
Top import partners:	Singapore (13.2%); China (11.5%); Japan (8.8%); Malaysia (8.6%); U.S. (6.4%); Thailand (5.8%); Saudi Arabia (4.5%); South Korea (4.3%); Australia (4.0%) (2007)

## Italy

### Polity

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

### Economy

Currency:	Euro (€)
GDP (real):	\$2.399 trillion (2008 est.)
Predicted change:	-2.9% (Q4 2008); -2.7% (2009)
Composition by sector:	2.0%-agriculture; 26.7%-industry; 71.3%-services (2008 est.)
Central Bank interest rate:	1.5% (Mar. 2009) [European Monetary Union]
Official reserve assets:	\$108,926.95 million (Jan. 2009)
Foreign currency reserves:	\$34,717.87 million (Jan. 2009) [in convertible foreign currencies]
Securities:	\$31,650.01 million (Jan. 2009)
IMF reserve position:	\$1,448.48 million (Jan. 2009)
Special Drawing Rights:	\$277.53 million (Jan. 2009)
Gold:	\$72,483.08 million (Jan. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Jan. 2009)
Loans to nonbank residents:	\$0.00 (Jan. 2009)
Other reserve assets:	\$0.00 (Jan. 2009)
Commercial Bank prime lending rate:	10.93% (31 Dec. 2007)

Stock of money:	NA
Stock of quasi money:	NA
Stock of domestic credit:	\$3.084 trillion (31 Dec. 2007)
Household income or consumption by % share:	2.3%-lowest 10%; 26.8%-highest 10% (2000)
Inflation rate (consumer prices):	3.6% (2008 est.)
Investment (gross fixed):	20.5% of GDP (2008 est.)
Current account balance:	-\$73.1 billion (latest year, Jan. 2009)
Budget:	\$1.139 trillion-revenues; \$1.209 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):	0.74 (Mar. 2009); 0.63 (Mar. 2008)
Economic aid-donor:	\$3.641 billion (2006)
Debt-external:	\$1.06 trillion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$374.8 billion-at home; \$547.7 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$1.073 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	32.0 (2006)
Unemployment rate:	6.7% (Q3 2008)
Labour force:	25.09 million (2008 est.)

#### Markets

S&P/MIB index:	16,263.0 (Mar. 2009)
% change on 31 Dec. 2008:	-16.4 (local currency); -18.6 (\$ terms)

#### Trade

Trade balance:	-\$18.4 billion (latest year, Jan. 2009)
Trade to GDP ratio:	55.8 (2005-2007)
Exports:	\$566.1 billion f.o.b. (2008 est.)
Top export partners:	Germany (12.9%); France (11.4%); Spain (7.4%); U.S. (6.8%); UK (5.8%) (2007)
Imports:	\$566.8 billion f.o.b. (2008 est.)
Top import partners:	Germany (16.9%); France (9.0%); China (5.9%); Netherlands (5.5%); Belgium (4.3%); Spain (4.2%) (2007)

## Japan

#### Polity

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

#### Economy

Currency:	Yen (¥)
GDP (real):	\$4.844 trillion (2008 est.)
Predicted change:	-4.3% (Q4 2008); -5.3% (2009)
Composition by sector:	1.4%-agriculture; 26.4%-industry; 72.1%-services (2008 est.)

Central Bank interest rate:	0.1% (Dec. 2008)
Official reserve assets:	\$1,009,354.00 million (Feb. 2009)
Foreign currency reserves:	\$980,145.00 million (Feb. 2009) [in convertible foreign currencies]
Securities:	\$892,340.00 million (Feb. 2009)
IMF reserve position:	\$2,533.00 million (Feb. 2009)
Special Drawing Rights:	\$2,897.00 million (Feb. 2009)
Gold:	\$23,422.00 million (Feb. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Feb. 2009)
Loans to nonbank residents:	\$0.00 (Feb. 2009)
Other reserve assets:	\$357.00 million (Feb. 2009)
Commercial Bank prime lending rate:	1.68% (Nov. 2008)
Stock of money:	\$4.37 trillion (31 Dec. 2007)
Stock of quasi money:	\$4.783 trillion (31 Dec. 2007)
Stock of domestic credit:	\$9.653 trillion (31 Dec. 2007)
Household income or consumption by % share:	4.8%-lowest 10%; 21.7%-highest 10% (1993)
Inflation rate (consumer prices):	1.8% (2008 est.)
Investment (gross fixed):	22.5% of GDP (2008 est.)
Current account balance:	\$143.3 billion (latest year, Jan. 2009)
Budget:	\$1.672 trillion-revenues; \$1.823 trillion-expenditures (2008 est.)
Budget balance:	-5.6% of GDP (2008)
Public debt:	170.4% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	97.7 (Mar. 2009); 99.1 (Mar. 2008)
Economic aid-donor:	\$11.19 billion (2006) [ODA]
Debt-external:	\$1.492 trillion (30 Jun. 2007)
Stock of direct foreign investment:	\$139.7 billion-at home; \$587.0 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$4.453 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	38.1 (2002)
Unemployment rate:	3.9% (Nov. 2008)
Labour force:	66.15 million (2008 est.)

### Markets

Nikkei 225 index:	8,480.0 (Mar. 2009)
% change on 31 Dec. 2008:	-4.3 (local currency); -11.2 (\$ terms)
Topix index:	818.5 (Mar. 2009)
% change on 31 Dec. 2008:	-4.7 (local currency); -11.6 (\$ terms)

### Trade

Trade balance:	\$28.5 billion (latest year, Jan. 2009)
Trade to GDP ratio:	31.5 (2005-2007)
Exports:	\$776.8 billion f.o.b. (2008 est.)
Top export partners:	U.S. (20.4%); China (15.3%); South Korea (7.6%); Taiwan (6.3%); Hong Kong (5.4%) (2007)
Imports:	\$696.2 billion f.o.b. (2008 est.)
Top import partners:	China (20.5%); U.S. (11.6%); Saudi Arabia (5.7%); UAE (5.2%); Australia (5.0%); South Korea (4.4%); Indonesia (4.2%) (2007)

## Mexico

### Polity

Political party:	National Action Party
Most recent election:	2 Jul 2006
Government:	Lower House — Minority; Upper House — Minority
Political system:	Presidential
Legislature:	Bicameral, elected Federal Chamber of Deputies, elected Senate
Capital:	Mexico City
Official language:	Spanish

### Economy

Currency:	Mexican peso (PS)
GDP (real):	\$1.578 trillion (2008 est.)
Predicted change:	-1.6% (Q4 2008); -2.6% (2009)
Composition by sector:	3.7%-agriculture; 34.1%-industry; 62.2%-services (2008 est.)
Central Bank interest rate:	6.75% (Mar. 2009)
Official reserve assets:	NA
Foreign currency reserves:	NA
Securities:	NA
IMF reserve position:	\$433.86 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:	7.56% (31 Dec. 2007)
Stock of money:	\$103.5 billion (31 Dec. 2007)
Stock of quasi money:	\$168.4 billion (31 Dec. 2007)
Stock of domestic credit:	\$349.1 billion (31 Dec. 2007)
Household income or consumption by % share:	1.2%-lowest 10%; 37.0%-highest 10% (2006)
Inflation rate (consumer prices):	6.2% (2008 est.)
Investment (gross fixed):	22.9% of GDP (2008 est.)
Current account balance:	-\$2.4 billion (latest year, Q4 2008)
Budget:	\$256.7 billion-revenues; \$256.8 billion-expenditures (2008 est.)
Budget balance:	-3.2% of GDP (2009)
Public debt:	20.3% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	14.2 (Mar. 2009); 10.7 (Mar. 2008)
Economic aid-recipient:	\$189.4 million (2005)
Debt-external:	\$181.2 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$278.9 billion-at home; 43.01 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$397.7 billion (31 Dec. 2007)
Distribution of family income-Gini index:	47.9 (2006)
Unemployment rate:	4.5% (Nov. 2008)
Labour force:	45.5 million (2008 est.)

### Markets

IPC index:	20,278.8 (Jan. 2009)
% change on 31 Dec. 2008:	-9.4 (local currency); -11.8 (\$ terms)

## Trade

Trade balance:	\$-16.0 billion (latest year, Feb. 2009)
Trade to GDP ratio:	64.5 (2005-2007)
Exports:	\$294.0 billion f.o.b. (2008 est.)
Top export partners:	U.S. (82.2%); Canada (2.4%); Germany (1.5%) (2007)
Imports:	\$305.9 billion f.o.b. (2008 est.)
Top import partners:	U.S. (49.6%); China (10.5%); Japan (5.8%); South Korea (4.5%) (2007)

## Russia

### Polity

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

### Economy

Currency:	Rouble (Rb)
GDP (real):	\$17.75 trillion (2008 est.)
Predicted change:	1.1% (Q4 2008); -2.0% (2009)
Composition by sector:	4.1%-agriculture; 41.1%-industry; 54.8%-services (2008 est.)
Central Bank interest rate:	13.0% (Mar. 2009)
Official reserve assets:	\$386,893.54 million (Jan. 2009)
Foreign currency reserves:	\$346,586.14 million (Jan. 2009) [in convertible foreign currencies]
Securities:	\$315,994.90 million (Jan. 2009)
IMF reserve position:	\$1,018.46 million (Jan. 2009)
Special Drawing Rights:	\$0.75 million (Jan. 2009)
Gold:	\$15,465.63 million (Jan. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Jan. 2009)
Loans to nonbank residents:	\$0.00 (Jan. 2009)
Other reserve assets:	\$23,822.55 million (Jan. 2009)
Commercial Bank prime lending rate:	13.0% (31 Dec. 2008)
Stock of money:	\$166.4 billion (Oct. 2008)
Stock of quasi money:	\$343.0 billion (Oct. 2008)
Stock of domestic credit:	\$503.7 billion (1 Oct. 2008)
Household income or consumption by % share:	1.9%-lowest 10%; 30.4%-highest 10% (Sep. 2007)
Inflation rate (consumer prices):	13.9% (2008 est.)
Investment (gross fixed):	24.7% of GDP (2007 est.)
Current account balance:	\$98.9 billion (latest year, Q4 2008)
Budget:	\$383.5 billion-revenues; \$273.5 billion-expenditures (2008 est.)
Budget balance:	-6.1% of GDP (2009)
Public debt:	6.8% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	33.6 (Mar. 2009); 23.5 (Mar. 2008)
Economic aid-recipient:	\$982.7 million (FY 2006) [from U.S.]
Debt-external:	\$527.1 billion (Jun. 2008 est.)
Stock of direct foreign	

investment:	\$491.2 billion-at home; \$370.2 billion-abroad (2007)
Market value of publicly traded shares:	\$450.0 billion (15 Dec. 2008 est.)
Distribution of family income-Gini index:	41.5 (Sep. 2008)
Unemployment rate:	6.6% (Nov. 2008)
Labour force:	75.7 million (2008 est.)

### Markets

RTS index (\$ terms):	740.9 (Mar. 2009)
% change on 31 Dec. 2008:	+29.2 (local currency); +17.3 (\$ terms)

### Trade

Trade balance:	\$170.6 billion (latest year, Jan. 2009)
Trade to GDP ratio:	54.2 (2005-2007)
Exports:	\$476.0 billion (2008 est.)
Top export partners:	Netherlands (12.2%); Italy (7.8%); Germany (7.5%); Turkey (5.2%); Belarus (5.0%); Ukraine (4.7%); China (4.5%) (2007)
Imports:	\$302.0 billion f.o.b. (2008 est.)
Top import partners:	Germany (13.3%); China (12.2%); Ukraine (6.7%); Japan (6.4%); U.S. (4.8%); Belarus (4.4%); South Korea (4.4%) Italy (4.3%) (2007)

## Saudi Arabia

### Polity

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

### Economy

Currency:	Riyal (SR)
GDP (real):	\$528.3 billion (2008 est.)
Predicted change:	3.5% (2007); 0.4% (2009)
Composition by sector:	3.1%-agriculture; 61.6%-industry; 35.4%-services (2008 est.)
Central Bank interest rate:	2.0% (Jan. 2009)
Official reserve assets:	NA
Foreign currency reserves:	NA
Securities:	NA
IMF reserve position:	\$972.72 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:	\$102.4 billion (31 Dec. 2007)
Stock of quasi money:	\$109.5 billion (31 Dec. 2007)
Stock of domestic credit:	\$66.94 billion (31 Dec. 2007)

Household income or consumption by % share:	NA
Inflation rate (consumer prices):	10.3% (2008 est.)
Investment (gross fixed):	19.5% of GDP (2008 est.)
Current account balance:	\$95.0 billion (latest year, 2007)
Budget:	\$205.0 billion-revenues; \$146.0 billion-expenditures (2008 est.)
Budget balance:	-8.0% of GDP (2009)
Public debt:	17.7% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	3.75 (Mar. 2009); 3.75 (Mar. 2008)
Economic aid-recipient:	\$26.29 million (2005)
Debt-external:	\$71.56 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	NA
Market value of publicly traded shares:	\$515.1 billion (31 Dec. 2007)
Distribution of family income-Gini index:	NA
Unemployment rate:	NA
Labour force:	6.74 million (2008 est.) [about 1/3 of the population aged 15-64 is non-national]

#### **Markets**

Tadawul index:	4,584.2 (Mar. 2009)
% change on 31 Dec. 2008:	-4.6 (local currency); -4.5 (\$ terms)

#### **Trade**

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

## **South Africa**

#### **Polity**

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

#### **Economy**

Currency:	Rand (R)
GDP (real):	\$300.4 billion (2008 est.)
Predicted change:	1.0% (2008); -0.8% (2009)
Composition by sector:	3.4%-agriculture; 31.3%-industry; 65.3%-services (2008 est.)
Central Bank interest rate:	9.5% (Mar. 2009)
Official reserve assets:	\$33,735.00 million (Jan. 2009)

Foreign currency reserves:	\$29,703.00 million (Jan. 2009) [in convertible foreign currencies]
Securities:	\$1,486.00 million (Jan. 2009)
IMF reserve position:	\$0.00 (Jan. 2009)
Special Drawing Rights:	\$336.00 million (Jan. 2009)
Gold:	\$3,696.00 million (Jan. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Jan. 2009)
Loans to nonbank residents:	\$0.00 (Jan. 2009)
Other reserve assets:	\$0.00 (Jan. 2009)
Commercial Bank prime lending rate:	13.17% (31 Dec. 2007)
Stock of money:	\$58.49 billion (31 Dec. 2007)
Stock of quasi money:	\$141.9 billion (31 Dec. 2007)
Stock of domestic credit:	\$254.9 billion (31 Dec. 2007)
Household income or consumption by % share:	1.4%-lowest 10%; 44.7%-highest 10% (2000)
Inflation rate (consumer prices):	11.3% (2008 est.)
Investment (gross fixed):	20.1% of GDP (2008 est.)
Current account balance:	-\$21.0 billion (latest year, Q4 2008)
Budget:	\$83.85 billion-revenues; \$83.3 billion-expenditures (2008 est.)
Budget balance:	-3.3% of GDP (2009)
Public debt:	29.9% of GDP (Jun. 2008) [cumulative debt of all government borrowing]
Exchange rates (per USD):	9.44 (Mar. 2009); 8.04 (Mar. 2008)
Economic aid-recipient:	\$700.0 million (2005)
Debt-external:	\$39.69 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$99.61 billion-at home; \$57.08 billion-abroad (2008 est.)
Market value of publicly traded shares:	\$842.0 billion (Jan. 2008)
Distribution of family income-Gini index:	65.0 (2005)
Unemployment rate:	23.2% (Sep. 2008)
Labour force:	18.22 million (2008 est.) [economically active]

### Markets

JSE AS index:	21,272.8 (Mar. 2009)
% change on 31 Dec. 2008:	-1.2 (local currency); -3.2 (\$ terms)

### Trade

Trade balance:	-\$8.7 billion (latest year, Jan. 2009)
Trade to GDP ratio:	62.1 (2005-2007)
Exports:	\$81.47 billion f.o.b. (2008 est.)
Top export partners:	U.S. (11.9%); Japan (11.1%); Germany (8.0%); UK (7.7%); China (6.6%); Netherlands (4.5%) (2007)
Imports:	\$87.3 billion f.o.b. (2008 est.)
Top import partners:	Germany (10.9%); China (10.0%); Spain (8.2%); U.S. (7.2%); Japan (6.1%); UK (4.5%); Saudi Arabia (4.2%) (2007)

## South Korea

### Polity

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

### **Economy**

Currency: Won (W)  
 GDP (real): \$953.5 billion (2008 est.)  
 Predicted change: -3.4% (Q4 2008); -5.9% (2009)  
 Composition by sector: 2.9%-agriculture; 39.4%-industry; 57.7%-services (2008 est.)  
 Central Bank interest rate: 3.0% (Dec. 2008)  
 Official reserve assets: \$201,536.00 million (Feb. 2009)  
 Foreign currency reserves: \$201,772.00 million (Feb. 2009) [in convertible foreign currencies]  
 Securities: \$176,915.00 million (Feb. 2009)  
 IMF reserve position: \$550.00 million (Feb. 2009)  
 Special Drawing Rights: \$83.00 million (Feb. 2009)  
 Gold: \$76.00 million (Feb. 2009) [including gold deposits and, if appropriate, gold swapped]  
 Financial derivatives: \$0.00 (Feb. 2009)  
 Loans to nonbank residents: \$0.00 (Feb. 2008)  
 Other reserve assets: \$-945.00 million (Feb. 2009)  
 Commercial Bank prime lending rate: 6.55% (31 Dec. 2007)  
 Stock of money: \$92.59 billion (31 Dec. 2007)  
 Stock of quasi money: \$541.7 billion (31 Dec. 2007)  
 Stock of domestic credit: \$1.061 trillion (31 Dec. 2007)  
 Household income or consumption by % share: 2.7%-lowest 10%; 23.7%-highest 10% (2006 est.)  
 Inflation rate (consumer prices): 5.0% (2008 est.)  
 Investment (gross fixed): 27.7% of GDP (2008 est.)  
 Current account balance: \$-5.0 billion (latest year, Jan. 2009)  
 Budget: \$230.6 billion-revenues; \$221.8 billion-expenditures (2008 est.)  
 Budget balance: -3.5% of GDP (2009)  
 Public debt: 27.2% of GDP (2008 est.) [cumulative debt of all government borrowing]  
 Exchange rates (per USD): 1,362.0 (Mar. 2009); 987.0 (Mar. 2008)  
 Economic aid-donor: \$455.3 million (2006) [ODA]  
 Debt-external: \$250.4 billion (31 Dec. 2008 est.)  
 Stock of direct foreign investment: \$120.8 billion-at home (2008 est.); \$82.1 billion-abroad (2006)  
 Market value of publicly traded shares: \$1.124 trillion (31 Dec. 2007)  
 Distribution of family income-Gini index: 35.1 (2006)  
 Unemployment rate: 3.3% (Dec. 2008)  
 Labour force: 24.34 million (2008 est.)

### **Markets**

KOSPI index: 1,229.0 (Mar. 2009)  
 % change on 31 Dec. 2008: +9.3 (local currency); +1.1 (\$ terms)

### **Trade**

Trade balance: \$-8.5 billion (latest year, Feb. 2009)

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

## Turkey

### Polity

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

### Economy

Currency:	Turkish lira (YTL)
GDP (real):	\$798.9 billion (2008 est.)
Predicted change:	0.5% (Q3 2008); -2.0% (2009)
Composition by sector:	8.5%-agriculture; 28.6%-industry; 62.9%-services (2008 est.)
Central Bank interest rate:	10.5% (Mar. 2009)
Official reserve assets:	\$71,400.07 million (Jan. 2009)
Foreign currency reserves:	\$67,726.11 million (Jan. 2009) [in convertible foreign currencies]
Securities:	\$64,199.21 million (Jan. 2009)
IMF reserve position:	\$169.00 million (Jan. 2009)
Special Drawing Rights:	\$75.00 million (Jan. 2009)
Gold:	\$3,430.46 million (Jan. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Jan. 2009)
Loans to nonbank residents:	\$0.00 (Jan. 2009)
Other reserve assets:	\$0.00 (Jan. 2009)
Commercial Bank prime lending rate:	NA
Stock of money:	\$64.43 billion (31 Dec. 2007)
Stock of quasi money:	\$254.3 billion (31 Dec. 2007)
Stock of domestic credit:	\$358.1 billion (31 Dec. 2007)
Household income or consumption by % share:	2.0%-lowest 10%; 34.1%-highest 10% (2003)
Inflation rate (consumer prices):	10.2% (2008 est.)
Investment (gross fixed):	21.0% of GDP (2008 est.)
Current account balance:	-\$37.2 billion (latest year, Jan. 2009)
Budget:	\$164.6 billion-revenues; \$176.3 billion-expenditures (2008 est.)
Budget balance:	-4.2% of GDP (2009)
Public debt:	37.1% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	1.66 (Mar. 2009); 1.27 (Mar. 2008)
Economic aid-recipient:	\$464.0 million (2005)
Debt-external:	\$294.3 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	\$124.8 billion-at home; \$13.97 billion-abroad (2008 est.)
Market value of publicly	

traded shares: \$286.6 billion (31 Dec. 2007)  
 Distribution of family income-Gini index: 43.6 (2003)  
 Unemployment rate: 10.3% (Q3 2008)  
 Labour force: 23.21 million (2008 est.) [about 1.2 million Turks work abroad]

### Markets

ISE index: 25,536.4 (Mar. 2009)  
 % change on 31 Dec. 2008: -4.9 (local currency); -11.4 (\$ terms)

### Trade

Trade balance: \$-65.7 billion (latest year, Jan. 2009)  
 Trade to GDP ratio: 48.4 (2005-2007)  
 Exports: \$141.8 billion f.o.b. (2008 est.)  
 Top export partners: Germany (11.2%); UK (8.1%); Italy (7.0%); France (5.6%); Russia (4.4%); Spain (4.3%) (2007)  
 Imports: \$204.8 billion f.o.b. (2008 est.)  
 Top import partners: Russia (13.8%); Germany (10.3%); China (7.8%); Italy (5.9%); U.S. (4.8%); France (4.6%) (2007)

## United Kingdom

### Polity

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

### Economy

Currency: British pound (£)  
 GDP (real): \$2.787 trillion (2008 est.)  
 Predicted change: -1.9% (Q4 2008); -3.1% (2009)  
 Composition by sector: 0.9%-agriculture; 22.8%-industry; 76.2%-services (2008 est.)  
 Central Bank interest rate: 0.5% (Mar. 2009)  
 Official reserve assets: \$44,738.78 million (Feb. 2009)  
 Foreign currency reserves: \$35,966.39 million (Feb. 2009) [in convertible foreign currencies]  
 Securities: \$35,347.48 million (Feb. 2009)  
 IMF reserve position: \$2,152.18  
 Special Drawing Rights: \$423.33 million (Feb. 2009)  
 Gold: \$9,496.31 million (Feb. 2009) [including gold deposits and, if appropriate, gold swapped]  
 Financial derivatives: \$-3,299.41 million (Feb. 2009)  
 Loans to nonbank residents: \$0.00 (Feb. 2009)  
 Other reserve assets: \$514.26 million (Feb. 2009)  
 Commercial Bank prime lending rate: 5.52% (31 Dec. 2007)  
 Stock of money: NA  
 Stock of quasi money: NA  
 Stock of domestic credit: \$5.278 trillion (31 Dec. 2007)  
 Household income or

consumption by % share:	2.1%-lowest 10%; 28.5%-highest 10% (1999)
Inflation rate (consumer prices):	3.8% (2008 est.)
Investment (gross fixed):	16.7% of GDP (2008 est.)
Current account balance:	\$-45.6 billion (latest year, Q3 2008)
Budget:	\$1.107 trillion-revenues; \$1.242 trillion-expenditures (2008 est.)
Budget balance:	-11.3% of GDP (2009)
Public debt:	47.2% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.69 (Mar. 2009); 0.50 (Mar. 2008)
Economic aid-donor:	\$12.46 billion (2006) [ODA]
Debt-external:	\$10.45 trillion (30 Jun. 2007.)
Stock of direct foreign investment:	\$1.409 trillion-at home; \$1.841 trillion-abroad (2008 est.)
Market value of publicly traded shares:	\$3.859 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	34.0 (2005)
Unemployment rate:	6.0% (Oct. 2008)
Labour force:	31.2 million (2008 est.)

### Markets

FTSE 100 index:	3,900.3 (Mar. 2009)
% change on 31 Dec. 2008:	-12.0 (local currency); -10.8 (\$ terms)

### Trade

Trade balance:	\$-167.7 billion (latest year, Jan. 2009)
Trade to GDP ratio:	57.6 (2005-2007)
Exports:	\$468.7 billion f.o.b. (2008 est.)
Top export partners:	U.S. (14.2%); Germany (11.1%); France (8.1%); Ireland (8.0%); Netherlands (6.8%); Belgium (5.3%); Spain (4.5%); Italy (4.1%) (2007)
Imports:	\$645.7 billion f.o.b. (2008 est.)
Top import partners:	Germany (14.2%); U.S. (8.6%); China (7.3%); Netherlands (7.3%); France (6.9%); Belgium (4.7%); Norway (4.7%); Italy (4.2%) (2007)

## United States

### Polity

Political party:	Democratic Party
Most recent election:	4 Nov 2008
Government:	Lower House — Minority; Upper House — Minority
Political system:	Presidential
Legislature:	Bicameral, elected House of Representatives, elected Senate
Capital:	Washington DC
Official language:	English

### Economy

Currency:	Dollar (\$)
GDP (real):	\$14.33 trillion (2008 est.)
Predicted change:	-0.8% (Q4 2008); -2.2% (2009)
Composition by sector:	1.2%-agriculture; 19.6%-industry; 79.2%-services (2008 est.)
Central Bank interest rate:	0.25% (Dec. 2008)
Official reserve assets:	\$74,132.00 million (Mar. 2009)
Foreign currency reserves:	\$38,912.00 million (Mar. 2009) [in convertible foreign currencies]
Securities:	\$22,173.00 million (Mar. 2009)

IMF reserve position:	\$7,652.00 million (Mar. 2009)
Special Drawing Rights:	\$8,995.00 million (Mar. 2009)
Gold:	\$11,041.00 million (Mar. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	\$0.00 (Mar. 2009)
Loans to nonbank residents:	\$0.00 (Mar. 2009)
Other reserve assets:	\$7,572.00 million (Mar. 2009)
Commercial Bank prime lending rate:	8.05% (31 Dec. 2007)
Stock of money:	\$1.374 trillion (31 Dec. 2007)
Stock of quasi money:	\$10.1 trillion (31 Dec. 2007)
Stock of domestic credit:	\$14.15 trillion (31 Dec. 2007)
Household income or consumption by % share:	2.0%-lowest 10%; 30.0%-highest 10% (2007 est.)
Inflation rate (consumer prices):	4.2% (2008 est.)
Investment (gross fixed):	14.6% of GDP (2008 est.)
Current account balance:	-\$673.3 billion (latest year, Q4 2008)
Budget:	\$2.524 trillion-revenues; \$2.979 trillion-expenditures (2008 est.)
Budget balance:	-13.7% of GDP (2009)
Public debt:	60.8% of GDP (2007 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	NA
Economic aid-donor:	\$23.56 billion (2006 [ODA])
Debt-external:	\$12.25 trillion (30 Jun. 2007)
Stock of direct foreign investment:	\$2.22 trillion-at home; \$2.751 trillion-abroad (2008 est.)
Market value of publicly traded shares:	\$19.95 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	45.0 (2007)
Unemployment rate:	7.2% (Dec. 2008)
Labour force:	155.2 million (2008 est.) [includes unemployed]

### Markets

DJIA index:	7,749.8 (Mar. 2009)
% change on 31 Dec. 2008:	-11.7 (local currency); -11.7 (\$ terms)
S&P 500 index:	813.9 (Mar. 2009)
% change on 31 Dec. 2008:	-9.9 (local currency); -9.9 (\$ terms)
NAScomp index:	1,529.0 (Mar. 2009)
% change on 31 Dec. 2008:	-3.0 (local currency); -3.0 (\$ terms)

### Trade

Trade balance:	-\$797.1 billion (latest year, Jan. 2009)
Trade to GDP ratio:	27.2 (2005-2007)
Exports:	\$1.377 trillion f.o.b. (2008 est.)
Top export partners:	Canada (21.4%); Mexico (11.7%); China (5.6%); Japan (5.4%); UK (4.3%); Germany (4.3%) (2007)
Imports:	\$2.19 trillion f.o.b. (2008 est.)
Top import partners:	China (16.9%); Canada (15.7%); Mexico (10.6%); Japan (7.4%); Germany (4.8%) (2007)

## European Union

### Polity

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

### Economy

Currency:	Euro (€)
GDP (real):	\$18.93 trillion (2008 est.)
Predicted change:	-1.3% (Q4 2008); -2.4% (2009) [Euro Area]
Composition by sector:	2.0%-agriculture; 26.8%-industry; 71.1%-services (2008 est.)
Central Bank interest rate:	1.5% (Mar. 2009) [European Monetary Union]
Official reserve assets:	\$62,858.64 million (Jan. 2009) [European Central Bank]; \$525,286.83 million (Jan. 2009) [Eurosysteem]
Foreign currency reserves:	\$50,533.49 million (Jan. 2009) [in convertible foreign currencies, European Central Bank], \$191,373.64 million (Jan. 2009) [in convertible foreign currencies, Eurosysteem]
Securities:	\$48,420.13 million (Jan. 2009) [European Central Bank], \$175,611.24 million (Jan. 2009) [Eurosysteem]
IMF reserve position:	\$0.00 (Jan. 2009) [European Central Bank], \$9,864.48 [Eurosysteem]
Special Drawing Rights:	\$457.53 million (Jan. 2009) [European Central Bank], \$6,388.78 million (Jan. 2009) [Eurosysteem]
Gold:	\$15,873.90 million (Jan. 2009) [including gold deposits and, if appropriate, gold swapped, European Central Bank], \$321,969.96 million (Jan. 2009) [including gold deposits and, if appropriate, gold swapped, Eurosysteem]
Financial derivatives:	-\$4,006.28 million (Jan. 2009) [European Central Bank], -\$4,420.24 million (Jan. 2009) [Eurosysteem]
Loans to nonbank residents:	\$0.00 (Jan. 2009) [European Central Bank], \$108.94 million (Jan. 2009) [Eurosysteem]
Other reserve assets:	\$0.00 (Jan. 2009) [European Central Bank], \$1.28 million (Jan. 2009) [Eurosysteem]
Commercial Bank prime lending rate:	8.03% (31 Dec. 2007)
Stock of money:	\$5.742 trillion (31 Dec. 2007) [Euro Area]
Stock of quasi money:	\$10.93 trillion (31 Dec. 2007) [Euro Area]
Stock of domestic credit:	\$20.94 trillion (31 Dec. 2007) [Euro Area]
Household income or consumption by % share:	2.8%-lowest 10%; 25.2%-highest 10% (2001 est.)
Inflation rate (consumer prices):	3.7% (2008 est.)
Investment (gross fixed):	21.1% of GDP (2008 est.)
Current account balance:	-\$90.2 billion (latest year, Jan. 2009) [Euro Area]
Budget:	NA
Budget balance:	-4.6% of GDP (2009) [Euro Area]
Public debt:	NA
Exchange rates (per USD):	0.74 (Mar. 2009); 0.63 (Mar. 2008)
Economic aid-donor:	NA
Debt-external:	NA
Stock of direct foreign	

investment:	NA
Market value of publicly traded shares:	NA
Distribution of family income-Gini index:	30.3 (2003 est.)
Unemployment rate:	7.8% (Nov. 2008) [Euro Area]
Labour force:	224.6 million (2008 est.)

### Markets

FTSE Euro 100 index:	658.7 (Mar. 2009)
% change on 31 Dec. 2008:	-11.7 (local currency); -14.0 (\$ terms)
DJ STOXX 50 index:	2,149.2 (Mar. 2009)
% change on 31 Dec. 2008:	-12.2 (local currency); -14.5 (\$ terms)

### Trade

Trade balance:	\$-53.8 billion (latest year, Jan. 2009) [Euro Area]
Trade to GDP ratio:	26.4 (2004-2006)
Exports:	\$1.33 trillion f.o.b. (2005) [external exports, excluding intra-EU trade]
Top export partners:	NA
Imports:	\$1.466 trillion f.o.b. (2005) [external imports, excluding intra-EU trade]
Top import partners:	NA

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