

PRESS RELEASE

FINANCE MINISTER SINHA TAKES OVER G-20 CHAIR

The Finance Ministers and Central bank Governors of the countries belonging to Group of 20 (G-20) have today chosen India's Finance Minister Mr. Yashwant Sinha as the Group's Chair for 2002. The announcement was made at Ottawa by the outgoing Chairman of G-20, Mr. Paul Martin, the Finance Minister of Canada.

2. Announcing the decision in Ottawa today, Mr. Paul Martin said "Minister Sinha brings a wealth of international experience and energy to the G-20 Chairmanship. I look forward to continuing to work with him and my colleagues towards our goal of improving the lives of people throughout the world."

3. It may be recalled that Finance Minister Sinha held the Chairmanship of the Development Committee of the World Bank for two successive years until he handed it over to the Finance Minister of South Africa in November 2001. The unanimous choice of Finance Minister Sinha to now Chair the G-20 signifies the recognition of vigour, deep understanding and commitments to the cause of poverty alleviation and inducing growth and development displayed by Mr. Sinha in various international fora. Mr. Sinha has accepted the responsibility of guiding the deliberations of G-20 and acknowledged with thanks the confidence reposed in him by the fellow Finance Ministers and Central Bank Governors. With Minister Sinha's assuming the Chair, it would be for the first time that the chairmanship of a prestigious international forum comprising both the developed and developing countries would be held by a developing country.

4. Group-20, formed in 1999, is a forum of Finance Ministers and Central Bank Governors representing 19 countries, the European Union and the Bretton Wood Institutions (the IMF and World Bank). The Group comprises the G-7 countries (United States, UK, Canada, France, Italy, Germany and Japan), Russia and Saudi Arabia,

Turkey, Australia, Indonesia, China, South Africa, India, Mexico, Argentina, Brazil and Republic of Korea. Its creation represents the next stage in the evolution of a forum of dialogue among countries representing both developed and emerging economies from every region of the globe. It addresses issues related to development and international economy and the financial systems and its affairs. It brings together important economic policy makers from systemically significant countries representing over 85 per cent of the world GDP and over 60 per cent of the world's population, as well as the heads of the Bretton Woods Institutions and their policy committees.

5. The meeting of Finance Ministers and Central Bank Governors of G-20 is held every year. Since its inception the meetings have been held at Berlin (December 1999), Montreal (October 2000) and Ottawa (November 2001). The Ministers' and Governors' deputies meet from time to time to interact with each other as also to prepare for the Ministerial meetings.

6. The last G-20 Ministerial meeting held in Ottawa sought to evolve a satisfactory package of measures to combat financing of terrorist activity. It also reiterated the "Montreal Consensus" arrived at in October 2000 for encouraging increased investments in critical social policy areas such as Health and Education as a means of reducing poverty in developing countries.

7. The next Ministerial meeting of G-20 will be held in New Delhi some time later in the year under the chairmanship of Finance Minister Mr. Sinha. The Secretariat of G-20 will also immediately shift from Ottawa to New Delhi.